OPTIONS FOR SUPPORTED LIVING

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Charity number 1063038
Company number 02861966

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TRUSTEES
The trustees who served during the year were as follows:

Ivor Langley (Chair of Trustees from 25 November 2019)
Brian Simpson (Chair of Trustees to 25 November 2019)
Louise Barry
Nicola Daley (resigned 20 May 2019)
Julia Erskine
Kevin Peacock

CHIEF EXECUTIVE AND LEADERSHIP TEAM
The management team for 2019/20 was as follows:

Chief Executive	Richard Williams
Finance Manager	Angeline Chikuruwo
Development Manager	Sharon Smith
Development Manager	Marie Binns
Development Manager	Jill Bainbridge
Development Manager	Jennifer Clarke
Office Manager	Angela Marincowitz
Innovations & HR Manager	Lisa Goulding
Quality Manager	Steph Hannan (from November 2019)
HR Manager	Donna Carr (to July 2019)

HEAD OFFICE / REGISTERED OFFICE
1st Floor, St Nicholas House
Old Churchyard
Liverpool
L2 8TX

REGISTERED CHARITY NUMBER
1063038

COMPANY NUMBER
02861966

STATUTORY AUDITORS
Additions
Statutory Auditors
Queen Insurance Buildings
24 Queen Avenue
Liverpool
L2 4TZ

BANKERS

Lloyds Bank plc	HSBC Bank plc	Barclays Bank plc
Merchants Court	99-101 Lord Street	50 Lord Street
Lord Street	Liverpool	Liverpool
Liverpool	L2 6PG	L2 1TD
L2 7XT		

The trustees present their report and audited financial statements for the year ended 31 March 2020.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective 1 January 2019).

Objectives and principal activities of the charity
Options is an organisation whose purpose (our mission) is to enable, empower and support people with learning disabilities to live their lives to the full. Providing support means that we focus on listening to people who we support - listening to their hopes, their wishes and aspirations, and then building support around them to help them achieve those aspirations. Some of the support is to people living in their family homes, and some to people who live in houses or flats they own or rent. This was provided in Liverpool, Sefton and Wirral. In 2019 – 20 the organisation reviewed our work from our 25 years and developed a vision and plan for the next few years. Our vision is:

a better world

where people with disabilities contribute

as unique and valued members of

dynamic and inclusive communities.

Our philosophy of support - that we listen to people and support them to achieve what they want - is called person centredness, and lies at the heart of what has been central government policy - Valuing People and Valuing People Now. Our philosophy remains unchanged and the vision drives us to be more outward looking. To work to influence society at large and the communities in which we live, and work to embrace the potential of people with disabilities.

In shaping our objectives and planning our activities for the year, the trustees confirm that they have given due regard to guidance published by the Charity Commission, including public benefit: running a charity (PB2) guidance.

Public Benefit – beneficiaries and activities
"The objects of the Company are to relieve adults and children who have disabilities and in particular by the provision of support which we will encourage and assist adults and children to lead lifestyles of their own choice." (from the Memorandum of Association). This has been delivered by the provision of support to people with disabilities living in their own homes or family homes in the community.

People we support continue to make many smaller and larger steps towards their aspirations, and towards greater independence. Some people now live more independently with less support. Several of our funding authorities have stated that they do not want to commission sleep-ins in the long term, and the number of sleep-ins we provide has fallen. If this becomes the norm that will represent significant change for the people we support and for our staff and the configuration of the support we provide. Generally, people we support are learning to do more for themselves. The level of inclusion and community engagement for people we support has increased. Several people have deeper relationships and several a greater variety of relationships. We believe the momentum will continue to lead to the expansion and/or enrichment of people's circles of support. We are also gradually building up a team of volunteers to help with a range of activities throughout Options, and to add to the paid support which is commissioned. As contracted support hours shrink, volunteers will increasingly play a key role in allowing us to provide individualised support. We have a full-time Health Lead to champion better health for the people we support and counteract some of the systems failures recognised in the LeDeR reports into the premature death of people with learning disabilities. This has proven challenging work – particularly in relation to access to Health Action Plans completed by GPs in response to people's annual health checks. We also now have a full-time Technology Lead – helping us to automate as many of our administrative processes as possible and helping people we support to access personalised (assistive) technology. We are introducing two new IT systems to manage many of our records and processes.

Public Benefit – beneficiaries and activities (cont.)
Options approach to meeting our aims is to provide individually focused support to each person who approaches us for support or who is referred to us by our purchasers. Our approach is to:

1. meet the person, and those people important to them, to get to know them;
2. build a Support Plan/Person Centred Plan to record what the person wants in their life, and plan how that would be delivered;
3. produce a Team Action Plan, and Guidelines for Support to deliver the Support Plan and Person Centred Plan;
4. recruit a dedicated team to deliver the plan;
5. monitor the progress towards completion of the plan through the Quality Assurance Audit system, supervisions and team meetings.

STRATEGIC REPORT

Achievements and Performance
In the year to 31 March 2020 we supported 116 people in more intensive supported living services (60 hours per week or more) and 71 people in less intensive supported living or Outreach (less than 60 hours). Outreach tends to be more focused on supporting people to access their local communities - work, education, hobbies and interests. The numbers of people supported represents a slight increase compared to last year as we have opened a significant new project to support a number of younger people with learning disabilities. This is against a backdrop of government cutbacks that have meant fewer people being entitled to support, people who are entitled to support receiving less, and where people pass away the support is de-commissioned rather than being applied to someone new.

Since 2014 there have been fewer individual tenders for the support of people with complex support needs but more frequent requests for those who live at home, and for support of children who live at home. We increasingly are asked for solutions which include housing options – often suggesting a flat within a block of flats. where other people also receive support, and hence where staff costs can be shared. We are working to ensure we can respond to such tenders. One such scheme was completed in 2019/20 and two further schemes are currently under development.

Contracting arrangements have required of Options comprehensive systems and processes and further work has been focused on automating these systems and processes. The Quality Manager has a key role ensuring we have good statistics on how things are going, with strategies for improvement where we need to. These are developed by the Leadership Team and Leaders Group. Celebration and recognition, where staff are doing really well, is a key aspect of what we do. We continue to satisfy Care Quality Commission requirements fully, and in this last year achieved a rating of 'Outstanding' overall – that is achieved by roughly 5% of all registered providers of domiciliary care and has been one of the landmarks of the last year. We have also met purchaser contract inspection requirements.

We regularly refresh our website and we have a comprehensive marketing strategy. During the year we appointed a Communications Lead who is ensuring we influence more widely and highlight to others our learning and what we believe contributes to great support. Most importantly we are working hard to listen to people we support and their families.

The organisation's finances remain stable allowing us to make a small surplus. However, the introduction of the National Living Wage, and it only being part funded by local authorities, plus the challenges of recruiting sufficient staff of a sufficient calibre have placed considerable strain on our finances. There is little room for manoeuvre. The debacle over whether the National Living Wage should be applied to sleep-ins has left considerable uncertainty around our financial situation, although we will be able to withstand whatever the final outcome will be. We await a final Supreme Court decision.

Achievements and Performance (cont.)
Since March 2020 we have been working through the challenges of Covid 19. That has been a significant challenge and we would like again to express our thanks to the fabulous staff of Options who have worked tirelessly through this period to maintain support. We are hugely thankful that there have been no deaths among the people we support or staff. Local authorities made some additional funding available, in each case tied to certain conditions. Wirral Social Services tied an increase in the commissioned hourly rate to paying staff the Real Living Wage (RLW). We were very happy to do so and have extended the RLW to staff throughout the organisation. Currently neither Sefton nor Liverpool pay enough to fund this and so we are using efficiencies to do so. Staff absenteeism due to the Virus peaked at 15% but then fell back. The biggest challenge was around staff who were shielding or living with others who were shielding (and so have been unavailable for work for 4 months plus). Most of them we were able to furlough.

Future Developments
Continued gentle expansion within the areas in which we currently work is our aim for 2020/21. We believe this will partly come in gentle overall growth though that may occur in occasional significant jumps in growth as major projects come online. Our major focus will be on delivering improved quality alongside the gentle expansion. We also foresee continued reductions in the support hours we provide to each person as our local authorities respond to the financial pressures of several years of austerity, so we will need to win new contracts to maintain our current hours of support.

Reserves Policy
Our Reserves Policy identifies where specific and generic risks which are assessed annually and an appropriate level of reserves set aside to cover these. At 31 March 2020 our total reserves were £4,025,895 which includes restricted funds of £39,989, general funds of £786,925 and designated funds of £3,198,981.

Investment Policy
Aside from retaining a prudent amount in reserves each year, the remaining funds are allocated for expenditure. Any funds not immediately required are invested on the money market. The trustees are exploring an approach to increase the minimal returns from holding cash deposited on a short-term basis.

Results
The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

Structure, Governance and Management

Trustees of the charity
The directors of the charitable company are the trustees for the purposes of charity law. The trustees who served during the year are set out on page 1.

Brian Simpson stood down as Chair of Trustees after some 20 years at the helm, and we are all thankful for his guardianship of the ethos, mission and beliefs of the organisation over that extended period. He continues as a trustee. Ivor Langley became chair of trustees on 25 November 2019.

Governing document and members liability
The charity is constituted as a company limited by guarantee, and is therefore governed by its Memorandum and Articles of Association.

The company has no share capital. Every member of the company undertakes to contribute to the assets of the charity, in the event of being wound up while he or she is a member or within a year of ceasing to be a member for debts and liabilities of the charity contracted before he or she ceases to be a member, such amounts may be required, not exceeding £1.

Structure, Governance and Management (cont.)

Organisation
The trustees employ a number of staff to run the day to day operations of Options. The Leadership Team currently consists of four Development Managers, an Innovations and HR Manager, a Finance Manager, Quality Manager, Office Manager, and Chief Executive.

Major decisions affecting the charity must be approved by the trustees, and strategically this is through the Development Plan which identifies the major priorities for the organisation and the budget which reflects that. In this last year it has also included the Vision document which was developed with significant trustee input and was approved by them. In order for a decision to be passed there must be a quorum of at least three trustees present at a meeting. The trustees meet together five or six times a year, and two members sit on the Finance Sub-Committee which also meets five or six times each year.

Organisational development is planned, actioned and monitored through the bi-annual Development Plan.

Appointment and induction of trustees
Trustees are normally appointed at General Meetings. There is now an agreed time limit of four years for trustee length of service, after which a trustee could then be re-appointed for a further four years. No absolute limit is set as we see the benefits of a mix of long-serving and of newer trustees.

All appointed trustees go through an induction process with existing trustees, the Chief Executive and the Secretary of the charity and are given various documents, detailing their responsibilities and also ensuring they are aware of the context in which Options works, its Vision, Mission, Aims, Beliefs, Working Values, and the Development Plan and Budget.

Pay policy of senior staff
The trustees, together with the Chief Executive and the Leadership Team, are the key management personnel in charge of directing and controlling, running and operating the charity. All trustees give of their time freely and no trustee received remuneration in the year.

The pay of senior staff is reviewed annually by the trustees as part of a finance subcommittee, and any increases must then be approved by the full Trustee Board. Remuneration is based on roles and responsibilities undertaken. The annual review accounts for inflation and is benchmarked against information gathered for similar roles in the Social Care Charity sector.

When setting the remuneration of the Chief Executive Officer, the trustees recognise that the salary needs to attract and retain an individual of high calibre, who can lead the organisation through the complexity of the Social Care Charity sector, and whose role will involve making important decisions for staff, volunteers and people supported by the charity.

The remuneration of the Chief Executive consists of salary, pension and performance related pay or bonus. The performance of the Chief Executive officer is assessed annually by the Trustees to determine the bonus element, which is capped according to the organisations' financial policies.

Risk management
The trustees confirm that the major risks to which the charity is exposed have been reviewed and systems have been established to mitigate those risks. The major risks to the charity, as identified by the trustees, currently are:

1. Wholesale re-provisioning/re-tendering of supported living by any of our major purchasers.
2. A move by purchasers (statutory) away from individualised support.
3. A major incident damaging our reputation.
4. The loss of key personnel within the organisation.

Risk management (cont.)

5. Budget cuts within local authorities squeezing our flexibility to work to our unique model, and support becomes unachievable within the principles we work to.
6. An inability to attract and retain staff of the quality we need to work as we do.
7. Regulations and bureaucracy thwarting person centred support.
8. The impact of the Coronavirus epidemic on local authority funding.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Options For Supported Living for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including 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 apply them consistently.
- observe the methods and principles of the Charities SORP (FRS 102).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures as disclosed and explained in the financial statements; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

Disclosure of Information to the 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;
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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 legislations in other jurisdictions.

Auditors

Additions Chartered Accountants have expressed their willingness to remain in office as auditors of the charitable company and a resolution to re-appoint them will be put to the members at the Annual General Meeting.

Approved by the Board on 28 September 2020 and signed on its behalf by:

.....
Ivor Langley
Chair of Trustees

We have audited the financial statements of Options for Supported Living (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the Notes to the Financial Statements, including a summary of 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 charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The trustees are responsible for the 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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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 charitable company and its 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 require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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; or
- The trustees were not entitled to prepare the financial statements and the trustees' report in accordance with the small companies regime.

RESPONSIBILITIES OF TRUSTEES
As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable 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 to cease operations, or have no realistic alternative but to do so.

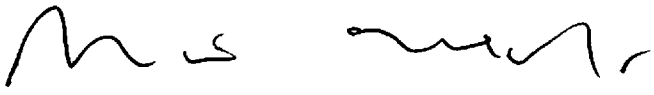
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at https//www.frc.org.uk/auditorsresponsibilities. This description forms part of our audit report.

USE OF OUR REPORT

This report is made solely to the charitable 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 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Maxine Desse BA (Econ) FCA, Senior Statutory Auditor
For and on behalf of Additions, Statutory Auditors

24 Queen Avenue
Liverpool
L2 4TZ

29 September 2020

OPTIONS FOR SUPPORTED LIVING
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds £	2020 Restricted Funds £	Total Funds £	2019 Total Funds £
Income					
Income from investments	3	15,666	-	15,666	1,788
Income from charitable activities:					
Contracts and grants	4	7,239,571	59,006	7,298,577	7,158,707
Other income		19,224	-	19,224	30,623
Total income		7,274,461	59,006	7,333,467	7,191,118
Expenditure					
Expenditure on charitable activities	5	7,211,434	25,704	7,237,138	6,738,060
Total expenditure		7,211,434	25,704	7,237,138	6,738,060
Net income and net movement in funds for the year	6	63,027	33,302	96,329	453,058
Reconciliation of funds					
Total funds brought forward		3,922,879	6,687	3,929,566	3,476,508
Total funds carried forward	15	3,985,906	39,989	4,025,895	3,929,566

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

OPTIONS FOR SUPPORTED LIVING
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	10		-		-
Tangible assets	11		-		-
			-		-
Current assets					
Debtors	12	471,095		642,050	
Cash at bank and in hand		4,087,378		3,759,850	
		4,558,473		4,401,900	
Creditors: Amounts falling due within one year	13	(532,578)		(472,334)	
Net current assets			4,025,895		3,929,566
Net assets			4,025,895		3,929,566
The funds of the charity:	15				
Restricted funds		39,989		6,687	
Unrestricted funds					
General		786,925		715,355	
Designated		3,198,981		3,207,524	
			4,025,895		3,929,566
			4,025,895		3,929,566

The financial statements were approved and authorised for issue by the Trustees on 28 September 2020 and are signed on their behalf by:

.....
Ivor Langley
Chair of Trustees

Company number: 02861966

	Notes		2020 £		2019 £
Net cash (outflow)/inflow from operating activities	17		311,862		(10,437)
Cash flows from investing activities					
Interest income		15,666		1,788	
Cash provided by (used in) investing activities			15,666		1,788
Increase/(Decrease) in cash and cash equivalents in the year			327,528		(8,649)
Cash and cash equivalents at the beginning of the year			3,759,850		3,768,499
Total cash and cash equivalents at the end of the year			**4,087,378**		**3,759,850**

Analysis of Changes in Net Debt

	At 1 April 2019 £	Cash flow £	At 31 March 2020 £
Net cash:			
Cash at bank and in hand	3,759,850	327,528	4,087,378

1. General Information

Options For Supported Living is a company limited by guarantee incorporated in England and Wales (company number 02861966) and a charity registered in England and Wales (charity number 1063038). The registered office is 1st Floor, St Nicholas House, Old Churchyard, Liverpool, L2 8TX.

2. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

Options For Supported Living meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

(b) Going concern

In considering the appropriateness of preparing the financial statements on a going concern basis, the trustees have considered the level of funds held and the expected level of income and expenditure for the twelve months from the date of authorsing these financial statements. This included consideration of the impact of the potential operational challenges posed by COVID 19.

On the basis of current financial projections and reserves held, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

(c) Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no such critical accounting estimates and assumptions to report.

(d) Intangible fixed assets

Expenditure relating to the development of a management information system has been capitalised and is being amortised over its useful life of 3 years.

(e) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Assets costing less than £1,000 are not capitalised.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold improvements	over the lease term
Office equipment	straight line over 3-5 years
Furniture and fixtures	straight line over 10 years

(f) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The charity's basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Accounting Policies (cont)

(g) Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Revenue in respect of service contracts is credited to income in the period in which entitlement becomes due.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Investment income is included when receivable.

(h) Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(i) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. The support costs are allocated bewteen the SoFA categories on the basis of staff time spent on each activity.

(j) Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the SoFA as they become payable in accordance with the rules of the scheme.

(k) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity. Such funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose. Transfers of funds from general unrestricted funds to designated funds are approved by the trustees.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the stipulated terms of the contract or appeal.

Details of the nature and purpose of each fund are set out in note 15 of the accounts.

(l) Operating leases

Rentals payable under operating leases are charged in the SoFA on a straight line basis over the term of the lease.

3. Income from Investments

	2020		2019	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Bank deposit interest receivable	15,666	-	1,788	-
	15,666	-	1,788	-

4. Income from Charitable Activities

	2020		2019	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Contracts				
Sefton Health	109,392	-	148,612	-
Sefton Social Services	1,363,083	-	970,752	-
Liverpool Social Services	1,968,313	-	2,224,023	-
Wirral Social Services	2,935,869	-	3,157,127	-
Wirral Supporting People	200,995	-	207,238	-
Wirral Health	173,798	-	164,345	-
Families Contributions	467,937	-	239,627	-
Children's Support	19,333	-	30,092	-
	7,238,720	-	*7,141,816*	-
Grants and Donations				
Big Lottery Community Fund	-	9,396	-	-
E F Rathbone Charitable Trust	-	1,000	-	-
Goundwork UK	-	-	-	1,000
Heritage Lottery Fund	-	-	-	9,600
Liverpool Charity & Voluntary Services	-	-	-	3,479
NHS England	-	15,820	-	-
Peter Harrison Foundation	-	4,000	-	-
Registered Nursing Home Association	-	2,000	-	-
Sport England Grant	-	6,790	-	-
The Baily Thomas Charitable Fund	-	20,000	-	-
Other Grants/Donations	851	-	2,812	-
	851	*59,006*	*2,812*	*14,079*
	7,239,571	59,006	7,144,628	14,079

5. Charitable Activities Costs

	2020		2019	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
Staff costs	6,825,770	3,347	6,446,251	762
Staff expenses	44,071	-	28,582	-
Travel, housing and sundry for People We Support	2,744	-	2,496	-
Other project activity costs	8,543	22,357	9,884	13,073
Premises costs	99,722	-	131,721	-
General administrative expenses	186,503	-	46,408	-
Legal and professional costs	44,081	-	58,883	-
	7,211,434	25,704	6,724,225	13,835

Charitable activities expenditure above includes the following support and governance costs:

	2020		2019	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
General support				
Staff costs	405,900	-	375,452	-
Premises costs	30,110	-	45,511	-
General administrative expenses	98,404	-	(40,168)	-
Legal and professional costs	11,215	-	10,629	-
	545,629	-	391,424	-
Governance function				
Staff costs	405,900	-	375,450	-
Premises costs	30,110	-	45,509	-
General administrative expenses	88,099	-	86,576	-
Legal and professional costs	32,866	-	48,254	-
	556,975	-	555,789	-
Total	1,102,604	-	947,213	-

6. Net Income for the Year

This is stated after charging:

	2020 £	2019 £
Auditors' remuneration:		
Audit of the financial statements	5,700	4,800
Operating lease costs:		
Land and buildings	57,389	57,389

7. Analysis of Staff Costs, Trustee Remuneration and Expenses, and the Cost of Key Management Personnel

	2020 £	2019 £
Wages and salaries	5,917,636	5,690,433
Social security costs	444,243	427,628
Pension costs	145,051	145,545
Training and development	160,751	104,647
Other staff costs	30,318	40,866
Agency staff	131,118	37,894
	6,829,117	6,447,013

The number of employees whose emoluments exceeded £60,000 for the year was as follows:

Band	2020 Number	2019 Number
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-

During 2019/20 the Chief Executive Officer's contracted hours changed from part time to full time, part-way through the year. This contributed to a rise in salary compared to the previous year.

The charity operates and contributes to a defined contribution pension scheme on behalf of the Chief Executive and other employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

In respect of employees earning £60,000 or more for the year, contributions in the year for the provision of defined contribution schemes totalled £8,140 (2019 - £5,500). The number of staff earning £60,000 or more to whom retirement benefits are accruing under defined contribution schemes for the year was 1 (2019 - 1).

No amounts were paid to any charity trustee or connected persons during the year (2019 - £nil). None of the trustees had any personal beneficial interest in any transaction entered into by the charity (2019 - none).

The key management personnel of the charity comprise the trustees, the Chief Executive Officer, Finance Manager, HR Manager, Development Managers, Innovations Manager, Office Manager, and Quality Manager. The total employee benefits (including employer's National Insurance contributions) of the key management personnel of the charity were £384,989 (2019 - £342,353).

8. Staff Numbers

The average monthly head count of employees during the year was as follows:

	2020		2019	
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
Chief Executive	1	-	1	-
Support work	288	-	284	-
Management and administration	27	-	24	-
	316	-	309	-

9. Corporation Taxation

The charity is exempt from tax on its income and gains falling within part 11 of the Corporation Tax Act 2010 or Section 256 of of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable activities.

10. Intangible Fixed Assets

	Computer Software £	Total £
Cost		
At 1 April 2019	120,212	120,212
At 31 March 2020	120,212	120,212
Depreciation		
At 1 April 2019	120,212	120,212
Charge for the year	-	-
At 31 March 2020	120,212	120,212
Net book value		
At 31 March 2020	-	-
At 31 March 2019	-	-

11. Tangible Fixed Assets

	Leasehold Improvements £	Office Equipment £	Furniture & Fixtures £	Total £
Cost				
At 1 April 2019	22,006	102,711	13,580	138,297
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2020	22,006	102,711	13,580	138,297
Depreciation				
At 1 April 2019	22,006	102,711	13,580	138,297
Charge for the year	-	-	-	-
Diposals	-	-	-	-
At 31 March 2020	22,006	102,711	13,580	138,297
Net book value				
At 31 March 2020	-	-	-	-
At 31 March 2019	-	-	-	-

12. Debtors

	2020	2019
	£	£
Trade debtors	415,657	586,053
Other debtors	7,767	3,947
Prepayments	47,671	52,050
	471,095	642,050

13. Creditors: Amounts Falling Due Within One Year

	2020	2019
	£	£
Trade creditors	24,933	30,961
Other taxes and social security	108,833	102,180
Other creditors	9,909	21,062
Pension contributions	25,633	17,618
Short-term compensated absences (holiday pay)	29,772	62,062
Accruals	236,191	201,805
Fees in advance - deferred income	97,307	36,646
	532,578	472,334

	2020	2019
In respect of deferred income:	£	£
Deferred income brought forward	36,646	238,537
Released from prior year	(36,646)	(238,537)
Deferred in current year	97,307	36,646
Deferred income carried forward	97,307	36,646

Deferred income comprises fees invoiced in advance of the provision of support services which relate to future accounting periods.

14. Operating Lease Commitments

The minimum payments under non-cancellable operating leases fall due as follows:

Land and buildings	2020 £	2019 £
Within one year	57,389	57,389
Between one and five years	38,258	95,644
	95,647	153,033

15. Movements in Funds

	At 1 April 2019 £	Incoming Resources (inc. gains) £	Outgoing Resources £	Transfers £	At 31 March 2020 £
Unrestricted funds:					
General funds	715,355	7,274,461	(7,202,891)	-	786,925
Designated funds	3,207,524	-	(8,543)	-	3,198,981
	3,922,879	7,274,461	(7,211,434)	-	3,985,906
Restricted funds:					
The Will Charitable Trust	293	-	(293)	-	-
LCVS - Community Impact	1,104	-	(1,104)	-	-
Heritage Lottery Fund	5,290	-	(5,290)	-	-
Big Lottery Community Fund	-	9,396	(3,831)	-	5,565
E F Rathbone Charitable Trust	-	1,000	-	-	1,000
NHS England	-	15,820	(146)	-	15,674
Peter Harrison Foundation	-	4,000	-	-	4,000
Registered Nursing Home Assoc	-	2,000	(2,000)	-	-
Sport England Grant	-	6,790	(2,481)	-	4,309
The Baily Thomas Charitable Fund	-	20,000	(10,559)	-	9,441
	6,687	59,006	(25,704)	-	39,989
	3,929,566	7,333,467	(7,237,138)	-	4,025,895

Unrestricted Funds

General Funds

The trustees' policy has been to maintain reserves equivalent to a minimum of three month's operating costs considering the volatile purchasing environment. However as Options has grown, and given the needs of people with disabilities, a review of our Reserves Policy has led to us adopting a new policy where specific risks are assessed annually and an appropriate level of reserves set to cover these. This has allowed the trustees to release finances to deliver more and better support. The balance of general funds held at 31 March 2020 was £786,925 (2019 - £715,355).

15. Movements in Funds (cont.)

Designated Funds
Where unrestricted funds are earmarked or designated by the trustees for essential future spending, for example to fund a project that could not be met from future income alone, they are transferred to designated funds. The designated funds as at 31 March 2020 are as follows:

New office base (2020: £750,000; 2019: £750,000)
Designated for the planned move from leased offices to a multi-functional, owned building/accommodation to provide a wider range of office, training, drop-in and community activities.

Unique Fund (2020: £29,273; 2019: £36,000)
Designated to enable the provision of enhanced support.

Tenant Property Investment (2020: £1,200,000; 2019: £1,200,000)
Designated for an investment by the charity in property, as Local Authorties are now seeking property solutions for the people we support.

Inclusion Projects (2020: £7,334; 2019: £9,150)
Designated for community projects which encourage people we support to socialise and participate in social events.

Contingency for lost income (2020: £1,212,374; 2019: £1,212,374)
Designated contingency funds to cover 30% of contracted income for six months, and managing cash flow for day-to-day acitivties.

Restricted Funds
The **Will Charitable Trust** has contributed to the funding of Options' Volunteer Programme. The volunteers at Options have helped to introduce the people we support to new activities and interests, allowing them to develop new skills and widen their social interactions.

Liverpool Charity & Voluntary Services (LCVS) provided funding to support a healthy eating project for the people we support.

The Heritage Lottery Fund provided funding to enable people we support to research and visit heritage locations of their own choice.

The **Big Lottery Community Fund** provided funding for Friendly Fridays social meet ups activities for the people we support.

The **E F Rathbone Charitable Trust** provided funding for cooking sessions for people we support.

NHS England provided funding for the 'Five Steps To Health' transforming care partnership project.

The **Peter Harrison Foundation** awarded a grant towards the cost of a one-year programme of adaptive sports activity in Merseyside.

The **Registered Nursing Home Association** provided funds to spend on IT compliance in digital social care.

The **Sport England** grant was awarded to provide taster sessions in various sports for 10 people with learning disabilities, autism and acquired brain injuries. These sessions give opportunities for people we support to try adapted sports and ultimately become more physically active.

The **Baily Thomas Charitable Fund** provided funding towards the Life Skills project, which provides practical educational workshops to increase the independence of people with learning disabilities.

16. Analysis of Net Assets Between Funds

Fund balances as at 31 March 2020 are represented by:	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	Total £
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	-	-
Current assets	1,319,503	3,198,981	39,989	4,558,473
Current liabilities	(532,578)	-	-	(532,578)
Net assets at 31 March 2020	786,925	3,198,981	39,989	4,025,895

Fund balances as at 31 March 2019 are represented by:	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	Total £
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	-	-
Current assets	1,187,689	3,207,524	6,687	4,401,900
Current liabilities	(472,334)	-	-	(472,334)
Net assets at 31 March 2019	715,355	3,207,524	6,687	3,929,566

17. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2020 £	2019 £
Net movement In funds	96,329	453,058
Interest income	(15,666)	(1,788)
Decrease/(Increase) in debtors	170,955	(177,097)
Increase/(Decrease) in creditors	60,244	(284,610)
Net cash inflow/(outflow) from operating activities	311,862	(10,437)

18. Pensions

The charity operates a defined contribution pension scheme on behalf of certain employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £145,051 (2019 - £145,545). There was a amount of £25,633 (2019 - £17,618) payable to the scheme at the year end.

19. Contingent Liabilities

National Minimum Wage and Sleep-Ins
A contingent liability exists in relation to the historic payment rate for staff sleep-ins. This is going through a legal process at a national level. Our accounts comply with the current legal position, but if this changed then Options may be liable for historic payments for sleep-ins. Our current best estimate of this potential liability is £694,000. This would not affect the going concern status of the charity.

Other
Options is involved in an ongoing legal matter. The charity is contesting this matter, but at present the outcome cannot be determined with any certainty and a negative outcome could result in a significant liability. Whilst the size of any such liability, should it arise, is highly uncertain it would not be expected to exceed £150,000, and would be fully covered within the charity's reserves

20. Related Party Transactions

There have been no related party transactions in the reporting period that require disclosure under FRS 102.

21. Prior Year Statement of Financial Activities

	Unrestricted Funds £	2019 Restricted Funds £	Total Funds £	2018 Total Funds £
Income				
Income from investments	1,788	-	1,788	591
Income from charitable activities:				
Contracts and grants	7,144,628	14,079	7,158,707	6,981,168
Other income	30,623	-	30,623	19,209
Total income	7,177,039	14,079	7,191,118	7,000,968
Expenditure				
Expenditure on charitable activities	6,724,225	13,835	6,738,060	6,621,422
Total expenditure	6,724,225	13,835	6,738,060	6,621,422
Net income and net movement in funds for the year	452,814	244	453,058	379,546
Reconciliation of funds				
Total funds brought forward	3,470,065	6,443	3,476,508	3,096,962
Total funds carried forward	3,922,879	6,687	3,929,566	3,476,508

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.