

Transforming Choice CIO
Unaudited Financial Statements
31 March 2023

MATTOCKS GRINDLEY

Chartered accountants
18 Mulberry Avenue
Turnstone Business Park
Widnes
Cheshire
WA8 0WN

Transforming Choice CIO

Financial Statements

Year ended 31 March 2023

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Transforming Choice CIO

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

Year ended 31 March 2023

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

Reference and administrative details

Registered charity name Transforming Choice CIO

Charity registration number 1193231

Company registration number CE024691

Principal office and registered office 30 Aigburth Drive
Liverpool
L17 4JH

The trustees

Dr F Hargreaves
Sir M Hedley
Mrs N Blundell
Mr PJ Morris

Independent examiner Giles Mattocks FCA
18 Mulberry Avenue
Turnstone Business Park
Widnes
Cheshire
WA8 0WN

Transforming Choice CIO

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

Year ended 31 March 2023

Structure, governance and management

Transforming Choice is an independent Charitable Incorporated Organisation (CIO), of which the charitable objects are outlined below: FOR THE PUBLIC BENEFIT, TO ADVANCE THE HEALTH OF ADULTS EXPERIENCING ALCOHOL DEPENDENCY ISSUES THROUGH THE PROVISION OF RESIDENTIAL AND NON-RESIDENTIAL PROGRAMMES OF SUPPORT AND TO PROVIDE SUPPORT AND ADVICE TO THEIR FAMILIES

Transforming Choice opened in 2012 as a Community Interest Company (CIC), delivering alcohol detox and rehabilitation services for people with dependencies to alcohol and other substances. The organisation has grown significantly in this period, and in January 2021 converted to a CIO.

Overall supervision of Transforming Choice is undertaken by the Board of Trustees: Sir Mark Hedley (Chair), Peter Morris (Treasurer), Dr Frank Hargreaves and Nicola Blundell. During the reporting period, day to day management of Transforming Choice was the responsibility of two Directors and an Operations Manager. One of the Directors retired at the end of the 2022-2023 financial year.

During the course of this financial year, we have continued work to improve the financial stability of the organisation, aiming to operate with a minimum unrestricted reserve balance equating to three months operating costs.

Following the retirement of one of the charity's founding directors we are now seeking to recruit a new Director/CEO to continue building the organisation, and support ongoing developments.

APPOINTMENT OF CHARITY TRUSTEES

Apart from the first charity trustees, every trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity trustees.

In selecting individuals for appointment as charity trustees, the charity trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

INFORMATION FOR NEW CHARITY TRUSTEES

The charity trustees will make available to each new charity trustee, on or before his or her first appointment:

- (a) a copy of the current version of this constitution; and
- (b) a copy of the CIO's latest Trustees' Annual Report and statement of accounts.

Transforming Choice CIO

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

Year ended 31 March 2023

Objectives and activities

Transforming Choice delivers its charitable objects through provision of:

- A residential tapered alcohol withdrawal detox and rehabilitation programme
- Transitional and long term supported and semi supported accommodation
- Trauma therapies, specifically EMDR (Eye Movement Desensitisation and Reprocessing) and Rewind therapy
- 'Ichoose' - a community-based programme of activity offering open ended peer support and a platform to develop friendships and peer support networks

MISSION AND VALUES

Transforming Choice was borne out of a passion for social justice for those on the fringes of society. People dealt an unfair hand in life, further perpetuated by inefficient services and broken systems. With this in mind, we exist to do more than simply provide a detox and rehabilitation service. We exist to:

- Disrupt the status quo within services and systems intended for people with multiple and complex needs
- To provide fair and meaningful opportunities for people who are seeking to change their lives
- To provide a platform that empowers people to take back control over their own lives, enabling them to explore past experiences and traumas within a safe environment
- To provide the knowledge and skills required to underpin emotional wellbeing, enabling independence and self-reliance

PUBLIC BENEFITS

To advance the health of adults experiencing alcohol dependency issues through the provision of residential and non-residential programmes of support, and to provide support and advice to their families.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Transforming Choice CIO

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

Year ended 31 March 2023

Achievements and performance

During the reporting period 1st April 2022-31st March 2023

- 50 people accessed alcohol detox and rehabilitation services with Transforming Choice - 75% completed the 12-week programme and were supported into transitional accommodation with Transforming Choice or appropriate accommodation with other providers
- 26 people who completed the programme received additional support within transitional accommodation.
- 47 people consistently accessed 'iChoose' activities in the community including yoga, meditation, a range of holistic therapies, football and numerous trips to places of interest across the North West. There are 95 members of iChoose in total, with around half having accessed treatment for their addictions with other treatment providers.
- 28 people completed peer mentor training and/or volunteered their time with the organisation, providing support to new residents and also building their own resilience

During this financial year, we continued to work towards the aims outlined in our '2030 plan', these include:

- Growing our network of accommodation and developing the offer to prevent us needing to refer people on from rehab into inadequate or unsuitable housing solutions.
- Seeking to launch additional detox and rehab provision within the Liverpool City Region to meet demand for services - consider target demographics, i.e. increased demand for young people
- Launching and developing the iChoose programme to provide open ended peer support and programme of activity to promote stability in those in recovery - initially within the Liverpool City boundary, extended across the City Region by 2030

In 2021, we were able to accelerate staff learning and development, this served us well this year as two senior members of the team moved on from the organisation. The team were well prepared, trained and experienced to step into new positions, continuing their own professional development and creating room for new recruits. Specifically, this year we have:

- Promoted one staff member into a senior team member position
- Promoted a senior member of staff into a leadership role within the organisation
- Welcomed six new members of staff to the team

STAFF

In 2022, Transforming Choice had 22 staff members, working the equivalent of 19.5 full time positions. 13 of our team have overcome addictions to alcohol and other substances and have experience of the homeless system. Seven of our staff have been recruited after completing the Transforming Choice detox and rehab programme.

Transforming Choice trustees are committed to ensuring that the charity and the programmes it delivers are led by people by lived experience. This is pivotal to the success of the organisation.

VOLUNTEERS

All graduates of the Transforming Choice detox and rehab programme are invited to undertake peer

Transforming Choice CIO

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

Year ended 31 March 2023

mentor training, and to volunteer their time as peer mentors when new groups arrive. Peer mentors are an essential resource and provide the staff team with much needed additional capacity. Additionally, undertaking peer mentor duties is a positive activity for residents who have graduated from the programme, enabling them to continue to build their own resilience and stability.

At any one time, we have between 15 and 25 active peer mentors. Peer mentors volunteer the majority of their time during the first three to four weeks of a new programme, overall volunteer peer mentor hours during this are approximately 40-70 hours per week.

Financial review

Total income for the year was £854,422.

Total expenditure for the year was £724,037, resulting in a surplus for the year of £130,385.

At 31 March 2023 the charitable incorporated organisation's reserves stood at £379,206, of which £45,908 represented restricted funds.

RISK MANAGEMENT

The trustees have assessed the major risks to which the charitable incorporated organisation is exposed and are satisfied that systems are in place to manage exposure to those risks.

RESERVES POLICY

It is the aim of the trustees to build reserves to a minimum of three months operating costs and maintain this at all times.

Transforming Choice CIO

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

Year ended 31 March 2023

Plans for future periods

Further to our achievements, we have also worked on the priorities set out for the 2022-2023 financial year:

- Begun the process of purchasing 30 Aigburth Drive from Liverpool City Council to safeguard our location for the future. We have secured a mortgage for £521,000 and a grant of £50,000 towards the purchase. We will secure the remainder of the funding required in the coming weeks.
- Despite trying to work with registered providers, we've not been able to secure any additional properties as we'd hoped to in 2021. We will continue to explore alternative options, including social finance to develop our housing offer.
- We have further built on our reserve finances, providing us with additional financial stability.
- Developed and grown the iChoose programme, which now has over 140 members - half of whom did not access treatment for their addiction with Transforming Choice.
- Continued to deliver trauma therapies for people struggling with unresolved trauma.
- Officially began research around efficacy of tapered alcohol withdrawal in partnership with Liverpool John Moores University and the Royal Liverpool University Hospital; our researcher began working with the January 2023 intake to measure brain activity and function during and after alcohol detox.

Summary

2022-2023 has been a year of change for Transforming Choice; whilst at times this has felt uncertain, we have continued to make positive strides towards growing the charity to enable us to meet growing demand for our services. Transforming Choice have proudly pioneered unique approaches to working with trauma and addictions. This work has become increasingly important over the past few years in which we have seen an unprecedented increase in alcohol related deaths and demand for alcohol and substance services from people battling addictions. During 2023-2024, we will continue to grow, test and develop new initiatives that will allow us to extend our reach and impact.

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

Sir M Hedley
Trustee

Transforming Choice CIO

Independent Examiner's Report to the Trustees of Transforming Choice CIO

Year ended 31 March 2023

I report to the trustees on my examination of the financial statements of Transforming Choice CIO ('the charity') for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Giles Mattocks FCA
Independent Examiner

18 Mulberry Avenue
Turnstone Business Park
Widnes
Cheshire
WA8 0WN

Transforming Choice CIO

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2023

		Unrestricted funds £	2023 Restricted funds £	Total funds £	2022 Restated Total funds £
	Note				
Income and endowments					
Donations and legacies	4	4,960	138,095	143,055	252,958
Charitable activities	5	711,367	–	711,367	693,771
Other income	6	–	–	–	80,120
Total income		<u>716,327</u>	<u>138,095</u>	<u>854,422</u>	<u>1,026,849</u>
Expenditure					
Expenditure on charitable activities	7,8	526,299	197,738	724,037	777,906
Other expenditure	9	–	–	–	122
Total expenditure		<u>526,299</u>	<u>197,738</u>	<u>724,037</u>	<u>778,028</u>
Net income and net movement in funds		<u>190,028</u>	<u>(59,643)</u>	<u>130,385</u>	<u>248,821</u>
Reconciliation of funds					
Restated total funds brought forward		143,270	105,551	248,821	–
Total funds carried forward		<u>333,298</u>	<u>45,908</u>	<u>379,206</u>	<u>248,821</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 11 to 21 form part of these financial statements.

Transforming Choice CIO

Statement of Financial Position

31 March 2023

	Note	2023 £	Restated 2022 £
Fixed assets			
Tangible fixed assets	14	5,979	8,968
Current assets			
Debtors	15	55,866	18,302
Cash at bank and in hand		322,847	234,605
		378,713	252,907
Creditors: amounts falling due within one year	16	5,486	13,054
Net current assets		373,227	239,853
Total assets less current liabilities		379,206	248,821
Net assets		379,206	248,821
Funds of the charity			
Restricted funds		45,908	105,551
Unrestricted funds		333,298	143,270
Total charity funds	19	379,206	248,821

For the year ending 31 March 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

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

Sir M Hedley
Trustee

The notes on pages 11 to 21 form part of these financial statements.

Transforming Choice CIO

Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income	130,385	248,821
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	2,989	2,620
Government grant income	—	(896)
Loss on disposal of tangible fixed assets	—	122
Accrued expenses	2,765	1,250
<i>Changes in:</i>		
Trade and other debtors	(37,564)	(18,302)
Trade and other creditors	(10,333)	11,804
Cash generated from operations	88,242	245,419
Net cash from operating activities	88,242	245,419
Cash flows from investing activities		
Purchase of tangible assets	—	(11,710)
Net cash used in investing activities	—	(11,710)
Cash flows from financing activities		
Government grant income	—	896
Net cash from financing activities	—	896
Net increase in cash and cash equivalents	88,242	234,605
Cash and cash equivalents at beginning of year	234,605	—
Cash and cash equivalents at end of year	322,847	234,605

The notes on pages 11 to 21 form part of these financial statements.

Transforming Choice CIO

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 30 Aigburth Drive, Liverpool, L17 4JH.

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 (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the Charitable Incorporated Organisation has adequate resources to continue in operational existence for the foreseeable future. The trustees are confident that the levels of liquidity and free reserves will not affect the Charitable Incorporated Organisation operations. Thus, the trustees continue to adopt the going concern basis.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Cost of charitable activities relate to the operation of the charity comprising direct charitable expenditure to meet the objectives of the charity. Support and governance costs relate to the management and operation of the organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the charity.

Income tax

Income and gains are exempt from taxation as they are received and applied for charitable purposes only. The Charitable Incorporated Organisation benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. The Charitable Incorporated Organisation is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

Fund accounting

Unrestricted funds are the Charitable Incorporated Organisation's free reserves available for the trustees to apply in accordance with the charitable objects.

Restricted funds are subject to specific restrictive conditions imposed by the donor. All restricted funds are accounted for as restricted income, and expenditure for the purposes is charged to the fund.

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Incoming resources

All income is recognised once the Charitable Incorporated Organisation has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income can be measured reliably.

Donations and legacies comprise donations which are recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

Income from charitable activities is recognised on an accruals basis, except for grants receivable, which are recognised on the date on which their unconditional payment is confirmed by the donor.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charitable Incorporated Organisation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. Support and governance costs are applied to unrestricted funds unless specifically included in the restrictions, as specified by the donor.

Expenditure on charitable activities relate to the operation of the charity comprising direct charitable expenditure to meet the objective of the Charitable Incorporated Organisation. Support and governance costs relate to the management and operation of the Organisation and also compliance with constitutional and statutory requirements in producing the annual report. These are dealt with in the Statement of Financial Activities when payment has been approved by the charity.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Capital expenditure of £200 and above is treated as a fixed asset and 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
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Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Donations	4,960	–	4,960
Grants			
Garfield Weston Foundation	–	30,000	30,000
Liverpool City Council	–	720	720
National Lottery Community Fund	–	–	–
National Lottery Fund - Awards for All	–	–	–
National Lottery Fund - Reaching Communities	–	84,000	84,000
Steve Morgan Foundation (Decoration)	–	–	–
Steve Morgan Foundation (Drama)	–	–	–
Steve Morgan Foundation (Garden)	–	–	–
Steve Morgan Foundation (Salaries	–	23,375	23,375
HMRC Job Retention Scheme	–	–	–
	<u>4,960</u>	<u>138,095</u>	<u>143,055</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	7,862	–	7,862
Grants			
Garfield Weston Foundation	–	25,000	25,000
Liverpool City Council	–	6,044	6,044
National Lottery Community Fund	–	92,300	92,300
National Lottery Fund - Awards for All	–	5,911	5,911
National Lottery Fund - Reaching Communities	–	33,925	33,925
Steve Morgan Foundation (Decoration)	–	4,520	4,520
Steve Morgan Foundation (Drama)	–	10,000	10,000
Steve Morgan Foundation (Garden)	–	15,500	15,500
Steve Morgan Foundation (Salaries	–	51,000	51,000
HMRC Job Retention Scheme	896	–	896
	<u>8,758</u>	<u>244,200</u>	<u>252,958</u>

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

5. Charitable activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Care income	76,523	76,523	46,631	46,631
Service and contract income	291,255	291,255	647,140	647,140
Rent	341,344	341,344	–	–
Student placements	2,245	2,245	–	–
	<u>711,367</u>	<u>711,367</u>	<u>693,771</u>	<u>693,771</u>

6. Other income

	Unrestricted Funds £	Total Funds 2023 £	Restated Unrestricted Funds £	Restated Total Funds 2022 £
Transfer of assets from CIC 07992556	–	–	80,120	80,120

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Direct charitable activities	521,879	197,738	719,617
Support costs	4,420	–	4,420
	<u>526,299</u>	<u>197,738</u>	<u>724,037</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Direct charitable activities	638,007	138,649	776,656
Support costs	1,250	–	1,250
	<u>639,257</u>	<u>138,649</u>	<u>777,906</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total fund 2022 £
Direct charitable activities	719,617	–	719,617	776,656
Governance costs	–	4,420	4,420	1,250
	<u>719,617</u>	<u>4,420</u>	<u>724,037</u>	<u>777,906</u>

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

9. Other expenditure

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Loss on disposal of tangible fixed assets held for charity's own use	<u>—</u>	<u>—</u>	<u>122</u>	<u>122</u>

10. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	2,989	2,620
Loss on disposal of tangible fixed assets	<u>—</u>	<u>122</u>

11. Independent examination fees

	2023 £	2022 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,250</u>	<u>1,250</u>

12. Staff costs

The average head count of employees during the year was 22 (2022: 25). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Number of staff	<u>20</u>	<u>22</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

14. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2022 and 31 March 2023	11,538
Depreciation	
At 1 April 2022	2,570
Charge for the year	2,989
At 31 March 2023	<u>5,559</u>
Carrying amount	
At 31 March 2023	<u>5,979</u>
At 31 March 2022	<u>8,968</u>

15. Debtors

	2023 £	2022 £
Trade debtors	8,532	802
Prepayments and accrued income	29,834	–
Other debtors	17,500	17,500
	<u>55,866</u>	<u>18,302</u>

16. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	632	–
Accruals and deferred income	4,015	1,250
Social security and other taxes	839	1,804
Other creditors - R Mayhew loan	–	10,000
	<u>5,486</u>	<u>13,054</u>

17. 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 £10,033 (2022: £10,567).

18. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2023 £	2022 £
Recognised in income from donations and legacies:		
Government grants income	–	896
	<u>–</u>	<u>896</u>

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

19. Analysis of charitable funds

Unrestricted funds

	Restated at 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Unrestricted funds - General funds	<u>143,270</u>	<u>716,327</u>	<u>(526,299)</u>	<u>333,298</u>

	At 1 April 2021 £	Restated Income £	Expenditure £	Restated at 31 March 2022 £
Unrestricted funds - General funds	<u>–</u>	<u>782,649</u>	<u>(639,379)</u>	<u>143,270</u>

Restricted funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Restricted Funds	<u>105,551</u>	<u>138,095</u>	<u>(197,738)</u>	<u>45,908</u>

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Restricted Funds	<u>–</u>	<u>244,200</u>	<u>(138,649)</u>	<u>105,551</u>

These are monies given to the charitable incorporated organisation to be spent at the discretion of the Board of Trustees for specific charitable purposes, as follows:

Garfield Weston Foundation Contribution towards refurbishment and replacements

Liverpool City Council Contribution towards health and safety and cleaning costs during Covid

National Lottery Community Fund Contribution towards staff salary costs and activities

National Lottery Fund - Awards for All Contribution towards activities

National Lottery Fund - Reaching Communities Contribution towards staff salary costs and core costs

Steve Morgan Foundation (Decoration) Contribution towards the acquisition of tangible fixed assets; see notes to the financial statements

Steve Morgan Foundation (Drama) Contribution towards the drama project.

Steve Morgan Foundation (Garden) Contribution towards the garden project.

Steve Morgan Foundation (Salaries) Contribution towards staff salary costs.

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	2,071	3,908	5,979
Current assets	336,713	42,000	378,713
Creditors less than 1 year	(5,486)	—	(5,486)
Net assets	333,298	45,908	379,206

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	3,106	5,862	8,968
Current assets	153,218	99,689	252,907
Creditors less than 1 year	(13,054)	—	(13,054)
Net assets	143,270	105,551	248,821

21. Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

22. Analysis of changes in net debt

	At 1 Apr 2022 £	Cash flows £	At 31 Mar 2023 £
Cash at bank and in hand	234,605	88,242	322,847

23. Other financial commitments

The Charitable Incorporated Organisation held a lease dated 2017 for five years at a premises owned by Liverpool City Council, under the terms of which an annual peppercorn rent could be demanded. The charitable incorporated organisation is currently in negotiation with Liverpool City Council regarding the new lease agreement.

24. Related parties

Dr F Hargreaves, a trustee, was paid £1,600 for clinical support on a self-employed basis during the year to 31 March 2023.

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

25. Prior year restatement

The trustees have elected to restate the level of unrestricted funds as at 31 March 2022.

It was discovered that a creditor, in the form of an outstanding loan made in a previous year, had not been reflected in the transfer of assets from CIC 07992556 in the period ended 31 March 2022.

An adjustment of £10,000 in the unrestricted funds as at 31 March 2022 has been made to reflect this loan, which was repaid on 12/05/2022.

Transforming Choice CIO

Management Information

Year ended 31 March 2023

The following pages do not form part of the financial statements.

Transforming Choice CIO

Detailed Statement of Financial Activities

Year ended 31 March 2023

	2023 £	Restated 2022 £
Income and endowments		
Donations and legacies		
Donations	4,960	7,862
Garfield Weston Foundation	30,000	25,000
Liverpool City Council	720	6,044
National Lottery Community Fund	–	92,300
National Lottery Fund - Awards for All	–	5,911
National Lottery Fund - Reaching Communities	84,000	33,925
Steve Morgan Foundation (Decoration)	–	4,520
Steve Morgan Foundation (Drama)	–	10,000
Steve Morgan Foundation (Garden)	–	15,500
Steve Morgan Foundation (Salaries	23,375	51,000
HMRC Job Retention Scheme	–	896
	<u>143,055</u>	<u>252,958</u>
Charitable activities		
Care income	76,523	46,631
Service and contract income	291,255	647,140
Rent	341,344	–
Student placements	2,245	–
	<u>711,367</u>	<u>693,771</u>
Other income		
Transfer of assets from CIC 07992556	–	80,120
	<u>–</u>	<u>80,120</u>
Total income	<u>854,422</u>	<u>1,026,849</u>

Transforming Choice CIO

Detailed Statement of Financial Activities *(continued)*

Year ended 31 March 2023

	2023 £	2022 £
Expenditure		
Expenditure on charitable activities		
Wages and salaries	534,274	560,010
Pension costs	10,033	10,567
Rent	4,248	1,336
Rates and water	5,596	5,397
Light and heat	40,186	39,999
Repairs and maintenance	15,543	68,395
Insurance	13,249	11,531
Other motor/travel costs	5,578	1,490
Legal and professional fees	4,420	1,250
Telephone	3,287	4,144
Depreciation	2,989	2,620
Activities	10,046	15,247
Clinical support	2,660	4,276
Health and safety	247	3,395
Cleaning	3,367	3,455
Computer support	2,826	5,488
Food and drink	18,449	12,779
Stationery and postage	3,621	5,847
Volunteer expenses	3,083	1,760
TV Licence and Netflix	290	443
Consultancy fees	14,111	4,980
Drug testing kits	2,278	2,103
DBS fees	208	565
Subscriptions	11,451	5,370
Pest control	840	540
Training	1,550	2,467
Register of companies filing fee	—	83
Pension late filing charges	—	66
First aid	—	97
Bank charges	1,202	1,177
Payroll fees	—	1,029
Advertising and marketing	8,405	—
	<u>724,037</u>	<u>777,906</u>
Other expenditure		
Loss on disposal of tangible fixed assets held for charity's own use	—	122
	<u>—</u>	<u>122</u>
Total expenditure	<u>724,037</u>	<u>778,028</u>
Net income	<u>130,385</u>	<u>248,821</u>

Transforming Choice CIO

Notes to the Detailed Statement of Financial Activities

Year ended 31 March 2023

	2023 £	2022 £
Expenditure on charitable activities		
Direct charitable activities		
<i>Activities undertaken directly</i>		
Staff wages	534,274	560,010
Pension	10,033	10,567
Room hire	4,248	1,336
Rates and water	5,596	5,397
Light and heat	40,186	39,999
Repairs and maintenance	15,543	68,395
Insurance	13,249	11,531
Motor and travel costs	5,578	1,490
Telephone and internet	3,287	4,144
Depreciation	2,989	2,620
Activities	10,046	15,247
Clinical support	2,660	4,276
Health and safety	247	3,395
Cleaning	3,367	3,455
Computer support	2,826	5,488
Food and drink	18,449	12,779
Stationery and postage	3,621	5,847
Volunteer expenses	3,083	1,760
TV Licence and Netflix	290	443
Consultancy fees	14,111	4,980
Drug testing kits	2,278	2,103
DBS fees	208	565
Subscriptions	11,451	5,370
Pest control	840	540
Training	1,550	2,467
Register of companies filing fee	–	83
Pension late filing charges	–	66
First aid	–	97
Bank charges	1,202	1,177
Payroll fees	–	1,029
Advertising and marketing	8,405	–
	<u>719,617</u>	<u>776,656</u>
Governance costs		
Governance costs - accountancy fees	<u>4,420</u>	<u>1,250</u>
Expenditure on charitable activities	<u><u>724,037</u></u>	<u><u>777,906</u></u>