

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

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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

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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

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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.

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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.

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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).

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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.

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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:

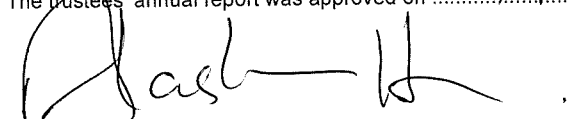
- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that 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 17.9.24 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.

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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:

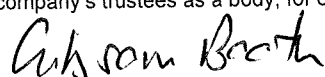
- discussions with management including consideration of known or suspected instances of non-compliance with laws, regulation and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- testing of non-purchase and sales ledger bank transactions;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