

**Company number 3341420**  
**Charity number 1064848**



**OPTIONS FOR LIFE**  
**(A Company limited by Guarantee)**

**Financial Statements**

**Year ended 31 March 2020**

## **OPTIONS FOR LIFE**

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## **OPTIONS FOR LIFE**

### **CHARITY INFORMATION**

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#### **Directors**

Alan Daffern  
Harriet Moat  
Deborah White  
Nicholas Kirby  
Alma Aganovic  
Rebekah Roebuck

#### **Charity Number**

1064848

#### **Company Number**

3341420

#### **Charity correspondence address**

Oak Green Lodge  
Oak Green Way  
Oldbury  
West Midlands  
B68 8LR

#### **Auditors**

Mazars LLP  
45 Church Street  
Birmingham  
B3 2RT

#### **Bankers**

Lloyds TSB Bank plc  
776 Hagley Road West  
Quinton  
Birmingham  
B68 0PJ

#### **Chief Executive Officer**

Nicola Thomson

## **OPTIONS FOR LIFE**

### **DIRECTORS' AND TRUSTEES' REPORT**

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

#### **Governing Document**

The organisation is a charitable company limited by guarantee, incorporated on 27 March 1997 and registered as a charity on 13 October 1997. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up the members are required to contribute an amount not exceeding £1.

#### **Directors and Trustees**

The Board of Trustees is the governing body of the charity. The Board of Directors is the governing body of the company. Selection of Trustees is by application to the Board of Trustees and is managed by the Chair and brought to Board of Trustees Meetings for approval. Selection of Directors is by a vote of the Trustees. The policy is to recruit people to be Trustees with knowledge, skills and experience relevant to the aims and objectives of the charity. Documents detailing the legal structure, organisation, finances and management of the company, which are regularly reviewed, are provided to all Board of Trustee members to facilitate effective governance of the charity. In addition, they are provided with training support and practical experience of the day to day running of the charity.

The Board of Trustees meets on a regular basis to manage the affairs of the charity and formulate policy. The Chief Executive manages the day to day running of the charity assisted by full time and part time employees.

No Trustee receives any payment for carrying out their duties and none of the trustees has any beneficial interest in the company.

#### **Risk Management**

A finance committee, which includes representation from the Board of Trustees, meets regularly to assess financial planning matters and review measures to control risk. A comprehensive risk register is carried out annually and reviewed bi-annually.

External risks, which primarily concern funding, are continually addressed by closely managing the quality and cost effectiveness of all our contracts, identifying areas for new grant applications and ensuring adequate cash reserves are constantly maintained.

An on-going review of key operational and financial processes and procedures combine to mitigate against any potential internal control weaknesses.

#### **Mission and Vision Statement**

"We help people with learning disabilities and/or autism to fulfil their potential and live a full and happy life within their community"

#### **Objects of the Charity**

The charity's objectives are to enable people with learning disabilities to advance their personal development and lead a full life within the community.

The aims and policies adopted in furtherance of these objects are: -

- To work in partnership with, and complementary to, other service providers.
- To promote equality of leisure, social, work and recreational opportunities within the community for people with a learning disability and/or autism.
- To increase public awareness of the positive contribution that people with a learning disability can make.
- To recognise different abilities and needs and aim to respond to these on an individual basis.
- To treat staff, volunteers and people with learning disabilities and/or autism with equal value.

These were changed and adopted by special resolution on 20 February 2017 and are now as follows: -

## OPTIONS FOR LIFE

### DIRECTORS' AND TRUSTEES' REPORT

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The Charity's Objects are for the public benefit:

- The enablement of people with learning disabilities and/or autism to and advance their personal development and to integrate into and lead a full life within the community.
- The advancement of public awareness of the needs of the contribution made by people with learning disabilities and/or autism.
- The development and dissemination of good practice in relation to the support and personal development of people with learning disabilities and/or autism.

#### Review of Activities

The charity operates from a number of locations across Sandwell, providing opportunities for people with learning disabilities and/or autism to participate in social, work related and leisure activities which are designed to encourage their development and ability to contribute as fully as possible in the community. It is a priority that we continue to re-model our offer to our current and prospective new participants, in order that we maintain our position as a valued service provider in our chosen field that we keep abreast of the changing expectations of commissioners, policy makers, participants and their family carers.

Closure of Staffordshire - Following months of research and monitoring a decision was made in June 2019 to close Staffordshires pop up hubs. Staffordshire had been running at a loss in the previous year and another loss was forecast for 19/20. There had been no growth in participant numbers since 2017. Discussions with Staffordshire County Council commissioners confirmed through statistics based on their new model and introduction of the Adult Learning Disability 2022, Community Offer Programme, that the numbers of adults with learning disabilities in the borough who needed to access day opportunities was low. This confirmed our position. Staffordshire sites officially closed on 23<sup>rd</sup> July 2019. At the point of closure all participants had secured placements with other organisations. All staff had also secured alternative jobs.

A new CEO was appointed on 1<sup>st</sup> April 2019. The Senior Leadership Team around the same time dissolved and a new structure was implemented. The newly appointed Senior Leadership continued to work towards achieving actions that are outlined in the Strategic Plan for 2018 – 2021, with the continuous development and monitoring of the Business Development Plan 2019-2020 that was introduced and signed off by the Board of Trustees. Following the new structure there has been some difficulties in recruiting for the management posts which has resulted in some employee cost savings.

Achievements made in the year and progress in the implementation of the Strategic Plan, these included:

- Final sign off and official opening of the Independent Living Space at the Ashes, creating a one bedroom flat, providing opportunities for participants to develop life skills.
- Successful accreditation with Investors in People.
- Introduction of a designated Art Worker who has developed projects and bespoke sessions for participants across all of the hubs.
- There has been a huge drive towards quality of provision with the introduction of personalised schedules for all 1:1 participants.
- Ocker Hill outdoor garden space had a full day of several volunteers from Royal Bank of Scotland who painted the fences and raised beds, this was followed by a summer BBQ where parents and carers were invited for some fun and food. The raised beds were used throughout the summer producing lots of fruit and vegetables for the participants to cook with.

The Fundraising Officer was successful in securing grants for several projects and activities, amounting to nearly £27,000. To name a few these include The Turner Trust, - this was to purchase musical instruments; Rowlands Trust – to purchase power tools for Oak Green Services; Alfred Hains and Sandwell MBC Town grants – these provided equipment and furniture for 'The Flat' at the Ashes.

The Postcode Community Trust "Sensory Music" Project has successfully been completed. One key achievement was enabling participants with Profound and Multiple Learning Disabilities to interact more deeply with music through multi-sensory experiences. Devices were developed, some totally new, which were adapted in relation to participants' responses. Music creation has been made more accessible for other participants. Skills developed in the project have given participants the confidence to stage several performances and showcases.

We have delivered our services on average to 135 participants across Sandwell throughout the reporting financial year. At the start of the year a local provider closed which resulted in 8 new starters in April 2019. Many of these new referrals are going to be funded by the Local Authority and Direct Payments.

## OPTIONS FOR LIFE

### DIRECTORS' AND TRUSTEES' REPORT

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Income generated from Sandwell Adult Social Services and NHS Sandwell & West B'ham CCG account for 74% of our total income. Personal Budget contracts are 18% and the remaining 8% has come from grants, social business and fundraising activities.

There are still challenges presented by the continued financial difficulties faced by the local authorities Adult Care Services and the NHS Sandwell & West B'ham Clinical Commissioning Group (CCG) from where much of our funding is derived. However, the reputation of the organisation continues to grow.

The charity operates a social business, Oak Green Services which provides DIY and gardening services to the local community, enabling participants to be involved with work experiences and learning skills which may lead to employment. In addition, the charity also has a number of horticulture and creative activities. All of these services are provided in order to develop a sense of contribution to the community and society.

We have continued our commitment to the SMBC administered young apprenticeship programme that we signed up to in 2014 and at year end we have one apprentice who has worked incredibly hard and will be offered a job if there is one available at the end of their apprenticeship.

#### Public Benefit

In planning our activities, the Trustees and management team keep in mind the Charity Commission's guidance on public benefit. We welcome all clients regardless of personal background, faith, gender or personal circumstances and we believe this philosophy of openness to all enriches everyone through the sharing of skills aptitudes and life experiences of our client group. Our objectives and funding limit the services we provide mostly to adults with learning disabilities and/or autism. We are aware that adults with learning disabilities and/or autism have relatively poor access to health services in relation to the public as a whole and we have a strong focus on breaking down the barriers to access these in order to improve both the quality of life and life expectancy of our participants. The ages of the adults with learning disabilities and/or autism that we support has gradually increased as life expectancy has increased over the last ten years. This has presented new challenges as they have had to cope with an increase in age related health conditions. The impact of the work that Options for Life does, goes far beyond the individual participants that we support as their families are able to cope for far longer than they would otherwise be able on their own.

#### Review of financial position

The income of the charity for the year was £2,195,728 (2018/19: £2,204,078) and expenditure was £2,109,400 (2018/19: £2,165,377). This resulted in a net income surplus of £86,328 increasing to £87,027 if the restricted funds deficit of £699 is excluded (2018/19 net surplus £38,701). The charity's balance sheet reflects an increase in funds due to the 2019/20 surplus.

#### Impact of Covid-19 Outbreak

As a result of the outbreak and the public health risk all centres were closed on 24 March 2020. Since the vast majority of our workforce directly works with our participants in the centres, 65 staff were placed on furlough leave from 1 April leaving only a skeletal managerial and administrative staff. The organisation has been claiming Coronavirus Job Retention Scheme (CJRS) government grant from April and will continue to do this to some extent up to the end of CJRS scheme on 31 October 2020. Despite government grant, the financial position for Options For Life would have been very difficult but we have continued to receive welcome financial support from our main commissioner, Sandwell Council, who have agreed to continue with financial support during 2020-21. They have liaised with us and helped us prepare for the introduction of a community outreach service which commenced from 1 July 2020. This has enabled us to bring back some service to participants as well as bring some staff out of furlough. The programme of outreach support to participants has risen during the summer and the aim is to re-employ all of our furlough support worker staff under a revised service delivery model.

## **OPTIONS FOR LIFE**

### **DIRECTORS' AND TRUSTEES' REPORT**

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#### **Reserves policy**

It is the policy of the charity to establish designated reserve funds to manage any potential financial risks to the viability of the organization. It has traditionally set aside funds to meet at least three months operational expenditure and the contractual employment costs. In the light of the Covid-19 virus outbreak the charity faced unprecedented financial uncertainty and the designated reserves total now includes extra provision for losses which may be incurred both during the period of centre closures and as the organization develops a new service delivery model for the future since it is unlikely that the centres will operate as they did prior to the Covid 19 outbreak. There is also Government future aspirations to increase annually the National Living Wage over coming years and a provision for this impact is also included.

As a result of these current risks and the minimum reserve to cover 3 months operational spend then the level of designated reserves has now been increased significantly to £685,000 at 31 March 2020 (at 2019 it was £235,000). The revised reserve includes £7,700 of agreed IT capital purchases committed at 1 April 2020.

#### **Future Developments**

2019-2020 saw the revision and launch of our updated three year strategic plan. This originated from a fundamental review by Trustees and the Senior Leadership Team of all activities and the challenges that we face regarding funding. Our five key growth drivers are focussed upon:

- Participant centred
- Strong partnerships
- Nurturing talent
- Education of the community
- Fitness for the future

We are continuously using these key drivers and looking for opportunities to enhance our provision and increase the numbers of participants we work with and delivering community-based services at the most appropriate times for the participants.

In March 2020 we experienced the introduction of Covid-19 which has had an impact not only on the world as we know it but for the organisation as we know it. On the 23<sup>rd</sup> March we were instructed to close by the Local Authority. At year end there was a new Business Development Plan for 2020-2021 in place. This will still be used and extended once the organisation can re-open.

Due to Covid-19 it is expected that for the financial year of 2020 – 2021 that it will be difficult to future plan – the aim for this financial year will be to provide an outreach service to as many of our participants as possible.

#### **Employees and Remuneration**

The charity operates policies based on a range of issues including those to ensure that no discrimination is made against any employee or participant based on their disabilities, age, gender or ethnicity.

A review of salaries resulted in an annual pay award of 1.5% to all employees from 1 April 2019.

#### **Withdrawal of the United Kingdom from the European Union**

The Trustees have considered the effect of the withdrawal of the United Kingdom from the European Union and do not anticipate that it will have any material impact on the business of the charity.



## OPTIONS FOR LIFE

### DIRECTORS' AND TRUSTEES' REPORT

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#### Directors / Trustees

The Directors, who served during the period, are shown below and all are trustees.

Alan Daffern (Chair)

Deborah White

Nick Kirby

Harriet Moat

Martin Kemp (resigned 18 November 2019)

Alma Aganovic (appointed 31 January 2020)

Rebekah Roebuck (appointed 20 July 2020)

#### Indemnity provision for Directors

Indemnity insurance has been taken out for all Directors and Trustees for any potential claim risk to value of £1 Million (2019: £1,000,000).

#### Responsibilities of Directors / Trustees

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

UK company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the financial statements and comply with the charity's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice (FRS102), "Accounting and Reporting by Charities" (effective October 2019).

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

- so far as we are aware, there is no relevant audit information of which the company's auditor is unaware; and
- 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 auditor is aware of that information.



## OPTIONS FOR LIFE

### DIRECTORS' AND TRUSTEES' REPORT

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#### Auditor

Mazars LLP acted as auditor of the company throughout the year and will continue in office in accordance with the Companies Act 2006 section 487(2).

In preparing this report, the Directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

Approved by the board on 11th November 2020 and signed on its behalf by



Nicholas Kirby  
Co Chair of the Board of Trustees



Nicola Thomson  
Chief Executive Officer.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OPTIONS FOR LIFE**

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We have audited the financial statements of Options for Life (the 'charity') for the year ended 31 March 2020 which comprise Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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 charity'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 Directors and Trustees 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 Directors' and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' and Trustees' Report has been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OPTIONS FOR LIFE

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

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' and Trustee's Report

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

- adequate and proper 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Directors' were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' and Trustees' Report and from the requirement to prepare a Strategic Report.

### Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

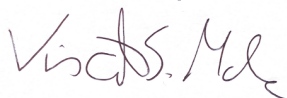
### Auditor's responsibilities for the audit of the financial statements

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 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.

### Use of the Audit Report

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



Vincent Marke (Senior Statutory Auditor)

for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
45 Church Street  
Birmingham  
B3 2RT

21 January 2021

## OPTIONS FOR LIFE

### STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account) For the year ended 31 March 2020

	Notes	Restricted funds £	Designated funds £	Un-restricted funds £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations & legacies		-	-	2,590	2,590	12,477
Charitable activities	2	34,983	-	2,141,551	2,176,534	2,183,770
Other trading activities	2	-	-	12,185	12,185	6,071
Investments		-	-	4,419	4,419	1,760
		<u>34,983</u>	<u>-</u>	<u>2,160,745</u>	<u>2,195,728</u>	<u>2,204,078</u>
<b>Expenditure on:</b>						
Charitable activities	3	35,682	-	2,073,718	2,109,400	2,165,377
		<u>35,682</u>	<u>-</u>	<u>2,073,718</u>	<u>2,109,400</u>	<u>2,165,377</u>
Net income / (expenditure)		<u>(699)</u>	<u>-</u>	<u>87,027</u>	<u>86,328</u>	<u>38,701</u>
Transfer between funds	11		450,000	(450,000)	-	-
Net movement in funds		<u>(699)</u>	<u>450,000</u>	<u>(362,973)</u>	<u>86,328</u>	<u>38,701</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		<u>23,929</u>	<u>235,000</u>	<u>1,824,197</u>	<u>2,083,126</u>	<u>2,044,425</u>
Total funds carried forward		<u>23,230</u>	<u>685,000</u>	<u>1,461,224</u>	<u>2,169,454</u>	<u>2,083,126</u>

The notes on pages 13 to 24 form part of these financial statements.

There were no recognised gains or losses other than those in the Statement of Financial Activities.

All surpluses are a result of continuing activities as one-off activities are structured so as to produce no surplus or deficit.

# OPTIONS FOR LIFE

## **BALANCE SHEET** As at 31 March 2020

Company No. 3341420

	Notes	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	7		1,284,495		1,296,232
Investments	7		10		10
<b>Current assets</b>					
Debtors	8	175,568		183,294	
Cash at bank and in hand	9	788,833		689,391	
		<u>964,401</u>		<u>872,685</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due in less than one year	10	(79,452)		(85,801)	
<b>Net current assets</b>			<b>884,949</b>		<b>786,884</b>
<b>Total assets</b>			<b><u>2,169,454</u></b>		<b><u>2,083,126</u></b>
<b>The Funds of the charity</b>					
<b>Restricted funds</b>	11		<b>23,230</b>		<b>23,929</b>
<b>Unrestricted funds</b>					
Designated funds	11		685,000		235,000
Unrestricted funds	11		1,461,224		1,824,197
			<u>2,169,454</u>		<u>2,083,126</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

**Approved and authorised for issue by the Board on 19 October 2020  
and signed on their behalf by:**

  
Nicholas Kirby  
Co Chair of the Board of Trustees.

  
Nicola Thomson  
Chief Executive Officer.

The notes on pages 13 to 24 form part of these financial statements.

# OPTIONS FOR LIFE

## **CASH FLOW STATEMENT** As at 31 March 2020

Company No. 3341420

	2020 £	2019 £
<b>Cash flows from operating activities:</b>		
Net cash used in operating activities	123,966	123,853
<b>Cash flows from investing activities:</b>		
Dividends, interest and rent from investments	4,419	1,760
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(28,944)	(26,864)
Net cash provided by investing activities	(24,525)	(25,104)
<b>Reconciliation of net cash flow to movement in funds</b>		
Change in cash and cash equivalents in the year	99,442	98,749
Cash and cash equivalents at 1 April	689,391	590,642
Cash and cash equivalents at 31 March	788,833	689,391
<b>Reconciliation of next movement in funds to net cash outflow from operating activities</b>		
Net movement in funds for the year ended 31 March 2020	86,328	38,701
<b>Adjustments for:</b>		
Depreciation	40,681	48,006
Dividends, interest and rent from investments	(4,419)	(1,760)
Decrease/(Increase) in debtors	7,726	34,341
Increase in other creditors	(6,349)	4,565
<b>Net cash used in operating activities</b>	<b>123,967</b>	<b>123,853</b>
<b>Analysis of cash and cash equivalents</b>		
Notice deposits (less than 3 months)	313,825	549,285
Notice deposits (more than 3 months)	427,616	101,300
Cash in hand	47,390	38,306
Cash and cash equivalents	788,833	689,391

The notes on pages 13 to 24 form part of these financial statements.

## OPTIONS FOR LIFE

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

#### **1 Accounting policies**

Options for Life is incorporated as a company limited by guarantee, registered in England and Wales (No. 3341420)

##### **Basis of Accounting**

The financial statements are prepared under the historical cost convention, in accordance with Accounting and Reporting by Charities; the Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2019) – (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

##### **Income**

Income is predominantly grants, charitable service contracts and income from social business activities and is recognised in the Statement of Financial Activities when received or on completion of the delivery of the specified terms of the Service Level Agreement.

##### **Expenditure**

All expenditure is accounted for on an accruals basis and is recognised where there is a legal or constructive obligation to pay. Expenditure has been classified under headings that aggregate all costs related to that category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and includes both the direct and support costs relating to these activities.

Support costs which consist of central administration and property costs are allocated on an equitable basis to each activity as disclosed in Note 4.

##### **Governance**

Governance costs of the charity include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charitable company. Details on governance costs are shown in Note 4.

##### **Fund Accounting**

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of the objectives of the Charity unless the funds have been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes or to meet potential financial risks or pressures that the charity may face.

Restricted funds are subject to specific terms and conditions by donors as to how they may be used.

##### **Grants and donations**

Grants and donations are only included in the Statement of Financial Activities when the charity has unconditional entitlement to the resources.

##### **Donated services and facilities**

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

##### **Judgments in applying accounting policies and key sources of estimation uncertainty**

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The trustees confirm there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



## OPTIONS FOR LIFE

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

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#### 1. Accounting policies (continued)

##### Value Added Tax

VAT has been treated as irrecoverable by the Charity, due to the scale and type of activities being regarded as exempt. To ensure the charity complies with HMRC's regulatory requirements both the sources of income and the aggregate amounts that could constitute taxable supplies, are frequently reviewed.

##### Tangible fixed assets for the use by the charity and depreciation

Tangible fixed assets for use by the charity are stated at cost less depreciation. Since April 2019 individual items costing less than £5,000 are written off in the Statement of the Financial Activities.

Depreciation is provided at rates calculated to write off the cost less estimated residual value, over their expected useful lives.

Office equipment - 25% on a straight line basis

Motor vehicles - 25% on a straight line basis

Building – Leasehold - 10% on a straight line basis

Building – Freehold - 2% on a straight line basis

Freehold land is not depreciated

##### Pension costs

The charity fulfilled its legal obligation in adopting the Government's Workplace Pension Scheme Auto-Enrolment in October 2014 integrating this with the defined contributions pension scheme that was already part of the remuneration policy. Those employees who have opted for the minimum contribution of 5% of pensionable salary under auto-enrolment rules enjoy an employer's contribution of 4%, this increases to 5% after 10 years service.

##### Employee Benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity has committed to terminate the employment of an employee or to provide termination benefits.

##### Going concern

There has been a significant upheaval faced by the charity as a result of the Covid-19 outbreak. Both management and directors are regularly reviewing the situation but it is clear that the charity won't go back to operating its services as they did before the outbreak. There will be a new business and service delivery model and already in July 2020 a new community outreach service commenced.

We have a good and strong long standing relationship with our main commissioner, Sandwell Council, and we are working with them to agree future participant support and also continued financial assistance as we move to a new structure and range of service delivery.

The directors are confident that the continued future viability of the organisation is not at risk and that there are no other material uncertainties that may cast significant doubt about the charity's ability to continue as a going concern and the accounts have been completed on a going concern basis.

##### Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

##### Operating leases

Rental costs under operating leases are charged to the income and expenditure account in equal annual amounts over the period of the lease.

## OPTIONS FOR LIFE

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

<b>2</b>	<b>Income</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Restricted income</b>		
	<b>Charitable activities</b>		
	Sandwell MBC – Apprenticeship Scheme	3,824	2,180
	Sandwell MBC re notional ground rent	4,200	4,200
	Sandwell Healthier Towns Funding	-	2,465
	Morrisons Trust Grant	-	20,550
	Post Code Lottery Grant	-	17,961
	Turner Trust Grant	-	2,000
	Edward Gostling Trust	3,550	-
	Sandwell MBC – Town Grants	2,409	-
	Rowlands Trust	1,000	-
	Groundwork UK	1,000	-
	Clothworkers Foundation	15,000	-
	Richardson Brothers Foundation	3,000	-
	Alfred Haines Trust	1,000	-
	Total restricted income from charitable activities	34,983	49,356
	<b>Unrestricted income</b>		
	<b>Charitable activities</b>		
	Adult social care – Sandwell MBC	1,197,549	1,075,557
	Direct payment for day services	449,574	533,335
	NHS Sandwell & West B’Ham CCG	427,554	459,382
	Social business income	52,712	54,392
	One to One Support – Sandwell MBC	11,412	11,748
	Communities in Sync – Better Care Fund	2,750	-
	Total unrestricted income from charitable activities	2,141,551	2,134,414
	Total income from charitable activities	2,176,534	2,183,770
	<b>Other trading activities</b>		
	Activities, fund raising and sales of work	9,223	3,048
	Room hire charges	2,412	3,023
	Surplus on disposal of assets	550	-
		12,185	6,071

# OPTIONS FOR LIFE

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

3 Expenditure – Charitable activities										
	Governance £	Activities undertaken directly £	Salaries £	Other employee & office £	Transport costs £	Building & Cleaning Costs £	Depreciation costs £	Management support £	2020 Total £	Total 2019 £
<b>Options for days</b>	-	92,827	1,214,832	131,540	95,996	92,615	28,763	328,796	1,985,369	2,059,089
Day Centres	-	-	-	-	-	-	-	-	-	-
<b>Options for support</b>	-	-	7,054	-	592	-	-	1,850	9,496	10,145
Supporting people	-	-	-	-	-	-	-	-	-	-
<b>Options for work</b>	-	15,655	40,543	1,608	12,630	60	303	10,196	80,995	78,204
Oak Green Services	-	-	-	-	-	-	-	-	-	-
<b>Administration and other activities</b>	19,284	756	254,960	82,501	-	5,265	11,616	(340,842)	33,540	17,939
Administration & premises	19,284	109,238	1,517,389	215,649	109,218	97,940	40,682	-	2,109,400	2,165,377

# OPTIONS FOR LIFE

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

### 4 Expenditure – Charitable activities

	2020 £	2019 £
<b>Management support costs</b>		
Salaries	254,960	303,322
Travel	679	1,423
Office costs	61,881	52,310
Recruitment and training costs	3,505	14,676
Consultancy and staff	14,303	7,425
Miscellaneous	2,889	10,932
Equipment depreciation	3,965	2,356
Building depreciation	7,651	13,211
Premises costs	5,265	1,581
	<u>355,098</u>	<u>407,236</u>
Less charges to services	<u>(340,842)</u>	<u>(404,138)</u>
	<u>14,256</u>	<u>3,098</u>

All support costs are allocated on a direct usage basis i.e. the best estimate of expenditure incurred directly in undertaking the activity.

### Governance costs

	2020 £	2019 £
Audit	8,366	8,066
Other insurance costs	3,805	4,171
Bank charges	934	1,295
Professional & consultancy fees	6,124	-
Miscellaneous	55	1,309
	<u>19,284</u>	<u>13,902</u>

### 5 Net movement in funds for the year

	2020 £	2019 £
The net movement in funds for the year is stated after charging:		
Depreciation of tangible assets	40,681	48,006
Operating lease expenditure	37,108	20,372
Audit	8,366	8,066

## OPTIONS FOR LIFE

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

#### 6 Staff costs

	2020 £	2019 £
Wages & salaries	1,483,866	1,506,216
Social security costs	77,553	85,049
Pension costs	43,189	37,296
	<u>1,604,608</u>	<u>1,628,561</u>

The average monthly number of staff employed by the charity during the year was as follows:

	Number	Number
Administrative	10	12
Project based	81	77
	<u>91</u>	<u>89</u>

#### Employer benefits to Senior Management Team Members

During the year to 31 March 2020 payments to key members of the management team in the form of salary and pensions amounted to £124,527. This compares with £148,384 for the prior year.

There were no employees whose annual emoluments were £60,000 or more.

#### Termination Payments

In 2019/2020 there were total termination payments of £17,464 relating to redundancy, notice period and settlement payments for eleven former employees. In 2018/19 there were no termination payments.

#### Payments to Directors/Trustees

In 2019/2020 no remuneration was paid to any trustees.

There was one travel expense reimbursement of £5 paid to a trustee in performing their duties in 2019/20. There were no trustee expenses in 2018/19.

# OPTIONS FOR LIFE

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

### 7 Tangible fixed assets for use by the charity

	Freehold properties £	Leasehold Improve- ments £	Office equipment / fixtures & fittings £	Vehicles £	2020 Total £
<b>Cost</b>					
As at 1 April 2019	1,585,963	17,042	134,197	90,700	1,827,902
Additions	-	2,450	26,494	-	28,944
Disposals	-	-	(1,550)	(17,250)	(18,800)
Theft	-	-	-	(18,400)	(18,400)
As at 31 March 2020	<u>1,585,963</u>	<u>19,492</u>	<u>159,141</u>	<u>55,050</u>	<u>1,819,646</u>
<b>Depreciation</b>					
As at 1 April 2019	331,176	2,415	107,679	90,400	531,670
Charge for the year	27,521	1,670	11,190	300	40,681
Disposals	-	-	(1,550)	(17,250)	(18,800)
Theft	-	-	-	(18,400)	(18,400)
As at 31 March 2020	<u>358,697</u>	<u>4,085</u>	<u>117,319</u>	<u>55,050</u>	<u>535,151</u>
<b>Net Book Value</b>					
As at 31 March 2020	<u>1,227,266</u>	<u>15,407</u>	<u>41,822</u>	<u>-</u>	<u>1,284,495</u>
Land at cost carried forward £210,000 is not depreciated (2019 - £210,000)	<u>1,227,266</u>	<u>15,407</u>	<u>41,822</u>	<u>300</u>	<u>1,296,232</u>

Land at cost carried forward £210,000 is not depreciated (2019 - £210,000)

<b>Investment</b>	<b>2020 £</b>
Investment	<u>10</u>

The investment comprises the whole of the issued share capital of 10 shares of £1 each of Options for Work Limited, a company registered in England and Wales (Registration number 07373367).

Consolidated financial accounts are not prepared as the subsidiary company was dormant during the year.

## OPTIONS FOR LIFE

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

#### 8 Debtors

	2020 £	2019 £
Trade debtors	154,788	101,569
Prepayments & sundry debtors	20,780	81,725
	<u>175,568</u>	<u>183,294</u>

#### 9 Bank and cash

	2020 £	2019 £
Bank accounts	782,220	681,951
Petty cash	6,613	7,440
	<u>788,833</u>	<u>689,391</u>

#### 10 Creditors: Amounts falling due in less than one year

	2020 £	2019 £
Trade creditors	26,659	23,629
Accrued expenses	26,450	29,847
Tax and social security	14,935	21,957
Pensions	7,753	6,378
Other creditors	3,655	3,990
	<u>79,452</u>	<u>85,801</u>



# OPTIONS FOR LIFE

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

### 11 FUNDS

	1 April 2019 £	Income £	Expenditure £	31 March 2020 £
<b>Restricted Funds</b>				
Sandwell MBC	190	10,433	(10,623)	-
Morrisons Trust	13,788	-	(13,788)	-
Post Code Lottery	8,567	-	(8,567)	-
Turner Trust	1,384	-	(346)	1,038
Edward Gostling Foundation	-	3,550	(208)	3,342
Rowlands Charitable Trust	-	1,000	(1,000)	-
Groundwork UK	-	1,000	(1,000)	-
Clothworkers Foundation	-	15,000	-	15,000
Richardson Brothers	-	3,000	-	3,000
Alfred Haines Charitable Trust	-	1,000	(150)	850
<b>Total restricted funds</b>	<b>23,929</b>	<b>34,983</b>	<b>(35,682)</b>	<b>23,230</b>

### Further information on the purpose grants received in 2019/20 :

Sandwell MBC	Grant towards the appointment of an apprentice social worker and a notional grant for payment of rent for land at Oak Green Lodge
Edward Gostling Foundation and Alfred Haines Charitable Trust	Being a contribution towards the refurbishment of a new supported living flat at the Ashes centre
Rowlands Charitable Trust	The grant was used to replace some equipment for Oak Green Services.
Groundwork UK	This funding was used to enable participants to make a trip to Blackpool
Clothworkers Foundation and Richardson Brothers	This grant will be used towards building a new sensory garden and equipment at Acorn Lodge centre.

# OPTIONS FOR LIFE

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

### 11 FUNDS (Continued)

#### Unrestricted funds

	2020 £	2019 £
Unrestricted capital funds brought forward	1,824,197	1,864,425
Movement for the year	87,027	14,772
Transfer to/from Designated Funds	(450,000)	(55,000)
Unrestricted funds carried forward	1,461,224	1,824,197

#### Designated funds

	2020 £	2019 £
Designated funds brought forward	235,000	180,000
Movement in the year	450,000	55,000
Total designated funds carried forward	685,000	235,000
<b>Total unrestricted funds</b>	<b>2,146,224</b>	<b>2,059,197</b>

### 12 Analysis of net assets between funds

	Tangible fixed assets £	Other net assets/ liabilities £	Total £
<b>Restricted</b>	-	23,230	23,230
<b>Unrestricted funds</b>			
Designated funds	-	685,000	685,000
Unrestricted funds	1,284,495	176,729	1,461,224
	1,284,495	884,959	2,169,454

### 13 Commitments under operating leases

At 31 March 2020 the Company had commitments under non-cancellable leases in respect of minibuses and photocopiers:

	2020 £	2019 £
Within one year	32,579	21,531
Within two to five years	71,374	52,001
	103,953	73,532

## OPTIONS FOR LIFE

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2020

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#### **14 Related party transactions**

There was one transaction involving a former trustee member that was undertaken at arm's length in the course of the business by the charity:

Martin Kemp resigned as a trustee in November 2019. He is a director of Maximalism Communications Ltd who were paid £2,160 during 2019/20 in connection with website licence and hosting fees.

#### **15 Post balance sheet events**

There are no other events that occurred after 31 March 2020 that are likely to significantly change what is presented in the financial statements or have an impact upon the status of the organisation as a going concern.

#### **16 Pension Commitments**

The Charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £43,189 (2019 £37,296). At 31 March 2020 contributions amounting to £7,753 (2019: £6,378) were payable to the fund and are included in creditors.

OPTIONS FOR LIFE

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2020

17 Statement of financial activities 2019

	Notes	Restricted funds £	Designated funds £	Unrestricted funds £	Total funds 2019 £
<b>Income from:</b>					
Donations & legacies		-	-	12,477	12,477
Charitable activities	2	49,356	-	2,134,414	2,183,770
Other trading activities	2	-	-	6,071	6,071
Investments		-	-	1,760	1,760
		<u>49,356</u>	<u>-</u>	<u>2,154,722</u>	<u>2,204,078</u>
<b>Expenditure on:</b>					
Charitable activities	3	<u>25,427</u>	<u>-</u>	<u>2,139,950</u>	<u>2,165,377</u>
Net (expenditure) / income		<u>23,929</u>	<u>-</u>	<u>14,772</u>	<u>38,701</u>
Transfer between funds	11	-	55,000	(55,000)	-
Net movement in funds		23,929	55,000	(40,228)	38,701
<b>Reconciliation of funds:</b>					
Total funds brought forward		-	180,000	1,864,425	2,044,245
Total funds carried forward		<u>23,929</u>	<u>235,000</u>	<u>1,824,197</u>	<u>2,083,126</u>