

PROGRESS TO CHANGE

England & Wales · Charity number 1065423

Details

Other names	RIPON AND LEEDS DIOCESAN COUNCIL FOR SOCIAL CONCERN, RIPON DIOCESAN CHURCH OF ENGLAND COUNCIL FOR SOCIAL CONCERN, R&LDCSC;, RIPON & LEEDS SOCIAL CONCERN
Status	Registered
Legal form	Charitable company
Company number	03286672
Registered	1997-11-03
Register	View on the Charity Commission register

Contact

Address	63 Clarendon Road Leeds LS2 9NZ
Phone	07843179334
Email	admin@progresstochange.co.uk
Website	www.progresstochange.co.uk

Activities

Objects: 3.1 to maintain the premises know as Ripon House and Cardigan House as Approved Premises within the meaning of the Offender Management Act 2007.3.2 To support and further all or any charitable activities carried out in connection with the Church of England in the Diocese of Leeds (also known as the Diocese of West Yorkshire and the Dales) and in particular those relating to:3.2.1 The rehabilitation of offenders and particularly those addicted to drugs or alcohol or otherwise in need of help.3.2.2 The relief of distress or suffering arising from offending behaviour.

Activities: The charity owns and runs two Approved Premises (hostels) for the reception of offenders who have been placed there on Post Custody Licence or on probation by the courts, working in partnership with the Ministry of Justice and the Probation Service.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Other Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Leeds City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,537,670	£2,281,354	£5,537,977	38
2024-03-31	£2,484,550	£2,288,156	£4,613,904	86
2023-03-31	£2,216,025	£2,131,652	£4,985,782	86
2022-03-31	£2,082,153	£1,870,988	£3,974,812	72
2021-03-31	£2,087,271	£1,746,437	£2,823,809	89

Trustees

Name	Role	Appointed
Prof Alastair Watt Macintyre Hay	Chair	2017-09-19
Carol Cochrane		2017-11-21
Christine Wright		2026-01-20
Diana Favre		2015-05-19
JILL DILKS		2016-03-15
Jessica Harris		2026-02-17
Karen Pearse		2026-01-20
Matt Thornfield		2025-09-09
Professor Olga Matthias		2020-09-15
Roy Brook		2020-04-01
Sara Mondon		2019-11-28

Accounts

COMPANY REGISTRATION NUMBER: 3286672
CHARITY REGISTRATION NUMBER: 1065423

Progress to Change
Company Limited by Guarantee
Financial Statements
For the year ended
31 March 2025

Progress to Change

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2025

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Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2025

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2025.

Reference and administrative details

Registered charity name	Progress to Change
Charity registration number	1065423
Company registration number	3286672
Principal office and registered office	63 Clarendon Road Leeds LS2 9NZ
The trustees	Mrs D Favre Mrs J Dilks Prof O Matthias Mrs C Cochrane Prof A W M Hay Mrs S Mondon Mr R Brook
Key management personnel	Chief Executive - Mrs C Maguire Finance Manager – Mrs R Kyle Ripon House Hostel Manager – Miss Liz Sunley Cardigan House Hostel Manager - Mr B Spink Training and Project Manager - Mrs E Falk (resigned 18 March 2025)
Company secretary	Mrs T Gradys
Auditor	Gibson Booth Chartered Accountants & Statutory Auditors New Court Abbey Road North Shepley Huddersfield HD8 8BJ
Bankers	National Westminster Bank plc Leeds City Office Branch 8 Park Row Leeds LS1 5HD
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG
Investment managers	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2025

Structure, governance and management

Chairman's report

This has been a year of consolidation for Progress to Change with news of the award of a new contract for 5 years from April 2026 and the opportunity for the charity's management team to 'bed' in.

When I reported last year our new CEO, Clare McGuire, had only been in post for a few months and the (then) new manager of Ripon House Elizabeth Sunley had only recently been appointed. Barely into her role, Clare was faced with the enormous task of preparing the charity's bid to the Ministry of Justice (MoJ) for a contract to keep both Ripon and Cardigan functioning as Independent Approved Premises (IAPs) for 5 years. In June of this year, we learned that the bid had been successful, and with it secure funding for the period the bid covered. The charity owes a debt of gratitude to Clare for the work she put into the bid, which has helped secure the employment of nearly 40 people until the early 2030's.

Others also contributed to the bid and amongst these we must acknowledge our finance manager Rachel Kyle for all the costings which enabled our bid to be well below the MoJ's threshold of £ 70K per bed (a figure which some other IAPs struggled to meet) but which will allow PtC to develop and provide the experience for residents that we want to offer. Our two managers, Elizabeth Sunley and Ben Spink, provided much detail about Ripon and Cardigan houses to allow Clare to complete contract requirements about the actual premises. To these three stalwarts, and the trustees who helped with editorial requests on the contract text, I wish to say, 'Thank you!' on behalf of all the trustees.

The one significant departure in the last year was Emma Falk who acted as an events manager having previously managed Ripon House. Emma was a loss to the charity as she knew it so well, was respected, and liked for how she approached her role, part of which was enabling both our premises to achieve the 'Enabling Environment (EE) awards from the Royal College of Psychiatrists. The EE status is now something the MoJ look for when considering contracts and Emma left us well placed for our contract bid. We wish Emma well in her new job.

I have had the privilege of chairing the trustees for almost 3 years, having been a trustee for eight, and the longer I am associated with PtC the more proud I am of the work it does to instil, and reinforce, the charity's ethos which is about housing residents on release from prison, ensuring their accommodation is welcoming and supportive, that significant effort is made to help with their rehabilitation, and that premises also function to ensure protection of both residents and wider public. This is no small task, and all our staff manage this work with rigour, and a great deal of compassion, and trustees are grateful for all their work.

The charity's work provides a vital public function in helping ex-offenders prepare for living in the wider community again. The many letters of thanks we receive from previous residents attests to how well they feel they were treated and the preparation they received for moving on. However, given the history of some residents it is not at all easy to broadcast what we do but over the last year we have been able to 'showcase' our activities in very successful ways. Last year we were the first AP to be inspected, on a trial basis, by the team preparing the criteria to be used for formal MoJ inspection of approved premises, a system which is now operational across the country. We scored very highly in that trial inspection, just two points off an 'Excellent' grade. Given that the inspection team had never previously even given a 'Good' grade for prisons and other establishments inspected, we were pleased with the outcome, but some of our staff felt the inspectors were a trifle miserly in their grading.

This year we also hosted a visit to Ripon House by the Lord Mayor of Leeds Abigail Marshall Katung, and a previous city Lord Mayor Jane Dowson, both of whom were extremely complimentary about our work and have offered to help in whatever way they can. In September we will welcome the current Lord Mayor as well as the Lord Lieutenant of West Yorkshire. We also held a very successful Open Day attended by some 60 visitors and plans are in place for another in September.

The year has witnessed some difficulties for staff not least the untimely death of one of our case managers Angela Marker. Angela's death prompted the charity to look at some of our support systems and we have now implemented a 'Death in Service' insurance scheme for all staff, a welcome outcome, and an indirect tribute to Angela and her memory.

I want to conclude this report with the wonderful news that our former chair of trustees, current chair of the National Approved Premises Association as well as a current trustee, Jill Dilks, was awarded the Order of the British Empire (OBE) for services to approved premises, in the recent King's Birthday Honours. This is a richly deserved accolade for Jill, and for her work over so many years, and all trustees wish to congratulate her on this recognition.

Prof A W M Hay
Chairman

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

Governing Document

Progress to Change (formerly known as the Ripon and Leeds Diocesan Council for Social Concern) is a Company Limited by Guarantee and incorporates the work of the two Approved Premises - Ripon House and Cardigan House - and their related assets and liabilities. Our registered charity number is 1065423. The charity has its office at 63 Clarendon Road, Leeds, LS2 9NZ.

Social Concern was incorporated on 3 December 1996. Following a special resolution, the company was incorporated under the revised name of Ripon & Leeds Diocesan Council for Social Concern with effect from 27 December 2000.

As a result of the creation of the Diocese of Leeds in 2014, and following a special resolution, the company was incorporated under the revised name of Progress to Change with effect from 15 August 2015.

During 2015, the Trustees further reviewed and updated the Articles of Association of the Company. These were amended by a special resolution dated 22 September 2015.

Recruitment and appointment of Trustees

The Trustees of Progress to Change and the Board members are the same people. Under the requirements of the Articles of Association Trustees are appointed for a period of four years, after which they can be re-appointed for one further term of four years. Five are appointed by the Bishop of Leeds and four are appointed by the Board of Trustees.

Members have a wide range of backgrounds and skills, bringing expertise in business, finance, education, the legal system, social work and the Church.

To ensure a broad skills mix, Trustees are asked to provide a CV and list of skills on their application form. A skills inventory is maintained and, in the event of particular skills being lost due to retirement, efforts are made to recruit individuals with a similar skills base. Progress to Change this year has created an application pack for interested parties.

Organisational structure

The Board of Trustees, of up to nine members, has overall responsibility for the management, strategic direction, and policy of the Charity and meet nine times a year. Most meetings of the Board, including some sub-group meetings, are held via the Zoom platform to accommodate the needs of trustees. However, two meeting per year are held on a face-to-face basis at Ripon House. APs inspection visits are undertaken in person by a Trustee.

Day-to-day management of the two Approved Premises (AP's) is delegated to the Chief Executive Officer and Operational Managers. The Managers have responsibility for operational management of the AP's, individual supervision of staff and ensuring that the staff teams continue to develop skills and working practices in line with best practice.

Trustee induction and training

New Board members are provided with a newly produced induction pack. Additionally, gaps in knowledge are identified by individual members and visits and training are organized to enable members to have sufficient information about the work of the charity to contribute effectively.

Remuneration Policy

Introduction: Progress to Change is committed to paying its employees fairly so that the best people for the job are attracted and retained.

Employee Salaries: The pay and benefits of all employees are reviewed on a regular basis and, where appropriate, are benchmarked against the salary scales used within the Probation Service for equivalent roles.

Payments to Trustees: All trustees give their time freely and do not receive any pay or recompense other than for reasonable out of pocket expenses.

Finance Committee: The Finance Committee reviews the remuneration of all employees and makes recommendations to the Board of Trustees for implementation.

The Finance Committee comprises of three Trustees, one of whom acts as Chair.

The Finance Committee makes salary recommendations to the Board for all employees taking into consideration:

Affordability

Any proposals (supported by relevant information) for changes in remuneration for specific posts put forward by the Chief Executive.

Recommendations of the Remuneration Committee must be ratified by the Board of Trustees.

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Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

Grant making policy

In the recent past the charity has made the occasional small grant to local organisations in furtherance of the charity's objectives.

Progress to Change is now encouraging any individual, or small community-based group, to apply for a small grant in supporting a planned activity, in accordance with our charitable aims, which will enhance the quality of life of those taking part. Applications from individuals can be submitted for grants of up to £1,000, and community groups or organisations up to £2,000.

Individuals and groups applying must be able to show that the activity will improve the life opportunities for those who have been affected by crime.

Organisations may only apply for a grant once in any financial year.

Risk management

The Trustees maintain a Risk Register of the potential risks which the Charity is exposed to and has put in place steps to mitigate these risks. The risks are grouped under three main headings - a) Governance Risks, b) Financial Risks, c) Operational Risks. For each risk existing control procedures have been identified along with proposed improvements in controls. On an ongoing basis as new risks are identified or the nature or significance of perceived risks change the Risk Register has been updated. The last update was in May 2024. This involved the identification of any changes to the potential risks and progress on the implementation of identified actions to mitigate risks. A further review will be undertaken in 2025.

As explained under 'Objectives and activities', the principal activity of the two Approved Premises is to provide enhanced supervision in a residential setting, including rehabilitation, risk management, and monitoring. The majority of offenders are on license following release from custodial sentences. There are particular risks associated with this work. The Charity has a team of appropriately qualified key management personnel who undertake regular training as well as working closely with the Ministry of Justice and the Probation Service.

Robust Risk Management procedures are in place in all aspects of the Charity's day-to-day activities in this regard. Policies and procedures are in place to ensure compliance with health and safety regulations, food hygiene regulations and fire regulations.

The risk management systems and procedures are continually reviewed by the key management team. All the identified risks are managed by regular training and awareness for staff working on day-to-day operations and by ensuring accreditation is up to date and having robust policies and procedures in place.

Related parties

In so far as it is complementary to the Charity's objects, the Charity is guided by local and national policies. The AP's work in association with the regional Probation Service, Community Rehabilitation Companies, local GP practices, local housing organisations, alcohol and drugs services, and other third sector organisations.

Nationally, the AP's work collaboratively with their funders, the Ministry of Justice, and Her Majesty's Prison & Probation Service. We are also a member of the National Approved Premises Association (NAPA), ensuring that national standards are constantly attained.

The Trustees thank all of our partner agencies for their commitment to and assistance with our work.

Objectives and activities

The charity's purposes, as set out in the objects contained in the company's Articles of Association, are:

- to maintain the premises known as Ripon House and Cardigan House as Approved Premises within the meaning of the Offender Management Act 2007;
- to support and further all or any charitable activities carried out in connection with the Church of England in the Diocese of Leeds and in particular;
- the rehabilitation of offenders and in particular those addicted to drugs or alcohol or otherwise in need of help;
- the relief of distress or suffering arising from offending behaviour.

These objects were last reviewed and updated in 2024. The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The focus of our work

Progress to Change continue to provide enhanced supervision for people on Probation, who are on post custody Licence. Both premises work with those that present a high risk of harm to the public. Ripon House continues to also take women who present a medium risk of harm to the public but present with a complex problems/need. The work undertaken at both premises is both needs and risk led and pivotal to the risk management plan over seen by the Probation Practitioner. Individuals are subject, to key work sessions, curfews, and additional monitoring, including, for some the requirement to wear a tag, these may monitor an individual's precise whereabouts or alcohol consumption. Exact and tailored Licence conditions are drawn up by the Probation Practitioner, with some input from the Approved Premises, in terms of requesting specific requirements linked to their stay at the

Progress to Change

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

AP.

Achievements and performance

Performance remains a key driver of contract delivery. Both Ripon House and Cardigan House successfully met all contractual performance targets in 2024/25 and continue to perform strongly into 2025/26.

Purposeful activity and resident engagement continue to be a central feature of our work. Engagement levels remain high with our residents participating in a wide range of activities run by both external facilitators and our own in-house sessions. These include, physical, emotional and wellbeing sessions, creative workshops such as music and art as well as rehabilitation and thinking skills, money management, drug and alcohol interventions.

Contract with the MOJ

I am proud to confirm that following a competitive tender process, Progress to Change has been awarded the contract to continue running both our Independent Approved Premises until March 2030, with the potential for a one-year extension to March 2031. This significant achievement is testament to the strength of our bid, the hard work of our team, and the positive impact our services have.

This long-term commitment from the Ministry of Justice provides vital stability to the organisation and allows us to focus on further developing our services, staff, and partnerships over the coming years.

Enabling Environments

Both Approved Premises continue to hold full Enabling Environments (EE). Cardigan House will submit an interim report in October 26. And Ripon House has a full assessment to complete by January 2026. As well as being part of our MOJ contract obligations, the awards recognise our commitment to providing psychologically informed and relationally safe environments.

Partnerships

As an AP, working with other local partners remains very high on the agenda and is key to providing residents with a positive impactful stay. The incoming CEO, C Maguire, is beginning to make links with local community organisations including faith groups and education providers, to support both residents and our staff team. One such partnership is the DWP Social Justice Team who provide drop-in sessions at the APs to support residents who are both vulnerable with multiple barriers. They offer support with benefit advice and job centre liaison. Progress to Change has also joined the Mindful Employer Network to provide additional support to all staff around emotional wellbeing.

Staffing

Our staffing has remained strong and stable this year, with new team members bringing fresh energy and skills. Across Support, Case Management, Administration, and Relief roles, our teams continue to deliver consistent, high-quality support, and we are grateful for the dedication and flexibility that make this possible.

Financial review

Our Ministry of Justice contract has been extended until March 2026 after which a new contract over a 4-year, possibly 5- year, period will be in place from 1 April 2026. We had to submit a bid for this new contract and our new CEO spent a considerable amount of time preparing the bid. The outcome of bids was announced in June 2025; we were successful. Income for the period from April 2024 - March 2025 was based on the income for 2024 plus an increase for CPI.

An annual finance budget for each AP is submitted to the Board of Trustees in March. Budget reviews take place six times a year at Management Board meetings. Both AP's have continued to manage their finances in a prudent and resourceful way.

Income for the year including investment income increased from £2,484,550 in 2024 to £2,537,670 in 2025. Further information is provided in notes 5, 6 and 7.

Expenditure during the year decreased from £2,288,156 in 2024 to £2,281,354 in 2025. Further information is provided in notes 8 and 9.

The Charity's investment portfolio increased in value during the year to £2,548,436 (2024: £2,309,276).

The net losses on investments during the year were £60,839 (2024: gains of £241,728).

As set out in note 19 'Pensions and other post-retirement benefits' following an actuarial review a loss of £155,000 (2024: £810,000) has been reflected in this year's Statement of Financial Activities.

The net movement in funds for 2025 was a surplus of £924,073 (2024: deficit of £371,878).

a) Principal Funding Sources

The Ministry of Justice is the principal funder of both Cardigan House and Ripon House. Detailed information on this and the Charity's finances are set out in the Financial Accounts at the end of this Report. The Charity does not undertake any additional fundraising activities.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

b) Reserves Policy

In considering this the Trustees have had regard to the current situation in the UK; the high level of inflation, the high level of interest rates and our contract with the Ministry of Justice.

There remain uncertainties regarding the Charity's funding by the MoJ. It is for the above reasons and the level of uncertainty that the charity has again considered it both prudent and necessary to maintain Designated Reserves as set out in the Designated Reserves note.

The Trustees have established a policy whereby the funds of the Approved Premises not committed or invested in tangible fixed assets ("the free reserves") are maintained at a level which the Board considers sufficient to maintain the continuing activities of the Charity on the basis of the funding arrangements with the Ministry of Justice.

Why reserves are needed

As part of its Risk Assessment, the Board has established that the Charity needs to maintain short-term and long-term reserves to reduce the impact of risks from both internal and external factors.

As owner of the two properties Cardigan House and Ripon House, the Board needs to hold sufficient reserves to cover major building works which are not funded by the MoJ.

The two Approved Premises need to hold short-term reserves to meet costs of unplanned events and planned internal maintenance of the buildings.

The Board also has overall responsibility for the staff employed and, should income be disrupted the Charity need to hold sufficient reserves to meet ongoing costs and commitments until further funding is secured.

Reserves are also required to meet the WYPF defined benefit liabilities given that there is no guarantee that the Ministry of Justice will continue to provide funding.

Level of Reserves

Given the stated background as to why reserves are needed, the trustees are of the view that the level of unrestricted income reserves of £2,709,816 are at an appropriate level to enable the charity to meet its objectives and continue as a Going Concern.

Investment of reserves

The reserves of the Charity are held in the freehold property, investments managed by CCLA, and short-term bank accounts.

With regard to risk, as the balance of the Central Reserves Fund alters, investment advice will be sought by the Trustees when necessary.

c) Investment Policy

The investment policy's objectives are:

- Effective management of the Charity's assets that are not required for imminent use.
- To protect the reserves of the Charity and maximise investment income.

The Investment Objectives are:

- Produce the best financial return within an acceptable level of risk.
- Produce a total return of at least RPI plus 3% over the long term.

The policy has regard to areas of Risk, Liquidity, Time Horizon, the charity's Ethical Policy, Management, Reporting and Monitoring.

The policy is approved by the Trustees and is reviewed annually.

Investment of reserves

The Charity continues to monitor its reserves. As the charity is solely responsible for the pension funds of previous and existing staff on the WYPF, and for those with the People's Pension, it may have to look to its reserves to meet all payments. Some small projects that will benefit the residents of both Approved Premises may also be considered.

The Charity's contract with the MoJ continues until March 2026. After that the charity starts a new 4(+1) year contract with the MOJ from April 2026.

The Charity will continue to operate at the highest level in carrying out its activities for the benefit of its residents.

The Charity continues to investigate future outreach work with residents once they have left the Approved Premises.

Plans for future periods

The future of the organisation is very positive. The aim was to win a contract which provides the organisation and its staff with stability for a further 5 years post 2026. This is now guaranteed by the new contract arising from the tender submission. Staff training is high on the agenda for the coming 12 months, exploring options to provide a more formal qualification for those who join at entry level roles. Plans are also taking shape in terms of working towards having a net zero ambition for both APs in the coming years.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

Post balance sheet events

A good deal of time was spent by the CEO, senior management, and trustees preparing a bid for a contract for 4 (+1) years of funding from April 2026; a bid which was submitted to the Ministry of Justice in August 2024 and awarded in June 2025.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

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

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

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

A resolution to reappoint Gibson Booth as auditors for the ensuing year will be proposed at the forthcoming annual general meeting.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on and signed on behalf of the board of trustees by:

Prof A W M Hay
Trustee

Progress to Change

Company Limited by Guarantee

Independent Auditor's Report to the Members of Progress to Change

Year ended 31 March 2025

Opinion

We have audited the financial statements of Progress to Change (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 charity'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 Charities Act 2011.

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 trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charity or to cease operations, or have no realistic alternative but to do so.

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Independent Auditor's Report to the Members of Progress to Change (*continued*)

Year ended 31 March 2025

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the charity and the charity sector, we identified that the principal risks of non-compliance with law and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and the audit procedures performed included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws, regulation and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- testing of non-purchase and sales ledger bank transactions;
- testing of journals;
- testing of purchase invoice authorisations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Gibson Booth
Chartered Accountants & Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

Gibson Booth is eligible to act as auditor in terms of Section 1212 of the companies Act 2006.

Progress to Change

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2025

		2025	2024	
		Unrestricted	Total funds	Total funds
	Note	funds	£	£
		£		
Income and endowments				
Donations and legacies	5	–	–	250
Charitable activities	6	2,528,626	2,528,626	2,475,434
Investment income	7	9,044	9,044	8,866
Total income		<u>2,537,670</u>	<u>2,537,670</u>	<u>2,484,550</u>
Expenditure				
Expenditure on charitable activities	8,9	(2,281,354)	(2,281,354)	(2,288,156)
Total expenditure		<u>(2,281,354)</u>	<u>(2,281,354)</u>	<u>(2,288,156)</u>
Net (losses)/gains on investments	11	(60,839)	(60,839)	241,728
Net income		<u>195,477</u>	<u>195,477</u>	<u>438,122</u>
Other recognised gains and losses				
Gains from revaluation of fixed assets		883,596	883,596	–
Actuarial losses on defined benefit pension schemes		(155,000)	(155,000)	(810,000)
Net movement in funds		<u>924,073</u>	<u>924,073</u>	<u>(371,878)</u>
Reconciliation of funds				
Total funds brought forward		4,613,904	4,613,904	4,985,782
Total funds carried forward		<u>5,537,977</u>	<u>5,537,977</u>	<u>4,613,904</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on page1323132313 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Statement of Financial Position

31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible fixed assets	15	2,828,161	1,955,540
Investments	16	2,548,436	2,309,276
		<u>5,376,597</u>	<u>4,264,816</u>
Current assets			
Debtors	17	80,212	87,933
Cash at bank and in hand		252,513	414,954
		<u>332,725</u>	<u>502,887</u>
Creditors: amounts falling due within one year	18	(171,345)	(153,799)
Net current assets		<u>161,380</u>	<u>349,088</u>
Total assets less current liabilities		<u>5,537,977</u>	<u>4,613,904</u>
Net assets		<u>5,537,977</u>	<u>4,613,904</u>
Funds of the charity			
Unrestricted funds:			
Revaluation reserve		2,699,709	1,816,113
Other unrestricted income funds		2,838,268	2,797,791
Total unrestricted funds		<u>5,537,977</u>	<u>4,613,904</u>
Total charity funds	20	<u>5,537,977</u>	<u>4,613,904</u>

For the year ended 31 March 2025 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Trustees' responsibilities:

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:

Prof A W M Hay
Trustee

The notes on page1323132313 form part of these financial statements.

Progress to Change**Company Limited by Guarantee****Statement of Cash Flows****Year ended 31 March 2025**

	2025 £	2024 £
Cash flows from operating activities		
Net income	195,477	438,122
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	35,106	40,342
Net (gains)/losses on investments	60,839	(241,728)
Dividends, interest and rents from investments	(9,044)	(8,866)
Other interest receivable and similar income	(6,000)	(49,000)
Defined benefit pension plan employer contributions	(201,000)	(233,000)
Accrued (income)/expenses	(19,347)	23,505
Service cost of defined benefit pension scheme	52,000	73,000
<i>Changes in:</i>		
Trade and other debtors	7,721	(13,700)
Trade and other creditors	36,895	67,085
Cash generated from operations	152,647	95,760
Net cash from operating activities	152,647	95,760
Cash flows from investing activities		
Dividends, interest and rents from investments	9,044	8,866
Purchase of tangible assets	(24,132)	(9,998)
Purchases of other investments	(300,000)	—
Net cash used in investing activities	(315,088)	(1,132)
Net (decrease)/increase in cash and cash equivalents	(162,441)	94,628
Cash and cash equivalents at beginning of year	414,954	320,326
Cash and cash equivalents at end of year	252,513	414,954

The notes on page1323132313 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2025

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 63 Clarendon Road, Leeds, LS2 9NZ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 issued in October 2019 (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006, Charities Act 2011 and UK Generally Accepted Accounting Practice.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for investments which are included at fair value and the revaluation of certain fixed assets. The financial statements are rounded to the nearest £ and prepared in sterling, which is the functional currency of the entity. The significant accounting policies consistently applied in the preparation of these financial statements are set out below.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Depreciation has not been charged on freehold buildings as it is the charity's policy to maintain the properties in a continual state of sound repair. Due consideration has been given to any necessary requirement to impair these assets.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Allocation of overheads and support costs by activity

The charity allocates its expenditure and overheads to either direct costs or support costs. Costs incurred which are in line with the charity's objective's are allocated to direct costs. Costs incurred for the administration of the charity are allocated to support costs.

Property revaluation

The properties within land and buildings are valued under the revaluation model and are held at market value. The valuation is re-assessed annually, and where the trustees judge that the property valuations have not materially changed, no subsequent revaluation is obtained. The valuation is amended when necessary to reflect current estimates.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 March 2025

3. Accounting policies (*continued*)

Defined benefit pension scheme

The charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation are determined using actuarial valuations which make assumptions about a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. These factors are estimated in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 19 for the disclosures relating to the defined benefit pension scheme.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates. See note 15 for the carrying amount of the tangible assets, and the tangible fixed assets policy below for the depreciation rates used for each class of assets.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on the general fund and designated funds. They are available for use at the discretion of the directors in the furtherance of the company's general charitable objectives.

Restricted funds are created when grants and donations are made for a particular purpose, the use of which is restricted to that purpose.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

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

Ministry of justice grants are recognised in full in the year which they are receivable and any unspent amount is reflected as a balance in the unrestricted general fund. Capital grants are recognised when receivable and are deferred over the life of the asset on which they are expended.

Resources expended

Allocation of overhead and support costs

Overhead and support costs have been allocated between charitable activity and governance based on the time spent by employees working in the two areas concerned and the actual cost incurred.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees plus an apportionment of wages, overheads and support costs.

Irrecoverable VAT

All expenditure is stated inclusive of irrecoverable VAT.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 March 2025

3. Accounting policies (*continued*)

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Freehold buildings are not depreciated. It is the charity's policy to maintain the properties in a continual state of sound repair. Accordingly, the trustees consider that the life of the properties is so long and the residual value, based on prices prevailing at the time of acquisition, is so high that any depreciation would be insignificant.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	25% straight line
Computer equipment	-	25% straight line

Investments

Listed investments are measured at fair value with changes in fair value being recognised in the Statement of Financial Activity.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

4. Company limited by guarantee

The charitable company has nine members. If the charity is dissolved, each member promises to remain a member or within twelve months afterwards, to pay up to £10 towards the cost of dissolution and the liabilities of the charity while the contributor was a member.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
Donations	—	—	250	250

6. Charitable activities

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
Ministry of Justice grants	2,470,245	2,470,245	2,375,235	2,375,235
Income from residents	52,014	52,014	50,934	50,934
Other income	6,367	6,367	49,265	49,265
	2,528,626	2,528,626	2,475,434	2,475,434

Progress to Change**Company Limited by Guarantee****Notes to the Financial Statements (continued)****Year ended 31 March 2025****7. Investment income**

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
Investment income	9,044	9,044	8,866	8,866

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
Staff costs	1,708,195	1,708,195	1,704,094	1,704,094
Premises costs	266,728	266,728	300,888	300,888
Supplies and services costs	120,276	120,276	97,096	97,096
Establishment costs	173,624	173,624	173,272	173,272
Grants payable	—	—	1,500	1,500
Support costs	12,531	12,531	11,306	11,306
	2,281,354	2,281,354	2,288,156	2,288,156

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2025 £	Total fund 2024 £
Staff costs	1,708,195	—	1,708,195	1,704,094
Premises costs	266,728	—	266,728	300,888
Supplies and services costs	120,276	—	120,276	97,096
Establishment costs	173,624	—	173,624	173,272
Grants payable	—	—	—	1,500
Governance costs	—	12,531	12,531	11,306
	2,268,823	12,531	2,281,354	2,288,156

10. Analysis of support costs

	Governance costs £	Total 2025 £	Total 2024 £
Staff costs	12,531	12,531	11,306

11. Net (losses)/gains on investments

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
Net (losses)/gains on investments	(60,839)	(60,839)	241,728	241,728

12. Net income

Net income is stated after charging:

	2025 £	2024 £
Depreciation of tangible fixed assets	35,106	40,342
Fees payable for the audit of the financial statements	6,156	5,300

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2025

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2025 £	2024 £
Wages and salaries	1,459,086	1,453,125
Social security costs	129,999	127,666
Employer contributions to pension plans	79,641	60,609
Other employee benefits	52,000	74,000
	<u>1,720,725</u>	<u>1,715,400</u>

The average head count of employees during the year was 89 (2024: 86). The average number of full-time equivalent employees during the year is analysed as follows:

	2025 No.	2024 No.
Cardigan House approved premises	21	22
Ripon House approved premises	16	16
Secretary	1	1
	<u>38</u>	<u>39</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2025 No.	2024 No.
£60,000 to £69,999	—	1

The key management personnel of the charity comprise the trustees together with the individuals listed on page 1. The total employee benefits of the key management personnel were £286,954 (2024: £340,728).

14. Trustee remuneration and expenses

No trustees received any remuneration (2024: none).

The amount paid to trustees in respect of travelling costs was £200 (2024: £122). This was in respect of two trustees (2024: one).

15. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2024	1,900,000	498,335	20,494	2,418,829
Additions	16,404	7,728	—	24,132
Disposals	—	—	(2,588)	(2,588)
Revaluations	883,596	—	—	883,596
At 31 March 2025	<u>2,800,000</u>	<u>506,063</u>	<u>17,906</u>	<u>3,323,969</u>
Depreciation				
At 1 April 2024	—	448,411	14,878	463,289
Charge for the year	—	32,133	2,973	35,106
Disposals	—	—	(2,587)	(2,587)
At 31 March 2025	<u>—</u>	<u>480,544</u>	<u>15,264</u>	<u>495,808</u>
Carrying amount				
At 31 March 2025	<u>2,800,000</u>	<u>25,519</u>	<u>2,642</u>	<u>2,828,161</u>
At 31 March 2024	<u>1,900,000</u>	<u>49,924</u>	<u>5,616</u>	<u>1,955,540</u>

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 March 2025

15. Tangible fixed assets (*continued*)

All fixed assets are used for direct charitable purposes, namely that of approved premises. Land and buildings were revalued on 7 April 2025 on an existing use basis by Dove Haigh Phillips LLP, Chartered Surveyors and valuers.

The historic cost of the land and buildings is £100,291 (2024: £83,887).

16. Investments

	Listed investments £
Cost or valuation	
At 1 April 2024	2,309,276
Additions	300,000
Other movements	(60,840)
At 31 March 2025	2,548,436
Impairment	—
At 1 April 2024 and 31 March 2025	—
Carrying amount	
At 31 March 2025	2,548,436
At 31 March 2024	2,309,276

All investments shown above are held at valuation.

Financial assets held at fair value

Investments of £2,548,436 (2024: £2,309,276) represent UK quoted investments held in Central Board of Finance of the Church of England.

The historic cost of investments is £1,342,879 (2024: £1,042,879).

17. Debtors

	2025 £	2024 £
Trade debtors	968	735
Prepayments and accrued income	78,160	80,813
Other debtors	1,084	6,385
	80,212	87,933

18. Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	54,379	3,832
Accruals and deferred income	52,323	71,670
Social security and other taxes	32,729	—
Other creditors	31,914	78,297
	171,345	153,799

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 March 2025

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £79,641 (2024: £60,609).

Defined benefit plans

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund ("the Fund") which is part of the Local Government Pension Scheme ("LGPS"). The funded nature of the LGPS requires the charitable company and its employees to pay contributions into the Fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The employer's regular contributions to the Fund for the year ending 31 March 2026 are estimated to be £208,000.

Additional contributions may also become due in respect of any employer discretions to enhance member benefits in the Fund over the next accounting period.

The scheme was closed to new members with effect from 30 September 2014.

The latest actuarial valuation of the charitable company's liabilities took place as at 31 March 2022. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

Principal Actuarial Assumptions Ripon House

	2025	2024	2023
Discount rate	5.8%	4.8%	4.7%
CPI inflation	2.5%	2.6%	2.7%
Rate of increase to pensions in payment	2.5%	2.6%	2.7%
Rate of increase to deferred pensions	2.5%	2.6%	2.7%
Rate of general increase in salaries	3.75%	3.85%	3.95%

Cardigan House

	2025	2024	2023
Discount rate	5.8%	4.8%	4.7%
CPI inflation	2.5%	2.6%	2.7%
Rate of increase to pensions in payment	2.5%	2.6%	2.7%
Rate of increase to deferred pensions	2.5%	2.6%	2.7%
Rate of general increase in salaries	3.75%	3.85%	3.95%

All other assumptions below are the same for Ripon House and Cardigan House.

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. The assumed life expectations on retirement age 65 are:

	2025	2024	2023
Retiring today:			
Males	21	21	22
Females	24	24	25
Retiring in twenty years:			
Males	22	22	23
Females	25	25	26

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 March 2025

19. Pensions and other post retirement benefits (*continued*)

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below.

	2025	2024	2023
Equities	79.3%	79.4%	80.8%
Property	2.8%	2.8%	3.3%
Government bonds	9.0%	8.5%	6.9%
Corporate bonds	4.0%	4.2%	4.6%
Cash	2.6%	1.8%	2.3%
Other	2.3%	3.3%	2.1%
Total	100.0%	100.0%	100.0%

The actual return on the scheme assets was £236,000 (2024: £346,000).

Sensitivity analysis on defined benefit obligations are:

	2025 £	2024 £	2023 £
Discount rate + 0.1%	3,372,000	3,959,000	4,051,000
Discount rate - 0.1%	3,466,000	4,081,000	4,177,000
Mortality assumption + 1 year increase	3,344,000	3,919,000	4,007,000
Mortality assumption - 1 year decrease	3,494,000	4,125,000	4,221,000
Salary rate + 0.1%	3,425,000	4,026,000	4,121,000
Salary rate - 0.1%	3,413,000	4,014,000	4,107,000

The statement of financial position net defined benefit asset is determined as follows:

	2025 £	2024 £
Present value of defined benefit obligations	(3,419,000)	(4,020,000)
Fair value of plan assets	5,740,000	5,525,000
	2,321,000	1,505,000
Asset restriction	(2,321,000)	(1,505,000)
	-	-

In accordance with paragraph 28.22 of FRS 102, the surplus has not been recognised as the recovery of the surplus cannot be reliably measured.

Changes in the present value of the defined benefit obligations are as follows:

	2025 £
At 1 April 2024	4,020,000
Current service cost	52,000
Interest expense	188,000
Benefits paid	(238,000)
Contributions by plan participants	16,000
Remeasurements:	
Actuarial gains and losses	(619,000)
At 31 March 2025	3,419,000

Changes in the fair value of plan assets are as follows:

	2025 £
At 1 April 2024	5,525,000
Interest income	263,000
Benefits paid	(238,000)
Contributions by employer	201,000
Contributions by plan participants	16,000
Remeasurements:	
Actuarial gains and losses	(27,000)
At 31 March 2025	5,740,000

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2025

19. Pensions and other post retirement benefits *(continued)*

The total costs for the year in relation to defined benefit plans are as follows:

	2025 £	2024 £
Recognised in income or expenditure:		
Current service cost	52,000	74,000
Past service credit	-	(1,000)
Net interest income	(6,000)	(49,000)
	<u>46,000</u>	<u>24,000</u>
Recognised in other recognised gains and losses:		
Asset restriction	(816,000)	(1,134,000)
Remeasurement of the liability:		
Actuarial gains and losses	661,000	324,000
	<u>(155,000)</u>	<u>(810,000)</u>

20. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2024 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2025 £
Unrestricted Funds	1,227,791	2,537,670	(2,436,354)	-	(60,839)	1,268,268
Revaluation reserve	1,816,113	-	-	-	883,596	2,699,709
Pension	-	-	155,000	-	(155,000)	-
	<u>4,613,904</u>	<u>2,537,670</u>	<u>(2,281,354)</u>	<u>-</u>	<u>598,757</u>	<u>5,537,977</u>

Designated funds

	At 1 Apr 2023 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2024 £
Unrestricted Funds	1,804,669	2,484,550	(2,497,156)	(806,000)	241,728	1,227,791
Revaluation reserve	1,816,113	-	-	-	-	1,816,113
Pension	601,000	-	209,000	-	(810,000)	-
	<u>4,985,782</u>	<u>2,484,550</u>	<u>(2,288,156)</u>	<u>-</u>	<u>(568,272)</u>	<u>4,613,904</u>

The description of the designated funds are as follows:

Cessation fund - The anticipated costs that are likely to be incurred in the event of cessation of the MOJ contract which runs until 31 March 2026.

Redundancy fund - The calculated redundancy for all employees.

Building fund - The estimate for potential major works to Ripon House and Cardigan House.

Pension fund - The annual lump sum pension contributions for the next 3 years arising out of the 2019 Triennial Review

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 March 2025

- 19. Pensions and other post retirement benefits (*continued*)**
of the charity's funds within the West Yorkshire Pension Fund.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 March 2025

21. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2025 £
Tangible fixed assets	2,828,161	2,842,083
Investments	2,548,436	2,548,436
Current assets	332,725	332,725
Creditors less than 1 year	(171,345)	(171,345)
Net assets	5,537,977	5,551,899

	Unrestricted Funds £	Total Funds 2024 £
Tangible fixed assets	1,955,540	1,955,540
Investments	2,309,276	2,309,276
Current assets	502,887	502,887
Creditors less than 1 year	(153,799)	(153,799)
Net assets	4,613,904	4,613,904

22. Analysis of changes in net debt

	At 1 Apr 2024 £	Cash flows £	At 31 Mar 2025 £
Cash at bank and in hand	414,954	(162,441)	252,513

23. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2025 £	2024 £
Not later than 1 year	1,489	3,214
Later than 1 year and not later than 5 years	1,389	—

24. Related parties

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.

Accounts

COMPANY REGISTRATION NUMBER: 3286672
CHARITY REGISTRATION NUMBER: 1065423

Progress to Change

Company Limited by Guarantee

Financial Statements

**For the year ended
31 March 2024**

Progress to Change
Company Limited by Guarantee
Financial Statements
Year ended 31 March 2024

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Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2024

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2024.

Reference and administrative details

Registered charity name	Progress to Change
Charity registration number	1065423
Company registration number	3286672
Principal office and registered office	63 Clarendon Road Leeds LS2 9NZ
The trustees	Prof A W M Hay (Chairman) Mrs D Favre Mrs J Dilks Prof O Matthias Mrs C Cochrane Dr E Wincup (Resigned 19 September 2023) Mrs S Mondon Mr R Brook
Key management personnel	Chief Executive - Mrs L Cantley Finance Manager - Mrs R Kyle Ripon House Hostel Manager - Mrs C Maguire Cardigan House Hostel Manager - Mr B Spink Training and Project Manager - Mrs E Falk
Company secretary	Mrs T Gradys
Auditor	Gibson Booth Chartered Accountants & Statutory Auditors New Court Abbey Road North Shepley Huddersfield HD8 8BJ
Bankers	National Westminster Bank plc Leeds City Office Branch 8 Park Row Leeds LS1 5HD
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG
Investment managers	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

Chairman's report

This last year has witnessed some major personnel changes at Progress to Change (PtC) and a huge amount of work by many to enable a contract bid to be submitted to the Ministry of Justice for funding for a possible 5-year period from April 2026.

In early April this year Louise Cantley retired after 17 years as CEO of the charity. Amongst many achievements, Louise helped oversee the merger of our two hostels Ripon House and Cardigan House under a single umbrella organisation and I now have the privilege of chairing the trustees of our unitary grouping. As a trustee for some 7 years I have witnessed how well Louise steered PtC and helped to instil, and reinforce, the charity's ethos which is about housing residents on release from prison, ensuring their accommodation is welcoming and supportive, that significant effort is made to help with their rehabilitation, and that premises also function to ensure protection of both residents and wider public. This is no small task. Louise managed this work with rigour, and a great deal of compassion, and trustees are grateful for all she did. We wish her well in her retirement and trust that she gets to travel and continue marathon running!

Louise's retirement meant finding a replacement for her and I am delighted that Clare McGuire, formerly the manager of Ripon House, was chosen by a panel of trustees to be the new CEO. With Clare moving up we had to find a new Operations Manager for Ripon and we recruited Elizabeth Sunley from a wide range of applicants. Elizabeth, formerly a Senior Probation Officer in Leeds, joined the management team in April and I am delighted to say is settling in well. She compliments Ben Spink who manages Cardigan and has done so for some 2 years now, and Emma Falk who continues to oversee many projects and the, at times, frustrating process to secure the Enabling Environment award which we now have for both premises. As trustees we are grateful to this management team of four for all they do to enable the charity to remain fully staffed and meet its commitments.

The charity has been preoccupied for some two years about the process to bid for a contract for funding from 2026 onwards. After a further delay in the process we were finally invited to tender for the new contract in June 2024. The financial section of the bid, based on current expenditure, and projections for the future, is robust, and was completed by our PtC accountant Rachel Kyle, and we trustees wish to thank her. Above all the trustees owe a real debt of thanks to Clare McGuire who did the vast bulk of the writing for the bid, which she submitted before the due date. Emma and Ben also contributed on sections where they had the expertise. But given that Clare had been in post for less than 3 months before undertaking the work on the bid, the trustees consider this to be an exceptional achievement, and wish to both thank and compliment her.

Our Board of Trustees remains unchanged and is a real resource for the support and wise counsel it provides for the wide range of issues PtC needs to consider. The board continues to meet mainly via Zoom with two meetings a year in-person. Inspection visits of premises is now also mainly in-person except where a staff absence may necessitate an online interview. In-person visits by trustees provides a valuable opportunity to engage with staff and residents, and is a vital engagement mechanism, as well as an important window on activities.

The three trustees Emma Wincup, Sara Mondon, and Olga Matthias, and our secretary, Tricia Gradys, continue to oversee our grant giving process. Carol Cochrane created, and maintains, our Risk Register which gives us a clear view of any potential problems and how we might mitigate these. Carol also co-ordinates our Remuneration Committee, with Jill Dilks and Diana Favre additional members. Although inflation is on the wane, the trio still had to consider legacy cost-of-living problems for staff and assess what the charity could afford by way of salaries. Diana, as Vice-Chair, also continues to step in and cover for me when I am unavailable. I am grateful to all three trustees on the Remuneration Committee, to those on the grant-giving committee, and other trustees, for all of their work and support of me, and the charity.

Progress to Change is an associate of the National Approved Premises Association. This gives us access to training and to meetings with other Independent APs and representatives from the Ministry of Justice. Two trustees, along with Clare and Ben, attended the NAPA residential conference in July.

The achievements and performance section of this report explains that our contract with the Ministry of Justice runs until 31 March 2026. The charity thus has a guaranteed income for the next 1 and ½ years. We await the outcome of the new bid which we will only find out in May 2025.

Our pension responsibilities occupy much discussion time for the trustees. The charity is now solely responsible for the employer's contribution for staff on the People's Pension, as well as for those currently and previously employed who are on the West Yorkshire Pension Fund (WYPF), which has an ongoing deficit. We continue to fund the deficit. More recent valuations of the WYPF now suggest that it is in credit, but we await the 3-yearly review by the fund's auditors to see what our future payments will be.

We continue to be indebted to Tricia for her efficient work as Company Secretary and to Patrick Heaton, our auditor from Gibson Booth.

Amidst many uncertainties the charity continues to offer opportunities for our residents to re-assess their lives and with support make the changes needed to turn from offending. I wish to thank all our staff, without whose resourcefulness, dedication, and hard work, none of this would be possible

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

Prof A W M Hay
Chairman

A handwritten signature in black ink, appearing to read 'A W M Hay', written over a dotted line.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

Governing Document

Progress to Change (formerly known as the Ripon and Leeds Diocesan Council for Social Concern) is a Company Limited by Guarantee and incorporates the work of the two Approved Premises - Ripon House and Cardigan House - and their related assets and liabilities. Our registered charity number is 1065423. The charity has its office at 63 Clarendon Road, Leeds, LS2 9NZ.

Social Concern was incorporated on 3 December 1996. Following a special resolution, the company was incorporated under the revised name of Ripon & Leeds Diocesan Council for Social Concern with effect from 27 December 2000.

As a result of the creation of the Diocese of Leeds in 2014, and following a special resolution, the company was incorporated under the revised name of Progress to Change with effect from 15 August 2015.

During 2015, the Trustees further reviewed and updated the Articles of Association of the Company. These were amended by a special resolution dated 22 September 2015.

Recruitment and appointment of Trustees

The Trustees of Progress to Change and the Board members are the same people. Under the requirements of the Articles of Association Trustees are appointed for a period of four years, after which they can be re-appointed for one further term of four years. Five are appointed by the Bishop of Leeds and four are appointed by the Board of Trustees.

Members have a wide range of backgrounds and skills, bringing expertise in business, finance, education, the legal system, social work and the Church.

To ensure a broad skills mix, Trustees are asked to provide a CV and list of skills on their application form. A skills inventory is maintained and, in the event of particular skills being lost due to retirement, efforts are made to recruit individuals with a similar skills base. Progress to Change this year has created an application pack for interested parties.

Organisational structure

The Board of Trustees, of up to nine members, has overall responsibility for the management, strategic direction, and policy of the Charity and meet nine times a year. Most meetings of the Board, including some sub-group meetings, are held via the Zoom platform to accommodate the needs of trustees. However, two meeting per year are held on a face-to-face basis at Ripon House. APs inspection visits are undertaken in person by a Trustee.

Day-to-day management of the two Approved Premises (AP's) is delegated to the Chief Executive Officer and Operational Managers. The Managers have responsibility for operational management of the AP's, individual supervision of staff and ensuring that the staff teams continue to develop skills and working practices in line with best practice.

Trustee induction and training

New Board members are provided with an induction pack. Additionally, gaps in knowledge are identified by individual members and visits and training are organized to enable members to have sufficient information about the work of the charity to contribute effectively.

Remuneration Policy

Introduction: Progress to Change is committed to paying its employees fairly so that the best people for the job are attracted and retained.

Employee Salaries: The pay and benefits of all employees are reviewed on a regular basis and, where appropriate, are benchmarked against the salary scales used within the Probation Service for equivalent roles.

Payments to Trustees: All trustees give their time freely and do not receive any pay or recompense other than for reasonable out of pocket expenses.

The Finance Committee: The Finance Committee reviews the remuneration of all employees and makes recommendations to the Board of Trustees for implementation.

The Finance Committee comprises of three Trustees, one of whom will act as Chair.

The Finance Committee will make salary recommendations to the Board for all employees taking into consideration:

- any proposals for pay increases for Hostel employees put forward by the Chief Executive
- recommendations to the Board in respect of cost-of-living increases.

Grant making policy

In the recent past the charity has made the occasional small grant to local organisations in furtherance of the charity's objectives.

Progress to Change is now encouraging any individual, or small community-based group, to apply for a small grant in supporting a planned activity, in accordance with our charitable aims, which will enhance the quality of life of those taking part.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

Applications from individuals can be submitted for grants of up to £1,000, and community groups or organisations up to £2,000.

Individuals and groups applying must be able to show that the activity will improve the life opportunities for those who have been affected by crime.

Organisations may only apply for a grant once in any financial year.

Risk management

The Trustees maintain a Risk Register of the potential risks which the Charity is exposed to and has put in place steps to mitigate these risks. The risks are grouped under three main headings - a) Governance Risks, b) Financial Risks, c) Operational Risks. For each risk existing control procedures have been identified along with proposed improvements in controls. On an ongoing basis as new risks are identified or the nature or significance of perceived risks change the Risk Register has been updated. The last update was in May 2024. This involved the identification of any changes to the potential risks and progress on the implementation of identified actions to mitigate risks.

As explained under 'Objectives and activities', the principal activity of the two Approved Premises is to provide enhanced supervision in a residential setting, including rehabilitation, risk management, and monitoring. The majority of offenders are on license following release from custodial sentences. There are particular risks associated with this work. The Charity has a team of appropriately qualified key management personnel who undertake regular training as well as working closely with the Ministry of Justice and the Probation Service.

Robust Risk Management procedures are in place in all aspects of the Charity's day-to-day activities in this regard. Policies and procedures are in place to ensure compliance with health and safety regulations, food hygiene regulations and fire regulations.

The risk management systems and procedures are continually reviewed by the key management team. All the identified risks are managed by regular training and awareness for staff working on day-to-day operations and by ensuring accreditation is up to date and having robust policies and procedures in place.

Related parties

In so far as it is complementary to the Charity's objects, the Charity is guided by local and national policies. The AP's work in association with the regional Probation Service, Community Rehabilitation Companies, local GP practices, local housing organisations, alcohol and drugs services, and other third sector organisations.

Nationally, the AP's work collaboratively with their funders, the Ministry of Justice, and Her Majesty's Prison & Probation Service. We are also a member of the National Approved Premises Association (NAPA), ensuring that national standards are constantly attained.

The Trustees thank all of our partner agencies for their commitment to and assistance with our work.

Objectives and activities

The charity's purposes, as set out in the objects contained in the company's Articles of Association, are:

- to maintain the premises known as Ripon House and Cardigan House as Approved Premises within the meaning of the Offender Management Act 2007;
- to support and further all or any charitable activities carried out in connection with the Church of England in the Diocese of Leeds and in particular;
- the promotion and temperance and of higher standards of moral life in the individual, the family and the community;
- the rehabilitation of offenders and in particular those addicted to drugs or alcohol or otherwise in need of help;
- the relief of distress or suffering arising from offending behaviour.

These objects were last reviewed and updated in 2015. The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The focus of our work

Progress to Change continue to provide enhanced supervision for people on Probation, who are on post custody Licence. Both premises work with those that present a high risk of harm to the public. Ripon House continues to also take women who present a medium risk of harm to the public but present with a complex problems/need. The work undertaken at both premises is both needs and risk led and pivotal to the risk management plan over seen by the Probation Practitioner. Individuals are subject, to key work sessions, curfews, and additional monitoring, including, for some the requirement to wear a tag, these may monitor an individual's precise whereabouts or alcohol consumption. Exact and tailored Licence conditions are drawn up by the Probation Practitioner, with some input from the Approved Premises, in terms of requesting specific requirements linked to their stay at the AP.

Achievements and performance

Performance continues to be a crucial part of our current contract with the Ministry of Justice. Both Cardigan House and Ripon House must demonstrate these are being met at key stages of an individual's stay. Both premises hit their targets for 23/24 and are currently performing well into the 2nd quarter of 24/25.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

Key to the success of the Approved Premises are the engagement sessions (purposeful activities). Over 12 months the number of individuals attending the vast array of activities remains impressive with events including our continued engagement with Active Leeds who have supported both staff and residents in taking more care of both their physical and mental well-being. Our other partnerships include supporting residents to engage in creative workshops, such as music, drama and art which complement the staff sessions which focus more on rehabilitation, thinking skills and independent living.

Contract with the MOJ

At the end of 2023 the Government announced that all future contracts for the running and management of Independent Approved Premises would finally be put out for tender. This formal process has now been completed. We needed to submit evidence of the specific skills provided including detailed costing of the service. The current contract ends in Spring 2025. The outcome of the tender submission will not be known until then. Therefore, there will be a 12-month extension to our current contract, during the mobilisation period. With new contracts starting in April 2026.

Enabling Environments

Both Approved Premises are in receipt of the required Enabling Environment Award (EE) and hold the full awards until 2026. However, each are required to undertake annual assessments/reports to demonstrate the on-going committed to their EE status. Ripon House was successful in retaining theirs in March 2024 and Cardigan House will be submitting their report in Oct 2024.

Partnerships

As an AP partnership working remains very high on the agenda and is key to providing residents with a positive impactful stay. The incoming CEO, C Maguire, is beginning to make links with local community organisations including faith groups and education providers, to support both residents and our staff team. One such partnership is the DWP Social Justice Team who provide drop-in sessions at the APs to support residents who are both vulnerable with multiple barriers. They offer support with benefit advice and job centre liaison. Progress to Change have also joined Mindful Employer Network to provide additional support to all staff around emotional wellbeing.

Staffing

Recruitment and retention have been an ongoing issue for the past few years. However, in the last six months staffing has been more stable and we have welcomed several full-time staff to Progress to Change, including Liz Sunley who is now the Operational Manager for Ripon House. Liz joined the organisation in March 2024 and is already making a very positive impact on the AP, with her wealth of experience working with women and a can-do attitude. We have also employed several new Support Workers at both Cardigan House and Ripon House, and all have brought new skills and uniqueness to the roles. The personnel in Case Manager and Administrative Roles remains stable.

The organisation is grateful to the very important part our Relief staff play, to help cover holidays and sickness, sometimes at very short notice. We also have two new, On Call Managers who have been a positive addition to the team. The support of our On-Call Managers ensure staff have assistance and support from a qualified, experienced individual at all times of the day and night.

Financial review

Our Ministry of Justice contract has been extended until March 2026 after which a new contract over a 4-year, possibly 5- year, period will be in place from 1 April 2026. We have had to submit a bid for this new contract and our new CEO spent a considerable amount of time preparing the bid. The outcome of bids will be announced in May 2025. Income for the period from April 2024 - March 2025 was based on the income for 2023 plus an increase for CPI.

The Ministry of Justice provided a contribution of 80% of the Additional annual pension payments to WYPF for 2021/2022, but the charity was informed that this was a one-off payment. Since then, the charity has been solely responsible for all pension payments to the WYPF and for the employer's contribution to pensions for those staff on the People's Pension.

An annual finance budget for each AP is submitted to the Board of Trustees in March. Budget reviews take place six times a year at Management Board meetings. Both AP's have continued to manage their finances in a prudent and resourceful way.

Income for the year including investment income increased from £2,216,025 in 2023 to £2,484,550 in 2024. Further information is provided in notes 5, 6 and 7.

Expenditure during the year increased from £2,131,652 in 2023 to £2,288,156 in 2024. Further information is provided in notes 8 and 9.

The Charity's investment portfolio increased in value during the year to £2,309,276 (2023: £2,067,547).

The net gains on investments during the year were £241,728 (2023: losses of £29,403).

As set out in note 19 'Pensions and other post-retirement benefits' following an actuarial review a loss of £810,000 (2023: gain of £956,000) has been reflected in this year's Statement of Financial Activities.

The net movement in funds for 2024 was a deficit of £371,878 (2023: surplus of £1,010,970).

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

a) Principal Funding Sources

The Ministry of Justice is the principal funder of both Cardigan House and Ripon House. Detailed information on this and the Charity's finances are set out in the Financial Accounts at the end of this Report. The Charity does not undertake any additional fundraising activities.

b) Reserves Policy

In considering this the Trustees have had regard to the current situation in the UK; the high level of inflation, the high level of interest rates and our contract with the Ministry of Justice.

There remain uncertainties regarding the Charity's funding by the MoJ. It is for the above reasons and the level of uncertainty that the charity has again considered it both prudent and necessary to maintain Designated Reserves as set out in the Designated Reserves note.

The Trustees have established a policy whereby the funds of the Approved Premises not committed or invested in tangible fixed assets ("the free reserves") are maintained at a level which the Board considers sufficient to maintain the continuing activities of the Charity on the basis of the funding arrangements with the Ministry of Justice.

Why reserves are needed

As part of its Risk Assessment, the Board has established that the Charity needs to maintain short-term and long-term reserves to reduce the impact of risks from both internal and external factors.

- As owner of the two properties Cardigan House and Ripon House, the Board needs to hold sufficient reserves to cover major building works which are not funded by the MoJ.
- The two Approved Premises need to hold short-term reserves to meet costs of unplanned events and planned internal maintenance of the buildings.
- The Board also has overall responsibility for the staff employed and, should income be disrupted the Charity need to hold sufficient reserves to meet ongoing costs and commitments until further funding is secured.
- Reserves are also required to meet the WYPF defined benefit liabilities given that there is no guarantee that the Ministry of Justice will continue to provide funding.

Level of Reserves

Given the stated background as to why reserves are needed, the trustees are of the view that the level of unrestricted income reserves of £2,797,791 are at an appropriate level to enable the charity to meet its objectives and continue as a Going Concern.

Investment of reserves

The reserves of the Charity are held in the freehold property, investments managed by CCLA, and short-term bank accounts.

With regard to risk, as the balance of the Central Reserves Fund alters, investment advice will be sought by the Trustees when necessary.

c) Investment Policy

The investment policy's objectives are:

- Effective management of the Charity's assets that are not required for imminent use.
- To protect the reserves of the Charity and maximise investment income.

The Investment Objectives are:

- Produce the best financial return within an acceptable level of risk.
- Produce a total return of at least RPI plus 3% over the long term.

The policy has regard to areas of Risk, Liquidity, Time Horizon, the charity's Ethical Policy, Management, Reporting and Monitoring.

The policy is approved by the Trustees and is reviewed annually.

Investment of reserves

The Charity continues to monitor its reserves. As the charity is solely responsible for the pension funds of previous and existing staff on the WYPF, and for those with the People's Pension, it may have to look to its reserves to meet all payments. Some small projects that will benefit the residents of both Approved Premises may also be considered.

The Charity's contract with the MoJ continues for a further two years to 31 March 2026. After that our contract with the MOJ will be dependent on a successful competitive tender.

The Charity will continue to operate at the highest level in carrying out its activities for the benefit of its residents.

The Charity continues to investigate future outreach work with residents once they have left the Approved Premises.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2024

Plans for future periods

The future of the organisation is very positive. The aim is to win the contract which will provide the organisation and its staff with stability for a further 5 years post 2025. Staff training is high on the agenda for the coming 12 months, exploring options to provide a more formal qualification for those who join at entry level roles. Plans are also taking shape in terms of working towards having a net zero ambition for both APs in the coming years.

Post balance sheet events

A good deal of time was spent by the CEO, senior management, and trustees preparing a bid for a contract for 4-years of funding from April 2026; the bid was submitted to the Ministry of Justice in August 2024.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

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

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

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

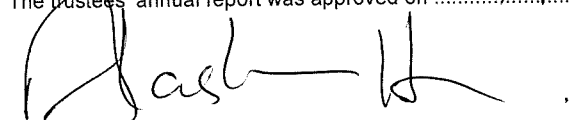
- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

A resolution to reappoint Gibson Booth as auditors for the ensuing year will be proposed at the forthcoming annual general meeting.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 14.9.24 and signed on behalf of the board of trustees by:



Prof A W M Hay
Trustee

Progress to Change

Company Limited by Guarantee

Independent Auditor's Report to the Members of Progress to Change (*continued*)

Year ended 31 March 2024

Opinion

We have audited the financial statements of Progress to Change (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 charity'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 Charities Act 2011.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charity or to cease operations, or have no realistic alternative but to do so.

Progress to Change

Company Limited by Guarantee

Independent Auditor's Report to the Members of Progress to Change *(continued)*

Year ended 31 March 2024

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the charity and the charity sector, we identified that the principal risks of non-compliance with law and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and the audit procedures performed included:

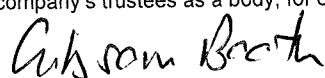
- discussions with management including consideration of known or suspected instances of non-compliance with laws, regulation and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- testing of non-purchase and sales ledger bank transactions;
- testing of journals;
- testing of purchase invoice authorisations.

Because of the inherent limitations of an audit, there is a risk that we will fail to detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: 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 trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Gibson Booth
Chartered Accountants & Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

18.9.24

Gibson Booth is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Progress to Change

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2024

		2024		2023
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	250	250	175
Charitable activities	6	2,475,434	2,475,434	2,206,984
Investment income	7	8,866	8,866	8,866
Total income		<u>2,484,550</u>	<u>2,484,550</u>	<u>2,216,025</u>
Expenditure				
Expenditure on charitable activities	8,9	(2,288,156)	(2,288,156)	(2,131,652)
Total expenditure		<u>(2,288,156)</u>	<u>(2,288,156)</u>	<u>(2,131,652)</u>
Net gains/(losses) on investments	11	241,728	241,728	(29,403)
Net income		<u>438,122</u>	<u>438,122</u>	<u>54,970</u>
Other recognised gains and losses				
Actuarial (losses)/gains on defined benefit pension schemes		(810,000)	(810,000)	956,000
Net movement in funds		<u>(371,878)</u>	<u>(371,878)</u>	<u>1,010,970</u>
Reconciliation of funds				
Total funds brought forward		4,985,782	4,985,782	3,974,812
Total funds carried forward		<u>4,613,904</u>	<u>4,613,904</u>	<u>4,985,782</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 14 to 24 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Statement of Financial Position

31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	15	1,955,540	1,985,883
Investments	16	2,309,276	2,067,547
		<u>4,264,816</u>	<u>4,053,430</u>
Current assets			
Debtors	17	87,933	74,232
Cash at bank and in hand		414,954	320,326
		<u>502,887</u>	<u>394,558</u>
Creditors: amounts falling due within one year	18	(153,799)	(63,206)
Net current assets		<u>349,088</u>	<u>331,352</u>
Total assets less current liabilities		<u>4,613,904</u>	<u>4,384,782</u>
Net assets excluding defined benefit pension plan liability		<u>4,613,904</u>	<u>4,384,782</u>
Defined benefit pension plan liability	19	—	601,000
Net assets including defined benefit pension plan liability		<u>4,613,904</u>	<u>4,985,782</u>
Funds of the charity			
Unrestricted funds:			
Revaluation reserve		1,816,113	1,816,113
Defined benefit pension reserve		—	601,000
Other unrestricted income funds		2,797,791	2,568,669
Total unrestricted funds		<u>4,613,904</u>	<u>4,985,782</u>
Total charity funds	20	<u>4,613,904</u>	<u>4,985,782</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 17.9.24 and are signed on behalf of the board by:

Prof A W M Hay
Trustee

The notes on pages 14 to 24 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2024

	2024 £	2023 £
Cash flows from operating activities		
Net income	438,122	54,970
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	40,342	57,906
Net (gains)/losses on investments	(241,728)	29,403
Dividends, interest and rents from investments	(8,866)	(8,866)
Other interest receivable and similar income	(49,000)	—
Interest payable and similar charges	—	10,000
Defined benefit pension plan employer contributions	(233,000)	(284,000)
Accrued expenses/(income)	23,505	(1,413)
Service cost of defined benefit pension scheme	73,000	131,000
<i>Changes in:</i>		
Trade and other debtors	(13,700)	194,884
Trade and other creditors	67,085	(38,823)
Cash generated from operations	95,760	145,061
Net cash from operating activities	95,760	145,061
Cash flows from investing activities		
Dividends, interest and rents from investments	8,866	8,866
Purchase of tangible assets	(9,998)	(16,234)
Purchases of other investments	—	(240,000)
Proceeds from sale of other investments	—	154,000
Net cash used in investing activities	(1,132)	(93,368)
Net increase in cash and cash equivalents	94,628	51,693
Cash and cash equivalents at beginning of year	320,326	268,633
Cash and cash equivalents at end of year	414,954	320,326

The notes on pages 14 to 24 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2024

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 63 Clarendon Road, Leeds, LS2 9NZ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 issued in October 2019 (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006, Charities Act 2011 and UK Generally Accepted Accounting Practice.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for investments which are included at fair value and the revaluation of certain fixed assets. The financial statements are rounded to the nearest £ and prepared in sterling, which is the functional currency of the entity. The significant accounting policies consistently applied in the preparation of these financial statements are set out below.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Depreciation has not been charged on freehold buildings as it is the charity's policy to maintain the properties in a continual state of sound repair. Due consideration has been given to any necessary requirement to impair these assets.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Allocation of overheads and support costs by activity

The charity allocates its expenditure and overheads to either direct costs or support costs. Costs incurred which are in line with the charity's objective's are allocated to direct costs. Costs incurred for the administration of the charity are allocated to support costs.

Property revaluation

The properties within land and buildings are valued under the revaluation model and are held at market value. The valuation is re-assessed annually, and where the trustees judge that the property valuations have not materially changed, no subsequent revaluation is obtained. The valuation is amended when necessary to reflect current estimates.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

3. Accounting policies *(continued)*

Defined benefit pension scheme

The charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation are determined using actuarial valuations which make assumptions about a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. These factors are estimated in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 19 for the disclosures relating to the defined benefit pension scheme.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates. See note 15 for the carrying amount of the tangible assets, and the tangible fixed assets policy below for the depreciation rates used for each class of assets.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on the general fund and designated funds. They are available for use at the discretion of the directors in the furtherance of the company's general charitable objectives.

Restricted funds are created when grants and donations are made for a particular purpose, the use of which is restricted to that purpose.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

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

Ministry of justice grants are recognised in full in the year which they are receivable and any unspent amount is reflected as a balance in the unrestricted general fund. Capital grants are recognised when receivable and are deferred over the life of the asset on which they are expended.

Resources expended

Allocation of overhead and support costs

Overhead and support costs have been allocated between charitable activity and governance based on the time spent by employees working in the two areas concerned and the actual cost incurred.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees plus an apportionment of wages, overheads and support costs.

Irrecoverable VAT

All expenditure is stated inclusive of irrecoverable VAT.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 March 2024

3. Accounting policies (*continued*)

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Freehold buildings are not depreciated. It is the charity's policy to maintain the properties in a continual state of sound repair. Accordingly, the trustees consider that the life of the properties is so long and the residual value, based on prices prevailing at the time of acquisition, is so high that any depreciation would be insignificant.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	25% straight line
Computer equipment	-	25% straight line

Investments

Listed investments are measured at fair value with changes in fair value being recognised in the Statement of Financial Activity.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Defined benefit plans

The charitable company contributes to the Local Government Pension Scheme ("LGPS"), a defined benefit pension scheme. The LGPS is a funded scheme and the assets are held separately from those of the charitable company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the statement of financial activities. Net pension finance income is recognised as an incoming resource in the Statement of Financial Activities.

Actuarial gains and losses are recognised immediately as other recognised gains and losses in the Statement of Financial Activities.

4. Company limited by guarantee

The charitable company has nine members. If the charity is dissolved, each member promises to remain a member or within twelve months afterwards, to pay up to £10 towards the cost of dissolution and the liabilities of the charity while the contributor was a member.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Donations	<u>250</u>	<u>250</u>	<u>175</u>	<u>175</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Ministry of Justice grants	2,375,235	2,375,235	2,157,344	2,157,344
Income from residents	50,934	50,934	49,392	49,392
Other income	49,265	49,265	248	248
	<u>2,475,434</u>	<u>2,475,434</u>	<u>2,206,984</u>	<u>2,206,984</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Investment income	<u>8,866</u>	<u>8,866</u>	<u>8,866</u>	<u>8,866</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Staff costs	1,704,094	1,704,094	1,561,377	1,561,377
Premises costs	300,888	300,888	276,843	276,843
Supplies and services costs	97,096	97,096	106,231	106,231
Establishment costs	173,272	173,272	166,159	166,159
Grants payable	1,500	1,500	—	—
Finance costs	—	—	10,000	10,000
Support costs	11,306	11,306	11,042	11,042
	<u>2,288,156</u>	<u>2,288,156</u>	<u>2,131,652</u>	<u>2,131,652</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2024 £	Total fund 2023 £
Staff costs	1,704,094	—	1,704,094	1,561,377
Premises costs	300,888	—	300,888	276,843
Supplies and services costs	97,096	—	97,096	106,231
Establishment costs	173,272	—	173,272	166,159
Grants payable	1,500	—	1,500	—
Finance costs	—	—	—	10,000
Governance costs	—	11,306	11,306	11,042
	<u>2,276,850</u>	<u>11,306</u>	<u>2,288,156</u>	<u>2,131,652</u>

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

10. Analysis of support costs

	Governance costs £	Total 2024 £	Total 2023 £
Staff costs	<u>11,308</u>	<u>11,308</u>	<u>11,042</u>

11. Net gains/(losses) on investments

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Net gains/(losses) on investments	<u>241,728</u>	<u>241,728</u>	<u>(29,403)</u>	<u>(29,403)</u>

12. Net income

Net income is stated after charging/(crediting):

	2024 £	2023 £
Depreciation of tangible fixed assets	40,342	57,906
Fees payable for the audit of the financial statements	<u>5,300</u>	<u>4,500</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024 £	2023 £
Wages and salaries	1,453,125	1,285,834
Social security costs	127,666	105,931
Employer contributions to pension plans	60,609	49,654
Other employee benefits	<u>74,000</u>	<u>131,000</u>
	<u>1,715,400</u>	<u>1,572,419</u>

The average head count of employees during the year was 86 (2023: 86). The average number of full-time equivalent employees during the year is analysed as follows:

	2024 No.	2023 No.
Cardigan House approved premises	22	21
Ripon House approved premises	16	16
Secretary	<u>1</u>	<u>1</u>
	<u>39</u>	<u>38</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2024 No.	2023 No.
£60,000 to £69,999	<u>1</u>	<u>1</u>

The key management personnel of the charity comprise the trustees together with the individuals listed on page 1. The total employee benefits of the key management personnel were £340,728 (2023: £316,316).

14. Trustee remuneration and expenses

No trustees received any remuneration (2023: none).

The amount paid to trustees in respect of travelling costs was £122 (2023: £140). This was in respect of one trustee (2023: three).

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

15. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2023	1,900,000	497,121	21,750	2,418,871
Additions	—	9,998	—	9,998
Disposals	—	(8,784)	(1,256)	(10,040)
At 31 March 2024	1,900,000	498,335	20,494	2,418,829
Depreciation				
At 1 April 2023	—	419,876	13,112	432,988
Charge for the year	—	37,319	3,023	40,342
Disposals	—	(8,784)	(1,257)	(10,041)
At 31 March 2024	—	448,411	14,878	463,289
Carrying amount				
At 31 March 2024	1,900,000	49,924	5,616	1,955,540
At 31 March 2023	1,900,000	77,245	8,638	1,985,883

All fixed assets are used for direct charitable purposes, namely that of approved premises. Land and buildings were revalued on 13 February 2023 on an existing use basis by Sanderson Weatherall, Chartered Surveyors and valuers. The trustees do not consider there to have been any material change in value at 31 March 2024 and therefore the valuation has not been updated.

The historic cost of the land and buildings is £83,887 (2023: £83,887).

16. Investments

	Listed investments £
Cost or valuation	
At 1 April 2023	2,067,547
Other movements	241,729
At 31 March 2024	2,309,276
Impairment	
At 1 April 2023 and 31 March 2024	—
Carrying amount	
At 31 March 2024	2,309,276
At 31 March 2023	2,067,547

All investments shown above are held at valuation.

Financial assets held at fair value

Investments of £2,309,276 (2023: £2,067,547) represent UK quoted investments held in Central Board of Finance of the Church of England.

The historic cost of investments is £1,042,879 (2023: £1,042,879).

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

17. Debtors

	2024	2023
	£	£
Trade debtors	735	108
Prepayments and accrued income	80,813	71,863
Other debtors	6,385	2,261
	<u>87,933</u>	<u>74,232</u>

18. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	3,832	12,079
Accruals and deferred income	71,670	48,165
Other creditors	78,297	2,962
	<u>153,799</u>	<u>63,206</u>

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £130,609 (2023: £49,654).

Defined benefit plans

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund ("the Fund") which is part of the Local Government Pension Scheme ("LGPS"). The funded nature of the LGPS requires the charitable company and its employees to pay contributions into the Fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The employer's regular contributions to the Fund for the year ending 31 March 2025 are estimated to be £242,000.

Additional contributions may also become due in respect of any employer discretions to enhance member benefits in the Fund over the next accounting period.

The scheme was closed to new members with effect from 30 September 2014.

The latest actuarial valuation of the charitable company's liabilities took place as at 31 March 2022. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

19. Pensions and other post retirement benefits (continued)

Principal Actuarial Assumptions

Ripon House

	2024	2023	2022
Discount rate	4.8%	4.7%	2.7%
CPI inflation	2.6%	2.7%	3.0%
Rate of increase to pensions in payment	2.6%	2.7%	3.0%
Rate of increase to deferred pensions	2.6%	2.7%	3.0%
Rate of general increase in salaries	3.85%	3.95%	4.25%

Cardigan House

	2024	2023	2022
Discount rate	4.8%	4.7%	2.7%
CPI inflation	2.6%	2.7%	3.1%
Rate of increase to pensions in payment	2.6%	2.7%	3.1%
Rate of increase to deferred pensions	2.6%	2.7%	3.1%
Rate of general increase in salaries	3.85%	3.95%	4.35%

All other assumptions below are the same for Ripon House and Cardigan House.

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. The assumed life expectations on retirement age 65 are:

	2024	2023	2022
Retiring today:			
Males	21	22	22
Females	24	25	25
Retiring in twenty years:			
Males	22	23	23
Females	25	26	26

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below.

	2024	2023	2022
Equities	79.4%	80.8%	79.8%
Property	2.8%	3.3%	4.0%
Government bonds	8.5%	6.9%	7.4%
Corporate bonds	4.2%	4.6%	4.8%
Cash	1.8%	2.3%	2.9%
Other	3.3%	2.1%	1.1%
Total	100.0%	100.0%	100.0%

The actual return on the scheme assets was £346,000 (2023: £52,000).

Sensitivity analysis on defined benefit obligations are:

	2024 £	2023 £	2022 £
Discount rate + 0.1%	3,959,000	4,051,000	5,279,000
Discount rate - 0.1%	4,081,000	4,177,000	5,482,000
Mortality assumption + 1 year increase	3,919,000	4,007,000	5,190,000
Mortality assumption - 1 year decrease	4,125,000	4,221,000	5,566,000
Salary rate + 0.1%	4,026,000	4,121,000	5,389,000
Salary rate - 0.1%	4,014,000	4,107,000	5,367,000

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

19. Pensions and other post retirement benefits (continued)

The statement of financial position net defined benefit asset is determined as follows:

	2024 £	2023 £
Present value of defined benefit obligations	(4,020,000)	(4,114,000)
Fair value of plan assets	5,525,000	5,086,000
	<u>1,505,000</u>	<u>972,000</u>
Asset restriction	(1,505,000)	(371,000)
	<u>—</u>	<u>601,000</u>

In accordance with paragraph 28.22 of FRS 102, the surplus has been restricted to the amount that can be recovered through reduced contributions in the future.

Changes in the present value of the defined benefit obligations are as follows:

	2024 £
At 1 April 2023	4,114,000
Current service cost	74,000
Past service credit	(1,000)
Interest expense	190,000
Benefits paid	(165,000)
Contributions by plan participants	25,000
Remeasurements:	
Actuarial gains and losses	(217,000)
At 31 March 2024	<u>4,020,000</u>

Changes in the fair value of plan assets are as follows:

	2024 £
At 1 April 2023	5,086,000
Interest income	239,000
Benefits paid	(165,000)
Contributions by employer	233,000
Contributions by plan participants	25,000
Remeasurements:	
Actuarial gains and losses	107,000
At 31 March 2024	<u>5,525,000</u>

The total costs for the year in relation to defined benefit plans are as follows:

	2024 £	2023 £
Recognised in income or expenditure:		
Current service cost	74,000	131,000
Past service credit	(1,000)	—
Net interest income	(49,000)	10,000
	<u>24,000</u>	<u>141,000</u>
Recognised in other recognised gains and losses:		
Asset restriction	(1,134,000)	(371,000)
Remeasurement of the liability:		
Actuarial gains and losses	324,000	1,327,000
	<u>(810,000)</u>	<u>956,000</u>

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

20. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2023	Income	Expenditure	Transfers	Gains and losses	At 31 Mar 2024
	£	£	£	£	£	£
Unrestricted Funds	1,804,669	2,484,550	(2,497,156)	(806,000)	241,728	1,227,791
Revaluation reserve	1,816,113	—	—	—	—	1,816,113
Pension	601,000	—	209,000	—	(810,000)	—
Designated funds						
Cessation fund	90,000	—	—	60,000	—	150,000
Redundancy fund	124,000	—	—	86,000	—	210,000
Building fund	220,000	—	—	430,000	—	650,000
Pension fund	330,000	—	—	230,000	—	560,000
	<u>4,985,782</u>	<u>2,484,550</u>	<u>(2,358,156)</u>	<u>—</u>	<u>(498,272)</u>	<u>4,613,904</u>

	At 1 Apr 2022	Income	Expenditure	Transfers	Gains and losses	At 31 Mar 2023
	£	£	£	£	£	£
Unrestricted Funds	1,892,699	2,216,025	(2,274,652)	—	(29,403)	1,804,669
Revaluation reserve	1,816,113	—	—	—	—	1,816,113
Pension	(498,000)	—	143,000	—	956,000	601,000
Designated funds						
Cessation fund	90,000	—	—	—	—	90,000
Redundancy fund	124,000	—	—	—	—	124,000
Building fund	220,000	—	—	—	—	220,000
Pension fund	330,000	—	—	—	—	330,000
	<u>3,974,812</u>	<u>2,216,025</u>	<u>(2,131,652)</u>	<u>—</u>	<u>926,597</u>	<u>4,985,782</u>

The description of the designated funds are as follows:

Cessation fund - The anticipated costs that are likely to be incurred in the event of cessation of the MOJ contract which runs until 31 March 2026.

Redundancy fund - The calculated redundancy for all employees.

Building fund - The estimate for potential major works to Ripon House and Cardigan House.

Pension fund - The annual lump sum pension contributions for the next 3 years arising out of the 2019 Triennial Review of the charity's funds within the West Yorkshire Pension Fund.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

21. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2024 £
Tangible fixed assets	1,955,539	1,955,539
Investments	2,309,276	2,309,276
Current assets	502,887	502,887
Creditors less than 1 year	(153,798)	(153,798)
Net assets	4,613,904	4,613,904

	Unrestricted Funds £	Total Funds 2023 £
Tangible fixed assets	1,985,883	1,985,883
Investments	2,067,547	2,067,547
Current assets	394,558	394,558
Creditors less than 1 year	(63,206)	(63,206)
Defined benefit pension	601,000	601,000
Net assets	4,985,782	4,985,782

22. Analysis of changes in net debt

	At 1 Apr 2023 £	Cash flows £	At 31 Mar 2024 £
Cash at bank and in hand	320,326	94,628	414,954

23. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2024 £	2023 £
Not later than 1 year	3,214	5,573
Later than 1 year and not later than 5 years	—	2,786
	3,214	8,359

24. Related parties

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.

Accounts

COMPANY REGISTRATION NUMBER: 3286672
CHARITY REGISTRATION NUMBER: 1065423

**Progress to Change
Company Limited by Guarantee
Financial Statements
For the year ended
31 March 2023**

Progress to Change

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2023

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Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2023

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name	Progress to Change
Charity registration number	1065423
Company registration number	3286672
Principal office and registered office	63 Clarendon Road Leeds LS2 9NZ
The trustees	Prof A W M Hay (Chairman) Mr N Wainman Mrs D Favre Mrs J Dilks Prof O Matthias Mrs C Cochrane Dr E Wincup Mrs S Mondon Mr R Brook (Resigned 18 October 2022)
Key management personnel	Chief Executive - Mrs L Cantley Finance Manager - Mrs R Kyle Ripon House Hostel Manager - Mrs C Maguire Cardigan House Hostel Manager - Mr B Spink Training and Project Manager - Mrs E Falk
Company secretary	Mrs T Gradys
Auditor	Gibson Booth Chartered Accountants & Statutory Auditors New Court Abbey Road North Shepley Huddersfield HD8 8BJ
Bankers	National Westminster Bank plc Leeds City Office Branch 8 Park Row Leeds LS1 5HD
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG
Investment managers	CCLA Senator House 85 Queen Victoria Street Lodnon EC4V 4ET

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2023

Chairman's report

This is my first year as Chair of Progress to Change having been a trustee for some 6 years now. I took over from Jill Dilks who chaired the trustees for many years and to whom we all owe a debt of thanks for her adept handling of the charity, and particularly through the Covid era.

As trustees, we have the privilege of being associated with the fine work of the charity, but at a distance, as the day-to-day functioning is supervised by an experienced Management Team who have been in place for over a year now. The move of Clare McGuire from Cardigan to Ripon House, appointment of Ben Spink to manage Cardigan, and Emma Falk to oversee many projects including applications for the Enabling Environment award, has been a great success. They all work under the guidance of our Chief Executive, Louise Cantley. This quartet, with its considerable expertise, continues to manage both of our premises with real dedication, good humour, and much needed ingenuity. We owe all four, and the teams they manage, a real debt of gratitude, for we know how difficult a period it continues to be, with staffing a constant problem.

During the year we lost our long-standing Treasurer Nigel Wainman and have yet to find a replacement. The role of treasurer will be divided amongst existing trustees until a replacement is found. Nigel was a real support for the charity, and we will miss him and his clear guidance on matters financial. He is another we wish to thank. Aside from Nigel's departure, our Board of Trustees remains unchanged and is a real resource for the support and wise counsel it provides for the wide range of issues the trustees need to consider. Although the board continues to meet mainly via Zoom to suit the needs of trustees, it decided that at least two meetings a year will be in person. Inspection visits of premises are now also in person except, on rare occasions, where a staff absence might have necessitated an online interview. The in-person visits by trustees provides a valuable opportunity to engage with staff and residents, and is a vital engagement mechanism for the trustees, as well as an important window on activities.

We are delighted that Ripon House has been awarded the Enabling Environment (EE) award again and Cardigan House is awaiting the outcome of its application. The application procedure for the EE award requires considerable work and we thank all the staff who have made such a success of this. As part of the application process a team of inspectors from the Royal College of Psychiatry (RCP) visit each premise to, in effect, audit our submission. The visit to each premise enabled the RCP team to also enjoy a lunch and meet with some trustees, management teams, current and previous residents. The three trustees Emma Wincup, Sara Mondon, and Olga Matthias, and our secretary, Tricia Gradys, who oversee our grant giving process continue to meet and recently recommended an award to the Lighthouse charity to support a seaside outing for the people it supports.

Carol Cochrane created, and maintains, our Risk Register which gives us a clear view of any potential problems and how we might mitigate these. Carol also co-ordinates our Remuneration Committee, with Jill and Diana Favre additional members. The high inflation we have experienced, with the associated cost-of-living problems for staff, has meant extra work for the committee as it has to assess what the charity can afford by way of salaries. Diana, as Vice-Chair, also continues to step in and cover for me when I am unavailable. I am grateful to all three trustees on the Remuneration Committee, to those on the grant-giving committee, and other trustees, for all of their work and support of me, and the charity.

Progress to Change is an associate of NAPA (National Approved Premises Association). This gives us access to training and to meetings with other Independent APs and representatives from the Ministry of Justice. Two Trustees attended the Napa residential conference in July.

Our Achievements and Performance report explains that our contract with the Ministry of Justice, previously renewed until March 2024, will now be extended until March 2026. In the interim, and within the next few months, we will have to take part in a competitive tender, to bid for a 5-year contract for the charity from 1 April 2026. We await details about the bidding process and when we will have to submit our application. The charity thus has a guaranteed income for the next 2 and ½ years. Beyond this will depend on the outcome of the new bid, and we will not know the outcome of our submission for a new contract until well into 2025.

We continue to be indebted to Tricia for her efficient work as Company Secretary and to Patrick Heaton, our auditor from Gibson Booth.

Amidst many uncertainties the charity continues to offer opportunities for our residents to re-assess their lives and with support make the changes needed to turn from offending. I wish to thank all our staff, without whose resourcefulness, dedication, and hard work, none of this would be possible.



Alastair Hay (Dec 18, 2023, 3:26pm)

Prof A W M Hay
Chairman

18 Dec 2023

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Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2023

Structure, governance and management

Governing Document

Progress to Change (formerly known as the Ripon and Leeds Diocesan Council for Social Concern) is a Company Limited by Guarantee and incorporates the work of the two Approved Premises - Ripon House and Cardigan House - and their related assets and liabilities. Our registered charity number is 1065423. The charity has its office at 63 Clarendon Road, Leeds, LS2 9NZ.

Social Concern was incorporated on 3 December 1996. Following a special resolution, the company was incorporated under the revised name of Ripon & Leeds Diocesan Council for Social Concern with effect from 27 December 2000.

As a result of the creation of the Diocese of Leeds in 2014, and following a special resolution, the company was incorporated under the revised name of Progress to Change with effect from 15 August 2015.

During 2015, the Trustees further reviewed and updated the Articles of Association of the Company. These were amended by a special resolution dated 22 September 2015.

Recruitment and appointment of Trustees

The Trustees of Progress to Change and the Board members are the same people. Under the requirements of the Articles of Association Trustees are appointed for a period of four years, after which they can be re-appointed for one further term of four years. Five are appointed by the Bishop of Leeds and four are appointed by the Board of Trustees.

Members have a wide range of backgrounds and skills, bringing expertise in business, finance, education, the legal system, social work and the Church.

To ensure a broad skills mix, Trustees are asked to provide a CV and list of skills on their application form. A skills inventory is maintained and, in the event of particular skills being lost due to retirement, efforts are made to recruit individuals with a similar skills base. Progress to Change this year has created an application pack for interested parties.

Organisational structure

The Board of Trustees, of up to nine members, has overall responsibility for the management, strategic direction, and policy of the Charity. The Trustees meet nine times a year. During the year 2022/23 many meetings of the Board including some sub-group meetings were still held via the Zoom platform to accommodate the needs of trustees. One Board meeting was held face-to-face, and another will take place in September, the plan being to have at least two face-to-face meetings of the Board each year. Bar the occasional AP inspection visit of premises, due to staff absences, all visits were in person by a trustee.

Day-to-day management of the two Approved Premises (AP's) is delegated to the Chief Executive Officer and Operational Managers. The Managers have responsibility for operational management of the AP's, individual supervision of staff and ensuring that the staff teams continue to develop skills and working practices in line with best practice. As noted in the Chair's Report for 2022/23 the new management team for both Cardigan and Ripon houses has been in place for over a year.

Trustee induction and training

New Board members are provided with a newly produced induction pack. Additionally, gaps in knowledge are identified by individual members and visits and training are organized to enable members to have sufficient information about the work of the charity to contribute effectively.

Remuneration Policy

Introduction: Progress to Change is committed to paying its employees fairly so that the best people for the job are attracted and retained.

Employee Salaries: The pay and benefits of senior employees are reviewed on a regular basis and are benchmarked against the salary scales used within the Probation Service for equivalent roles.

Payments to Trustees: All trustees give their time freely and do not receive any pay or recompense other than for reasonable out of pocket expenses.

Remuneration Committee: The Remuneration Committee reviews the remuneration of all senior employees and makes recommendations to the Board of Trustees for implementation.

The Remuneration Committee comprises the Treasurer of the charity along with at least two other trustees. The Treasurer will act as chair of the Remuneration Committee. The Committee will:

- Make salary recommendations to the Board for all senior employees
 - Review any recommendations for pay increases for Hostel employees that are put forward by the Chief Executive & Finance Manager in advance of presentation to the Board.
 - Make recommendations to the Board in respect of cost of living increases
-

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2023

Recommendations of the Remuneration Committee must be ratified by the Board of Trustees.

Grant making policy

In the recent past the charity has made the occasional small grant to local organisations in furtherance of the charity's objectives. During this year the grant making policy has been revisited and a small grants programme has been developed.

Progress to Change is now encouraging any individual, or small community-based group, to apply for a small grant in supporting a planned activity, in accordance with our charitable aims, which will enhance the quality of life of those taking part. Applications from individuals can be submitted for grants of up to £1,000, and community groups or organisations up to £2,000.

Individuals and groups applying must be able to show that the activity will improve the life opportunities for those who have been affected by crime.

Organisations may only apply for a grant once in any financial year.

Risk management

The Trustees maintain a Risk Register of the potential risks which the Charity is exposed to and has put in place steps to mitigate these risks. The risks are grouped under three main headings - a) Governance Risks, b) Financial Risks, c) Operational Risks. For each risk existing control procedures have been identified along with proposed improvements in controls. In June 2020 an additional Covid-19 section was added to the Risk Register. On an ongoing basis as new risks are identified or the nature or or significance of perceived risks change the Risk Register has been updated. The last update was in February 2021. This involved the identification of any changes to the potential risks and progress on the implementation of identified actions to mitigate risks. A further full review will be undertaken in 2023.

As explained under 'Objectives and activities', the principal activity of the two Approved Premises is to provide enhanced supervision in a residential setting, including rehabilitation, risk management, and monitoring. The majority of offenders are on license following release from custodial sentences. There are particular risks associated with this work. The Charity has a team of appropriately qualified key management personnel who undertake regular training as well as working closely with the Ministry of Justice and the Probation Service.

Robust Risk Management procedures are in place in all aspects of the Charity's day-to-day activities in this regard. Policies and procedures are in place to ensure compliance with health and safety regulations, food hygiene regulations and fire regulations.

The risk management systems and procedures are continually reviewed by the key management team. All the identified risks are managed by regular training and awareness for staff working on day-to-day operations and by ensuring accreditation is up to date and having robust policies and procedures in place.

Related parties

In so far as it is complementary to the Charity's objects, the Charity is guided by local and national policies. The AP's work in association with the regional Probation Service, Community Rehabilitation Companies, local GP practices, local housing organisations, alcohol and drugs services, and other third sector organisations.

Nationally, the AP's work collaboratively with their funders, the Ministry of Justice, and Her Majesty's Prison & Probation Service. We are also a member of the National Approved Premises Association (NAPA), ensuring that national standards are constantly attained.

The Trustees thank all of our partner agencies for their commitment to and assistance with our work.

Objectives and activities

The charity's purposes, as set out in the objects contained in the company's Articles of Association, are:

- to maintain the premises known as Ripon House and Cardigan House as Approved Premises within the meaning of the Offender Management Act 2007; and
- to support and further all or any charitable activities carried out in connection with the Church of England in the Diocese of Leeds and in particular:
- the promotion and temperance and of higher standards of moral life in the individual, the family and the community;
- the rehabilitation of offenders and in particular those addicted to drugs or alcohol or otherwise in need of help;
- the relief of distress or suffering arising from offending behaviour.

These objects were last reviewed and updated in 2015. The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The focus of our work

Progress To Change provides enhanced supervision for people on probation (POP's) who are on post custody licence. Both premises work with those who present a very high or high risk of harm to the public, although Ripon House also takes women who are medium risk of harm with complex problems. The majority of residents stay for up to three months, during which time they are subject to curfews, keywork and monitoring. A resident's plan is prepared which informs work with them during their stay and a programme of activities is provided by staff and partner agencies. Work focuses on desistance from offending,

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2023

preparation for positive move-on and reducing the risk of harm to the public.

Achievements and performance

Each year the Trustees discuss and agree targets and objectives for the coming year in consultation with the Chief Executive. As part of the above the Chief Executive prepares a Business Plan which is considered and approved by the Board which is used throughout the year to monitor and review achievements and performance. As part of the Charity's contract with the MoJ there are a number of key performance criteria which are monitored by the Chief Executive and the Managers of each of the two Approved Premises.

The main key performance indicators for 22-23 are occupancy, keywork and first inductions. Both premises have achieved the MOJ targets.

Contract with the MOJ

This has been a source of concern over the last year. Initially we were told that running independent approved premises (from March 2024) would be subject to a competitive tendering process. However, having tested the market in 22-23 it was then decided the contract would be rolled over for one year, plus one, which means the premises are secure until March 2026. The tender process for 2026 onwards is due to commence in September 2023.

Enabling Environments

It is a contractual requirement that all approved premises achieve EE status. Both premises had awards that expired during the pandemic. Ripon House successfully achieved the award again on the 17th of November 2022. Cardigan House had a very good assessment day on the 17th of May 2023, but the report has been delayed owing to issues outside our control. We hope that Cardigan House will be successful.

Partnerships

One of our key strengths as independent approved premises is our partnership working with others. During 2022-23 we have developed a partnership with Active Leeds. As part of this we have developed a gym facility at Cardigan House with several pieces of equipment. This is well used, and sessions developed by Active Leeds are utilised in terms of residents and staff health and well-being.

Our other partnerships enable our residents to engage in theatre, poetry, music, and art and complement the sessions offered by our own staff which focus on thinking skills, budgeting and cooking on a budget.

Staffing

Recruitment and retention of quality staff has been and continues to be our biggest challenge. The job market appears to have changed over the last few years and recruiting staff that want to do shift work is much more difficult. Over the last year we have been very reliant on a number of established staff, as other staff in the support worker role have come and gone. We hope that things will settle down moving forwards.

Thanks go to our relief pool of staff, who cover holidays and sickness, sometimes with little notice. We would not be able to maintain our services without them and the energy and commitment that they bring.

We are grateful to the Trustees for their ongoing guidance and support. One of the many positive things about being an independent approved premise is that the Trustees are there during the good and the challenging times, offering their skills, time, and investment on a voluntary basis. We are thankful for all that they bring.

Finally, a big thank you to all staff, residents and partner agencies who have been involved with Cardigan House and Ripon House over the past year. We value all that you do to keep the approved premises positive places to be.

Financial review

The after effects of the Pandemic continued to be felt throughout this past year and continued to have an influence on the day-to-day operations of our two Approved Premises. Our Ministry of Justice contract was initially extended to 31 March 2024 and was increased in line with the agreed CPI. We have recently been informed that the existing contract will be extended until March 2026 before which we will have to bid for a new contract which will operate from 1 April 2026. The financial details of the two-year extension from 2024-2026 have yet to be agreed.

The Ministry of Justice provided a contribution of 80% of the Additional annual pension payments to WYPF for 2021/2022, but the charity was informed that this was a one-off payment. Since then, the charity has been solely responsible for all pension payments to the WYPF and for the employer's contribution to pensions for those staff on the People's Pension.

An annual finance budget for each AP is submitted to the Board of Trustees in March. Budget reviews take place at every Management Board meeting (a minimum of six such meetings per year). Both AP's have continued to manage their finances in a prudent and resourceful way.

Income for the year including investment income was similar to the previous at £2,216,025 (2022: £2,082,153). Further information is provided in notes 5, 6 and 7.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2023

Expenditure during the year increased from £1,870,988 in 2022 to £2,131,652 in 2023. Further information is provided in notes 8 and 9.

The Charity's investment portfolio increased in value during the year to £2,067,547 (2022: £2,010,950).

The net losses on investments during the year were £29,403 (2022: gains of £195,838).

As set out in note 20 'Pensions and other post-retirement benefits' following an actuarial review a gain of £956,000 (2022: £744,000) has been reflected in this year's Statement of Financial Activities.

The net movement in funds for 2023 was a gain of £1,010,970 (2022: £1,151,003).

a) Principal Funding Sources

The Ministry of Justice is the principal funder of both Cardigan House and Ripon House. Detailed information on this and the Charity's finances are set out in the Financial Accounts at the end of this Report. The Charity does not undertake any additional fundraising activities.

b) Reserves Policy

In considering this the Trustees have had regard to the current situation in the UK; the high level of inflation, the high level of interest rates and our contract with the Ministry of Justice.

There remain uncertainties regarding the Charity's funding by the MoJ. It is for the above reasons and the level of uncertainty that the charity has again considered it both prudent and necessary to maintain Designated Reserves as set out in the Designated Reserves note.

The Trustees have established a policy whereby the funds of the Approved Premises not committed or invested in tangible fixed assets ("the free reserves") are maintained at a level which the Board considers sufficient to maintain the continuing activities of the Charity on the basis of the funding arrangements with the Ministry of Justice.

Why reserves are needed

As part of its Risk Assessment, the Board has established that the Charity needs to maintain short-term and long-term reserves to reduce the impact of risks from both internal and external factors.

- As owner of the two properties Cardigan House and Ripon House, the Board needs to hold sufficient reserves to cover major building works which are not funded by the MoJ.
- The two Approved Premises need to hold short-term reserves to meet costs of unplanned events and planned internal maintenance of the buildings.
- The Board also has overall responsibility for the staff employed and, should income be disrupted the Charity need to hold sufficient reserves to meet ongoing costs and commitments until further funding is secured.
- Reserves are also required to meet the WYPF defined benefit liabilities given that there is no guarantee that the Ministry of Justice will continue to provide funding.

Level of Reserves

Given the stated background as to why reserves are needed, the trustees are of the view that the level of unrestricted income reserves of £2,568,669 are at an appropriate level to enable the charity to meet its objectives and continue as a Going Concern.

Investment of reserves

The reserves of the Charity are held in the freehold property, investments managed by CCLA, and short-term bank accounts.

With regard to risk, as the balance of the Central Reserves Fund alters, investment advice will be sought by the Trustees when necessary.

c) Investment Policy

The investment policy's objectives are:

- Effective management of the Charity's assets that are not required for imminent use.
- To protect the reserves of the Charity and maximise investment income.

The Investment Objectives are:

- Produce the best financial return within an acceptable level of risk.
- Produce a total return of at least RPI plus 3% over the long term.

The policy has regard to areas of Risk, Liquidity, Time Horizon, the charity's Ethical Policy, Management, Reporting and Monitoring.

The policy is approved by the Trustees and is reviewed annually.

Investment of reserves

The Charity continues to monitor its reserves, some of which have been used in 2022/23 on major roof repairs at Ripon House

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2023

and installation of insulation. As the charity is solely responsible for the pension funds of previous and existing staff on the WYPF, and for those with the People's Pension, it may have to look to its reserves to meet all payments. Some small projects that will benefit the residents of both Approved Premises may also be considered. The charity also approved a small grant to another charity Lighthouse.

The Charity's contract with the MoJ will be rolled over for two more years to 31 March 2026. After that our contract with the MOJ will be dependent on a successful competitive tender.

The Charity will continue to operate at the highest level in carrying out its activities for the benefit of its residents.

The Charity continues to investigate future outreach work with residents once they have left the Approved Premises.

Plans for future periods

It is anticipated that a good deal of time will be required by the Trustees and senior management during 2023 in preparing to tender for a new Ministry of Justice contract going forward from 1 April 2024.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

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

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

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

A resolution to reappoint Gibson Booth as auditors for the ensuing year will be proposed at the forthcoming annual general meeting.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 18 Dec 2023 and signed on behalf of the board of trustees by:



Alastair Hay (Dec 18, 2023, 3:26pm)

Prof A W M Hay
Trustee

Progress to Change

Company Limited by Guarantee

Independent Auditor's Report to the Members of Progress to Change (*continued*)

Year ended 31 March 2023

Opinion

We have audited the financial statements of Progress to Change (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 charity's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 trustees 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charity or to cease operations, or have no realistic alternative but to do so.

Progress to Change

Company Limited by Guarantee

Independent Auditor's Report to the Members of Progress to Change (*continued*)

Year ended 31 March 2023

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the charity and the charity sector, we identified that the principal risks of non-compliance with law and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and the audit procedures performed included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws, regulation and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- testing of non-purchase and sales ledger bank transactions;
- testing of journals;
- testing of purchase invoice authorisations.

Because of the inherent limitations of an audit, there is a risk that we will fail to detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Patrick Heaton (Dec 18, 2023, 3:51pm)

Gibson Booth
Chartered Accountants & Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

Gibson Booth is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

18 Dec 2023

Progress to Change

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2023

		2023		2022
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	175	175	250
Charitable activities	6	2,206,984	2,206,984	2,073,295
Investment income	7	8,866	8,866	8,608
Total income		<u>2,216,025</u>	<u>2,216,025</u>	<u>2,082,153</u>
Expenditure				
Expenditure on charitable activities	8,9	(2,131,652)	(2,131,652)	(1,870,988)
Total expenditure		<u>(2,131,652)</u>	<u>(2,131,652)</u>	<u>(1,870,988)</u>
Net (losses)/gains on investments	11	(29,403)	(29,403)	195,838
Net income		<u>54,970</u>	<u>54,970</u>	<u>407,003</u>
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes		956,000	956,000	744,000
Net movement in funds		1,010,970	1,010,970	1,151,003
Reconciliation of funds				
Total funds brought forward		3,974,812	3,974,812	2,823,809
Total funds carried forward		<u>4,985,782</u>	<u>4,985,782</u>	<u>3,974,812</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 13 to 24 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	15	1,985,883	2,027,555
Investments	16	2,067,547	2,010,950
		<u>4,053,430</u>	<u>4,038,505</u>
Current assets			
Debtors	17	74,232	269,116
Cash at bank and in hand		320,326	268,633
		<u>394,558</u>	<u>537,749</u>
Creditors: amounts falling due within one year	18	(63,206)	(103,442)
Net current assets		<u>331,352</u>	<u>434,307</u>
Total assets less current liabilities		<u>4,384,782</u>	<u>4,472,812</u>
Net assets excluding defined benefit pension plan liability		<u>4,384,782</u>	<u>4,472,812</u>
Defined benefit pension plan asset/ (liability)	20	601,000	(498,000)
Net assets including defined benefit pension plan liability		<u><u>4,985,782</u></u>	<u><u>3,974,812</u></u>
Funds of the charity			
Unrestricted funds:			
Revaluation reserve		1,816,113	1,816,113
Defined benefit pension reserve		601,000	(498,000)
Other unrestricted income funds		2,568,669	2,656,699
Total unrestricted funds		<u>4,985,782</u>	<u>3,974,812</u>
Total charity funds	21	<u><u>4,985,782</u></u>	<u><u>3,974,812</u></u>

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

18 Dec 2023

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:



Alastair Hay (Dec 18, 2023, 3:26pm)

Prof A W M Hay
Trustee

The notes on pages 13 to 24 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income	54,970	407,003
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	57,906	52,798
Net (losses)/gains on investments	29,403	(195,838)
Dividends, interest and rents from investments	(8,866)	(8,608)
Interest payable and similar charges	10,000	24,000
Defined benefit pension plan employer contributions	(22,000)	62,000
Accrued (income)/expenses	(1,413)	5,491
Service cost of defined benefit pension scheme	(131,000)	(174,000)
<i>Changes in:</i>		
Trade and other debtors	194,884	371,582
Trade and other creditors	(38,823)	(460,111)
Cash generated from operations	145,061	84,317
Net cash from operating activities	<u>145,061</u>	<u>84,317</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	8,866	8,608
Purchase of tangible assets	(16,234)	(82,956)
Purchases of other investments	(240,000)	(80,000)
Proceeds from sale of other investments	154,000	5,000
Net cash used in investing activities	<u>(93,368)</u>	<u>(149,348)</u>
Net increase/(decrease) in cash and cash equivalents	51,693	(65,031)
Cash and cash equivalents at beginning of year	<u>268,633</u>	<u>333,364</u>
Cash and cash equivalents at end of year	<u>320,326</u>	<u>268,333</u>

The notes on pages 13 to 24 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 63 Clarendon Road, Leeds, LS2 9NZ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 issued in October 2019 (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006, Charities Act 2011 and UK Generally Accepted Accounting Practice.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for investments which are included at fair value and the revaluation of certain fixed assets.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Depreciation has not been charged on freehold buildings as it is the charity's policy to maintain the properties in a continual state of sound repair. Due consideration has been given to any necessary requirement to impair these assets.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 March 2023

3. Accounting policies (*continued*)

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Allocation of overheads and support costs by activity

The charity allocates its expenditure and overheads to either direct costs or support costs. Costs incurred which are in line with the charity's objective's are allocated to direct costs. Costs incurred for the administration of the charity are allocated to support costs.

Property revaluation

The properties within land and buildings are valued under the revaluation model and are held at market value. The valuation is re-assessed annually, and where the trustees judge that the property valuations have not materially changed, no subsequent revaluation is obtained. The valuation is amended when necessary to reflect current estimates.

Defined benefit pension scheme

The charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation are determined using actuarial valuations which make assumptions about a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. These factors are estimated in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 20 for the disclosures relating to the defined benefit pension scheme.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates. See note 15 for the carrying amount of the tangible assets, and the tangible fixed assets policy below for the depreciation rates used for each class of assets.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on the general fund and designated funds. They are available for use at the discretion of the directors in the furtherance of the company's general charitable objectives.

Restricted funds are created when grants and donations are made for a particular purpose, the use of which is restricted to that purpose.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

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

Ministry of justice grants are recognised in full in the year which they are receivable and any unspent amount is reflected as a balance in the unrestricted general fund. Capital grants are recognised when receivable and are deferred over the life of the asset on which they are expended.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 March 2023

3. Accounting policies (*continued*)

Resources expended

Allocation of overhead and support costs

Overhead and support costs have been allocated between charitable activity and governance based on the time spent by employees working in the two areas concerned and the actual cost incurred.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees plus an apportionment of wages, overheads and support costs.

Irrecoverable VAT

All expenditure is stated inclusive of irrecoverable VAT.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Freehold buildings are not depreciated. It is the charity's policy to maintain the properties in a continual state of sound repair. Accordingly, the trustees consider that the life of the properties is so long and the residual value, based on prices prevailing at the time of acquisition, is so high that any depreciation would be insignificant.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	25% straight line
Computer equipment	-	25% straight line

Investments

Listed investments are measured at fair value with changes in fair value being recognised in the Statement of Financial Activity.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 March 2023

3. Accounting policies (*continued*)

Defined benefit plans

The charitable company contributes to the Local Government Pension Scheme ("LGPS"), a defined benefit pension scheme. The LGPS is a funded scheme and the assets are held separately from those of the charitable company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the statement of financial activities. Net pension finance income is recognised as an incoming resource in the Statement of Financial Activities.

Actuarial gains and losses are recognised immediately as other recognised gains and losses in the Statement of Financial Activities.

4. Company limited by guarantee

The charitable company has nine members. If the charity is dissolved, each member promises to remain a member or within twelve months afterwards, to pay up to £10 towards the cost of dissolution and the liabilities of the charity while the contributor was a member.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Donations	175	175	250	250

6. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Ministry of Justice grants	2,157,344	2,157,344	2,024,728	2,024,728
Income from residents	49,392	49,392	42,152	42,152
Other income	248	248	6,415	6,415
	<u>2,206,984</u>	<u>2,206,984</u>	<u>2,073,295</u>	<u>2,073,295</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Investment income	8,866	8,866	8,608	8,608

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2023

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Staff costs	1,561,377	1,561,377	1,416,543	1,416,543
Premises costs	276,843	276,843	192,771	192,771
Supplies and services costs	106,231	106,231	77,174	77,174
Establishment costs	166,159	166,159	144,809	144,809
Grants payable	–	–	5,000	5,000
Finance costs	10,000	10,000	24,000	24,000
Support costs	11,042	11,042	10,691	10,691
	<u>2,131,652</u>	<u>2,131,652</u>	<u>1,870,988</u>	<u>1,870,988</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Staff costs	1,561,377	–	1,561,377	1,416,543
Premises costs	276,843	–	276,843	192,771
Supplies and services costs	106,231	–	106,231	77,174
Establishment costs	166,159	–	166,159	144,809
Grants payable	–	–	–	5,000
Finance costs	10,000	–	10,000	24,000
Governance costs	–	11,042	11,042	10,691
	<u>2,120,610</u>	<u>11,042</u>	<u>2,131,652</u>	<u>1,870,988</u>

10. Analysis of support costs

	Governance costs £	Total 2023 £	Total 2022 £
Staff costs	<u>11,042</u>	<u>11,042</u>	<u>10,691</u>

11. Net (losses)/gains on investments

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Net (losses)/ gains on investments	<u>(29,403)</u>	<u>(29,403)</u>	<u>195,838</u>	<u>195,838</u>

12. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	57,906	52,798
Fees payable for the audit of the financial statements	<u>4,500</u>	<u>4,500</u>

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2023

13. Staff costs

The average head count of employees during the year was 86 (2022: 72). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Cardigan House approved premises	21	20
Ripon House approved premises	16	16
Secretary	1	1
	<u>38</u>	<u>37</u>

The total staff costs and employee benefits were as follows:

	2023 £	2022 £
Wages and salaries	1,274,792	1,115,126
Social security	105,931	88,177
Defined contribution pension costs	49,654	39,240
Defined benefit pension operating costs	131,000	174,000
	<u>1,561,377</u>	<u>1,416,543</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2023 No.	2022 No.
£60,000 to £69,999	1	–

The key management personnel of the charity comprise the trustees together with the individuals listed on page 1. The total employee benefits of the key management personnel were £316,316 (2022: £253,982).

14. Trustee remuneration and expenses

No trustees received any remuneration (2022: none).

The amount paid to trustees in respect of travelling costs was £140 (2022: £103). This was in respect of three trustees (2022: two).

15. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2022	1,900,000	484,606	18,031	2,402,637
Additions	–	12,515	3,719	16,234
At 31 March 2023	<u>1,900,000</u>	<u>497,121</u>	<u>21,750</u>	<u>2,418,871</u>
Depreciation				
At 1 April 2022	–	364,717	10,365	375,082
Charge for the year	–	55,159	2,747	57,906
At 31 March 2023	<u>–</u>	<u>419,876</u>	<u>13,112</u>	<u>432,988</u>
Carrying amount				
At 31 March 2023	<u>1,900,000</u>	<u>77,245</u>	<u>8,638</u>	<u>1,985,883</u>
At 31 March 2022	<u>1,900,000</u>	<u>119,889</u>	<u>7,666</u>	<u>2,027,555</u>

All fixed assets are used for direct charitable purposes, namely that of approved premises. Land and buildings were revalued on 13 February 2023 on an existing use basis by Sanderson Weatherall, Chartered Surveyors and valuers. The trustees do not consider there to have been any material change in the market value between this date and the year end.

The historic cost of the land and buildings is £83,887 (2022: £83,887).

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2023

16. Investments

	Listed investments £
Cost or valuation	
At 1 April 2022	2,010,950
Additions	240,000
Disposals	(154,000)
Other movements	(29,403)
At 31 March 2023	2,067,547
Impairment	
At 1 April 2022 and 31 March 2023	—
Carrying amount	
At 31 March 2023	2,067,547
At 31 March 2022	2,010,950

All investments shown above are held at valuation.

Financial assets held at fair value

Investments of £2,067,547 (2022: £2,010,950) represent UK quoted investments held in Central Board of Finance of the Church of England.

The historical cost of investments at 31 March 2023 was £1,042,879 (2022: £961,286).

17. Debtors

	2023 £	2022 £
Trade debtors	108	252,679
Prepayments and accrued income	71,863	15,154
Other debtors	2,261	1,283
	74,232	269,116

18. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	12,079	5,797
Accruals and deferred income	48,165	61,968
Other creditors	2,962	35,677
	63,206	103,442

19. Deferred income

	2023 £	2022 £
Amount deferred in year	—	12,390

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £49,654 (2022: £39,240).

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year ended 31 March 2023

20. Pensions and other post retirement benefits (*continued*)

Defined benefit plans

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund ("the Fund") which is part of the Local Government Pension Scheme ("LGPS"). The funded nature of the LGPS requires the charitable company and its employees to pay contributions into the Fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The employer's regular contributions to the Fund for the year ending 31 March 2024 are estimated to be £226,000.

Additional contributions may also become due in respect of any employer discretions to enhance member benefits in the Fund over the next accounting period.

The scheme was closed to new members with effect from 30 September 2014.

The latest actuarial valuation of the charitable company's liabilities took place as at 31 March 2022. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

Principal Actuarial Assumptions

Ripon House

	2023	2022	2021
Discount rate	4.7%	2.7%	2.1%
CPI inflation	2.7%	3.0%	2.7%
Rate of increase to pensions in payment	2.7%	3.0%	2.7%
Rate of increase to deferred pensions	2.7%	3.0%	2.7%
Rate of general increase in salaries	3.95%	4.25%	3.95%

Cardigan House

	2023	2022	2021
Discount rate	4.7%	2.8%	2.1%
CPI inflation	2.7%	3.1%	2.7%
Rate of increase to pensions in payment	2.7%	3.1%	2.7%
Rate of increase to deferred pensions	2.7%	3.1%	2.7%
Rate of general increase in salaries	3.95%	4.35%	3.95%

All other assumptions below are the same for Ripon House and Cardigan House.

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. The assumed life expectations on retirement age 65 are:

	2023	2022	2021
Retiring today:			
Males	22	22	22
Females	25	25	25
Retiring in twenty years:			
Males	23	23	23
Females	26	26	26

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

20. Pensions and other post retirement benefits *(continued)*

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below.

	2023	2022	2021
Equities	80.8%	79.8%	79.7%
Property	3.3%	4.0%	3.8%
Government bonds	6.9%	7.4%	8.3%
Corporate bonds	4.6%	4.8%	4.6%
Cash	2.3%	2.9%	2.0%
Other	2.1%	1.1%	1.6%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

The actual return on the scheme assets was £52,000 (2022: £443,000).

Sensitivity analysis on defined benefit obligations are:

	2023 £	2022 £	2021 £
Discount rate + 0.1%	4,051,000	5,279,000	5,492,000
Discount rate - 0.1%	4,177,000	5,482,000	5,704,000
Mortality assumption + 1 year increase	4,007,000	5,190,000	5,394,000
Mortality assumption - 1 year decrease	4,221,000	5,566,000	5,802,000
Salary rate + 0.1%	4,121,000	5,389,000	5,610,000
Salary rate - 0.1%	4,107,000	5,367,000	5,584,000

The statement of financial position net defined benefit asset/ (liability) is determined as follows:

	2023 £	2022 £
Present value of defined benefit obligations	(4,114,000)	(5,378,000)
Fair value of plan assets	<u>5,086,000</u>	<u>4,880,000</u>
	972,000	(498,000)
Asset restriction	<u>(371,000)</u>	<u>-</u>
	<u>601,000</u>	<u>(498,000)</u>

In accordance with paragraph 28.22 of FRS102, the surplus has been restricted to the amount that can be recovered through reduced contributions in the future.

Changes in the present value of the defined benefit obligations are as follows:

	2023 £
At 1 April 2022	5,378,000
Current service cost	131,000
Interest expense	147,000
Benefits paid	(153,000)
Contributions by plan participants	23,000
Remeasurements:	
Actuarial gains and losses	(1,412,000)
At 31 March 2023	<u>4,114,000</u>

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2023

20. Pensions and other post retirement benefits (continued)

Changes in the fair value of plan assets are as follows:

	2023 £
At 1 April 2022	4,880,000
Interest income	137,000
Benefits paid	(153,000)
Contributions by employer	284,000
Contributions by plan participants	23,000
Remeasurements:	
Actuarial gains and losses	(85,000)
At 31 March 2023	5,086,000

The total costs for the year in relation to defined benefit plans are as follows:

	2023 £	2022 £
Recognised in income or expenditure:		
Current service cost	131,000	174,000
Net interest expense	10,000	24,000
	<u>141,000</u>	<u>198,000</u>
Recognised in other recognised gains and losses:		
Asset restriction	(371,000)	–
Remeasurement of the liability:		
Actuarial gains and losses	1,327,000	744,000
	<u>956,000</u>	<u>744,000</u>

21. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2023 £
Unrestricted Funds	1,892,699	2,216,025	(2,274,652)	–	(29,403)	1,804,669
Revaluation reserve	1,816,113	–	–	–	–	1,816,113
Pension	(498,000)	–	143,000	–	956,000	601,000
Designated funds						
Cessation fund	90,000	–	–	–	–	90,000
Redundancy fund	124,000	–	–	–	–	124,000
Building fund	220,000	–	–	–	–	220,000
Pension fund	330,000	–	–	–	–	330,000
	<u>3,974,812</u>	<u>2,216,025</u>	<u>(2,131,652)</u>	<u>–</u>	<u>926,597</u>	<u>4,985,782</u>

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
Unrestricted Funds	1,713,196	2,082,153	(1,958,988)	(139,500)	195,838	1,892,699
Revaluation reserve	1,816,113	–	–	–	–	1,816,113
Pension	(1,330,000)	–	88,000	–	744,000	(498,000)
Designated funds						
Cessation fund	80,000	–	–	10,000	–	90,000
Redundancy fund	118,000	–	–	6,000	–	124,000
Building fund	200,000	–	–	20,000	–	220,000
Pension fund	226,500	–	–	103,500	–	330,000
	<u>2,823,809</u>	<u>2,082,153</u>	<u>(1,870,988)</u>	<u>–</u>	<u>939,838</u>	<u>3,974,812</u>

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2023

21. Analysis of charitable funds (continued)

The description of the designated funds are as follows:

Cessation fund - The anticipated costs that are likely to be incurred in the event of cessation of the MOJ contract which runs until 31 March 2023.

Redundancy fund - The calculated redundancy for all employees.

Building fund - The estimate for potential major works to Ripon House and Cardigan House.

Pension fund - The annual lump sum pension contributions for the next 3 years arising out of the 2019 Triennial Review of the charity's funds within the West Yorkshire Pension Fund.

22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2023 £
Tangible fixed assets	1,985,883	1,985,883
Investments	2,067,547	2,067,547
Current assets	394,558	394,558
Creditors less than 1 year	(63,206)	(63,206)
Defined benefit pension	601,000	601,000
Net assets	4,985,782	4,985,782

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	2,027,555	2,027,555
Investments	2,010,950	2,010,950
Current assets	537,749	537,749
Creditors less than 1 year	(103,442)	(103,442)
Defined benefit pension	(498,000)	(498,000)
Net assets	3,974,812	3,974,812

23. Analysis of changes in net debt

	At 1 Apr 2022 £	Cash flows £	At 31 Mar 2023 £
Cash at bank and in hand	268,633	51,693	320,326

24. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Not later than 1 year	5,573	5,573
Later than 1 year and not later than 5 years	2,786	8,359
	8,359	13,932

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

25. Contingencies

Each Approved Premise has received maintenance funding of £50,000 from the National Offender Management Service which is subject to clawback if, within ten years of receiving the funding, the Approved Premise is sold to a third party and does not continue to operate as an Approved Premise or if the charitable company stops offering the building as an Approved Premise. The potential clawback is reduced pro rata over this ten year period.

The charitable company do not have intention of either selling the Approved Premises or changing their use in the foreseeable future, however at the year end the potential clawback under such a scenario is £5,000 (2022: £15,000).

26. Related parties

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.



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Date	Action
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Accounts

COMPANY REGISTRATION NUMBER: 3286672
CHARITY REGISTRATION NUMBER: 1065423

Progress to Change
Company Limited by Guarantee
Financial Statements
For the year ended
31 March 2022

Progress to Change

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2022

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Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2022.

Reference and administrative details

Registered charity name	Progress to Change
Charity registration number	1065423
Company registration number	3288672
Principal office and registered office	63 Clarendon Road Leeds LS2 9NZ
The trustees	Mrs J Difks (Chairman) Mr N Wainman Mrs D Favre Prof O Matthias Mrs C Cochrane Prof A W M Hay Dr E Wincup Mrs S Mondon Mr R Brook
Key management personnel	Chief Executive - Mrs L Cantley Finance Manager - Mrs R Kyle Ripon House Hostel Manager - Mrs C Maguire Cardigan House Hostel Manager - Mr B Spink Training and Project Manager - Mrs E Falk
Company secretary	Mrs T Gradys
Auditor	Gibson Booth Chartered Accountants & Statutory Auditors New Court Abbey Road North Shepley Huddersfield HD8 8BJ
Bankers	National Westminster Bank plc Leeds City Office Branch 8 Park Row Leeds LS1 5HD
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG
Investment managers	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2022

Chairman's report

It is a relief to report that by the early part on 2022 life in our AP's has emerged from the restrictions induced by Covid into a relatively normal regime, with more activities for residents and more visitors. We have strengthened our own Management Team with the appointment of Ben Spink as manager at Cardigan House. Clare Maguire has become manager at Ripon House and Emma Falk has a new role with responsibility for Enabling Environments and other projects. To all of them and to Louise Cantley, our Chief Executive, we owe a great debt of thanks for their expertise and resilience. Their work is frequently stressful, and the background of a pandemic and the changes brought about by the re-unification of the Probation service add extra strain.

Our Board of Trustees remain unchanged and has provided a ready source of support and wise counsel. We continue to meet via Zoom but inspection visits are now possible; we look forward to the day when we can visit the premises more freely and meet staff and residents face-to-face.

A group of Trustees has revisited our grant giving protocol and established a process for attracting and assessing grant applications. This is a very positive step, and we hope soon to be able to provide small grants to individuals or organisations which fulfil the aims of our charity. I am grateful to this group, Emma Wincup, Sara Mondon and Olga Matthias, and to all the Trustees for their invaluable commitment in sharing their skills. Carol Cochrane has done us a great service in creating and maintaining our Risk Register.

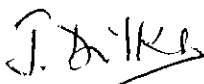
Progress to Change is an associate of the National Approved Premises Association. This gives us access to training and to meetings with other Independent AP's and representatives from the Ministry of Justice. Two Trustees attended the NAPA residential conference.

The Trustees' Annual report explains that our contract with the Ministry of Justice has been renewed until March 2024. This gives us some short-term security but we face the risk of having to make a competitive bid for a contract from that time. At the moment we are uncertain what form this bidding process will take.

Our pension responsibilities occupy much discussion time for the Trustees. We have been pleased to be able to introduce better terms for those staff on the People's Pension. Our deficit with the West Yorkshire Pension Fund remains a concern and we have been grateful for a financial contribution in this year from the Ministry. The Trustees are actively seeking ways to reduce this ongoing burden, which hampers our ability to use our funds to further enhance our services.

We continue to be indebted to Tricia Gradys for her efficient work as Company Secretary and to Patrick Heaton, our auditor from Gibson Booth.

Amidst many uncertainties the charity continues to offer opportunities for our residents to re-assess their lives and with support make the changes needed to turn from offending. None of this would be possible without the energy and dedication of our staff to whom I offer my thanks.



Mrs J Dilks
Chairman

6.9.22

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2022

Structure, governance and management

Governing document

Progress to Change (formerly known as the Ripon and Leeds Diocesan Council for Social Concern) is a Company Limited by Guarantee and incorporates the work of the two Approved Premises - Ripon House and Cardigan House - and their related assets and liabilities. Our registered charity number is 1065423. The charity has its office at 63 Clarendon Road, Leeds, LS2 9NZ.

Social Concern was incorporated on 3 December 1996. Following a special resolution, the company was incorporated under the revised name of Ripon & Leeds Diocesan Council for Social Concern with effect from 27 December 2000.

As a result of the creation of the Diocese of Leeds in 2014, and following a special resolution, the company was incorporated under the revised name of Progress to Change with effect from 15 August 2015.

During 2015, the Trustees further reviewed and updated the Articles of Association of the Company. These were amended by a special resolution dated 22 September 2015.

Recruitment and appointment of trustees

The Trustees of Progress to Change and the Board members are the same people. Under the requirements of the Articles of Association Trustees are appointed for a period of four years, after which they can be re-appointed for one further term of four years. Five are appointed by the Bishop of Leeds and four are appointed by the Board of Trustees.

Members have a wide range of backgrounds and skills, bringing expertise in business, finance, education, the legal system, social work and the Church.

To ensure a broad skills mix, Trustees are asked to provide a CV and list of skills on their application form. A skills inventory is maintained and, in the event of particular skills being lost due to retirement, efforts are made to recruit individuals with a similar skills base. Progress to Change this year has created an application pack for interested parties.

Organisational structure

The Board of Trustees, of up to nine members, has overall responsibility for the management, strategic direction, and policy of the Charity. The Trustees meet nine times a year and during the year 2021/22 (Covid-19 Pandemic) all meetings including Board Meetings, Sub-group meetings, AP inspection visits were held via the Zoom platform in compliance with Government Covid-19 restrictions on social isolation and social distancing. Some face-to-face visits returned later in the year.

Day-to-day management of the two Approved Premises (AP's) is delegated to the Chief Executive Officer and Operational Managers. The Managers have responsibility for operational management of the AP's, individual supervision of staff and ensuring that the staff teams continue to develop skills and working practices in line with best practice. As noted in the Chair's Report for 2021/22 at the end of the year a new manager was appointed at Cardigan House and the Cardigan House manager became manager of Ripon House freeing up the Ripon House manager to take on a new role with responsibility for Enabling Environments and other projects.

Trustee induction and training

New Board members are provided with a newly produced induction pack. Additionally, gaps in knowledge are identified by individual members and visits and training are organized to enable members to have sufficient information about the work of the charity to contribute effectively.

Remuneration policy

Introduction: Progress to Change is committed to paying its employees fairly, so that the best people for the job are attracted and retained.

Employee Salaries: The pay and benefits of senior employees are reviewed on a regular basis and are benchmarked against the salary scales used within the Probation Service for equivalent roles.

Payments to Trustees: All trustees give their time freely and do not receive any pay or recompense other than for reasonable out of pocket expenses.

Remuneration Committee: The Remuneration Committee reviews the remuneration of all senior employees and makes recommendations to the Board of Trustees for implementation.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2022

The Remuneration Committee comprises the Treasurer of the Charity along with at least two other trustees. The Treasurer will act as chair of the Remuneration Committee. The Committee will:

- Make salary recommendations to the Board for all senior employees
- Review any recommendations for pay increases for AP's employees that are put forward by the Chief Executive & Finance Manager in advance of presentation to the Board.
- Make recommendations to the Board in respect of cost-of-living increases

Recommendations of the Remuneration Committee must be ratified by the Board of Trustees.

Grant making policy

In the recent past the Charity has made the occasional small grant to local organisations in furtherance of the Charity's objectives. During this year the grant making policy has been revisited and a small grants programme has been developed.

Progress to Change is now encouraging any individual, or small community-based group, to apply for a small grant in supporting a planned activity, in accordance with our charitable aims, which will enhance the quality of life of those taking part. Applications from individuals can be submitted for grants of up to £1,000, and community groups or organisations up to £2,000.

Individuals and groups applying must be able to show that the activity will improve the life opportunities for those who have been affected by crime.

Organisations may only apply for a grant once in any financial year.

Risk management

The Trustees maintain a Risk Register of the potential risks which the Charity is exposed to and has put in place steps to mitigate these risks. The risks are grouped under three main headings – a) Governance Risks, b) Financial Risks, c) Operational Risks. For each risk existing control procedures have been identified along with proposed improvements in controls. In June 2020 an additional Covid-19 section was added to the Risk Register. The Covid-19 risk section continued to be reviewed during 2021/22. All risks are grouped into Governance, Financial and Operational Risks. On an ongoing basis as new risks are identified or the nature or significance of perceived risks change the Risk Register has been updated.

In September 2021, the Risk Register was reviewed in full by the Trustees with regard to the identification of any changes to the potential risks and progress on the implementation of identified actions to mitigate risks. The Risk Register continues to be reviewed on a regular basis.

As explained under 'Objectives and activities', the principal activity of the two Approved Premises is to provide enhanced supervision in a residential setting, including rehabilitation, risk management, and monitoring. The majority of offenders are on license following release from custodial sentences. There are particular risks associated with this work. The Charity has a team of appropriately qualified key management personnel who undertake regular training as well as working closely with the Ministry of Justice and the Probation Service.

Robust Risk Management procedures are in place in all aspects of the Charity's day-to-day activities in this regard. Policies and procedures are in place to ensure compliance with health and safety regulations, food hygiene regulations and fire regulations.

The risk management systems and procedures are continually reviewed by the key management team. All the identified risks are managed by regular training and awareness for staff working on day-to-day operations and by ensuring accreditation is up to date and having robust policies and procedures in place.

Related parties

In so far as it is complementary to the Charity's objects, the Charity is guided by local and national policies. The AP's work in association with the regional Probation Service, Community Rehabilitation Companies, local GP practices, local housing organisations, alcohol and drugs services, and other third sector organisations.

Nationally, the AP's work collaboratively with their funders, the Ministry of Justice, and Her Majesty's Prison & Probation Service. We are also a member of the National Approved Premises Association (NAPA), ensuring that national standards are constantly attained.

The Trustees thank all of our partner agencies for their commitment to and assistance with our work.

Objectives and activities

The Charity's purposes as set out in the objects contained in the company's Articles of Association are:

- to maintain the premises known as Ripon House and Cardigan House as Approved Premises within the meaning of the Offender Management Act 2007, and
- to support and further all or any charitable activities carried out in connection with the Church of England in the Diocese of Leeds and in particular:
 - the promotion of temperance and of higher standards of moral life in the individual, the family, and the community;

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2022

- the rehabilitation of offenders and particularly those addicted to drugs or alcohol or otherwise in need of help;
- the relief of distress or suffering arising from offending behaviour.

These objects were last reviewed and updated in 2015. The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The focus of our work

The Charity supports those individuals who are on post custody licence, community order or bail. Cardigan House mainly works with offenders assessed as posing a high risk of harm to the public. Ripon House works with female offenders assessed as posing a high or medium risk of harm to the public.

Our qualified Approved Premises Managers and trained staff teams liaise closely with the Probation Service, Ministry of Justice, and Criminal Justice System. Staff work with residents to help them address their offending behaviour, and so reduce the risk of re-offending and the risk of harm to the public.

Achievements and Performance

Each year the Trustees discuss and agree targets and objectives for the coming year in consultation with the Chief Executive. As part of the above the Chief Executive prepares a Business Plan which is considered and approved by the Board which is used throughout the year to monitor and review achievements and performance. As part of the Charity's contract with the MoJ there are a number of key performance criteria which are monitored by the Chief Executive and the Managers of each of the two Approved Premises.

The Trustees appraise the performance of all the key management personnel during the year to ensure that they and the Approved Premises have met the KPI's.

The last year has continued to be impacted by Covid 19, which continues to present unprecedented challenges to our residential environments. It has forced us to close our doors to all non-essential visitors, to deliver our services to an exceptional delivery model and it has reduced our programmes of activities. Despite this we have remained open and latterly we are starting to emerge from the fog and slowly beginning to increase resident numbers and get things moving again. The majority of key performance indicators around occupancy and activities have been suspended during this period with the focus on keeping everybody safe. All staff have worked extremely hard to try and keep residents safe and well, address their needs and assist them to identify suitable move-on accommodation. It has been another tiring and difficult year for residents and staff.

The Directorate of Reducing Re-Offending, Partnerships and Accommodation

In November 2019 all approved premises moved to the new directorate and have been grouped together with other accommodation services. This move has presented challenges for us in terms of staying in touch with probation staff and ensuring that we are not just seen and used as accommodation. The ethos of the charity is about delivering interventions that make a real difference to the lives of our residents and some of this is being lost because of inappropriate referrals and an increased emphasis on accommodating rather than providing a full wrap round package of intervention. Covid 19 has made it more difficult to showcase our work and keep relevant partners fully informed. Presently it feels like we are growing more distant and more removed from the Probation Service. We hope that this will change as the Probation Service unifies and we move through the next year.

Contract

During the year we were informed that our contract which commenced in 2018 would be rolled over for two more years to 31 March 2024. It is understood that the Charity will be required to make a competitive bid for a contract from that time.

Covid 19

Both premises managed some Covid cases during the year, mainly those released from prison who were positive and needed to complete periods of isolation on arrival. By careful management we were able to prevent it spreading to others and to date our staff teams have remained mainly Covid free. It is to the credit of staff and residents that that this has been the case in our premises, others have not been so lucky, with a few temporary closures.

There is no doubt that Covid 19 has brought about many changes to how we work with Zoom and Teams meetings replacing face-to-face contact with others. It is also likely that it is going to impact on us for the foreseeable future and we are having to consider how we will deliver our services that enable residents develop their skills and move on successfully, whilst keeping all residents and staff as safe as possible. We are encouraging all residents to get vaccinated, and we are hopeful that as time goes on and vaccination levels increase, we will be able to resume more activities and increase our numbers of residents, whilst maintaining safety.

Enabling Environments

Following the pandemic both premises have had to reapply for Enabling Environments Awards. Work has been focused on preparing and uploading portfolios focusing on the ten key standards. Ripon House is due to be assessed on the 6th of September 2022. Cardigan House will follow in early 2023.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2022

Staffing

In March 2022 there were a number of changes to the management team. Ben Spink was appointed manager at Cardigan House and Clare Maguire moved from her role as manager at Cardigan House to become manager at Ripon House which enabled Emma the manager at Ripon House to take up a new role with responsibility for Enabling Environments and other Projects. The finance team and house staff have remained unchanged. All continue to contribute to the further development of the premises and the regimes bringing creativity, enthusiasm, and innovation to their roles.

We have experienced a lot of staff changes in the support worker team at Ripon House, with several staff moving on to promotion opportunities. This has been difficult in terms of recruitment, as the majority has had to be done utilising Zoom. Providing induction during Covid has been challenging with practical training in key skills such as first aid unavailable during this period. In addition, maintaining collective memory of processes and tasks is also a challenge with so many changes. Hopefully we will now have a period of stability.

We said hello and welcome to Molly Holbrook, Molly Jobson, Steve Lunn, Emma Thornton, Molly McHale and Dave Dawson.

We said goodbye and good luck to Warren Storton, Linda Fell, Sarah Oldfield, Jodie Lough and Hannah Trevisani who have all moved on during the past year.

Thanks go to our relief pool of staff, who cover holidays and sickness, sometimes with little notice. We would not be able to maintain our services without them and the energy and commitment that they bring.

We are grateful to the Trustees for their ongoing guidance and support. One of the many positive things about being an independent approved premise is that the Trustees are there during the good and the challenging times, offering their skills, time and investment on a voluntary basis. We are thankful for all that they bring.

Finally, a big thank you to all staff, residents and partner agencies who have been involved with Cardigan House and Ripon House over the past year. We value all that you do to keep the approved premises positive places to be.

The Future

At the time of writing, it feels like things are becoming more normal, but we do not know what the rest of 2022 will bring in terms of Covid or its impact. Financial challenges are also ever present with cost-of-living issues impacting on both premises as well as recruitment and retention challenges. Despite the above we continue to provide a supportive environment for residents and are constantly working to enable them to address any issues and successfully move on without re-offending or causing further harm.

In 2023 we will bid to run both premises from 2024. Hopefully, the excellent work of staff and partner agencies will see us through this process and able to continue doing what we do best, supporting residents to change, develop and successfully move on in life.

Financial review

The effects of the Pandemic continued throughout this past year and continued to have a significant influence on the day-to-day operations of our two Approved Premises. During the year our Ministry of Justice contract was extended to 31 March 2024. The amount we received under the Contract was increased in line with CPI in January 2021.

During the past year the Ministry of Justice provided a contribution of 80% of the Additional annual pension payments to WYPF for 2021/2022. The charity is in correspondence with the MOJ regarding the provision of a contribution for 2022/2023.

An annual finance budget for each AP is submitted to the Board of Trustees in March. Budget reviews take place at every Management Board meeting (a minimum of six such meetings per year). Both AP's have continued to manage their finances in a prudent and resourceful way in spite of the extra strains resulting from Covid 19.

Income for the year including investment income was similar to the previous at £2,082,153 (2021: £2,087,271). Further information is provided in notes 5, 6 and 7.

Expenditure during the year increased from £1,746,437 in 2021 to £1,870,988 in 2022. Further information is provided in notes 8 and 9.

The Charity's investment portfolio increased in value during the year to £2,010,950 (2021: £1,740,112).

The Net gains on investments during the year were £195,838 (2021: £325,841).

As set out in note 20 'Pensions and other post retirement benefits' following an actuarial review a gain of £744,000 has been reflected in this year's Statement of Financial Activities (2021: a loss of £154,000)

The net movement in funds for 2022 was a gain of £1,151,003 (2021: gain of 512,675).

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2022

a) Principal Funding Sources

The Ministry of Justice is the principal funder of both Cardigan House and Ripon House. Detailed information on this and the Charity's finances are set out in the Financial Accounts at the end of this Report. The Charity does not undertake any additional fundraising activities.

b) Reserves Policy

In considering this the Trustees have had regard to the current situation in the UK regarding Covid 19, the high level of inflation and our contract with the Ministry of Justice and the deficit on our Defined benefit pension plan with WYPF.

There remain uncertainties regarding the Charity's pension deficit with West Yorkshire Pension Fund and its funding by the MoJ. It is for the above reasons and the level of uncertainty that the charity has again considered it both prudent and necessary to maintain Designated Reserves of £266,000 as set out in the Designated Reserves note.

The Trustees have established a policy whereby the funds of the Approved Premises not committed or invested in tangible fixed assets ("the free reserves") are maintained at a level which the Board considers sufficient to maintain the continuing activities of the Charity on the basis of the funding arrangements with the Ministry of Justice.

Why reserves are needed

As part of its Risk Assessment, the Board has established that the Charity needs to maintain short-term and long-term reserves to reduce the impact of risks from both internal and external factors.

- As owner of the two properties Cardigan House and Ripon House, the Board needs to hold sufficient reserves to cover major building works which are not funded by the MoJ.
- The two Approved Premises need to hold short-term reserves to meet costs of unplanned events and planned internal maintenance of the buildings.
- The Board also has overall responsibility for the staff employed and, should income be disrupted the Charity need to hold sufficient reserves to meet ongoing costs and commitments until further funding is secured.
- Reserves are also required to meet the WYPF defined benefit liabilities given that there is no guarantee that the Ministry of Justice will continue to provide funding.

Level of Reserves

Given the stated background as to why reserves are needed, the trustees are of the view that the level of unrestricted income reserves of £2,656,699 (2021: £2,337,696) are at an appropriate level to enable the charity to meet its objectives and continue as a Going Concern.

Investment of reserves

The reserves of the Charity are held in the freehold property, investments managed by CCLA, and short-term bank accounts.

With regard to risk, as the balance of the Central Reserves Fund increases, investment advice will be sought by the Trustees when necessary.

c) Investment Policy

The investment policy's objectives are:

- Effective management of the Charity's assets that are not required for imminent use.
- To protect the reserves of the Charity and maximise investment income.

The Investment Objectives are:

- Produce the best financial return within an acceptable level of risk.
- Produce a total return of at least RPI plus 3% over the long term.

The policy has regard to areas of Risk, Liquidity, Time Horizon, the charity's Ethical Policy, Management, Reporting and Monitoring.

The policy is approved by the Trustees and is reviewed annually.

Investment of reserves

There was a surplus of income over expenditure on the day-to-day activities of operating both Cardigan House and Ripon House during the year. Part of the surplus will be used in 2022/23 on roof repairs at Ripon House which will stop the ingress of water. Depending on the outcome of correspondence with the MoJ the charity may need to contribute further funds to the West Yorkshire Pension Fund. Some small projects that will benefit the residents of both Approved Premises may also be considered.

The charity's contract with the MoJ has been rolled over for two more years to 31 March 2024. After that our contract with the MoJ will be dependent on a successful competitive tender.

The charity will continue to operate at the highest level in carrying out its activities for the benefit of its residents.

The Charity continues to investigate future outreach work with residents once they have left the Approved Premises.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2022

Post balance sheet events

It is anticipated that a good deal of time will be required by the Trustees and senior management during 2023 in preparing to tender for a new Ministry of Justice contract going forward from 1 April 2024.

Trustees' responsibilities statement

The trustees who are also the directors of Progress to Change for the purposes of company law, are responsible for preparing the trustees' annual 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

A resolution to reappoint Gibson Booth as auditors for the ensuing year will be proposed at the forthcoming annual general meeting.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 6 September 2022 and signed on behalf of the board of trustees by:



Mrs J Dilks
Trustee

Progress to Change

Company Limited by Guarantee

Independent Auditor's Report to the Members of Progress to Change

Year ended 31 March 2022

Opinion

We have audited the financial statements of Progress to Change (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 charity's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charity or to cease operations, or have no realistic alternative but to do so.

Progress to Change

Company Limited by Guarantee

Independent Auditor's Report to the Members of Progress to Change (continued)

Year ended 31 March 2022

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 1443 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the charity and the charity sector, we identified that the principal risks of non-compliance with law and regulations related to the Charities Act 2011 and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and the audit procedures performed included:

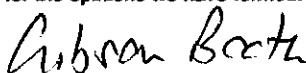
- discussions with management including consideration of known or suspected instances of non-compliance with laws, regulation and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- testing of non-purchase and sales ledger bank transactions;
- testing of journals;
- testing of purchase invoice authorisations.

Because of the inherent limitations of an audit, there is a risk that we will fail to detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Gibson Booth
Chartered Accountants & Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

18.10.22

Gibson Booth is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

Progress to Change

Company Limited by Guarantee

**Statement of Financial Activities
(Including Income and expenditure account)**

Year ended 31 March 2022

		2022		2021
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	250	250	50
Charitable activities	6	2,073,295	2,073,295	2,078,864
Investment income	7	8,608	8,608	8,357
Total income		<u>2,082,153</u>	<u>2,082,153</u>	<u>2,087,271</u>
Expenditure				
Expenditure on charitable activities	8,9	(1,870,988)	(1,870,988)	(1,746,437)
Total expenditure		<u>(1,870,988)</u>	<u>(1,870,988)</u>	<u>(1,746,437)</u>
Net gains on investments	11	195,838	195,838	325,841
Net income		<u>407,003</u>	<u>407,003</u>	<u>666,675</u>
Other recognised gains and losses				
Actuarial gains/(losses) on defined benefit pension schemes		744,000	744,000	(154,000)
Net movement in funds		1,151,003	1,151,003	512,675
Reconciliation of funds				
Total funds brought forward		2,823,809	2,823,809	2,311,134
Total funds carried forward		<u>3,974,812</u>	<u>3,974,812</u>	<u>2,823,809</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 14 to 24 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	15	2,027,555	1,997,397
Investments	16	2,010,950	1,740,112
		<u>4,038,505</u>	<u>3,737,509</u>
Current assets			
Debtors	17	269,116	167,283
Cash at bank and in hand		268,633	333,364
		<u>537,749</u>	<u>500,647</u>
Creditors: amounts falling due within one year	18	(103,442)	(84,347)
Net current assets		<u>434,307</u>	<u>416,300</u>
Total assets less current liabilities		<u>4,472,812</u>	<u>4,153,809</u>
Net assets excluding defined benefit pension plan liability		<u>4,472,812</u>	<u>4,153,809</u>
Defined benefit pension plan liability	20	(498,000)	(1,330,000)
Net assets including defined benefit pension plan liability		<u>3,974,812</u>	<u>2,823,809</u>
Funds of the charity			
Unrestricted funds:			
Revaluation reserve		1,816,113	1,816,113
Defined benefit pension reserve		(498,000)	(1,330,000)
Other unrestricted income funds		2,656,699	2,337,696
		<u>3,974,812</u>	<u>2,823,809</u>
Total unrestricted funds		<u>3,974,812</u>	<u>2,823,809</u>
Total charity funds	21	<u>3,974,812</u>	<u>2,823,809</u>

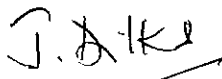
For the year ending 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Trustees' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

These financial statements were approved by the board of trustees and authorised for issue on 6/9/2022 and are signed on behalf of the board by:


Mrs J Dilks
Trustee

The notes on pages 14 to 24 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income	407,003	666,675
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	52,798	40,851
Net gains on investments	(195,838)	(325,841)
Dividends, interest and rents from investments	(8,608)	(8,357)
Interest payable and similar charges	24,000	27,000
Defined benefit pension plan employer contributions	62,000	(35,000)
Accrued expenses/(income)	5,491	(15,336)
Service cost of defined benefit pension scheme	(174,000)	(132,000)
<i>Changes in:</i>		
Trade and other debtors	(101,833)	376,463
Trade and other creditors	13,604	(487,340)
Cash generated from operations	84,617	107,115
Net cash from operating activities	84,617	107,115
Cash flows from investing activities		
Dividends, interest and rents from investments	8,608	8,357
Purchase of tangible assets	(82,956)	(34,466)
Purchases of other investments	(80,000)	(42,715)
Proceeds from sale of other investments	5,000	-
Net cash used in investing activities	(149,348)	(68,824)
Net (decrease)/increase in cash and cash equivalents	(64,731)	38,291
Cash and cash equivalents at beginning of year	333,364	295,073
Cash and cash equivalents at end of year	268,633	333,364

The notes on pages 14 to 24 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 63 Clarendon Road, Leeds, LS2 9NZ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 issued in October 2019 (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006, Charities Act 2011 and UK Generally Accepted Accounting Practice.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for investments which are included at fair value and the revaluation of certain fixed assets.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The trustees have considered the current economic uncertainty as a result of Covid-19. The Charity has continued to make a surplus since the Covid-19 outbreak, and this is expected to continue for the foreseeable future. Taking into account the above the trustees continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Depreciation has not been charged on freehold buildings as it is the charity's policy to maintain the properties in a continual state of sound repair. Due consideration has been given to any necessary requirement to impair these assets.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

3. Accounting policies (continued)

Judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Allocation of overheads and support costs by activity

The charity allocates its expenditure and overheads to either direct costs or support costs. Costs incurred which are in line with the charity's objective's are allocated to direct costs. Costs incurred for the administration of the charity are allocated to support costs.

Property revaluation

The properties within land and buildings are valued under the revaluation model and are held at market value. The valuation is re-assessed annually, and where the trustees judge that the property valuations have not materially changed, no subsequent revaluation is obtained. The valuation is amended when necessary to reflect current estimates.

Defined benefit pension scheme

The charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation are determined using actuarial valuations which make assumptions about a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. These factors are estimated in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 20 for the disclosures relating to the defined benefit pension scheme.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates. See note 15 for the carrying amount of the tangible assets, and the tangible fixed assets policy below for the depreciation rates used for each class of assets.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on the general fund and designated funds. They are available for use at the discretion of the directors in the furtherance of the company's general charitable objectives.

Restricted funds are created when grants and donations are made for a particular purpose, the use of which is restricted to that purpose.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

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

Ministry of Justice grants are recognised in full in the year which they are receivable and any unspent amount is reflected as a balance in the unrestricted general fund. Capital grants are recognised when receivable and are deferred over the life of the asset on which they are expended.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

3. Accounting policies (continued)

Resources expended

Allocation of overhead and support costs

Overhead and support costs have been allocated between charitable activity and governance based on the time spent by employees working in the two areas concerned and the actual cost incurred.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees plus an apportionment of wages, overheads and support costs.

Irrecoverable VAT

All expenditure is stated inclusive of irrecoverable VAT.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Freehold buildings are not depreciated. It is the charity's policy to maintain the properties in a continual state of sound repair. Accordingly, the trustees consider that the life of the properties is so long and the residual value, based on prices prevailing at the time of acquisition, is so high that any depreciation would be insignificant.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	25% straight line
Computer equipment	-	25% straight line

Investments

Listed investments are measured at fair value with changes in fair value being recognised in the Statement of Financial Activity.

Defined benefit plans

The charitable company contributes to the Local Government Pension Scheme ("LGPS"), a defined benefit pension scheme. The LGPS is a funded scheme and the assets are held separately from those of the charitable company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the statement of financial activities. Net pension finance income is recognised as an incoming resource in the Statement of Financial Activities.

Actuarial gains and losses are recognised immediately as other recognised gains and losses in the Statement of Financial Activities.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

4. Company limited by guarantee

The charitable company has nine members. If the charity is dissolved, each member promises to remain a member or within twelve months afterwards, to pay up to £10 towards the cost of dissolution and the liabilities of the charity while the contributor was a member.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations	250	250	50	50

6. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Ministry of Justice grants	2,024,728	2,024,728	2,012,539	2,012,539
Income from residents	42,152	42,152	35,490	35,490
Government grant income	—	—	23,254	23,254
Other income	6,415	6,415	7,581	7,581
	<u>2,073,295</u>	<u>2,073,295</u>	<u>2,078,864</u>	<u>2,078,864</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Investment income	8,608	8,608	8,357	8,357

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Staff costs	1,416,543	1,416,543	1,352,805	1,352,805
Premises costs	192,771	192,771	163,052	163,052
Supplies and services costs	77,174	77,174	69,654	69,654
Establishment costs	144,809	144,809	123,312	123,312
Grants payable	5,000	5,000	—	—
Finance costs	24,000	24,000	27,000	27,000
Support costs	10,691	10,691	10,614	10,614
	<u>1,870,988</u>	<u>1,870,988</u>	<u>1,746,437</u>	<u>1,746,437</u>

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2022	Total fund 2021
	£	£	£	£
Staff costs	1,416,543	—	1,416,543	1,352,805
Premises costs	192,771	—	192,771	163,052
Supplies and services costs	77,174	—	77,174	69,654
Establishment costs	144,809	—	144,809	123,312
Grants payable	5,000	—	5,000	—
Finance costs	24,000	—	24,000	27,000
Governance costs	—	10,691	10,691	10,614
	<u>1,860,297</u>	<u>10,691</u>	<u>1,870,988</u>	<u>1,746,437</u>

10. Analysis of support costs

	Governance costs	Total 2022	Total 2021
	£	£	£
Staff costs	<u>10,691</u>	<u>10,691</u>	<u>10,614</u>

11. Net gains on investments

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Net gains on investments	<u>195,838</u>	<u>195,838</u>	<u>325,841</u>	<u>325,841</u>

12. Net income

Net income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	52,798	40,851
Fees payable for the audit of the financial statements	<u>4,500</u>	<u>4,030</u>

13. Staff costs

The average head count of employees during the year was 72 (2021: 89). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Cardigan House approved premises	20	18
Ripon House approved premises	16	16
Secretary	<u>1</u>	<u>1</u>
	<u>37</u>	<u>35</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

The key management personnel of the charity comprise the trustees together with the individuals listed on page 1. The total employee benefits of the key management personnel were £257,891 (2021: £261,449).

14. Trustee remuneration and expenses

No trustees received any remuneration or reimbursement of expenses (2021: none).

The amount paid to trustees in respect of travelling costs was £103 (2020: £nil). This was in respect of two trustees (2020: none).

Progress to Change**Company Limited by Guarantee****Notes to the Financial Statements (continued)****Year ended 31 March 2022****15. Tangible fixed assets**

	Land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2021	1,900,000	409,817	9,864	2,319,681
Additions	—	74,789	8,167	82,956
At 31 March 2022	1,900,000	484,606	18,031	2,402,637
Depreciation				
At 1 April 2021	—	313,501	8,783	322,284
Charge for the year	—	51,216	1,582	52,798
At 31 March 2022	—	364,717	10,365	375,082
Carrying amount				
At 31 March 2022	1,900,000	119,889	7,666	2,027,555
At 31 March 2021	1,900,000	96,316	1,081	1,997,397

All fixed assets are used for direct charitable purposes, namely that of approved premises. Land and buildings were revalued on 8 June 2020 on an existing use basis by Sanderson Weatherall, Chartered Surveyors and valuers. The trustees do not consider there to have been any material change in the market value between this date and the year end.

The historic cost of the land and buildings is £83,887 (2021: £83,887).

16. Investments

	Listed investments £
Cost or valuation	
At 1 April 2021	1,740,112
Additions	80,000
Disposals	(5,000)
Other movements	195,838
At 31 March 2022	2,010,950
Impairment	
At 1 April 2021 and 31 March 2022	—
Carrying amount	
At 31 March 2022	2,010,950
At 31 March 2021	1,740,112

All investments shown above are held at valuation.

Financial assets held at fair value

Investments of £2,010,950 (2021: £1,740,112) represent UK quoted investments held in Central Board of Finance of the Church of England.

The historical cost of investments at 31 March 2022 was £961,286 (2021: £883,571).

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

17. Debtors

	2022	2021
	£	£
Trade debtors	252,679	137,778
Prepayments and accrued income	15,154	14,291
Other debtors	1,283	15,214
	<u>269,116</u>	<u>167,283</u>

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	5,797	6,825
Accruals and deferred income	61,968	44,087
Other creditors	35,677	33,435
	<u>103,442</u>	<u>84,347</u>

19. Deferred income

	2022	2021
	£	£
At 1 April 2021	–	473,715
Amount released to income	–	(473,715)
Amount deferred in year	12,390	–
At 31 March 2022	<u>12,390</u>	<u>–</u>

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £39,240 (2021: £16,677).

Defined benefit plans

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund ("the Fund") which is part of the Local Government Pension Scheme ("LGPS"). The funded nature of the LGPS requires the charitable company and its employees to pay contributions into the Fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The employer's regular contributions to the Fund for the year ending 31 March 2023 are estimated to be £297,000.

Additional contributions may also become due in respect of any employer discretions to enhance member benefits in the Fund over the next accounting period.

The scheme was closed to new members with effect from 30 September 2014.

The latest actuarial valuation of the charitable company's liabilities took place as at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

Progress to Change**Company Limited by Guarantee****Notes to the Financial Statements (continued)****Year ended 31 March 2022****20. Pensions and other post retirement benefits (continued)****Principal Actuarial Assumptions****Ripon House**

	2022	2021	2020
Discount rate	2.7%	2.1%	2.3%
CPI inflation	3.0%	2.7%	1.9%
Rate of increase to pensions in payment	3.0%	2.7%	1.9%
Rate of increase to deferred pensions	3.0%	2.7%	1.9%
Rate of general increase in salaries	4.25%	3.95%	3.15%

Cardigan House

	2022	2021	2020
Discount rate	2.8%	2.1%	2.3%
CPI inflation	3.1%	2.7%	2.0%
Rate of increase to pensions in payment	3.1%	2.7%	2.0%
Rate of increase to deferred pensions	3.1%	2.7%	2.0%
Rate of general increase in salaries	4.35%	3.95%	3.25%

All other assumptions below are the same for Ripon House and Cardigan House.

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. The assumed life expectations on retirement age 65 are:

	2022	2021	2020
Retiring today:			
Males	22	22	22
Females	25	25	25
Retiring in twenty years:			
Males	23	23	23
Females	26	26	26

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below.

	2022	2021	2020
Equities	79.8%	79.7%	77.5%
Property	4.0%	3.8%	4.5%
Government bonds	7.4%	8.3%	9.6%
Corporate bonds	4.8%	4.6%	5.1%
Cash	2.9%	2.0%	1.9%
Other	1.1%	1.6%	1.4%
Total	100.0%	100.0%	100.0%

The actual return on the scheme assets was £443,000 (2021: £814,000).

Sensitivity analysis on defined benefit obligations are:

	2022	2021	2020
	£	£	£
Discount rate + 0.1%	5,279,000	5,492,000	4,538,000
Discount rate - 0.1%	5,482,000	5,704,000	4,712,000
Mortality assumption + 1 year increase	5,190,000	5,394,000	4,474,000
Mortality assumption - 1 year decrease	5,566,000	5,802,000	4,775,000
Salary rate + 0.1%	5,389,000	5,610,000	4,634,000
Salary rate - 0.1%	5,367,000	5,584,000	4,615,000

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

20. Pensions and other post retirement benefits (continued)

The statement of financial position net defined benefit liability is determined as follows:

	2022 £	2021 £
Present value of defined benefit obligations	(5,378,000)	(5,595,000)
Fair value of plan assets	4,880,000	4,265,000
	<u>(498,000)</u>	<u>(1,330,000)</u>

Changes in the present value of the defined benefit obligations are as follows:

	2022 £
At 1 April 2021	5,595,000
Current service cost	174,000
Interest expense	116,000
Benefits paid	(136,000)
Contributions by plan participants	22,000
Remeasurements:	
Actuarial gains and losses	(393,000)
At 31 March 2022	<u>5,378,000</u>

Changes in the fair value of plan assets are as follows:

	2022 £
At 1 April 2021	4,265,000
Interest income	92,000
Benefits paid	(136,000)
Contributions by employer	266,000
Contributions by plan participants	22,000
Remeasurements:	
Actuarial gains and losses	351,000
At 31 March 2022	<u>4,880,000</u>

The total costs for the year in relation to defined benefit plans are as follows:

	2022 £	2021 £
Recognised in income or expenditure:		
Current service cost	174,000	132,000
Net interest expense	24,000	27,000
	<u>198,000</u>	<u>159,000</u>
Recognised in other recognised gains and losses:		
Remeasurement of the liability:		
Actuarial gains and losses	744,000	154,000

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

21. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
Unrestricted Funds	1,713,196	2,082,153	(1,958,988)	(139,500)	195,838	1,892,699
Revaluation reserve	1,816,113	—	—	—	—	1,816,113
Designated funds						
Pension	(1,330,000)	—	88,000	—	744,000	(498,000)
Cessation fund	80,000	—	—	10,000	—	90,000
Redundancy fund	118,000	—	—	6,000	—	124,000
Building fund	200,000	—	—	20,000	—	220,000
Pension fund	226,500	—	—	103,500	—	330,000
	<u>2,823,809</u>	<u>2,082,153</u>	<u>(1,870,988)</u>	<u>—</u>	<u>939,838</u>	<u>3,974,812</u>

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
Unrestricted Funds	956,921	2,087,271	(1,886,437)	229,600	325,841	1,713,196
Revaluation reserve	1,816,113	—	—	—	—	1,816,113
Designated funds						
Pension	(1,316,000)	—	140,000	—	(154,000)	(1,330,000)
Cessation fund	80,000	—	—	—	—	80,000
Redundancy fund	118,000	—	—	—	—	118,000
Building fund	200,000	—	—	—	—	200,000
Pension fund	456,100	—	—	(229,600)	—	226,500
	<u>2,311,134</u>	<u>2,087,271</u>	<u>(1,746,437)</u>	<u>—</u>	<u>171,841</u>	<u>2,823,809</u>

The description of the designated funds are as follows:

Cessation fund - The anticipated costs that are likely to be incurred in the event of cessation of the MOJ contract which runs until 31 March 2023.

Redundancy fund - The calculated redundancy for all employees.

Building fund - The estimate for potential major works to Ripon House and Cardigan House.

Pension fund - The annual lump sum pension contributions for the next 3 years arising out of the 2019 Triennial Review of the charity's funds within the West Yorkshire Pension Fund.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	2,027,555	2,027,555
Investments	2,010,950	2,010,950
Current assets	537,749	537,749
Creditors less than 1 year	(103,442)	(103,442)
Defined benefit pension	(498,000)	(498,000)
Net assets	3,974,812	3,974,812

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	1,997,397	1,997,397
Investments	1,740,112	1,740,112
Current assets	500,647	500,647
Creditors less than 1 year	(84,347)	(84,347)
Defined benefit pension	(1,330,000)	(1,330,000)
Net assets	2,823,809	2,823,809

23. Analysis of changes in net debt

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	333,364	(64,731)	268,633

24. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Not later than 1 year	5,573	5,573
Later than 1 year and not later than 5 years	8,359	13,932
	13,932	19,505

25. Contingencies

Each Approved Premise has received maintenance funding of £50,000 from the National Offender Management Service which is subject to clawback if, within ten years of receiving the funding, the Approved Premise is sold to a third party and does not continue to operate as an Approved Premise or if the charitable company stops offering the building as an Approved Premise. The potential clawback is reduced pro rata over this ten year period.

The charitable company do not have intention of either selling the Approved Premises or changing their use in the foreseeable future, however at the year end the potential clawback under such a scenario is £15,000 (2021: £25,000).

26. Related parties

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.

PROGRESS TO CHANGE

England & Wales - Charity number 1065423

Accounts

COMPANY REGISTRATION NUMBER: 3286672
CHARITY REGISTRATION NUMBER: 1065423

Progress to Change

Company Limited by Guarantee

Financial Statements

**For the year ended
31 March 2021**

Progress to Change

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2021

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Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2021.

Reference and administrative details

Registered charity name	Progress to Change
Charity registration number	1065423
Company registration number	3286672
Principal office and registered office	63 Clarendon Road Leeds LS2 9NZ
The trustees	Mrs J Dilks (Chairman) Mrs D Favre Mr N Wainman Rev M A Whatmough (Resigned 15 September 2020) Mrs L E Hague (Resigned 30 April 2020) Prof O Matthias (Appointed 15 September 2020) Mrs C Cochrane Prof A W M Hay Dr E Wincup Mrs S Mondon Mr R Brook (Appointed 30 April 2020)
Key management personnel	Chief Executive - Mrs L Cantley Finance Manager - Mrs R Kyle Ripon House Hostel Manager - Mrs E Falk Cardigan House Hostel Manager - Mrs C Maguire
Trustees Secretary	Mrs T Gradys
Auditor	Gibson Booth Chartered Accountants & Statutory Auditors New Court Abbey Road North Shepley Huddersfield HD8 8BJ
Bankers	National Westminster Bank plc Leeds City Office Branch 8 Park Row Leeds LS1 5HD
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG
Investment managers	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Chairman's report

We have experienced twelve months of unprecedented risk and restriction in our two Approved Premises and much reorganisation has been required to cope with it. The Achievement and Performance section of the Trustees' Report outlines the measures taken and it is a credit to her and to our two AP Managers, Clare and Emma, that they have steered the organisation safely through these stages of the CV pandemic. It has been an exhausting and stressful environment in which to work. The Trustees are grateful to them and the whole staff group for their adaptability.

For our residents too it has been an unsettling and difficult time and we have not been able to offer as wide a range of service and support as would be usual. However, the premises have been kept safe from the spread of infection, which is a vital achievement. As soon as it is feasible, we shall be offering a greater variety of activities and interventions. It is remarkable that in this situation the Enabling Environment awards were maintained in each AP.

The Trustee Board has had to adapt to the challenging times by holding all meetings via Zoom. As no external visitors could go into the APs we have conducted our monthly inspections by phone with the managers. During the year Rev. Tony Whatmough resigned. We valued his contributions and wish him well in retirement from a busy parish. We were very pleased to welcome Professor Olga Matthias as a Trustee.

In November 2020 several Trustees took part in an online investigation instigated by the Charity Commission whose major issue of concern was the importance of reporting serious incidents to the Commission as well as to the NPS. Accordingly, we have amended our protocols. In January 2021 we enjoyed a Board Development Day held using Zoom, to explore further our governance responsibilities as Trustees. This was a stimulating event ably facilitated for us by an experienced consultant in governance for charities in the person of Angela Dinsdale.

In all our Board activities we are superbly supported by our company secretary Tricia Gradys, and we are also grateful to the audit team from Gibson Booth, led by Patrick Heaton.

As we all try to find our feet after the shock waves of the pandemic and adapt to a changed world, we are aware of many challenges ahead for Progress to Change.

One is financial for although we have reserves, as outlined in the Financial Review section of the Trustees' Report, we plan to use these for essential building work and to improve the People's Pension provision for the staff not in the West Yorkshire Pension Fund. However, we know that the deficit payments required by that latter fund will continue to rise. We have been grateful for the contribution to those deficits from the Ministry of Justice, but we must be aware of the future risks.

Other challenges are organisational. Relating to a new Directorate within the MoJ, we are conscious of a change of emphasis in what is required of us, and are concerned that we should be regarded as 'accommodation of last resort'. This description does not fit with our founding principles.

At the moment we do not have a secure contract beyond March 2022. It is a cause of unease for the Board. Nonetheless, the Trustees continue to seek a way forward so that, with confidence in the resilience and loyalty of our staff and our procedures, Progress to Change can continue to contribute to the rehabilitation of those who wish to turn from offending. I am as ever, appreciative of the time and expertise willingly given by all Trustees. It remains our hope that the charity can continue to provide a turning point in the lives of those who wish to put a difficult past behind them.

Mrs J Dilks
Chairman

14.9.21

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Structure, governance and management

Governing document

Progress to Change (formerly known as the Ripon and Leeds Diocesan Council for Social Concern) is a Company Limited by Guarantee and incorporates the work of the two Approved Premises – Ripon House and Cardigan House – and their related assets and liabilities. Our registered charity number is 1065423. The Charity has its office at 11 The Rise, Kirkstall, Leeds LS5 3EP.

Social Concern was incorporated on 3 December 1996. Following a special resolution, the company was incorporated under the revised name of Ripon & Leeds Diocesan Council for Social Concern with effect from 27 December 2000.

As a result of the creation of the Diocese of Leeds in 2014, and following a special resolution, the company was incorporated under the revised name of Progress to Change with effect from 15 August 2015.

During 2015 the Trustees also reviewed and updated the Company's Articles of Association. These were amended by a Special Resolution dated 22 September 2015.

Recruitment and appointment of trustees.

The Trustees of Progress to Change and the Board members are the same people. Under the requirements of the Articles of Association Trustees are appointed for a period of four years, after which they can be re-appointed for one further term of four years. Five are appointed by the Bishop of Leeds and four are appointed by the Board of Trustees.

Members have a wide range of backgrounds and skills, bringing expertise in business, finance, education, the legal system, social work, and the Church.

To ensure a broad skills mix, Trustees are asked to provide a CV and list of skills on their application form. A skills inventory is maintained and, in the event of particular skills being lost due to retirement, efforts are made to recruit individuals with a similar skills base. Progress to Change has an application pack for Interested parties.

Organisational structure

The Board of Trustees, of up to nine members, has overall responsibility for the management, strategic direction, and policy of the Charity. The Trustees meet nine times a year and during the year 2020/21 (Covid-19 Pandemic) all meetings including Board Meetings, Sub-group meetings, AP inspection visits were held via the ZOOM platform in compliance with Government Covid-19 restrictions on social isolation and social distancing.

Day-to-day management of the two Approved Premises (APs) is delegated to the Chief Executive Officer and Operational Managers. The Managers have responsibility for operational management of the APs, individual supervision of staff and ensuring that the staff teams continue to develop skills and working practices in line with best practice.

Trustee induction and training

New Board members are provided with a newly produced induction pack. Additionally, gaps in knowledge are identified by individual members and visits and training are organized to enable members to have sufficient information about the work of the charity to contribute effectively.

Remuneration policy

Introduction: Progress to Change is committed to paying its employees fairly, so that the best people for the job are attracted and retained.

Employee Salaries: The pay and benefits of senior employees are reviewed on a regular basis and are benchmarked against the salary scales used within the Probation Service for equivalent roles.

Payments to Trustees: All trustees give their time freely and do not receive any pay or recompense other than for reasonable out of pocket expenses.

Remuneration Committee: The Remuneration Committee reviews the remuneration of all senior employees and makes recommendations to the Board of Trustees for implementation.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

The Remuneration Committee comprises the Treasurer of the Charity along with at least two other trustees. The Treasurer will act as chair of the Remuneration Committee. The Committee will:

- Make salary recommendations to the Board for all senior employees
- Review any recommendations for pay increases for APs employees that are put forward by the Chief Executive & Finance Manager in advance of presentation to the Board.
- Make recommendations to the Board in respect of cost-of-living increases

Recommendations of the Remuneration Committee must be ratified by the Board of Trustees.

Risk management

The Trustees maintain a Risk Register of the potential risks which the Charity is exposed to and has put in place steps to mitigate these risks. The risks are grouped under three main headings – a) Governance Risks, b) Financial Risks, c) Operational Risks. For each risk existing control procedures have been identified along with proposed improvements in controls. In June 2020 an additional Covid-19 section was added to the Risk Register with these risks also grouped into Governance, Financial and Operational Risks. On an ongoing basis as new risks are identified or the nature or significance of perceived risks change the Risk Register has been updated.

In September 2020, the Risk Register was reviewed in full by the Trustees with regard to the identification of any changes to the potential risks and progress on the implementation of identified actions to mitigate risks. A further review will be undertaken in September 2021.

As explained under 'Objectives and activities', the principal activity of the two Approved Premises is to provide enhanced supervision in a residential setting, including rehabilitation, risk management, and monitoring. The majority of offenders are on license following release from custodial sentences. There are particular risks associated with this work. The Charity has a team of appropriately qualified key management personnel who undertake regular training as well as working closely with the Ministry of Justice and the National Probation Service.

Robust Risk Management procedures are in place in all aspects of the Charity's day-to-day activities in this regard. Policies and procedures are in place to ensure compliance with health and safety regulations, food hygiene regulations and fire regulations.

The risk management systems and procedures are continually reviewed by the key management team. All the identified risks are managed by regular training and awareness for staff working on day-to-day operations and by ensuring accreditation is up to date and having robust policies and procedures in place.

Related parties

In so far as it is complementary to the Charity's objects, the Charity is guided by local and national policies. The APs work in association with the regional Probation Service, Community Rehabilitation Companies, local GP practices, local housing organisations, alcohol and drugs services, and other third sector organisations.

Nationally, the APs work collaboratively with their funders, the Ministry of Justice, and Her Majesty's Prison & Probation Service. We are also a member of the National Approved Premises Association (NAPA), ensuring that national standards are constantly attained.

The Trustees thank all of our partner agencies for their commitment to and assistance with our work.

Objectives and activities

The Charity's purposes as set out in the objects contained in the company's Articles of Association are:

- to maintain the premises known as Ripon House and Cardigan House as Approved Premises within the meaning of the Offender Management Act 2007, and
- to support and further all or any charitable activities carried out in connection with the Church of England in the Diocese of Leeds and in particular:
 - the promotion of temperance and of higher standards of moral life in the individual, the family, and the community;
 - the rehabilitation of offenders and particularly those addicted to drugs or alcohol or otherwise in need of help;
 - the relief of distress or suffering arising from offending behaviour.

These objects were last reviewed and updated in 2015. The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

The focus of our work

The Charity supports those individuals who are on post custody licence, community order or bail. Cardigan House mainly works with offenders assessed as posing a high risk of harm to the public. Ripon House works with female offenders assessed as posing a high or medium risk of harm to the public.

Our qualified Approved Premises Managers and trained staff teams liaise closely with the Probation Service, Ministry of Justice, and Criminal Justice System. Staff work with residents to help them address their offending behaviour, and so reduce the risk of re-offending and the risk of harm to the public.

Achievements and Performance

Each year the Trustees discuss and agree targets and objectives for the coming year in consultation with the Chief Executive. As part of the above the Chief Executive prepares a Business Plan which is considered and approved by the Board which is used throughout the year to monitor and review achievements and performance. As part of the Charity's contract with the MoJ there are a number of key performance criteria which are monitored by the Chief Executive and the Managers of each of the two Approved Premises.

The Trustees appraise the performance of all the key management personnel during the year to ensure that they and the Approved Premises have met the KPI's.

The last year has been dominated by the Covid 19 Pandemic, which continues to present unprecedented challenges to our residential environments. It has forced us to close our doors to all non-essential visitors, to deliver our services to an exceptional delivery model and it has brought our programmes of activities to a halt. Despite this we have remained open and latterly we are starting to emerge from the fog and slowly beginning to increase resident numbers and get things moving again. The majority of key performance indicators around occupancy and activities have been suspended during this period with the focus on keeping everybody safe. All staff have worked extremely hard to try and keep residents safe and well, address their needs and assist them to identify suitable move-on accommodation. It has been a tiring and difficult year for residents and staff.

The Directorate of Reducing Re-Offending, Partnerships and Accommodation.

In November 2019 all approved premises moved to the new directorate and have been grouped together with other accommodation services. This move has presented challenges for us in terms of staying in touch with probation staff and ensuring that we are not just seen and used as accommodation. The ethos of the charity is about delivering interventions that make a real difference to the lives of our residents and some of this is being lost because of inappropriate referrals and an increased emphasis on accommodating rather than providing a full wrap round package of intervention. Covid 19 has made it more difficult to showcase our work and keep relevant partners fully informed. Presently it feels like we are growing more distant and more removed from the Probation Service. We hope that this will change as the Probation Service unifies and we move through the next year.

Contract

During the year we were informed that our contract which commenced in 2018 would be rolled over for the year 2021 to 2022. We were hopeful that we would have a new contract from 2021 for four or five years. However, the fact that the Ministry of Justice is trying to expand the number of beds and encourage new independent providers has caused the Treasury to consider all premises and the cost in total, the result of which means we will remain on interim contract arrangements probably until 2024. This is not the security that we had hoped for, but we cannot influence this position. All we can do is to continue to deliver an excellent service for residents and hopefully make a difference to their lives so that they can move-on successfully.

Covid 19

From April 2020 Ripon House and Cardigan House closed their doors to all but residents and staff. Handwashing, sanitising, social distancing, and mask wearing became compulsory and activities inside and outside the premises ceased. We started to operate to our exceptional delivery plan in order to try and ensure that residents and staff were kept as safe as possible. We were concerned about the number of deaths that were happening in care homes and what would happen if Covid 19 spread in our premises.

We had to make changes to the staff rotas in order to minimise footfall and direct finance and admin staff to work from home. We halved the number of residents that we could take to make social distancing possible, and we kept some rooms free with private bathrooms for any residents testing positive or displaying symptoms. We set limits for numbers allowed in communal areas at any time and we had to completely redesign our catering service and stagger mealtimes to reduce the risks of transmission. We received some extra funding to purchase extra cleaning services, buy personal protective equipment and some individual activity packs for residents.

As we settled into this new way of working, we were eventually able to introduce workplace PCR testing for staff and residents. This gave us a bit more confidence in managing the situation. By the Spring of 2021 all staff were able to get vaccinated via the health and social care route and twice weekly lateral flow tests had replaced PCRs. We were also able to re-introduce some outdoor activities at both premises, utilising the gardens.

Both premises managed some Covid cases during the year, mainly those released from prison who were positive and needed to complete periods of isolation on arrival. By careful management we were able to prevent it spreading to others and to date our staff teams have remained mainly Covid free. It is to the credit of staff and residents that this has been the case in our premises, others have not been so lucky, with a few temporary closures.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

There is no doubt that Covid 19 has brought about many changes to how we work with Zoom and Teams meetings replacing face to face contact with others. It is also likely that it is going to impact on us for the foreseeable future and we are having to consider how we will deliver our services that enable residents develop their skills and move on successfully, whilst keeping all residents and staff as safe as possible. We are encouraging all residents to get vaccinated, and we are hopeful that as time goes on and vaccination levels increase, we will be able to resume more activities and increase our numbers of residents, whilst maintaining safety.

Enabling Environments

Both premises have maintained Enabling Environments Awards during the year, with the focus on managing safely during Covid 19. Ripon House's Award will need to be renewed in November 2021 and Cardigan House's is valid until March 2022. This is very positive and demonstrates how well residents and staff have worked together.

Training

The majority of training has been online during the past year, with practical first aid training only becoming available again in April 2021. Staff access a variety of health and safety, diversity and CARE training, some of which is collaborative on Teams.

Approved Premises CARE Policy

In early 2021 a new policy and procedure for managing residents self-harm and suicide assessments was introduced. On arrival all residents complete a support and safety plan (SASP) if there are any concerns about self-harm or suicide. This is designed to help staff understand the residents' risk of harm to self and how best to prevent risk developing. If during their stay an immediate risk is identified a concern and keep safe form (CAKS) is then completed. This is signed off by the manager and an immediate action plan is developed detailing all work and checks to be done to support the resident. This is then reviewed on a regular basis and only closed when all identified issues have been resolved.

Staff are getting used to this process. The SASP is helpful in identifying specific issues that impact on individual residents and trigger self-harm, such as the anniversary of a serious incident or traumatic event. In reality the work that staff do to support and check on residents has not changed, but the paperwork to evidence it has increased and it has been important to emphasise to staff that their focus should remain on the resident.

Staffing

The management team, finance team and house staff have remained mainly unchanged for another consecutive year, which promotes stability in the staff team. All continue to contribute to the further development of the premises and the regimes bringing creativity, enthusiasm and innovation to their roles.

We have experienced a lot of staff changes in the support worker team at Ripon House, with several staff moving on to promotion opportunities. This has been difficult in terms of recruitment, as the majority has had to be done utilising Zoom. Providing induction during Covid has been challenging with practical training in key skills such as first aid unavailable during this period. In addition, maintaining collective memory of processes and tasks is also a challenge with so many changes. Hopefully we will now have a period of stability.

We said hello and welcome to Julie Young, Josh Allan, Sarah Oldfield, Hannah Trevisani, Jo Molineaux, Jodie Lough, Chloe Johnson, Lizzie Cliff and Robina Khatun.

We said goodbye and good luck to Anne Biscombe, Sue Springall, Nu Van Lelyveld, Rachel Harkin, Mellna Trikili, Fiona Manners, Odelya Yechezkel, Beth Collett and Natasha Champion who have all moved on during the past year.

Thanks go to our relief pool of staff, who cover holidays and sickness, sometimes with little notice. We would not be able to maintain our services without them and the energy and commitment that they bring.

A number of our long serving relief staff have stepped down over the last year due to the issues presented by Covid 19. Thank you to Elise Melaugh, Becky Carroll, and Victoria Northern, you will be missed.

We are grateful to the Trustees for their ongoing guidance and support. One of the many positive things about being an independent approved premise is that the Trustees are there during the good and the challenging times, offering their skills, time and investment on a voluntary basis. We are thankful for all that they bring.

Finally, a big thank you to all staff, residents and partner agencies who have been involved with Cardigan House and Ripon House over the past year. We value all that you do to keep the approved premises positive places to be.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

The Future

At the time of writing the Probation Service is re-unifying and still trying to recover from the transforming rehabilitation experiment of 2014. Many changes have occurred since then and the service is currently developing a national security division to manage terrorist and other offenders that present a very high risk of harm. It feels as though we have been in a constant state of flux and that this may continue. A body of experience has been lost from the Probation Service and it will take time and investment to train and support new staff.

Covid 19 continues to present a challenge and no doubt this will continue throughout the next year. We will have to find new ways of supporting residents and working with them whatever this throws at us. We are resilient and committed to assisting residents to develop their skills, improve their self-esteem and move-on successfully. Hopefully we can continue to do this while keeping all staff and residents as safe as possible.

Financial review

It was noted in the Post balance sheet events note last year that a worldwide COVID 19 Pandemic had been confirmed. The effects of the Pandemic continued throughout this past year and have had a significant influence on the day-to-day operations of our two Approved Premises. We started the year with a one-year extension to our Ministry of Justice contract. The amount we received was increased in line with CPI in January 2021. We also received additional money to offset certain extra costs incurred as a result of Covid 19.

During the year our negotiations with the MoJ continued regarding the additional annual payments to the West Yorkshire Pension Fund arising out of the 2019 Actuarial Triennial Review for both Approved Premises. Subsequent to 31 March 2021 it was agreed with the MoJ that the charity would receive a contribution of 80% of the Additional annual payments to WYPF for 2020/2021 and for 2021/2022.

An annual finance budget for each AP is submitted to the Board of Trustees in March. Budget reviews take place at every Management Board meeting (a minimum of six such meetings per year). Both AP's have continued to manage their finances in a prudent and resourceful way in spite of the extra strains resulting from Covid 19.

Income for the year including investment income increased slightly to £2,087,271 (2020: £1,912,922). Further information is provided in notes 5, 6 and 7.

Expenditure during the year reduced from £1,942,042 in 2020 to £1,746,437 in 2021. Further information is provided in notes 8 and 9.

The main reason for the reduction in expenditure arose out of the impact of Covid 19 resulting in resident numbers reducing (covered in the Chairman's Report). A reduction in Resident numbers, reduced Staff costs, Premises costs, Supplies and Services costs and Establishment costs.

The Charity's investment portfolio increased in value during the year to £1,740,112 (2020: £1,371,556).

The Net gains on investments during the year were £325,841 (2020: £10,209)

As set out in note 20 'Pensions and other benefits' following an actuarial review a loss of £154,000 has been reflected in this year's Statement of Financial Activities (2020: a gain of £115,000)

The net movement in funds for 2021 was a gain of £512,675 (2020: £796,089)

a) Principal Funding Sources

The Ministry of Justice is the principal funder of both Cardigan House and Ripon House. Detailed information on this and the Charity's finances are set out in the Financial Accounts at the end of this Report. The Charity does not undertake any additional fundraising activities.

b) Reserves Policy

In considering this the Trustees have had regard to the current situation in the UK regarding Covid 19 and its possible further impact during 2021/2022. Our contract with the Ministry of Justice which ended on 31 March 2021 has been rolled over for a further year until 31 March 2022 and may be rolled over again. The uncertainty this creates has implications when considering the Reserves of the Charity.

There remain uncertainties regarding the Charity's pension deficit with West Yorkshire Pension Fund and its funding by the MoJ. It is for the above reasons and the level of uncertainty that the charity has again considered it both prudent and necessary to maintain Designated Reserves of £624,500 as set out in the Designated Reserves note.

The Trustees have established a policy whereby the funds of the Approved Premises not committed or invested in tangible fixed assets ("the free reserves") are maintained at a level which the Board considers sufficient to maintain the continuing activities of the Charity on the basis of the funding arrangements with the Ministry of Justice.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2021

Why reserves are needed.

As part of its Risk Assessment, the Board has established that the Charity needs to maintain short-term and long-term reserves to reduce the impact of risks from both internal and external factors.

- As owner of the two properties Cardigan House and Ripon House, the Board needs to hold sufficient reserves to cover major building works which are not funded by the MoJ.
- The two Approved Premises need to hold short-term reserves to meet costs of unplanned events and planned internal maintenance of the buildings.
- The Board also has overall responsibility for the staff employed and, should income be disrupted the Charity need to hold sufficient reserves to meet ongoing costs and commitments until further funding is secured.
- Reserves are also required to meet the WYPF defined benefit liabilities given that only 80% funding has been secured for the current financial year 2020/2021 and for 2021/2022.

Level of Reserves

Given the stated background as to why reserves are needed, the trustees are of the view that the level of unrestricted income reserves of £2,337,696 (2020: £1,811,021) are at an appropriate level to enable the charity to meet its objectives and continue as a Going Concern.

Investment of reserves

The reserves of the Charity are held in the freehold property, investments managed by CCLA, and short-term bank accounts.

With regard to risk, as the balance of the Central Reserves Fund increases, investment advice will be sought by the Trustees when necessary.

c) Investment Policy

The investment policy's objectives are:

- Effective management of the Charity's assets that are not required for imminent use.
- To protect the reserves of the Charity and maximise investment income.

The Investment Objectives are:

- Produce the best financial return within an acceptable level of risk.
- Produce a total return of at least RPI plus 3% over the long term.

The policy has regard to areas of Risk, Liquidity, Time Horizon, the charity's Ethical Policy, Management, Reporting and Monitoring.

The policy is approved by the Trustees and is reviewed annually.

Investment of reserves

It is anticipated that following the end of Government restrictions on the 19 of July 2021 relating to Covid 19 that the number of residents at both Approved Premises will slowly increase possibly to pre Covid levels.

As noted in the Financial Review there was a surplus of income over expenditure on the day-to-day activities of the Charity. It is the Trustees intention to use part of this surplus to replace the central heating boilers at both Cardigan House and Ripon House as well as attending to urgent roof repairs to stop the ingress of water. The Trustees also intend making additional employer contributions in respect of those employees who are members of the Peoples Pension Fund. A number of other projects will be considered that will benefit the residents of both Approved Premises.

The charity's contract with the MoJ has been rolled over for a further year to 31 March 2022. After then it is anticipated that there may be a further role over period. With uncertainty over the contract with the MoJ it is difficult to look beyond the end of 2022.

The charity will continue to operate at the highest level in carrying out its activities for the benefit of its residents and looks to resume a number of things that had to cease as a result of Covid 19 such as staff training and external projects with residents.

The Charity continues to investigate future outreach work with residents once they have left the Approved Premises.

Post balance sheet events

The only event of significance since the 31 March 2021 is the lifting of Covid 19 restrictions by the UK Government. This is likely to enable the charity over time being able to return to operate at pre Covid 19 levels as regards the number of residents. The year ahead is expected to be more stable and less problematic.

It is anticipated that a good deal of time will be required by the Trustees and senior management in preparing for a new Ministry of Justice contract going forward from 1 April 2022.

Progress to Change

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year ended 31 March 2021

Trustees' responsibilities statement

The trustees who are also the directors of Progress to Change for the purposes of company law, are responsible for preparing the trustees' annual 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

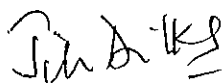
- so far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

A resolution to reappoint Gibson Booth as auditors for the ensuing year will be proposed at the forthcoming annual general meeting.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report was approved on 14.9.21 and signed on behalf of the board of trustees by:



Mrs J Dilks

Trustee

Progress to Change

Company Limited by Guarantee

Independent Auditor's Report to the Members of Progress to Change

Year ended 31 March 2021

Opinion

We have audited the financial statements of Progress to Change (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 charity's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Progress to Change

Company Limited by Guarantee

Independent Auditor's Report to the Members of Progress to Change (continued)

Year ended 31 March 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- discussions with management including consideration of known or suspected instances of non-compliance with laws, regulation and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- review of non-purchase and sales ledger bank transactions;
- review of journals;
- review of purchase invoice authorisations.

Because of the inherent limitations of an audit, there is a risk that we will fail to detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Gibson Booth
Chartered Accountants & Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

Gibson Booth is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

Progress to Change

Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)

Year ended 31 March 2021

		2021		2020
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	50	50	300
Charitable activities	6	2,078,864	2,078,864	1,904,509
Investment income	7	8,357	8,357	8,113
Total income		<u>2,087,271</u>	<u>2,087,271</u>	<u>1,912,922</u>
Expenditure				
Expenditure on charitable activities	8,9	(1,746,437)	(1,746,437)	(1,942,042)
Total expenditure		<u>(1,746,437)</u>	<u>(1,746,437)</u>	<u>(1,942,042)</u>
Net gains on investments	11	325,841	325,841	10,209
Net income/(expenditure)		<u>666,675</u>	<u>666,675</u>	<u>(18,911)</u>
Other recognised gains and losses				
Gains from revaluation of fixed assets		—	—	700,000
Actuarial (losses)/gains on defined benefit pension schemes		(154,000)	(154,000)	115,000
Net movement in funds		<u>512,675</u>	<u>512,675</u>	<u>796,089</u>
Reconciliation of funds				
Total funds brought forward		2,311,134	2,311,134	1,515,045
Total funds carried forward		<u>2,823,809</u>	<u>2,823,809</u>	<u>2,311,134</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 25 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	15	1,997,397	2,003,782
Investments	16	1,740,112	1,371,556
		<u>3,737,509</u>	<u>3,375,338</u>
Current assets			
Debtors	17	167,283	543,746
Cash at bank and in hand		333,364	295,073
		<u>500,647</u>	<u>838,819</u>
Creditors: amounts falling due within one year	18	(84,347)	(587,023)
Net current liabilities		<u>416,300</u>	<u>251,796</u>
Total assets less current liabilities		<u>4,153,809</u>	<u>3,627,134</u>
Net assets excluding defined benefit pension plan liability		<u>4,153,809</u>	<u>3,627,134</u>
Defined benefit pension plan liability	20	(1,330,000)	(1,316,000)
Net assets including defined benefit pension plan liability		<u>2,823,809</u>	<u>2,311,134</u>
Funds of the charity			
Unrestricted funds:			
Revaluation reserve		1,816,113	1,816,113
Defined benefit pension reserve		(1,330,000)	(1,316,000)
Other unrestricted income funds		2,337,696	1,811,021
Total unrestricted funds		<u>2,823,809</u>	<u>2,311,134</u>
Total charity funds	21	<u>2,823,809</u>	<u>2,311,134</u>

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Trustees' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

These financial statements were approved by the board of trustees and authorised for issue on 14.9.21, and are signed on behalf of the board by:


Mrs J Dilks
Trustee

The notes on pages 15 to 25 form part of these financial statements.

Progress to Change**Company Limited by Guarantee****Statement of Cash Flows****Year ended 31 March 2021**

	2021 £	2020 £
Cash flows from operating activities		
Net income/(expenditure)	666,675	(18,911)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	40,851	40,167
Net gains on investments	(325,841)	(10,209)
Dividends, interest and rents from investments	(8,357)	(8,113)
Interest payable and similar charges	27,000	31,000
Defined benefit pension plan employer contributions	(35,000)	253,000
Accrued (Income)/expenses	(15,336)	29,701
Service cost of defined benefit pension scheme	(132,000)	(187,000)
<i>Changes in:</i>		
Trade and other debtors	376,463	(471,010)
Trade and other creditors	(487,340)	415,954
Cash generated from operations	107,115	74,579
Net cash from operating activities	107,115	74,579
Cash flows from investing activities		
Dividends, interest and rents from investments	8,357	8,113
Purchase of tangible assets	(34,466)	(97,244)
Purchases of other investments	(42,715)	(41,000)
Proceeds from sale of other investments	-	29,000
Net cash used in investing activities	(68,824)	(101,131)
Net increase/(decrease) in cash and cash equivalents	38,291	(26,552)
Cash and cash equivalents at beginning of year	295,073	321,625
Cash and cash equivalents at end of year	333,364	295,073

The notes on pages 15 to 25 form part of these financial statements.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 63 Clarendon Road, Leeds, LS2 9NZ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 issued in October 2019 (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006, Charities Act 2011 and UK Generally Accepted Accounting Practice.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, except for investments which are included at fair value and the revaluation of certain fixed assets.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The trustees have considered the current economic uncertainty as a result of Covid-19. The Charity has continued to make a surplus since the Covid-19 outbreak, and this is expected to continue for the foreseeable future. Taking into account the above the trustees continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Depreciation has not been charged on freehold buildings as it is the charity's policy to maintain the properties in a continual state of sound repair. Due consideration has been given to any necessary requirement to impair these assets.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Defined benefit pension scheme

The charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation are determined using actuarial valuations which make assumptions about a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. These factors are estimated in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 20 for the disclosures relating to the defined benefit pension scheme.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates. See note 15 for the carrying amount of the tangible assets, and the tangible fixed assets policy below for the depreciation rates used for each class of assets.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on the general fund and designated funds. They are available for use at the discretion of the directors in the furtherance of the company's general charitable objectives.

Restricted funds are created when grants and donations are made for a particular purpose, the use of which is restricted to that purpose.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

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

Ministry of justice grants are recognised in full in the year which they are receivable and any unspent amount is reflected as a balance in the unrestricted general fund. Capital grants are recognised when receivable and are deferred over the life of the asset on which they are expended.

Resources expended

Allocation of overhead and support costs

Overhead and support costs have been allocated between charitable activity and governance based on the time spent by employees working in the two areas concerned and the actual cost incurred.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees plus an apportionment of wages, overheads and support costs.

Irrecoverable VAT

All expenditure is stated inclusive of irrecoverable VAT.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Freehold buildings are not depreciated. It is the charity's policy to maintain the properties in a continual state of sound repair. Accordingly, the trustees consider that the life of the properties is so long and the residual value, based on prices prevailing at the time of acquisition, is so high that any depreciation would be insignificant.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 25% straight line
Computer equipment	- 25% straight line

Investments

Listed investments are measured at fair value with changes in fair value being recognised in the Statement of Financial Activity.

Defined benefit plans

The charitable company contributes to the Local Government Pension Scheme ("LGPS"), a defined benefit pension scheme. The LGPS is a funded scheme and the assets are held separately from those of the charitable company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the statement of financial activities. Net pension finance income is recognised as an incoming resource in the Statement of Financial Activities.

Actuarial gains and losses are recognised immediately as other recognised gains and losses in the Statement of Financial Activities.

4. Company limited by guarantee

The charitable company has nine members. If the charity is dissolved, each member promises to remain a member or within twelve months afterwards, to pay up to £10 towards the cost of dissolution and the liabilities of the charity while the contributor was a member.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations	50	50	300	300

6. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Ministry of Justice grants	2,012,539	2,012,539	1,834,998	1,834,998
Income from residents	35,490	35,490	62,025	62,025
Government grant income	23,254	23,254	—	—
Other income	7,581	7,581	7,486	7,486
	<u>2,078,864</u>	<u>2,078,864</u>	<u>1,904,509</u>	<u>1,904,509</u>

7. Investment Income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Investment income	8,357	8,357	8,113	8,113

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Staff costs	1,352,805	1,352,805	1,410,478	1,410,478
Premises costs	163,052	163,052	222,211	222,211
Supplies and services costs	69,654	69,654	111,588	111,588
Establishment costs	123,312	123,312	156,108	156,108
Finance costs	27,000	27,000	31,000	31,000
Support costs	10,614	10,614	10,657	10,657
	<u>1,746,437</u>	<u>1,746,437</u>	<u>1,942,042</u>	<u>1,942,042</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Staff costs	1,352,805	—	1,352,805	1,410,478
Premises costs	163,052	—	163,052	222,211
Supplies and services costs	69,654	—	69,654	111,588
Establishment costs	123,312	—	123,312	156,108
Finance costs	27,000	—	27,000	31,000
Governance costs	—	10,614	10,614	10,657
	<u>1,735,823</u>	<u>10,614</u>	<u>1,746,437</u>	<u>1,942,042</u>

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

10. Analysis of support costs

	Governance costs £	Total 2021 £	Total 2020 £
Staff costs	10,614	10,614	10,409

11. Net gains on investments

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Net gains on investments	325,841	325,841	10,209	10,209

12. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	40,851	40,167
Fees payable for the audit of the financial statements	4,030	3,910

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £	2020 £
Wages and salaries	1,131,294	1,122,881
Social security costs	83,448	89,675
Employer contributions to defined contribution pension plans	16,677	21,331
Employer contributions to defined benefit pension plans	132,000	187,000
	1,363,419	1,420,887

The average head count of employees during the year was 89 (2020: 87). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Cardigan House approved premises	18	18
Ripon House approved premises	16	16
Secretary	1	1
	35	35

No employee received employee benefits (excluding employer pension costs) of more than £60,000 during the year (2020: Nil).

The key management personnel of the charity comprise the trustees together with the individuals listed on page 1. The total employee benefits of the key management personnel were £261,449 (2020: £231,435).

14. Trustee remuneration and expenses

No trustees received any remuneration (2020: none).

The amount paid to trustees in respect of travelling costs was £nil (2020: £248). This was in respect of no trustees (2020: one).

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

15. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2020	1,900,000	375,351	9,864	2,285,215
Additions	—	34,466	—	34,466
At 31 March 2021	<u>1,900,000</u>	<u>409,817</u>	<u>9,864</u>	<u>2,319,681</u>
Depreciation				
At 1 April 2020	—	273,665	7,768	281,433
Charge for the year	—	39,836	1,015	40,851
At 31 March 2021	<u>—</u>	<u>313,501</u>	<u>8,783</u>	<u>322,284</u>
Carrying amount				
At 31 March 2021	<u>1,900,000</u>	<u>96,316</u>	<u>1,081</u>	<u>1,997,397</u>
At 31 March 2020	<u>1,900,000</u>	<u>101,686</u>	<u>2,096</u>	<u>2,003,782</u>

All fixed assets are used for direct charitable purposes, namely that of approved premises. Land and buildings were revalued on 8 June 2020 on an existing use basis by Sanderson Weatherall, Chartered Surveyors and valuers. The trustees do not consider there to have been any material change in the market value between this date and the year end.

The historic cost of the land and buildings is £83,887 (2020: £83,887)

16. Investments

	Listed investments £
Cost or valuation	
At 1 April 2020	1,371,556
Additions	42,715
Other movements	325,841
At 31 March 2021	<u>1,740,112</u>
Impairment	
At 1 April 2020 and 31 March 2021	<u>—</u>
Carrying amount	
At 31 March 2021	<u>1,740,112</u>
At 31 March 2020	<u>1,371,556</u>

All investments shown above are held at valuation.

Financial assets held at fair value

Investments of £1,740,112 (2020: £1,371,556) represent UK quoted investments held in Central Board of Finance of the Church of England.

The historical cost of investments at 31 March 2021 was £883,573 (2020: £840,856).

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

17. Debtors

	2021	2020
	£	£
Trade debtors	137,778	481,867
Prepayments and accrued income	14,291	61,879
Other debtors	15,214	—
	<u>167,283</u>	<u>543,746</u>

18. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	6,825	47,738
Accruals and deferred income	44,087	533,138
Other creditors	33,435	6,147
	<u>84,347</u>	<u>587,023</u>

19. Deferred income

	2021	2020
	£	£
At 1 April 2020	473,715	—
Amount released to income	(473,715)	—
Amount deferred in year	—	473,715
At 31 March 2021	<u>—</u>	<u>473,715</u>

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £16,677 (2020: £21,331).

Defined benefit plans

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund ("the Fund") which is part of the Local Government Pension Scheme ("LGPS"). The funded nature of the LGPS requires the charitable company and its employees to pay contributions into the Fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The employer's regular contributions to the Fund for the year ending 31 March 2022 are estimated to be £298,000.

Additional contributions may also become due in respect of any employer discretions to enhance member benefits in the Fund over the next accounting period.

The scheme was closed to new members with effect from 30 September 2014.

The latest actuarial valuation of the charitable company's liabilities took place as at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

20. Pensions and other post retirement benefits (continued)

Principal Actuarial Assumptions

	2021	2020	2019
Discount rate	2.1%	2.3%	2.4%
RPI inflation	—	—	3.3%
CPI inflation	2.7%	1.9%	2.2%
Rate of increase to pensions in payment	2.7%	1.9%	2.2%
Rate of increase to deferred pensions	2.7%	1.9%	2.2%
Rate of general increase in salaries	3.95%	3.15%	3.45%

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. The assumed life expectations on retirement age 65 are:

	2021	2020	2019
Retiring today:			
Males	22	22	22
Females	25	25	25
Retiring in twenty years:			
Males	23	23	23
Females	26	26	27

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below.

	2021	2020	2019
Equities	79.7%	77.5%	74.0%
Property	3.8%	4.5%	4.7%
Government bonds	8.3%	9.6%	11.2%
Corporate bonds	4.6%	5.1%	4.0%
Cash	2.0%	1.9%	2.3%
Other	1.6%	1.4%	3.8%
Total	100	100	100

The actual return on the scheme assets was £814,000 (2020: (£367,000)).

Sensitivity analysis on defined benefit obligations are:

	2021	2020	2019
	£	£	£
Discount rate + 0.1%	5,492,000	4,538,000	4,943,000
Discount rate - 0.1%	5,704,000	4,712,000	5,115,000
Mortality assumption + 1 year increase	5,610,000	4,474,000	4,870,000
Mortality assumption - 1 year decrease	5,584,000	4,775,000	5,187,000
Salary rate + 0.1%	5,802,000	4,634,000	5,043,000
Salary rate - 0.1%	5,394,000	4,615,000	5,013,000

The statement of financial position net defined benefit liability is determined as follows:

	2021	2020
	£	£
Present value of defined benefit obligations	(5,595,000)	(4,624,000)
Fair value of plan assets	4,265,000	3,308,000
	<u>(1,330,000)</u>	<u>(1,316,000)</u>

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

20. Pensions and other post retirement benefits *(continued)*

Changes in the present value of the defined benefit obligations are as follows:

	2021 £
At 1 April 2020	4,624,000
Current service cost	132,000
Interest expense	105,000
Benefits paid	(180,000)
Contributions by plan participants	24,000
Remeasurements:	
Actuarial gains and losses	890,000
At 31 March 2021	<u>5,595,000</u>

Changes in the fair value of plan assets are as follows:

	2021 £
At 1 April 2020	3,308,000
Interest Income	78,000
Benefits paid	(180,000)
Contributions by employer	299,000
Contributions by plan participants	24,000
Remeasurements:	
Actuarial gains and losses	736,000
At 31 March 2021	<u>4,265,000</u>

The total costs for the year in relation to defined benefit plans are as follows:

	2021 £	2020 £
Recognised in income or expenditure:		
Current service cost	132,000	139,000
Past service credit	—	48,000
Net interest expense	27,000	31,000
	<u>159,000</u>	<u>218,000</u>
Recognised in other recognised gains and losses:		
Remeasurement of the liability:		
Actuarial gains and losses	154,000	(115,000)
	<u>154,000</u>	<u>(115,000)</u>

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

21. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
Unrestricted Funds	956,921	2,087,271	(1,886,437)	229,600	325,841	1,713,196
Revaluation reserve	1,816,113	—	—	—	—	1,816,113
Pension	(1,316,000)	—	140,000	—	(154,000)	(1,330,000)
Designated funds						
Cessation fund	80,000	—	—	—	—	80,000
Redundancy fund	118,000	—	—	—	—	118,000
Building fund	200,000	—	—	—	—	200,000
Pension fund	456,100	—	—	(229,600)	—	226,500
	<u>2,311,134</u>	<u>2,087,271</u>	<u>(1,746,437)</u>	<u>—</u>	<u>171,841</u>	<u>2,823,809</u>

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
Unrestricted Funds	1,732,932	1,912,922	(1,845,042)	(854,100)	10,209	956,921
Revaluation reserve	1,116,113	—	—	—	700,000	1,816,113
Pension	(1,334,000)	—	(97,000)	—	115,000	(1,316,000)
Designated funds						
Cessation fund	—	—	—	80,000	—	80,000
Redundancy fund	—	—	—	118,000	—	118,000
Building fund	—	—	—	200,000	—	200,000
Pension fund	—	—	—	456,100	—	456,100
	<u>1,515,045</u>	<u>1,912,922</u>	<u>(1,942,042)</u>	<u>—</u>	<u>825,209</u>	<u>2,311,134</u>

The description of the designated funds are as follows:

Cessation fund - The anticipated costs that are likely to be incurred in the event of cessation of the MOJ contract which runs until 31 March 2022.

Redundancy fund - The calculated redundancy for all employees.

Building fund - The estimate for potential major works to Ripon House and Cardigan House.

Pension fund - The annual lump sum pension contributions for the next 3 years arising out of the 2019 Triennial Review of the charity's funds within the West Yorkshire Pension Fund.

Progress to Change

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	1,997,397	1,997,397
Investments	1,740,112	1,740,112
Current assets	500,647	382,967
Creditors less than 1 year	(84,347)	(84,347)
Defined benefit pension	(1,330,000)	(1,330,000)
Net assets	2,823,809	2,706,129

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	2,003,782	2,003,782
Investments	1,371,556	1,371,556
Current assets	838,819	838,819
Creditors less than 1 year	(587,023)	(587,023)
Defined benefit pension	(1,316,000)	(1,316,000)
Net assets	2,311,134	2,311,134

23. Analysis of changes in net debt

	At 1 Apr 2020 £	Cash flows £	At 31 Mar 2021 £
Cash at bank and in hand	295,073	38,291	333,364

24. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	5,573	5,573
Later than 1 year and not later than 5 years	13,932	19,505
	19,505	25,078

25. Contingencies

Each Approved Premise has received maintenance funding of £50,000 from the National Offender Management Service which is subject to clawback if, within ten years of receiving the funding, the Approved Premise is sold to a third party and does not continue to operate as an Approved Premise or if the charitable company stops offering the building as an Approved Premise. The potential clawback is reduced pro rata over this ten year period.

The charitable company do not have intention of either selling the Approved Premises or changing their use in the foreseeable future, however at the year end the potential clawback under such a scenario is £25,000 (2020: £35,000).

26. Related parties

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.