

COMPANY REGISTRATION NUMBER: CE024691
CHARITY REGISTRATION NUMBER: 1193231

Transforming Choice CIO
Unaudited Financial Statements
31 March 2024

MATTOCKS GRINDLEY

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

Transforming Choice CIO

Financial Statements

Year ended 31 March 2024

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Transforming Choice CIO

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 unaudited financial statements of the charity for the year ended 31 March 2024.

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
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Transforming Choice CIO

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

Year ended 31 March 2024

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 is the responsibility of newly recruited CEO Frances Molloy and newly registered manager James Keenan, other member of the team has taken on more of a managerial role. Throughout this budget 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.

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 2024

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 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.

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 2024

Achievements and performance

During the reporting period 1st April 2023 - 31st March 2024

- 54 people accessed alcohol detox and rehabilitation services with Transforming Choice 100% completed the detox period - 35 completed the 12-week programme and graduated. They were supported into transitional accommodation with Transforming Choice, appropriate accommodation with other providers or reintegrated back into their family units.
- 23 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 Northwest. 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 budget 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 2023, 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 2023, 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.

Transforming Choice CIO

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

Year ended 31 March 2024

Volunteers

All graduates of the Transforming Choice detox and rehab programme are invited to undertake peer 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 £790,495.

Total expenditure for the year was £870,218, resulting in a deficit for the year of £79,723, which has been in line with trustees' expectations.

At 31 March 2024 the charitable incorporated organisation's reserves stood at £299,483, of which £62,533 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 2024

Plans for future periods

Further to our achievements, we have also worked on the priorities set out for the 2024-2025 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

2023-2024 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 2024-2025, 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 6 December 2024 and signed on behalf of the board of trustees by:



Mr PJ Morris
Trustee / Treasurer

Transforming Choice CIO

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

Year ended 31 March 2024

I report to the trustees on my examination of the financial statements of Transforming Choice CIO ('the charity') for the year ended 31 March 2024.

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

6/12/24

Transforming Choice CIO

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2024

			2024		2023
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	5,350	99,500	104,850	143,055
Charitable activities	5	685,645	—	685,645	711,367
Total income		<u>690,995</u>	<u>99,500</u>	<u>790,495</u>	<u>854,422</u>
Expenditure					
Expenditure on charitable activities	6,7	787,343	82,875	870,218	724,037
Total expenditure		<u>787,343</u>	<u>82,875</u>	<u>870,218</u>	<u>724,037</u>
Net (expenditure)/income and net movement in funds		<u>(96,348)</u>	<u>16,625</u>	<u>(79,723)</u>	<u>130,385</u>
Reconciliation of funds					
Total funds brought forward		333,298	45,908	379,206	248,821
Total funds carried forward		<u>236,950</u>	<u>62,533</u>	<u>299,483</u>	<u>379,206</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 19 form part of these financial statements.

Transforming Choice CIO

Statement of Financial Position

31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	12	58,529	5,979
Current assets			
Debtors	13	5,854	55,866
Cash at bank and in hand		246,669	322,847
		252,523	378,713
Creditors: amounts falling due within one year	14	11,569	5,486
Net current assets		240,954	373,227
Total assets less current liabilities		299,483	379,206
Net assets		299,483	379,206
Funds of the charity			
Restricted funds		62,533	45,908
Unrestricted funds		236,950	333,298
Total charity funds	16	299,483	379,206

For the year ending 31 March 2024 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 6 December 2024, and are signed on behalf of the board by:



Mr P J Morris
Trustee / Treasurer

The notes on pages 11 to 19 form part of these financial statements.

Transforming Choice CIO

Statement of Cash Flows

Year ended 31 March 2024

	2024 £	2023 £
Cash flows from operating activities		
Net (expenditure)/income	(79,723)	130,385
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	6,956	2,989
Accrued expenses	7,027	2,765
<i>Changes in:</i>		
Trade and other debtors	50,012	(37,564)
Trade and other creditors	(944)	(10,333)
Cash generated from operations	(16,672)	88,242
Net cash (used in)/from operating activities	(16,672)	88,242
Cash flows from investing activities		
Purchase of tangible assets	(59,506)	—
Net cash used in investing activities	(59,506)	—
Net (decrease)/increase in cash and cash equivalents	(76,178)	88,242
Cash and cash equivalents at beginning of year	322,847	234,605
Cash and cash equivalents at end of year	246,669	322,847

The notes on pages 11 to 19 form part of these financial statements.

Transforming Choice CIO

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 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 2024

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 2024

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 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.

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:

Freehold property	- 15% straight line
Fixtures and fittings	- 25% straight line

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

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.

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.

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 2024 £
Donations			
Donations	5,350	—	5,350

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Grants			
Garfield Weston Foundation	—	—	—
Liverpool City Council	—	—	—
National Lottery Fund - Reaching Communities	—	84,000	84,000
Steve Morgan Foundation (Garden)	—	15,500	15,500
Steve Morgan Foundation (Salaries)	—	—	—
	<u>5,350</u>	<u>99,500</u>	<u>104,850</u>
	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 Fund - Reaching Communities	—	84,000	84,000
Steve Morgan Foundation (Garden)	—	—	—
Steve Morgan Foundation (Salaries)	—	23,375	23,375
	<u>4,960</u>	<u>138,095</u>	<u>143,055</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Care income	46,886	46,886	76,523	76,523
Service and contract income	322,510	322,510	291,255	291,255
Rent	313,449	313,449	341,344	341,344
Student placements	2,800	2,800	2,245	2,245
	<u>685,645</u>	<u>685,645</u>	<u>711,367</u>	<u>711,367</u>

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Direct charitable activities	783,803	82,875	866,678
Support costs	3,540	—	3,540
	<u>787,343</u>	<u>82,875</u>	<u>870,218</u>
	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>

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2024 £	Total fund 2023 £
Direct charitable activities	866,678	—	866,678	719,617
Governance costs	—	3,540	3,540	4,420
	<u>866,678</u>	<u>3,540</u>	<u>870,218</u>	<u>724,037</u>

8. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2024 £	2023 £
Depreciation of tangible fixed assets	<u>6,956</u>	<u>2,989</u>

9. Independent examination fees

	2024 £	2023 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,250</u>	<u>1,250</u>

10. Staff costs

The average head count of employees during the year was 38 (2023: 22). The average number of full-time equivalent employees during the year is analysed as follows:

	2024 No.	2023 No.
Number of staff	<u>20</u>	<u>20</u>

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

10. Staff costs *(continued)*

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

11. Trustee remuneration and expenses

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

12. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2023	–	11,538	11,538
Additions	59,506	–	59,506
At 31 March 2024	<u>59,506</u>	<u>11,538</u>	<u>71,044</u>
Depreciation			
At 1 April 2023	–	5,559	5,559
Charge for the year	3,967	2,989	6,956
At 31 March 2024	<u>3,967</u>	<u>8,548</u>	<u>12,515</u>
Carrying amount			
At 31 March 2024	<u>55,539</u>	<u>2,990</u>	<u>58,529</u>
At 31 March 2023	<u>–</u>	<u>5,979</u>	<u>5,979</u>

13. Debtors

	2024 £	2023 £
Trade debtors	5,854	8,532
Prepayments and accrued income	–	29,834
Other debtors	–	17,500
	<u>5,854</u>	<u>55,866</u>

14. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	527	632
Accruals and deferred income	11,042	4,015
Social security and other taxes	–	839
	<u>11,569</u>	<u>5,486</u>

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

15. 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 £10,726 (2023: £10,033).

16. Analysis of charitable funds

Unrestricted funds

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
Unrestricted funds - General funds	<u>333,298</u>	<u>690,995</u>	<u>(787,343)</u>	<u>236,950</u>

	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>

Restricted funds

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
Restricted Funds	<u>45,908</u>	<u>99,500</u>	<u>(82,875)</u>	<u>62,533</u>

	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>

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:

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

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

Transforming Choice CIO

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Tangible fixed assets	42,108	16,421	58,529
Current assets	206,411	46,112	252,523
Creditors less than 1 year	(11,569)	—	(11,569)
Net assets	236,950	62,533	299,483

	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

18. 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.

19. Analysis of changes in net debt

	At 1 Apr 2023 £	Cash flows £	At 31 Mar 2024 £
Cash at bank and in hand	322,847	(76,178)	246,669

20. 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.

21. Related parties

Dr F Hargreaves, a trustee, was paid £1,200 for clinical support on a self-employed basis during the year to 31 March 2024.

Transforming Choice CIO

Management Information

Year ended 31 March 2024

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

Transforming Choice CIO

Detailed Statement of Financial Activities

Year ended 31 March 2024

	2024 £	2023 £
Income and endowments		
Donations and legacies		
Donations	5,350	4,960
Garfield Weston Foundation	–	30,000
Liverpool City Council	–	720
National Lottery Fund - Reaching Communities	84,000	84,000
Steve Morgan Foundation (Garden)	15,500	–
Steve Morgan Foundation (Salaries)	–	23,375
	<u>104,850</u>	<u>143,055</u>
 Charitable activities		
Care income	46,886	76,523
Service and contract income	322,510	291,255
Rent	313,449	341,344
Student placements	2,800	2,245
	<u>685,645</u>	<u>711,367</u>
 Total income	<u><u>790,495</u></u>	<u><u>854,422</u></u>

Transforming Choice CIO

Detailed Statement of Financial Activities *(continued)*

Year ended 31 March 2024

	2024 £	2023 £
Expenditure		
Expenditure on charitable activities		
Wages and salaries	577,528	495,622
Employer's NIC	41,808	38,652
Pension costs	10,726	10,033
Rent	4,149	4,248
Rates and water	5,951	5,596
Light and heat	56,569	40,186
Repairs and maintenance	24,653	15,543
Insurance	16,494	13,249
Other motor/travel costs	4,083	5,578
Legal and professional fees	13,082	4,420
Telephone	2,977	3,287
Depreciation	6,956	2,989
Activities	8,364	10,046
Clinical support	1,862	2,660
Health and safety	2,843	247
Cleaning	2,160	3,367
Computer support	10,533	2,826
Food and drink	19,603	18,449
Stationery and postage	1,662	3,621
Volunteer expenses	5,852	3,083
TV Licence and Netflix	191	290
Consultancy fees	14,820	14,111
Drug testing kits	2,552	2,278
DBS fees	805	208
Subscriptions	10,195	11,451
Pest control	504	840
Training	3,094	1,550
Bank charges	1,231	1,202
Advertising and marketing	1,471	8,405
Unrecoverable debt	17,500	—
	<u>870,218</u>	<u>724,037</u>
Total expenditure	<u>870,218</u>	<u>724,037</u>
Net (expenditure)/income	<u>(79,723)</u>	<u>130,385</u>

Transforming Choice CIO

Notes to the Detailed Statement of Financial Activities

Year ended 31 March 2024

	2024 £	2023 £
Expenditure on charitable activities		
Direct charitable activities		
<i>Activities undertaken directly</i>		
Staff wages	577,528	495,622
Direct charitable activity 1 - employer's NIC	41,808	38,652
Pension	10,726	10,033
Room hire	4,149	4,248
Rates and water	5,951	5,596
Light and heat	56,569	40,186
Repairs and maintenance	24,653	15,543
Insurance	16,494	13,249
Motor and travel costs	4,083	5,578
Professional fees	9,542	—
Telephone and internet	2,977	3,287
Depreciation	6,956	2,989
Activities	8,364	10,046
Clinical support	1,862	2,660
Health and safety	2,843	247
Cleaning	2,160	3,367
Computer support	10,533	2,826
Food and drink	19,603	18,449
Stationery and postage	1,662	3,621
Volunteer expenses	5,852	3,083
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Consultancy fees	14,820	14,111
Drug testing kits	2,552	2,278
DBS fees	805	208
Subscriptions	10,195	11,451
Pest control	504	840
Training	3,094	1,550
Bank charges	1,231	1,202
Advertising and marketing	1,471	8,405
Unrecoverable debt	17,500	—
	<u>866,678</u>	<u>719,617</u>
Governance costs		
Governance costs - accountancy fees	<u>3,540</u>	<u>4,420</u>
Expenditure on charitable activities	<u><u>870,218</u></u>	<u><u>724,037</u></u>