

**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**

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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**

<b>Registered charity name</b>	Progress to Change
<b>Charity registration number</b>	1065423
<b>Company registration number</b>	3288672
<b>Principal office and registered office</b>	63 Clarendon Road Leeds LS2 9NZ
<b>The trustees</b>	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
<b>Key management personnel</b>	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
<b>Company secretary</b>	Mrs T Gradys
<b>Auditor</b>	Gibson Booth Chartered Accountants & Statutory Auditors New Court Abbey Road North Shepley Huddersfield HD8 8BJ
<b>Bankers</b>	National Westminster Bank plc Leeds City Office Branch 8 Park Row Leeds LS1 5HD
<b>Solicitors</b>	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG
<b>Investment managers</b>	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

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##### 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**

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#### **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.

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## **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**

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- 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 6<sup>th</sup> 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**

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##### **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).

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## Progress to Change

### Company Limited by Guarantee

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

Year ended 31 March 2022

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##### 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.

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## **Progress to Change**

### **Company Limited by Guarantee**

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

**Year ended 31 March 2022**

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##### **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**

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##### **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:

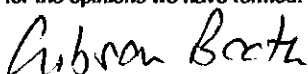
- discussions with management including consideration of known or suspected instances of non-compliance with laws, regulation and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- testing of non-purchase and sales ledger bank transactions;
- 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](http://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 £
<b>Income and endowments</b>				
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
<b>Total income</b>		<u>2,082,153</u>	<u>2,082,153</u>	<u>2,087,271</u>
<b>Expenditure</b>				
Expenditure on charitable activities	8,9	(1,870,988)	(1,870,988)	(1,746,437)
<b>Total expenditure</b>		<u>(1,870,988)</u>	<u>(1,870,988)</u>	<u>(1,746,437)</u>
<b>Net gains on investments</b>	11	195,838	195,838	325,841
<b>Net income</b>		<u>407,003</u>	<u>407,003</u>	<u>666,675</u>
<b>Other recognised gains and losses</b>				
Actuarial gains/(losses) on defined benefit pension schemes		744,000	744,000	(154,000)
<b>Net movement in funds</b>		1,151,003	1,151,003	512,675
<b>Reconciliation of funds</b>				
Total funds brought forward		2,823,809	2,823,809	2,311,134
<b>Total funds carried forward</b>		<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 £
<b>Fixed assets</b>			
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>
<b>Current assets</b>			
Debtors	17	269,116	167,283
Cash at bank and in hand		268,633	333,364
		<u>537,749</u>	<u>500,647</u>
<b>Creditors: amounts falling due within one year</b>	18	(103,442)	(84,347)
<b>Net current assets</b>		<u>434,307</u>	<u>416,300</u>
<b>Total assets less current liabilities</b>		<u>4,472,812</u>	<u>4,153,809</u>
<b>Net assets excluding defined benefit pension plan liability</b>		<u>4,472,812</u>	<u>4,153,809</u>
Defined benefit pension plan liability	20	(498,000)	(1,330,000)
<b>Net assets including defined benefit pension plan liability</b>		<u>3,974,812</u>	<u>2,823,809</u>
<b>Funds of the charity</b>			
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>
<b>Total unrestricted funds</b>		<u>3,974,812</u>	<u>2,823,809</u>
<b>Total charity funds</b>	21	<u>3,974,812</u>	<u>2,823,809</u>

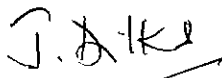
For the year ending 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

**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 £
<b>Cash flows from operating activities</b>		
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
<b>Cash flows from investing activities</b>		
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)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(64,731)	38,291
<b>Cash and cash equivalents at beginning of year</b>	333,364	295,073
<b>Cash and cash equivalents at end of year</b>	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**

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#### **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**

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### **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**

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#### **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 £
<b>Cost</b>				
At 1 April 2021	1,900,000	409,817	9,864	2,319,681
Additions	—	74,789	8,167	82,956
<b>At 31 March 2022</b>	<u>1,900,000</u>	<u>484,606</u>	<u>18,031</u>	<u>2,402,637</u>
<b>Depreciation</b>				
At 1 April 2021	—	313,501	8,783	322,284
Charge for the year	—	51,216	1,582	52,798
<b>At 31 March 2022</b>	<u>—</u>	<u>364,717</u>	<u>10,365</u>	<u>375,082</u>
<b>Carrying amount</b>				
At 31 March 2022	<u>1,900,000</u>	<u>119,889</u>	<u>7,666</u>	<u>2,027,555</u>
At 31 March 2021	<u>1,900,000</u>	<u>96,316</u>	<u>1,081</u>	<u>1,997,397</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 (2021: £83,887).

**16. Investments**

	Listed investments £
<b>Cost or valuation</b>	
At 1 April 2021	1,740,112
Additions	80,000
Disposals	(5,000)
Other movements	195,838
<b>At 31 March 2022</b>	<u>2,010,950</u>
<b>Impairment</b>	
At 1 April 2021 and 31 March 2022	<u>—</u>
<b>Carrying amount</b>	
At 31 March 2022	<u>2,010,950</u>
At 31 March 2021	<u>1,740,112</u>

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%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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)
<b>At 31 March 2022</b>	<b><u>5,378,000</u></b>

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
<b>At 31 March 2022</b>	<b><u>4,880,000</u></b>

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
	<u>744,000</u>	<u>154,000</u>



**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
<b>Designated funds</b>						
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
<b>Designated funds</b>						
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)
<b>Net assets</b>	<b>3,974,812</b>	<b>3,974,812</b>

	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)
<b>Net assets</b>	<b>2,823,809</b>	<b>2,823,809</b>

#### 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
	<b>13,932</b>	<b>19,505</b>

#### 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.