

**TURNING LIVES AROUND LTD**  
**(A company limited by guarantee)**

**Trustees' Report and Financial Statements**  
**For the year ended 31 March 2023**

**Charity number 515300**  
**Company number 1790817**

**TURNING LIVES AROUND**  
**(A company limited by guarantee)**

**Financial statements for the year ended 31 March 2023**

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## Legal and administrative information

Charity name	Turning Lives Around Ltd
Charity registration number	515300
Company registration number	1790817
Registered office and Administration address	4 Ashbrooke Business Park Parkside Lane Leeds LS11 5SF
Supervisory Board	Mr. M. Ford Mrs. M. A. Ballance Mr. M. White Mr. A. Shahab (appointed 02/08/2022) Mrs. S. Pauley (appointed 07/02/2023) Chair
Chief Executive	Mr. S. Hoey
Finance Director and Company Secretary	Mr. A D Marriott BA FCCA
Auditors	Brown Butler Chartered Accountants Leigh House 28 – 32 St. Paul's Street LEEDS LS1 2JT
Bankers	Lloyds Bank plc PO Box 128 69 Albion Street LEEDS LS1 1YX
Solicitors	Weightmans llp 100 Old Hall Street, LIVERPOOL, L3 9QJ

## Report of the Supervisory Board

The members of the Supervisory Board present their report and the audited financial statements for the year ended 31 March 2023.

## Members of the Supervisory Board

The members of the Supervisory Board during the year were as follows;

Mr. I. Livingstone (resigned 09/05/2023)	Mr. M. Ford
Mrs. E.R.Tebbs-Ogutu (resigned 22/08/2023)	Mr. R. Lamborn (resigned 02/08/2022)
Mrs. M. A. Ballance	Mr. M. White
Mr. M. J. Meadowcroft (resigned 08/04/2022)	Mrs. S. Jewitt (resigned 01/12/2022)
Mr. M. Kerr (appointed 02/08/2022, resigned 22/08/2023)	
Mr. A. Shahab (appointed 02/08/2022)	Mrs. S. Pauley (appointed 07/02/2023)

Members of the Supervisory Board are directors of the company for the purpose of company law, and trustees for the purpose of charity law.

## Accounts

The members of the Supervisory Board submit the audited financial statements of the group for the year ended 31 March 2023. As set out on page 16, the net incoming resources for the year amount to a deficit of £439,469 (a deficit of £146,012 in 2022) and are dealt with as shown in the statement of financial activities. General funds are reporting a deficit for the year of £482,428. Restricted funds showed a surplus for the year of £62,636. Designated funds showed a deficit for the year of £19,677.

## Impact Statement

As a result of the company having to comply with the requirements of FRS102 regarding Retirement Benefits within the financial statements, we are required to report the pension liabilities for the legacy staff from Leeds City Council that are members of the West Yorkshire Pension Fund (WYPF). The WYPF scheme is presently reporting a surplus, however, as recognition of the asset is governed by FRS102 and due to the uncertainty of gaining any economic benefit the trustees have concluded to report neither an asset nor a liability at the year-end date which more accurately reflects the position.

## Status

Turning Lives Around is a company limited by guarantee and has no share capital. At 31 March 2023, there were 27 members (2022 - 27), each of whom has guaranteed to contribute an amount not exceeding £1 in the event of the winding up of the company. The company is a registered charity number 515300.

The company has one wholly owned subsidiary Business 900 Community Interest Company, the subsidiary's results are consolidated into the financial statements.

The company is governed by its Memorandum and Articles of Association which outlines the objects and powers of the charitable company. Under the company's Articles of Association, one third of the members of the Supervisory Board retires by rotation at the AGM and are eligible for re-election.



## **Report of the Supervisory Board (continued)**

### **Governing body – Skills of Supervisory Board**

The charity's work focuses upon accommodating and supporting vulnerable homeless people. The Supervisory Board seeks to ensure that the needs of the service users are appropriately reflected through the diversity of membership. To enhance the potential pool of trustees, the charity has, through selective advertising, sought to identify potential trustees.

The more traditional business skills are well represented on the Supervisory Board. In an effort to maintain this broad skill mix, members of the Supervisory Board are requested to provide a list of their skills (and update it each year). In the event of particular skills being lost due to retirement, the charity will seek to recruit new members to the Board possessing those skills.

Pay and remuneration of key management personnel is set by reviewing the market rates for those positions and also to compare rates with competition in the same locality and sector.

### **Trustee induction and training**

New trustees are encouraged to attend an induction programme, which includes meetings with the Chief Executive (explanation of operational procedures) and Finance Director (explanation of budgets and accounts). This would be followed by visits to each of the charity's schemes.

### **Operational Structure**

TLA has a Supervisory Board of up to five members who meet quarterly and are responsible for the strategic direction and policy of the charity. At present the Board has five members from a variety of professional backgrounds, relevant to the work of the charity. The Secretary also sits on the Board but has no voting rights. The Supervisory Board is supported by an Executive Board that meets monthly.

A scheme of delegation is in place and day-to-day responsibility for the provision of the services rest with the Chief Executive and Finance Director. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. Senior Managers who report directly to the Chief Executive, have responsibility for day-to-day operational care of the charity, individual supervision of the staff team and also for ensuring that the teams continue to develop their skills and working standards in line with good practice.

### **Insurance**

In accordance with normal commercial practice, the charitable company has purchased insurance to protect the directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on charitable company business. The insurance provides cover up to £1,000,000 on any claim. It is not possible to quantify the directors and officers indemnity element from the overall cost of the commercial insurance policy. The cost of this insurance forms part of the total insurance cost.

### **Objectives and Activities**

The charity's objectives are:

- To relieve poverty, sickness, infirmity, in old age in particular, but not exclusively by means of a provision of accommodation and the provision of advice and counseling.
- The advancement of education, including by (but not limited to) the provision of advice and training and advancing the educational development and care of children especially those under the age of five and advancing the education of those responsible for their day to day care.

## **Report of the Supervisory Board (continued)**

### **Activities**

The principal activities of Turning Lives Around during the year continued to be the provision of supported housing for single homeless people.

Turning Lives Around continues to provide supported housing and floating support services throughout the cities of Leeds and Wakefield, for which demand remains high.

The principal activity of the charity's subsidiary, Business 900 Community Interest Company is the provision of cleaning services. From April 2023 the activities of Business 900 CIC are being transferred to TLA.

During the year no material goods or services were donated to the charity to further its objectives or activities.

The strategies employed to assist the charity to meet its objectives include the following:

- Providing a range of services that are reflective of relevant quality standards and addressing the potential issues related to drug and alcohol misuse.
- Providing a floating support service to men and women at risk of losing their tenancies as a result of drug and alcohol abuse.
- Providing accommodation with support, advice and basic skills training for young people.
- Providing accommodation and support to men and women who display a number of long standing support needs, which prevent them from living safely and independently within the community.

### **Partner Agencies**

Accent Group	Leeds Federated Housing Association
Children in Vulnerable Accommodation (CHIVA)	Leeds Metropolitan University
Connect Housing	Leeds University
Drugs & Offender Management Unit (DOMU)	Leeds Youth Offending Team (YOT)
Huddersfield University	Places for People
Leeds Children's Fund	Sanctuary Housing Association
West Yorkshire Probation Service	Foundation UK
Gipsil	Invest North Ltd
Unity Homes	Touchstone
Leeds City Council	Wakefield City Council

### **Financial Review and Funding Sources**

The year 2022-2023 was noticeably influenced by problems with recruitment and retention that have been experienced nationally affecting many organizations making the year an extremely challenging one.

Most of the services have generated deficits during the year. Each service having different challenges to overcome in such a difficult year. The continued mobilization of a relatively new contract, problems in recruiting and high service charge costs due to the world wide inflation crisis during the year, in particular, influenced the years results.

The future still looks challenging, however, the organization has reviewed certain funding streams and the future looks more promising. The organization will also continue with fundraising activities aimed at the private sector, philanthropic organizations, and individuals.

## **Report of the Supervisory Board (continued)**

The stand-alone Statement of Financial Activities (SOFA) of the main charity made a deficit of £406,335 in the year, the subsidiary Business 900 Community Interest Company made a loss of £33,134. See reserves policy set out below for the impact this has had on the charities reserves.

### **Principal Funding Sources**

Leeds City Council Neighbourhoods and Housing Department  
Leeds City Council Social Services Department  
Wakefield City Council Housing Sustainment Pathway

### **Capital Funding**

Right to Buy Replacement Program Funding

### **Other Charity Funding**

- Henry Smith Charity
- Basis

## **Achievements and Performance**

### **The Services**

The main area of charitable activities continues to be provision of accommodation with support and outreach work for vulnerable homeless people. TLA works across all the geographical locations in Leeds and Wakefield.

TLA provides housing and support services to people struggling to cope with a broad range of issues including mental health, learning difficulties, drug and alcohol abuse, domestic violence, refugees and offending integration. Our aim is to support people in developing the skills, knowledge and confidence necessary to live successfully and safely in their own homes and to engage effectively within their community.

Every year we regularly seek the views of all our stakeholders by means of a questionnaire. The returned questionnaires are analysed and any suggested improvements to our services are addressed. Performance in all contracts has been successful and the charity continues to strive for and safeguard healthy reserves.

Measures or indicators to assess performance include: monthly Management Accounts compared to budgets, cash flow management and forecasts, void performance by service and for the organisation, planned outcomes, client outcomes, complaints and incidents, utilisation levels of properties and staff attendance.

## Report of the Supervisory Board (continued)

### Safeguarding

TLA continues to place the Safeguarding of adults and children central to all the work we do. We have highly experienced and well trained Senior Managers who lead on Safeguarding issues and all staff regularly receives Safeguarding training.

### Future Plans

TLA is investing in the purchase of properties to increase it's own stock. TLA is working towards becoming a Registered Provider of Social Housing. TLA also plans to further its work in related areas and to extend its services further into different regions within Yorkshire. TLA seeks to advance its commitment to a social enterprise and now operates a work-focused initiative to employ and train existing service users. From April 2023 the trading activities of Business 900 CIC are being transferred to TLA.

### Fixed assets

Movements in fixed assets are shown in note 14 in the financial statements.

### Reserves policy

In line with the Charity Commission guidelines the Members of the Supervisory Board have formulated a reserves policy to ensure that a minimum level of reserves is maintained to ensure that Turning Lives Around can continue to provide a level of service having regard to possible future fluctuations in both income and expenditure.

As set out and explained in note 20, the charity has a number of designated reserves to meet specific expenditure as well as an unrestricted general reserve.

These reserves are set out below;

	2023		2022	
	Charity	Consol'd	Charity	Consol'd
	£	£	£	£
Restricted Funds (note 19)	312,550	312,550	303,743	303,743
Designated Reserves (note 20)	74,141	74,141	93,818	93,818
General Reserves (note 20)	119,358	119,503	442,409	458,620
<hr/>				
Total before pension liability	506,049	506,194	839,970	856,181
Pension Reserve (note 20)	-	-	(498,000)	(498,000)
<hr/>				
	506,049	506,194	341,970	358,181

The WYPF scheme is presently reporting a surplus, however, as recognition of the asset is governed by FRS102 and due to the uncertainty of gaining any economic benefit the trustees have concluded to report neither an asset nor a liability at the year-end date which more accurately reflects the position.

## **Report of the Supervisory Board (continued)**

### **Risk management**

The Supervisory Board has conducted its own review of the major risks to which the Charity is exposed and systems have been established to mitigate those risks. Significant external risks to funding have led to the development of a forward plan which has allowed and will allow for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the Charitable Company. These procedures are continually being reviewed to ensure that they still meet the needs of the Charity and also to identify new areas in which the Charity could contribute to the disadvantaged of the city.

### **Statement of the responsibilities of the members of the Supervisory Board**

The trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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 charitable company will continue in business; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Report of the Supervisory Board (continued)****Statement as to disclosure of information to auditors**

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

A resolution proposing that Brown Butler Chartered Accountants be reappointed as auditors of the charity will be put to the Annual General Meeting.

**Public benefit**

The Supervisory Board have had regard to the Charity Commission's guidance on public benefit and confirm that this guidance forms the basis of planning decisions at both strategic and operational levels.

The report of the members of the Supervisory Board was approved on 7<sup>th</sup> November 2023 and signed on their behalf by:



**Mr. A D Marriott BA FCCA**  
**Secretary**



## **Independent Auditor's Report to the Members of Turning Lives Around Ltd**

### **Opinion**

We have audited the financial statements of Turning Lives Around Ltd (the "charitable parent company") and its subsidiaries (the "group") for the year ended 31 March 2023, which comprise the Consolidated and Company Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement 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 group's and charitable parent company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006;
- have been properly prepared in accordance with the Charities SORP FRS102 (October 2019) and the Charities Act 2011.

### **Basis of 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 group and charitable parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

## **Independent Auditor's Report to the Members of Turning Lives Around Ltd**

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### **Other information**

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and charitable parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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## **Independent Auditor's Report to the Members of Turning Lives Around Ltd**

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### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purpose 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 group's and charitable parent company'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 charitable company or cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

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

### **Capability of the audit in detecting irregularities, including fraud**

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 key laws and regulations we have considered in this context included the Companies Act 2006, the Charities Act 2011, pension and tax legislation together with the Charities SORP FRS102 (October 2019). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's and charitable parent company's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Using our general commercial and sector experience and through discussions with the trustees and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.
- We examined the group's and charitable parent company's regulatory and legal correspondence and discussed with the trustees and other management any known or suspected instances of fraud or non-compliance with laws and regulations.

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## Independent Auditor's Report to the Members of Turning Lives Around Ltd

Continued from previous page

### Capability of the audit in detecting irregularities, including fraud - continued

- We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- In addressing the risk of management override of controls, we tested the appropriateness of journal entries and we performed analytical procedures to identify any unusual or unexpected relationships. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements. We also discussed related party relationships and transactions involving them.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

### Use of our report

This report is made solely to the charitable parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and the charitable parent company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Brown Butler*

Nicola Taylor (Senior Statutory Auditor)  
For and on behalf of Brown Butler  
Chartered Accountants and Statutory Auditor  
Leigh House  
28-32 St Paul's Street  
Leeds  
LS1 2JT

17 November 2023

**Charity only Statement of Financial Activities**  
**(incorporating an Income and Expenditure Account)**  
**For the year ended 31 March 2023**

		Unrestricted			TOTAL 2023	TOTAL 2022
		General Funds	Designated Funds	Restricted Funds		
	Notes	£	£	£	£	£
<b>INCOME FROM :</b>						
<b>Donations and legacies</b>	3	89,942	24,392		114,334	96,467
<b>Charitable activities:</b>						
Contract funding	4	2,694,613		70,601	2,765,214	2,651,414
Income from rent	4	3,743,931			3,743,931	3,452,420
<b>Investments</b>	6	5			5	3
<b>Total</b>		<b>6,528,491</b>	<b>24,392</b>	<b>70,601</b>	<b>6,623,484</b>	<b>6,200,305</b>
<b>EXPENDITURE ON :</b>						
<b>Raising funds</b>	7	36,590			36,590	28,032
<b>Charitable activities:</b>						
Support Services	7	3,103,203	26,991	7,965	3,138,159	2,903,939
Housing Management	7	3,837,992	17,078		3,855,070	3,408,099
Other Charitable Services	7	-			-	-
<b>Total</b>		<b>6,977,785</b>	<b>44,069</b>	<b>7,965</b>	<b>7,029,819</b>	<b>6,340,070</b>
<b>Net (Expenditure) / Income</b>		<b>(449,294)</b>	<b>(19,677)</b>	<b>62,636</b>	<b>(406,335)</b>	<b>(139,765)</b>
Gross transfer between funds		53,829	-	(53,829)	-	-
<b>Net (Expenditure) / Income</b>		<b>(395,465)</b>	<b>(19,677)</b>	<b>8,807</b>	<b>(406,335)</b>	<b>(139,765)</b>
<b>Other recognised gains &amp; losses</b>						
Gains on revaluation of assets		16,482			16,482	39,050
Actuarial gains on defined benefit pension scheme		571,000			571,000	401,000
Exceptional Item						
Impairment Business 900		(17,068)			(17,068)	-
<b>Net movement in Funds</b>		<b>174,949</b>	<b>(19,677)</b>	<b>8,807</b>	<b>164,079</b>	<b>300,285</b>
<b>Reconciliation of funds</b>						
Funds at 1 April 2022		(55,591)	93,818	303,743	341,970	41,685
<b>Funds at 31 March 2023</b>		<b>119,358</b>	<b>74,141</b>	<b>312,550</b>	<b>506,049</b>	<b>341,970</b>

All the charitable company's activities derive from continuing operations during the above financial periods.

The notes on pages 20 to 44 form part of these financial statements.

**Consolidated Statement of Financial Activities**  
**(incorporating an Income and Expenditure Account)**  
**For the year ended 31 March 2023**

	Notes	Unrestricted			TOTAL 2023	TOTAL 2022
		General Funds	Designated Funds	Restricted Funds		
		£	£	£	£	£
<b>INCOME FROM :</b>						
<b>Donations and legacies</b>	3	89,942	24,392		114,334	96,467
<b>Charitable activities:</b>						
Contract funding	4	2,694,613		70,601	2,765,214	2,651,414
Income from rent	4	3,743,931			3,743,931	3,452,420
<b>Other trading activities</b>	5	34,791			34,791	50,536
<b>Investments</b>	6	5			5	3
<b>Total</b>		<b>6,563,282</b>	<b>24,392</b>	<b>70,601</b>	<b>6,658,275</b>	<b>6,250,841</b>
<b>EXPENDITURE ON :</b>						
<b>Raising funds</b>	7	184,953			184,953	157,111
<b>Charitable activities:</b>						
Support Services	7	3,103,203	26,991	7,965	3,138,159	2,903,939
Housing Management	7	3,757,554	17,078		3,774,632	3,335,804
Other Charitable Services	7	-			-	-
<b>Other costs</b>						
Corporation tax	7, 10	-			-	(1)
<b>Total</b>		<b>7,045,710</b>	<b>44,069</b>	<b>7,965</b>	<b>7,097,744</b>	<b>6,396,853</b>
<b>Net (Expenditure) / Income</b>		<b>(482,428)</b>	<b>(19,677)</b>	<b>62,636</b>	<b>(439,469)</b>	<b>(146,012)</b>
Gross transfer between funds		53,829	-	(53,829)	-	-
<b>Net (Expenditure) / Income</b>		<b>(428,599)</b>	<b>(19,677)</b>	<b>8,807</b>	<b>(439,469)</b>	<b>(146,012)</b>
<b>Other recognised gains &amp; losses</b>						
Gains on revaluation of assets		16,482			16,482	39,050
Actuarial gains on defined benefit pension scheme		571,000			571,000	401,000
<b>Net movement in Funds</b>		<b>158,883</b>	<b>(19,677)</b>	<b>8,807</b>	<b>148,013</b>	<b>294,038</b>
<b>Reconciliation of funds</b>						
Funds at 1 April 2022		(39,380)	93,818	303,743	358,181	64,143
<b>Funds at 31 March 2023</b>		<b>119,503</b>	<b>74,141</b>	<b>312,550</b>	<b>506,194</b>	<b>358,181</b>

All the charitable company's activities derive from continuing operations during the above financial periods.

The notes on pages 20 to 44 form part of these financial statements.

**Company Number 1790817**  
**Charity only Balance sheet as at 31 March 2023**

	Note	2023	2022
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	13	-	2,433
Tangible assets	14	1,026,995	826,852
Investments	15	-	-
		<u>1,026,995</u>	<u>829,285</u>
<b>CURRENT ASSETS</b>			
Debtors	16	553,201	583,334
Cash at bank and in hand		<u>65,358</u>	<u>242,422</u>
		618,559	825,756
<b>CURRENT LIABILITIES</b>			
Creditors – amounts falling due within one year	17	<u>891,192</u>	<u>673,194</u>
		891,192	673,194
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(272,633)</u>	<u>152,562</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		754,362	981,847
Creditors – amounts falling due after one year	18	248,314	141,877
<b>NET ASSETS excluding pension liability</b>		<u>506,049</u>	<u>839,970</u>
Defined pension scheme liability	27	-	498,000
<b>NET ASSETS incl pension liability</b>		<u>506,049</u>	<u>341,970</u>
<b>THE FUNDS OF THE CHARITY</b>			
Restricted Funds	19	312,550	303,743
Unrestricted Funds	20	193,499	536,227
Pension Reserve	20	-	(498,000)
<b>Total Funds</b>		<u>506,049</u>	<u>341,970</u>

These financial statements were approved and authorised for issue by the Supervisory Board on 7<sup>th</sup> November 2023 and signed on its behalf by :-

Martin Ford



The notes on pages 20 to 44 form part of these financial statements.

**Company Number 1790817**  
**Consolidated Balance sheet as at 31 March 2023**

	Note	2023	2022
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	13	-	2,433
Tangible assets	14	<u>1,033,388</u>	<u>838,843</u>
		1,033,388	841,276
<b>CURRENT ASSETS</b>			
Debtors	16	552,986	579,222
Cash at bank and in hand		<u>73,227</u>	<u>272,750</u>
		626,213	851,972
<b>CURRENT LIABILITIES</b>			
Creditors – amounts falling due within one year	17	<u>901,392</u>	<u>686,678</u>
		901,392	686,678
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(275,179)</u>	<u>165,294</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		758,209	1,006,570
Creditors – amounts falling due after one year	18	252,016	150,389
<b>NET ASSETS excluding pension liability</b>		<u>506,194</u>	<u>856,181</u>
Defined pension scheme liability	27	-	498,000
<b>NET ASSETS incl pension liability</b>		<u>506,194</u>	<u>358,181</u>
<b>THE FUNDS OF THE CHARITY</b>			
<b>Restricted Funds</b>	19	312,550	303,743
<b>Unrestricted Funds</b>	20	193,644	552,438
<b>Pension Reserve</b>	20	-	(498,000)
<b>Total Funds</b>		<u>506,194</u>	<u>358,181</u>

These financial statements were approved and authorised for issue by the Supervisory Board on 7<sup>th</sup> November 2023 and signed on its behalf by :-

Martin Ford



**The notes on pages 20 to 44 form part of these financial statements.**

# Consolidated cash flow statement for the year ended 31 March 2023

	Note	2023	2022
		£	£
Net cash flow from operating activities	25	(56,005)	69,791
Corporation tax		-	(2,118)
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		(94,547)	(79,569)
Interest received		5	3
Net cash flow from investing activities		(94,542)	(79,566)
<b>Cash flow from financing activities</b>		(150,547)	(11,893)
Loan repayments		(12,078)	(10,569)
Finance lease repayments		(16,326)	(16,239)
Hire purchase repayments		(4,810)	(5,245)
Interest paid		(15,762)	(10,645)
Net cash flow from financing activities		(48,976)	(42,698)
Net reduction in cash		(199,523)	(54,591)
Cash at 1 April 2022		272,750	327,341
Cash at 31 March 2023		73,227	272,750

The notes on pages 20 to 44 form part of these financial statements.

## Notes to financial statements for the year ended 31 March 2023.

### 1. General information

Turning Lives Around is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1.

The charity is incorporated in England & Wales, is registered as a charity with the Charity Commissioners and is also a public benefit entity as defined by Financial Reporting Standard 102 the "Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102).

Its registered office and principal place of business is:-

4 Ashbrooke Business Park  
Parkside Lane  
Leeds  
LS11 5SF

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards including FRS 102 (2022), the Accounting and Reporting by Charities: 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) (SORP (FRS 102) issued October 2019) and the Companies Act 2006.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The presentation currency is £ sterling and the financial statements have been rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### 2.2 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.



### 2.3 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and these require a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, they can be measured reliably, and the charity has control over the item. Fair value is determined based on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Grants received for the acquisition of fixed assets are accounted for as restricted funds. The restricted fund is reduced by the depreciation or amortisation charges made over the expected useful life of the asset concerned. Other grants are treated as income and, where applicable, they are accounted for as restricted funds. Where the grant covers future accounting periods, the amount relating to future periods is deferred and recognised in the correct period.

### 2.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

### 2.5 Support costs allocation

Support costs are those costs that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 7.

## Notes to financial statements for the year ended 31 March 2023.

### 2.6 Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangible assets less their residual values over their estimated useful lives. The annual rates and method of amortisation are as follows:-

Asset class	Amortisation method and rate
Website	20% straight line basis

### 2.7 Tangible fixed assets

Freehold property and leasehold property are measured at fair value at each reporting date with changes in fair value recognised in the SoFA.

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Other than freehold and leasehold properties, depreciation is provided on tangible fixed assets on a straight line basis, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows;

Leasehold improvements	- 5 years
Motor Vehicles	- 4 years
Furniture and equipment	- 2-10 years

### 2.8 Impairment of fixed assets

Fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in the SoFA. The reversal of an impairment loss is recognised immediately in the SoFA.

### 2.9 Investments

Investments in subsidiaries are measured at cost less impairment.

### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment.

### 2.11 Creditors

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

## 2.12 Leases

Fixed assets acquired under finance lease and hire purchase contracts are included in the balance sheet at cost and an appropriate provision made for depreciation. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest attributable to each period is charged to the SOFA.

Operating lease rentals are charged to the SOFA as incurred.

## 2.13 Pensions

The charity operates a defined benefit pension scheme with the Local Government Pension Scheme (LGPS) and a defined contribution pension scheme. The assets of both schemes are held in separate trustee administered funds and those in the LGPS are subject to actuarial valuation.

The assets and liabilities of the LGPS are measured using the roll forward approach. This approach is a method of approximately calculating pension scheme assets and liabilities by making adjustments to the results of the last full actuarial valuation exercise. The last full actuarial valuation was performed at 31 March 2022. The amounts charged to the SoFA are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the SoFA and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The pension costs charged to the SoFA regarding the defined contribution scheme are the premiums payable in respect of the accounting period.

## 2.14 Taxation

The charity considers that it meets the definition of a charitable company for UK corporation tax purposes and is accordingly potentially exempt from tax in respect of its income and gains.

## 2.15 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for a minimum of 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

## Notes to financial statements for the year ended 31 March 2023.

### 2.16 Critical accounting estimates and assumption

The charity makes estimates and assumptions concerning the future and the resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The main area of estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year relate to the estimates used in valuing the Local Government Pension Scheme (LGPS) and the properties held at fair value.

The present value of the LGPS defined benefit asset/liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension asset/liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions assets and liabilities at 31 March 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset/liability.

The carrying amount of the properties held at fair value are disclosed in note 14.

### 3 Donations and legacies

Charity and Consolidated

	Unrestricted		Restricted	Total 2023	Total 2022
	General £	Designated £	£	£	£
Donations	-	4,237	-	4,237	6,698
Other grants	89,942	19,028	-	108,970	88,977
Sundry income	-	1,127	-	1,127	792
	<b>89,942</b>	<b>24,392</b>	<b>-</b>	<b>114,334</b>	<b>96,467</b>

Income from donations and legacies in the year ended 31 March 2022 was £96,467 of which £69,931 was attributable to general funds and £26,536 attributable to designated funds.

## Notes to financial statements for the year ended 31 March 2023.

### 4 Charitable activities Charity and Consolidated

Contract funding	Unrestricted General £	Designated £	Restricted £	Total 2023 £	Total 2022 £
Leeds City Council Neighborhood's and Housing Strategy & Commissioning Wakefield City Council Housing Sustainment Pathway	2,170,763	-	-	2,170,763	2,143,374
Other grants	495,400	-	70,601	495,400	482,906
	28,450	-	70,601	99,051	25,134
	<b>2,694,613</b>	<b>-</b>	<b>70,601</b>	<b>2,765,214</b>	<b>2,651,414</b>

Income from contract funding in the year ended 31 March 2022 was £2,651,414 all of which was attributable to general funds.

### Income from rent

Turning Lives Around provides accommodation for single homeless people. For the majority of residents their only financial support is state benefit. Turning Lives Around charges rents to its residents. The rate at which rent is charged is regulated by the housing associations that it works in partnership with.

	Unrestricted General £	Designated £	Restricted £	Total 2023 £	Total 2022 £
Rent receivable	4,266,058	-	-	4,266,058	3,902,959
Voids	(430,812)	-	-	(430,812)	(409,343)
Bad debts written-off	(91,314)	-	-	(91,314)	(41,196)
	<b>3,743,931</b>	<b>-</b>	<b>-</b>	<b>3,743,931</b>	<b>3,452,420</b>

Income from rent in the year ended 31 March 2022 was £3,452,420 all of which was attributable to general funds.

### 5 Other trading activities Consolidated

	Unrestricted General £	Designated £	Restricted £	Total 2023 £	Total 2022 £
Cleaning services	34,791	-	-	34,791	50,536
Grant income	-	-	-	-	-
	<b>34,791</b>	<b>-</b>	<b>-</b>	<b>34,791</b>	<b>50,536</b>

Other trading activities in the year ended 31 March 2022 was £50,536 all of which was attributable to general funds.

## Notes to financial statements for the year ended 31 March 2023.

**6 Income from investments**  
**Charity only**

	Unrestricted		Restricted	Total	Total
	General	Designated		2023	2022
	£	£	£	£	£
Bank interest received	5	-	-	5	3
	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>3</b>

Income from investments in the year ended 31 March 2022 was £3 all of which was attributable to general funds.

**7 Expenditure on**  
**Charity only**

	Unrestricted		Restricted	Total	Total
	General	Designated		2023	2022
	£	£	£	£	£
<b>Raising funds</b>					
<i>Costs re investment properties</i>	-	-	-	-	5,083
<i>Fund raising activities</i>	36,590	-	-	36,590	22,949
<b>Charitable Activities:</b>					
Contract Funding					
<i>Support Services</i>	3,103,203	26,991	7,965	3,138,159	2,903,939
<i>Housing Management</i>	3,837,992	17,078	-	3,855,070	3,408,099
Other Charitable Activities	-	-	-	-	-
	<b>6,977,785</b>	<b>44,069</b>	<b>7,965</b>	<b>7,029,819</b>	<b>6,340,070</b>

Expenditure for the year ended 31 March 2022 was £6,340,070 of which £6,304,500 was attributable to general funds, £35,570 was attributable to designated reserves.

**Governance Costs** included within support costs

	2023	2022
	£	£
Audit and accountancy fees	13,980	10,458
Legal and professional fees	23,081	11,863
Annual general meeting costs	1,010	-
	<b>38,071</b>	<b>22,321</b>

Note 7 is continued on page 27

CHARITY ONLY

NOTES ON THE ACCOUNTS - 31 MARCH 2023

7 EXPENDITURE ON :

BASIS OF ALLOCATION	CONTRACT FUNDING WITH SERVICE LEVEL AGREEMENTS				OTHER CHARITABLE ACTIVITIES			FUND RAISING ACTIVITIES				TOTAL 2023	TOTAL 2022
	SUPPORT SERVICES		HOUSING MANAGEMENT	RESTRICTED FUNDS	WATOTO	COMMUNITY INTEREST BROKERAGE	TOTAL	INVESTMENTS	FUND RAISING	TOTAL			
	£	£	£	£	£	£	£	£	£	£	£	£	
Costs directly allocated to activities													
Staff costs	2,184,851	1,001,245			0	0	0	0		34,555	34,555	3,220,651	3,093,607
Agency staff	395,914											395,914	251,632
Recruitment	22,755	2,503										25,258	35,035
Premises	1,560	1,434,317										1,435,877	1,283,011
Insurance	8,811	44,441										53,252	48,926
Maintenance	3,813	337,763										341,576	261,597
Furniture & renewals		296,779										296,779	256,379
Heat and light	3,880	125,190										129,070	103,097
Travel	55,779	1,205			0	0	0	0				56,984	72,715
Printing, Postage & Stationery	16,590	5,284										21,874	22,835
Communications	39,572	4,895			0		0	0				44,467	40,817
Cleaning	34,315	185,035										219,350	156,720
Training & conferences	17,082	9,423										26,505	23,694
Translation & Interpretation	1,829											1,829	1,926
Loan interest		11,685						0		0		11,685	6,811
Service users' welfare	33,567	59,973				0	0	0		0		93,540	78,940
Finance lease interest		2,710										2,710	2,710
Finance cost re LGPS Pension	14,000											14,000	17,000
	2,834,318	3,522,448	0		0	0	0	0		34,555	34,555	6,391,321	5,757,452
Support costs allocated to activities													
Office and finance staff costs	154,868	161,909								2,035	2,035	318,812	308,664
Agency staff	6,416	6,707										13,123	5,652
Books & publications	251	262										513	309
Subscriptions	2,039	2,131										4,170	3,067
Legal & professional	11,284	11,797										23,081	11,863
Operating lease rentals	23,671	24,748										48,419	47,585
Office equipment	0	0										0	233
Computer costs	42,526	44,460										86,986	69,704
Depreciation	5,624	36,230	7,965					0		0		49,819	49,835
Consultancy	34,278	17,982										52,260	58,215
Audit and accountancy fees	6,835	7,145										13,980	10,458
Bank charges	1,944	2,228										4,172	479
Publicity	543	568										1,111	3,230
Annual general meeting	494	516										1,010	0
Refreshments	1,184	1,237										2,421	1,528
Other costs	3,919	14,702										18,621	11,796
	295,876	332,622	7,965		0	0	0	0		2,035	2,035	638,498	582,618
	3,130,194	3,855,070	7,965		0	0	0	0		36,590	36,590	7,029,819	6,340,070

## Notes to financial statements for the year ended 31 March 2023.

**7 Expenditure on, continued from page 27**  
**Consolidated**

	Unrestricted General £	Designated £	Restricted £	Total 2023 £	Total 2022 £
<b>Raising funds</b>					
Trading costs	148,363	-	-	148,363	134,162
Fund raising activities	36,590	-	-	36,590	22,949
<b>Charitable Activities:</b>					
Contract Funding					
Support Services	3,103,203	26,991	7,965	3,138,159	2,903,939
Housing Management	3,757,554	17,078	-	3,774,632	3,335,804
Other Charitable Activities	-	-	-	-	-
	7,045,710	44,069	7,965	7,097,744	6,396,854
<b>Other costs</b>					
Corporation Tax	-	-	-	-	(1)
	<b>7,045,710</b>	<b>44,069</b>	<b>7,965</b>	<b>7,097,744</b>	<b>6,396,853</b>

Expenditure for the year ended 31 March 2022 was £6,396,853 of which £6,361,283 was attributable to general funds, £35,570 was attributable to designated reserves.

**Consolidated governance Costs included within support costs**

	2023 £	2022 £
Audit and accountancy fees	18,008	13,492
Legal and professional fees	23,081	11,863
Annual general meeting costs	1,010	-
	<b>42,099</b>	<b>25,355</b>

**Note 7 is continued on page 29**



CONSOLIDATED

NOTES ON THE ACCOUNTS - 31 MARCH 2023

7 EXPENDITURE ON :

BASIS OF ALLOCATION	CONTRACT FUNDING WITH SERVICE LEVEL AGREEMENTS				OTHER CHARITABLE ACTIVITIES			FUND RAISING ACTIVITIES				TOTAL 2023	TOTAL 2022
	SUPPORT SERVICES	HOUSING MANAGEMENT	RESTRICTED FUNDS	WATOTO	COMMUNITY INTEREST BROKERAGE	TOTAL	TRADING COSTS	FUND RAISING	TOTAL	TOTAL 2023	TOTAL 2022	TOTAL 2023	TOTAL 2022
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Costs directly allocated to activities</b>													
Staff costs	2,191,267	1,001,245					94,706	34,555	129,261	3,321,773		3,174,874	
Agency staff	389,498						0	0	0	389,498		248,669	
Recruitment	22,755	2,503								25,258		35,035	
Premises	1,560	1,434,317					0	0	0	1,435,877		1,283,011	
Insurance	8,811	44,441					2,361		2,361	55,613		51,709	
Maintenance	3,813	316,311					0	0	0	320,124		239,721	
Furniture & renewals		296,779					0	0	0	296,779		256,379	
Heat and light	3,880	125,190					0	0	0	129,070		103,097	
Travel	55,779	1,205					11,237		11,237	68,221		82,994	
Printing, Postage & Stationery	16,590	5,284					28		28	21,902		22,835	
Communications	39,572	4,895					120		120	44,587		40,937	
Cleaning	34,315	126,049					0	0	0	160,364		106,815	
Training & conferences	17,082	9,423					0	0	0	26,505		23,694	
Translation & Interpretation	1,829									1,829		1,926	
Loan interest		11,685					0		0	11,685		6,811	
Service users' welfare	33,567	59,973					11,225		11,225	104,765		89,086	
Finance lease interest		2,710					1,367		1,367	4,077		3,834	
Finance cost re LGPS Pension	14,000									14,000		17,000	
	2,834,318	3,442,010	0	0	0	0	121,044	34,555	155,599	6,431,927		5,788,427	
<b>Support costs allocated to activities</b>													
Office and finance staff costs	154,868	161,909					15,608	2,035	17,643	334,420		325,444	
Agency staff	6,416	6,707								13,123		5,652	
Books & publications	251	262								513		309	
Subscriptions	2,039	2,131					0		0	4,170		3,067	
Legal & professional	11,284	11,797					0		0	23,081		11,863	
Operating lease rentals	23,671	24,748								48,419		47,585	
Office equipment	0	0								0		233	
Computer costs	42,526	44,460					198		198	87,184		69,872	
Depreciation	5,624	36,230	7,965				5,598		5,598	55,417		54,693	
Consultancy	34,278	17,982								52,260		58,215	
Audit and accountancy fees	6,835	7,145					4,028		4,028	18,008		13,492	
Bank charges	1,944	2,228								4,172		479	
Publicity	543	568								1,111		3,230	
Annual general meeting	494	516								1,010		0	
Refreshments	1,184	1,237								2,421		1,528	
Other costs	3,919	14,702					1,887		1,887	20,508		12,764	
	295,876	332,622	7,965	0	0	0	27,319	2,035	29,354	665,817		608,426	
	3,130,194	3,774,632	7,965	0	0	0	148,363	36,590	184,953	7,097,744		6,396,853	

## Notes to financial statements for the year ended 31 March 2023.

**8 Net incoming/(outgoing) resources for the year**

	<b>2023</b>		<b>2022</b>	
	<b>Charity</b>	<b>Consol'd</b>	<b>Charity</b>	<b>Consol'd</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation	47,386	52,984	47,400	52,259
Amortisation	2,433	2,433	2,432	2,432
Operating lease charges	48,419	48,419	47,585	47,585
Interest on loans	11,685	11,685	6,811	6,811
Interest on finance leases	2,710	2,710	2,710	2,710
Interest on hire purchase	-	1,367	-	1,124
Finance costs on LGPS Pension	14,000	14,000	17,000	17,000

**9 Auditor's remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Audit fee in respect of the financial statements	12,825	11,150
Other fees payable to auditor :		
Audit of the charity's subsidiaries	3,490	3,140
Tax compliance services	180	180
Non audit services	3,475	3,375
	7,145	6,695

**10 Tax on net income  
Consolidated**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Current Taxation		
UK Corporation Tax	-	-
Adjustment to prior year	-	(1)
	-	(1)
Deferred taxation		
Origination and reversal of timing differences	-	-
	-	-
Tax on net income	-	(1)

The tax charge for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

The differences are reconciled below:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net income before tax	(439,469)	(146,012)
Corporation tax at standard rate	(83,499)	(27,742)
Effects of net expenditure/(income) exempt from taxation	89,795	29,026
	(904)	1,386
Effect of taxation losses	(5,392)	(2,670)
Adjustment to prior year	-	(1)
Total tax charge	-	(1)

## Notes to financial statements for the year ended 31 March 2023.

### 11 Material transfers between funds

There was a £53,829 transfer from Restricted Funds reflecting fund utilization within General Funds.

### 12 Staff costs and numbers

	2023		2022	
	Charity £	Consol'd £	Charity £	Consol'd £
Salaries and wages	3,123,002	3,222,882	2,997,689	3,084,979
Social Security costs	279,400	287,024	257,178	262,766
Pension contributions :-				
Contributions to defined contribution scheme	83,369	86,179	83,105	85,311
Operating costs re defined benefit scheme	59,000	59,000	74,000	74,000
	<b>3,544,771</b>	<b>3,655,085</b>	<b>3,411,972</b>	<b>3,507,056</b>

The above figures include £28,000 made in respect of redundancy and termination payments. (2022: £0)

	2023 £	2022 £
Employees paid between £60,001 and £70,000	-	1

No remuneration was paid during the year to any member of the Supervisory Board, nor were there any expenses reimbursed to them. There was a change of CEO during the year due to retirement.

In addition, during the year, M White charged the charitable company £11,050 (2022: £10,000) in respect of consultancy fees.

The average weekly number of employees during the year, analysed by function, was:

Number of employees	2023		2022	
	Charity	Consol'd	Charity	Consol'd
Support Services & Housing Management	118	118	114	114
Other Charitable Services	-	6	-	7
Support costs	11	11	11	11
	<b>129</b>	<b>135</b>	<b>125</b>	<b>132</b>

## Notes to financial statements for the year ended 31 March 2023.

### 13 Intangible fixed assets

#### Parent & Consolidated

	<b>Website £</b>	<b>Total £</b>
<b>Cost</b>		
At 31 March 2022	12,162	12,162
At 31 March 2023	12,162	12,162
<b>Amortisation</b>		
At 31 March 2022	9,729	9,729
Charge for the year	2,433	2,433
At 31 March 2023	12,162	12,162
<b>Net Book Value</b>		
At 31 March 2022	2,433	2,433
At 31 March 2023	-	-

The amortization charge for the year is included within the SoFA heading of expenditure on charitable activities.

The intangible fixed assets have been pledged as security for liabilities of the charity.

### 14 Tangible fixed assets

#### Parent only

	<b>Freehold Properties</b>	<b>Leasehold Property</b>	<b>Leasehold Improvements</b>	<b>Furniture &amp; Equipment</b>	<b>Total</b>
<b>Cost / valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2022	490,000	170,000	10,977	510,972	1,181,949
Additions during year	223,518			7,529	231,047
Disposals during year					-
Revaluation	16,482				16,482
At 31 March 2023	730,000	170,000	10,977	518,501	1,429,478
<b>Depreciation</b>					
At 1 April 2022	-	-	10,977	344,120	355,097
Charge for year				47,386	47,386
Relating to disposals					-
At 31 March 2023	-	-	10,977	391,506	402,483
<b>Net Book Value</b>					
At 1 April 2022	490,000	170,000	-	166,852	826,852
At 31 March 2023	730,000	170,000	-	126,995	1,026,995

The tangible fixed assets have been pledged as security for liabilities of the charity.

The freehold properties and the leasehold property were revalued on 31 March 2023 by an independent valuer, Bramleys LLP, who are RICS registered. The basis of this valuation is fair value using the vacant possession method.

# 14 Tangible fixed assets, continued from page 32

The historical cost of the properties included at valuation is as follows:-

	Freehold properties £	Leasehold Property £	Total £
Cost	676,972	194,041	871,013
Accumulated depreciation	12,094	10,350	22,444
	664,878	183,691	848,569

## Consolidated

	Freehold Properties £	Leasehold Property £	Leasehold Improvements £	Motor Vehicles £	Furniture & Equipment £	Total £
<b>Cost / valuation</b>						
At 1 April 2022	490,000	170,000	10,977	21,600	511,778	1,204,355
Additions during year	223,518				7,529	231,047
Disposals during year						-
Revaluation	16,482					16,482
At 31 March 2023	730,000	170,000	10,977	21,600	519,307	1,451,884
<b>Depreciation</b>						
At 1 April 2022	-	-	10,977	9,842	344,693	365,512
Charge for year				5,400	47,584	52,984
Relating to disposals						-
Impairment						-
At 31 March 2023	-	-	10,977	15,242	392,277	418,496
<b>Net Book Value</b>						
At 1 April 2022	490,000	170,000	-	11,758	167,085	838,843
At 31 March 2023	490,000	170,000	-	6,358	127,030	1,033,388

The tangible fixed assets have been pledged as security for liabilities of the charity.

Note 14 is continued on page 34

**Notes to financial statements for the year ended 31 March 2023.**

**14 Tangible fixed assets, continued from page 33**

The freehold properties and leasehold property were valued on 31 March 2023 by an independent valuer, Bramley's LLP, who are RICS registered. The basis of this valuation is fair value using the vacant possession method. The historical cost of the properties included at valuation is as follows;

	<b>Freehold property £</b>	<b>Leasehold Property £</b>	<b>Total £</b>
Cost	676,972	194,041	871,013
Accumulated depreciation	12,094	10,350	22,444
	<u>664,878</u>	<u>183,691</u>	<u>848,569</u>

**15 Investments held as fixed assets  
Charity only**

	<b>Subsidiary undertakings £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 April 2022	-	-
Transfers	-	-
Revaluation	-	-
Additions	-	-
At 31 March 2023	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 1 April 2022	-	-
At 31 March 2023	<u>-</u>	<u>-</u>

**Note 15 is continued on page 35**

**Notes to financial statements for the year ended 31 March 2023.**

**15 Investments held as fixed assets, continued from page 34**  
**Charity only**

**Details of undertakings**

In the opinion of the trustees, the aggregate value of the company's investment in the subsidiary undertaking is not less than the amount included in the balance sheet

<b>Undertaking</b>	<b>Business 900 Community Interest Company</b>
Company number	06913644
Holding	-
Proportion of voting rights and shares held	100%
Principle activity	Cleaning services
Aggregate assets, liabilities and funds	(16,923)
Trading summary:	
- Turnover	115,229
- Expenditure	148,363
- (Loss)/profit	(33,134)

The undertaking has the following registered office address :-

4 Ashbrooke Business Park  
 Parkside Lane  
 Leeds  
 West Yorkshire  
 LS11 5SF

**16 Debtors**

	<b>2023</b>		<b>2022</b>	
	<b>Charity</b>	<b>Consol'd</b>	<b>Charity</b>	<b>Consol'd</b>
	<b>£</b>			<b>£</b>
<b>Due within one year:</b>				
Net rents in arrears	344,853	344,853	330,033	330,033
Amounts owed by group undertaking	29,632	-	35,767	-
Other debtors	37,022	63,602	44,907	74,127
Prepaid expenses	141,694	144,531	172,627	175,062
	<b>553,201</b>	<b>552,986</b>	<b>583,334</b>	<b>579,222</b>

The debtor balances of £553,201 (Charity) (2022: £583,334) have been pledged as security for liabilities of the charity.

## Notes to financial statements for the year ended 31 March 2023.

### 17 Creditors

	2023		2022	
	Charity £	Consol'd £	Charity £	Consol'd £
<b>Amounts falling due within one year:</b>				
Bank loans	13,981	13,981	10,730	10,730
Obligations under finance leases	14,734	14,734	16,320	16,320
Hire purchase creditors	-	4,810	-	4,810
Amounts owed to group undertaking	16,010	-	2,842	-
Trade creditors	407,964	412,639	260,942	262,533
Other creditors	161,652	164,432	101,808	106,447
Social security and other taxes	64,238	74,419	63,111	65,193
Accruals and deferred income	212,613	216,377	217,441	220,645
	<b>891,192</b>	<b>901,392</b>	<b>673,194</b>	<b>686,678</b>

The bank loans are secured by way of fixed and floating charges over the assets of the company.

The finance lease is secured by the finance company's title to the assets financed, which have a carrying value of £29,376.

The hire purchase is secured by the hire purchase company's title to the assets financed, which have a carrying value of £6,358.

### 18 Creditors - Amounts falling due after one year:

	2023		2022	
	Charity £	Consol'd £	Charity £	Consol'd £
Bank loans	248,314	248,314	127,143	127,143
Finance loan creditors	-	-	14,734	14,734
Hire purchase creditors	-	3,702	-	8,512
	<b>248,314</b>	<b>252,016</b>	<b>141,877</b>	<b>150,389</b>

The bank loans are secured by way of fixed and floating charges over the assets of the company.

The finance lease is secured by the finance company's title to the assets financed, which have a carrying value of £29,376.

The hire purchase is secured by the hire purchase company's title to the assets financed, which have a carrying value of £6,358.

The bank loans include £203,515 (2022: £91,330) which fall due after five years and are repayable by instalments.



## Notes to financial statements for the year ended 31 March 2023.

## 19 Restricted funds

## Charity and consolidated

	Balance 01.04.2022	Incoming Funds	Outgoing Funds	Gains, losses and transfers	Balance 31.03.2023
	£	£	£	£	£
(i) Dewsbury Road Day Centre Fund	155,060	-	-	-	155,060
(ii) Sahara Nationality Fund	3,500	-	-	(3,500)	-
(iii) Sahara Women Without Recourse Fund	11,118	-	-	(11,118)	-
(iv) Sinclair DAT Fund	29,120	-	-	(29,120)	-
(v) LCC Refurbishment Fund	666	-	-	-	666
(vi) Tempest Road Development Fund	5,092	-	-	-	5,092
(vii) Right to Buy Fund	57,237	70,601	-	-	127,838
(viii) Computer/IT Fund	41,950	-	(7,965)	(10,091)	23,894
	<b>303,743</b>	<b>70,601</b>	<b>(7,965)</b>	<b>(53,829)</b>	<b>312,550</b>

  

	Balance 01.04.2021	Incoming Funds	Outgoing Funds	Gains, losses and transfers	Balance 31.03.2022
	£	£	£	£	£
(i) Dewsbury Road Day Centre Fund	155,060	-	-	-	155,060
(ii) Sahara Nationality Fund	3,500	-	-	-	3,500
(iii) Sahara Women Without Recourse Fund	11,118	-	-	-	11,118
(iv) Sinclair DAT Fund	29,120	-	-	-	29,120
(v) LCC Refurbishment Fund	666	-	-	-	666
(vi) Tempest Road Development Fund	5,092	-	-	-	5,092
(vii) Right to Buy Fund	57,237	-	-	-	57,237
(viii) Computer/IT Fund	41,950	-	-	-	41,950
	<b>303,743</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>303,743</b>

- (i) The **Dewsbury Road Day Centre Fund** is created to account for capital grants received from the Community Fund and Leeds City Council, in connection with the construction and equipping of the new Day Centre premises.
- (ii) The **Sahara Nationality Fund** is to provide funding for the assistance of women with problems relating to their nationality and immigration status.
- (iii) The **Sahara Women Without Recourse Fund** is used to assist women without recourse to any state benefits and/ or those women whose applications for state benefits are still pending.
- (iv) The **Sinclair DAT Fund** relates to a grant received from 'Drugs Action Team' to pay towards the cost of setting up new offices for the Sinclair scheme.
- (v) The **LCC Refurbishment Fund** has been set up to provide funds for the refurbishment and setting up of properties to be acquired from Leeds City Council.
- (vi) The **Tempest Road Development Fund** is created to account for a donation received from Harrogate Grammar School to assist in the refurbishment of 12 Tempest Road.
- (vii) The **Right to Buy Fund** is created to account for grants received to assist with the purchase of new social housing projects.
- (viii) The **Computer / IT Fund** is created to account for funding received from the Lottery and BT to assist with IT upgrades.

# Notes to financial statements for the year ended 31 March 2023.

## 20 Unrestricted Funds Charity only

	Balance 01.04.2022	Incoming Funds	Outgoing Funds	Gains and losses	Transfers	Balance 31.03.2023
	£	£	£	£	£	£
(a) General Maintenance Fund	-	-	-	-	-	-
(b) Furniture Renewals Fund	-	-	-	-	-	-
(c) Redundancy Fund	1,180	-	-	-	-	1,180
(d) Welfare Fund	3,072	-	-	-	-	3,072
(e) Scheme Funding	54,666	24,392	(26,991)	-	-	52,067
(f) Registered Provider Application Fund	34,900	-	(17,078)	-	-	17,822
	<b>93,818</b>	<b>24,392</b>	<b>(44,069)</b>	<b>-</b>	<b>-</b>	<b>74,141</b>
General Funds	442,409	6,528,491	(6,904,785)	(586)	53,829	119,358
Revaluation reserve	-	-	-	-	-	-
	<b>536,227</b>	<b>6,552,883</b>	<b>(6,948,854)</b>	<b>(586)</b>	<b>53,829</b>	<b>193,499</b>
Pension reserve	(498,000)	-	(73,000)	571,000	-	-
	<b>38,227</b>	<b>6,552,883</b>	<b>(7,021,854)</b>	<b>570,414</b>	<b>53,829</b>	<b>193,499</b>
	Balance 01.04.2021	Incoming Funds	Outgoing Funds	Gains and losses	Transfers	Balance 31.03.2022
	£	£	£	£	£	£
(a) General Maintenance Fund	-	-	-	-	-	-
(b) Furniture Renewals Fund	-	-	-	-	-	-
(c) Redundancy Fund	1,180	-	-	-	-	1,180
(d) Welfare Fund	3,407	-	(335)	-	-	3,072
(e) Scheme Funding	48,265	26,536	(20,135)	-	-	54,666
(f) Registered Provider Application Fund	-	-	(15,100)	-	50,000	34,900
	<b>52,852</b>	<b>26,536</b>	<b>(35,570)</b>	<b>-</b>	<b>50,000</b>	<b>93,818</b>
General Funds	493,090	6,173,769	(6,213,500)	39,050	(50,000)	442,409
Revaluation reserve	-	-	-	-	-	-
	<b>545,942</b>	<b>6,200,305</b>	<b>(6,249,070)</b>	<b>39,050</b>	<b>-</b>	<b>536,227</b>
Pension reserve	(808,000)	-	(91,000)	401,000	-	(498,000)
	<b>(262,058)</b>	<b>6,200,305</b>	<b>(6,340,070)</b>	<b>440,050</b>	<b>-</b>	<b>38,227</b>

## Unrestricted Funds Consolidated

	Balance 01.04.2022	Incoming Funds	Outgoing Funds	Gains and losses	Transfers	Balance 31.03.2023
	£	£	£	£	£	£
(a) General Maintenance Fund	-	-	-	-	-	-
(b) Furniture Renewals Fund	-	-	-	-	-	-
(c) Redundancy Fund	1,180	-	-	-	-	1,180
(d) Welfare Fund	3,072	-	-	-	-	3,072
(e) Scheme Funding	54,666	24,392	(26,991)	-	-	52,067
(f) Registered Provider Application Fund	34,900	-	(17,078)	-	-	17,822
	<b>93,818</b>	<b>24,392</b>	<b>(44,069)</b>	<b>-</b>	<b>-</b>	<b>74,141</b>
General Funds	458,620	6,563,282	(6,972,710)	16,482	53,829	119,503
	<b>552,438</b>	<b>6,587,674</b>	<b>(7,016,779)</b>	<b>16,482</b>	<b>53,829</b>	<b>193,644</b>
Pension reserve	(498,000)	-	(73,000)	571,000	-	-
	<b>54,438</b>	<b>6,587,674</b>	<b>(7,089,779)</b>	<b>587,482</b>	<b>53,829</b>	<b>193,644</b>

Note 20 is continued on page 39

# Notes to financial statements for the year ended 31 March 2023.

## 20 Unrestricted funds, continued from page 38

	Balance 01.04.2021	Incoming Funds	Outgoing Funds	Gains and losses	Transfers	Balance 31.03.2022
	£	£	£	£	£	£
(a) General Maintenance Fund	-	-	-	-	-	-
(b) Furniture Renewals Fund	-	-	-	-	-	-
(c) Redundancy Fund	1,180	-	-	-	-	1,180
(d) Welfare Fund	3,407	-	(335)	-	-	3,072
(e) Scheme Funding	48,265	26,536	(20,135)	-	-	54,666
(f) Registered Provider Application Fund	-	-	(15,100)	-	50,000	34,900
	<b>52,852</b>	<b>26,536</b>	<b>(35,570)</b>	<b>-</b>	<b>50,000</b>	<b>93,818</b>
General Funds	515,548	6,224,305	(6,270,283)	39,050	(50,000)	458,620
	<b>568,400</b>	<b>6,250,841</b>	<b>(6,305,853)</b>	<b>39,050</b>	<b>-</b>	<b>552,438</b>
Pension reserve	(808,000)	-	(91,000)	401,000	-	(498,000)
	<b>(239,600)</b>	<b>6,250,841</b>	<b>(6,396,853)</b>	<b>440,050</b>	<b>-</b>	<b>54,438</b>

- (a) **General Maintenance Fund** is designated to provide for the cost of property and cyclical maintenance, for which the company may be liable under management agreements with third parties.
- (b) **Furniture/Renewals Fund** is designated to cover the cost of essential refurbishment of properties including a general furniture provision.
- (c) **Redundancy Fund** is designated to provide towards redundancy costs in the event of a staff restructure or reduction in staffing numbers.
- (d) **Welfare Fund** is designated to cover exceptional payments, made within the established policy of the company, to residents who are in financial difficulty.
- (e) **Scheme Funding** the net funds of schemes that are designated to be utilised by those schemes whose efforts raised those funds.
- (f) **Registered Provider Application Fund** is designed to cover the cost of assistance in the application for the company to achieve Registered Provider of Social Housing status.

## Pension Reserve

The WYPF scheme is presently reporting a surplus, however, as recognition of the asset is governed by FRS102 and due to the uncertainty of gaining any economic benefit the trustees have concluded to report neither an asset nor a liability at the year-end date which more accurately reflects the position.

## 21 Analysis of net assets between funds excluding pension liability Charity only

	General Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Fixed assets	856,995	170,000	1,026,995	829,285
Current assets	476,009	142,550	618,559	825,756
Creditors, falling due within one year	(891,192)	-	(891,192)	(673,194)
Creditors, falling due more than one year	(248,314)	-	(248,314)	(141,877)
<b>Net Assets</b>	<b>193,499</b>	<b>312,550</b>	<b>506,049</b>	<b>839,970</b>

Note 21 is continued on page 40

## Notes to financial statements for the year ended 31 March 2023.

### 21 Analysis of net assets between funds excluding pension liability, continued from page 39

#### Consolidated

	General Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Fixed assets	863,388	170,000	1,033,388	841,276
Current assets	483,663	142,550	626,213	851,972
Creditors, falling due within one year	(901,392)		(901,392)	(686,678)
Creditors, falling due more than one year	(252,016)		(252,016)	(150,389)
<b>Net Assets</b>	<b>193,644</b>	<b>312,550</b>	<b>506,194</b>	<b>856,181</b>

### 22 Charitable status

The company is a registered charity no 515300 and is exempt from income tax and corporation tax. The company is a limited company by guarantee and has no share capital. In the event of the winding up of the company, the liability of members is limited to a maximum of £1 each.

### 23 Commitments

At 31 March 2023 the company had future minimum operating leases payments as follows:

	2023 £	2022 £
Within one year	49,096	49,096
Between one and five years	22,460	75,145
Over five years	-	-
	<u>71,556</u>	<u>124,241</u>

### 24 Related party transaction

The company has taken advantage under FRS 102 not to disclose details of its transactions of its subsidiary.

During the year, M White charged the charitable company £11,050 (2022: £10,000) in respect of consultancy services.

	2023 £	2022 £
Key management personnel compensation	<u>157,322</u>	<u>147,031</u>

**25 Reconciliation of net expenditure to net cash flow from operating activities**

	2023	2022
	£	£
Net (expenditure) for the year	(439,469)	(146,012)
Pension scheme adjustment	73,000	91,000
Interest paid	15,762	10,645
Depreciation and amortisation charges	55,417	54,691
Decrease/(Increase) in debtors	26,236	(41,246)
Increase in creditors	213,049	100,713
	<u>(56,005)</u>	<u>69,791</u>

**26 Analysis of changes in net debt**

	01.04.2022	Net cash flows	Non cash movements	31.03.2023
	£	£	£	£
Cash	272,750	(199,523)	-	73,227
Debt due within one year	(31,860)	1,320	(2,985)	(33,525)
Debt due after one year	(150,389)	31,888	(133,515)	(252,016)
	<u>90,501</u>	<u>(166,315)</u>	<u>(136,500)</u>	<u>(212,314)</u>

**27 Pensions**

As explained at note 2.13 the company operates both a defined benefit pension scheme and a defined contribution pension scheme.

The company is a member of the West Yorkshire Pension Fund (the Fund) which is part of the Local Government Pension Scheme (LGPS). The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Funds Funding Strategy Statement. The last actuarial valuation was at 31 March 2022.

At the year-end date, under the FRS 102 basis of calculation, the Fund Actuary has calculated the FRS102 valuation of the pension fund position to be a surplus of circa £380,000.

The recognition of this asset is governed by FRS102 by the amount of economic benefit the Trustees believe will be received by the charity either through a direct refund or through a reduction in future contributions.

The Local Government Pension Scheme Regulations do not permit the re-payment of contributions or surplus assets to employers whilst they are an ongoing employer in the fund as was the position at the year-end date. However, the Regulations do permit a payment of an "exit credit" to an employer who exits the Fund. Therefore, the Trustees have the option to consider the possibility of exiting the fund in order to obtain this economic benefit for the charity whilst market conditions are favourable.

The basis on which an exit position is calculated is very different from the basis used for FRS102 calculations and could possibly be a liability, once calculated by the actuary.

**Note 27 is continued on page 42**

## Notes to financial statements for the year ended 31 March 2023.

### 27 Pensions, continued from page 41

Under FRS102, for recognition of the asset, we also need to consider the second basis for recognition being whether economic benefit could be gained from a reduction in future contributions. Future contributions by the charity are expected to be nil, therefore no benefit could be gained.

Therefore, as the asset recognition criteria cannot be supported with certainty, the Trustees do not believe it is appropriate to recognise the FRS 102 calculated asset, as realisation of such an asset is uncertain.

The Trustees have therefore concluded, due to the uncertainty detailed above, to report neither an asset nor a liability at the year-end date which more accurately reflects the position.

The Fund Administering Authority, City of Bradford Metropolitan Council, is responsible for the governance of the Fund.

The key assumptions used by the actuary in updating the latest valuation of the Fund for FRS102 purposes were:-

	2023	2022
	%	%
Discount rate for liabilities	4.70	2.70
Pension increases	2.70	3.00
Pension accounts revaluation rate	2.70	3.00
Salaries increases	3.95	4.25
CPI Inflation	2.70	3.00

#### Mortality assumption

The mortality assumptions are based on the actual mortality experience of members within the Fund based on analysis carried out as part of the 2022 valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

Males	2023	2022
Member aged 65 at accounting date	21.6	21.8
Member aged 45 at accounting date	22.9	22.5
Females		
Member aged 65 at accounting date	24.6	24.6
Member aged 45 at accounting date	25.7	25.7

**Notes to financial statements for the year ended 31 March 2023.**

**27 Pensions, continued from page 42**

The approximate split of the assets of the Fund is as set out below:-

	2023 %	2022 %
Equities	80.8	79.8
Property	3.3	4.0
Government bonds	6.9	7.4
Corporate bonds	4.6	4.8
Cash	2.3	2.9
Other	2.1	1.1
	<u>100.0</u>	<u>100.0</u>

The actual returns on assets are set out below:-

	2023 £	2022 £
Interest income on assets	64,000	46,000
(Loss)/gain on assets	(28,000)	188,000
Actual return on assets	<u>36,000</u>	<u>234,000</u>

The changes in the fair values of the assets were:-

	2023 £	2022 £
Opening fair value of assets	2,394,000	2,178,000
Interest income on assets	64,000	46,000
Re-measurement (losses)/gains on assets	(28,000)	188,000
Members contributions	9,000	10,000
Net benefits paid out	(27,000)	(28,000)
Closing fair value of assets	<u>2,412,000</u>	<u>2,394,000</u>

The changes in the present values of the defined benefit obligations:-

	2023 £	2022 £
Opening present value of liabilities	2,892,000	2,986,000
Current service costs	59,000	74,000
Interest expense on defined benefit obligations	78,000	63,000
Members contributions	9,000	10,000
Actuarial gains on liabilities	(979,000)	(213,000)
Net benefits paid out	(27,000)	(28,000)
Closing present value of liabilities	<u>2,032,000</u>	<u>2,892,000</u>

Note 27 is continued on page 44

## Notes to financial statements for the year ended 31 March 2023.

### 27 Pensions, continued from page 43

The reconciliation of the funded status of the Fund to the balance sheet is as follows:-

	2023 £	2022 £
Fair value of assets	2,412,000	2,394,000
Present value of funded defined benefit obligations	(2,032,000)	(2,892,000)
Unrecognised asset	(380,000)	-
	<u>          </u>	<u>          </u>
Net pension asset/(liability)	-	(498,000)
	<u>          </u>	<u>          </u>

The split of the liabilities at the last valuation between the various categories of members is as follows:-

Active members	50%
Deferred Pensioners	22%
Pensioners	28%

The pension costs recognised in the statement of financial activities are made up as follows:-

	2023 £	2022 £
Operating Costs :-		
Current service cost	59,000	74,000
Finance costs :-		
Interest costs on pension liabilities	14,000	17,000
	<u>          </u>	<u>          </u>
	73,000	91,000
Actuarial gains	(951,000)	(401,000)
	<u>          </u>	<u>          </u>
Total pension costs recognised	(878,000)	(310,000)
	<u>          </u>	<u>          </u>

#### Sensitivity Analysis :-

	Base figure £	+0.1% £	-0.1% £
Discount Rate			
Present value of total obligation	2,032,000	1,997,000	2,069,000
Projected service cost	33,000	32,000	34,000
Rate of increase in salaries			
Present value of total obligation	2,032,000	2,038,000	2,026,000
Projected service cost	33,000	33,000	33,000
Rate of increase in pensions			
Present value of total obligation	2,032,000	2,062,000	2,004,000
Projected service cost	33,000	34,000	32,000
Post retirement mortality assumption		-1 year	+1 year
Present value of total obligation	2,032,000	2,085,000	1,979,000
Projected service cost	33,000	34,000	32,000