

**OPTIONS FOR SUPPORTED LIVING
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

**Charity number 1063038
Company number 02861966**

**OPTIONS FOR SUPPORTED LIVING
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FOR THE YEAR ENDED 31 MARCH 2019**

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**OPTIONS FOR SUPPORTED LIVING
CHARITY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019**

1.

TRUSTEES

The trustees who served during the year were as follows:

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

CHIEF EXECUTIVE AND LEADERSHIP TEAM

The management team for 2018/19 was as follows:

Chief Executive	Richard Williams
Finance Manager	Peter Jones (to 28 November 2018)
Finance Manager	Angeline Chikuruwo (from 5 November 2018)
HR Manager	Heidi McLean (to 12 October 2018)
HR Manager	Donna Carr (from 10 September 2018)
Development Manager	Sharon Smith
Development Manager	Marie Binns
Development Manager	Jill Bainbridge
Organisational Development & Innovations Manager	Lisa Goulding

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 Merchants Court Lord Street Liverpool L2 7XT	HSBC Bank plc 99-101 Lord Street Liverpool L2 6PG	Barclays Bank plc 50 Lord Street Liverpool L2 1TD
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The trustees present their report and audited financial statements for the year ended 31 March 2019.

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 2015).

Objectives and principal activities of the charity

Options is an organisation whose purpose 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.

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.

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 report into the premature death of people with learning disabilities. This has proven challenging work – particularly in relation to access to Health Action Plans developed 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.

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 system, supervisions and team meetings.

STRATEGIC REPORT

Achievements and Performance

In the year to 31 March 2019 we supported 90 people in more intensive supported living services (60 hours per week or more) and 70 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 reduction to last year as government cutbacks have meant fewer people being entitled to support, 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 is 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 Lead 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, with a rating of 'Good' overall and in each of the five areas of inspection. We have also met purchaser contract inspection requirements.

We regularly refresh our website and we have a comprehensive marketing strategy. 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.

Future Developments

Continued gentle expansion within the areas in which we currently work is our aim for 2019/20. 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 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.

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.

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.

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.

Organisation

The trustees employ a number of staff to run the day to day operations of Options. The Leadership Team consists of three Development Managers, an Innovations Manager, a HR Manager, a Finance 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 order for a decision to be passed there must be a quorum of at least three trustees present at the 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. As we have celebrated 25 years of work in this field last year with a Ball at Aintree Racecourse, we have also turned our focus to the next 25 years and the trustees will be approving a strategy for the next five years imminently.

Structure, Governance and Management (cont.)

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 both the benefits 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 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 by the trustees on a regular basis and any increases must be approved by them.

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. The withdrawal of Supporting People funding in Wirral and this not being replaced by local authority funding.
2. Wholesale re-provisioning/re-tendering of supported living by any of our major purchasers.
3. A move by purchasers (statutory) away from individualised support.
4. A major incident damaging our reputation.
5. The loss of key personnel within the organisation.
6. Budget cuts within local authorities squeezing our flexibility to work to our unique model, and support becomes unachievable within the principles we work to.
7. An inability to attract and retain staff of the quality we need to work as we do.

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 25 November 2019 and signed on its behalf by:



B Simpson
Chair of Trustees

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
OPTIONS FOR SUPPORTED LIVING
FOR THE YEAR ENDED 31 MARCH 2019**

7.

We have audited the financial statements of Options for Supported Living (the 'charitable company') for the year ended 31 March 2019 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 2019 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.

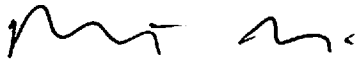
A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our audit report.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
OPTIONS FOR SUPPORTED LIVING
FOR THE YEAR ENDED 31 MARCH 2019**

9.

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

26 November 2019

OPTIONS FOR SUPPORTED LIVING
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2019

10.

	Notes	Unrestricted Funds £	2019 Restricted Funds £	Total Funds £	2018 Total Funds £
Income					
Income from investments	2	1,788	-	1,788	591
Income from charitable activities:					
Contracts and grants	3	7,144,628	14,079	7,158,707	6,981,168
Other income		30,623	-	30,623	19,209
Total income		<u>7,177,039</u>	<u>14,079</u>	<u>7,191,118</u>	<u>7,000,968</u>
Expenditure					
Expenditure on charitable activities	4	6,724,225	13,835	6,738,060	6,621,422
Total expenditure		<u>6,724,225</u>	<u>13,835</u>	<u>6,738,060</u>	<u>6,621,422</u>
Net Income and net movement in funds for the year	5	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	14	<u>3,922,879</u>	<u>6,687</u>	<u>3,929,566</u>	<u>3,476,508</u>

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

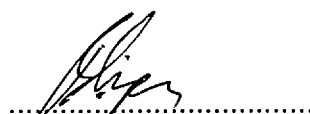
The notes on pages 13 to 22 form part of these financial statements

**OPTIONS FOR SUPPORTED LIVING
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2019**

11.

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Intangible assets	9		-		-
Tangible assets	10		-		-
			<u>-</u>		<u>-</u>
Current assets					
Debtors	11	642,050		464,953	
Cash at bank and in hand		<u>3,759,850</u>		<u>3,768,499</u>	
		4,401,900		4,233,452	
Creditors: Amounts falling due within one year	12	<u>(472,334)</u>		<u>(756,944)</u>	
Net current assets			3,929,566		3,476,508
Net assets			<u>3,929,566</u>		<u>3,476,508</u>
The funds of the charity:	14				
Restricted funds		6,687		6,443	
Unrestricted funds					
General		715,355		1,523,071	
Designated		<u>3,207,524</u>		<u>1,946,994</u>	
			3,929,566		3,476,508
			<u>3,929,566</u>		<u>3,476,508</u>

The financial statements were approved and authorised for issue by the Trustees on 25 November 2019 and are signed on their behalf by:



B Simpson
Chair of Trustees

Company number: 02861966

The notes on pages 13 to 22 form part of these financial statements

**OPTIONS FOR SUPPORTED LIVING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

12.

	Notes	2019 £	2018 £
Net cash (outflow)/inflow from operating activities	16	(10,437)	232,402
Cash flows from investing activities			
Interest income		<u>1,788</u>	<u>591</u>
Cash provided by (used in) investing activities		<u>1,788</u>	<u>591</u>
(Decrease)/Increase in cash and cash equivalents in the year		(8,649)	232,993
Cash and cash equivalents at the beginning of the year		<u>3,768,499</u>	<u>3,535,506</u>
Total cash and cash equivalents at the end of the year		<u>3,759,850</u>	<u>3,768,499</u>

The notes on pages 13 to 22 form part of these financial statements

1. 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 2015) - (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) 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.

(c) 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

(d) 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.

(e) 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.

1. Accounting Policies (cont)

(f) 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 between the SoFA categories on the basis of staff time spent on each activity.

(g) 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.

(h) 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 14 of the accounts.

(i) Operating leases

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

(j) 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. Income from Investments

	2019		2018	
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
	£	£	£	£
Bank deposit interest receivable	1,788	-	591	-
	<u>1,788</u>	<u>-</u>	<u>591</u>	<u>-</u>

3. Income from Charitable Activities

	2019		2018	
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
	£	£	£	£
<u>Contracts</u>				
Sefton Health	148,612	-	122,170	-
Sefton Social Services	970,752	-	974,285	-
Liverpool Social Services	2,224,023	-	2,090,552	-
Wirral Social Services	3,157,127	-	3,073,563	-
Wirral Supporting People	207,238	-	206,959	-
Wirral Health	164,345	-	156,544	-
Families Contributions	239,627	-	301,418	-
Children's Support	30,092	-	30,009	-
New Foundations	-	-	6,000	-
	<u>7,141,816</u>	<u>-</u>	<u>6,961,500</u>	<u>-</u>
<u>Grants and Donations</u>				
Big Lottery: Awards For All	-	-	-	9,465
Rathbone Investment Management	-	-	-	2,000
Goundwork UK	-	1,000	-	3,000
Liverpool Charity & Voluntary Services	-	3,479	-	-
Heritage Lottery Fund	-	9,600	-	-
Other Grants/Donations	2,812	-	5,203	-
	<u>2,812</u>	<u>14,079</u>	<u>5,203</u>	<u>14,465</u>
	<u>7,144,628</u>	<u>14,079</u>	<u>6,966,703</u>	<u>14,465</u>

4. Charitable Activities Costs

	2019		2018	
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
	£	£	£	£
Staff costs	6,446,251	762	6,113,498	-
Staff expenses	28,582	-	29,514	-
Travel, housing and sundry for People We Support	2,496	-	47,930	-
Other project activity costs	9,884	13,073	10,691	12,485
Premises costs	131,721	-	49,306	-
General administrative expenses	46,408	-	317,316	-
Legal and professional costs	58,883	-	40,682	-
	<u>6,724,225</u>	<u>13,835</u>	<u>6,608,937</u>	<u>12,485</u>

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

	2019		2018	
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
	£	£	£	£
<u>General support</u>				
Staff costs	375,452	-	312,793	-
Premises costs	45,511	-	24,653	-
General administrative expenses	(40,168)	-	205,968	-
Legal and professional costs	10,629	-	14,194	-
	<u>391,424</u>	<u>-</u>	<u>557,608</u>	<u>-</u>
<u>Governance function</u>				
Staff costs	375,450	-	312,788	-
Premises costs	45,509	-	24,653	-
General administrative expenses	86,576	-	111,348	-
Legal and professional costs	48,254	-	26,488	-
	<u>555,789</u>	<u>-</u>	<u>475,277</u>	<u>-</u>
Total	<u>947,213</u>	<u>-</u>	<u>1,032,885</u>	<u>-</u>

5. Net Income for the Year

This is stated after charging:

	2019	2018
	£	£
Depreciation	-	8,260
Amortisation	-	40,472
Auditors' remuneration:		
Audit of the financial statements	4,800	5,200
Operating lease costs:		
Land and buildings	<u>57,389</u>	<u>38,173</u>

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

	2019 £	2018 £
Wages and salaries	5,690,433	5,415,422
Social security costs	427,628	413,397
Pension costs	145,545	136,964
Training and development	104,647	77,169
Other staff costs	40,866	35,687
Agency staff	37,894	34,859
	<u>6,447,013</u>	<u>6,113,498</u>

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

Band	2019 Number	2018 Number
£70,000 - £80,000	<u>1</u>	<u>1</u>

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 £5,500 (2018 - £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 (2018 - 1).

No amounts were paid to any charity trustee or connected persons during the year (2018 - £nil). None of the trustees had any personal beneficial interest in any transaction entered into by the charity (2018 - none).

The key management personnel of the charity comprise the trustees, the Chief Executive Officer, Innovations Manager, Finance Manager, Personnel Manager and Development Managers. The total employee benefits (including employer's National Insurance contributions) of the key management personnel of the charity were £342,353 (2018 - £325,904).

7. Staff Numbers

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

	2019		2018	
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
Chief Executive	1	-	1	-
Support work	284	-	285	-
Management and administration	24	-	20	-
	<u>309</u>	<u>-</u>	<u>306</u>	<u>-</u>

8. Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

9. Intangible Fixed Assets

	Computer Software £	Total £
Cost		
At 1 April 2018	120,212	120,212
At 31 March 2019	120,212	120,212
Depreciation		
At 1 April 2018	120,212	120,212
Charge for the year	-	-
At 31 March 2019	120,212	120,212
Net book value		
At 31 March 2019	-	-
At 31 March 2018	-	-

10. Tangible Fixed Assets

	Leasehold Improvements £	Office Equipment £	Furniture & Fixtures £	Total £
Cost				
At 1 April 2018	22,006	102,711	13,580	138,297
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2019	22,006	102,711	13,580	138,297
Depreciation				
At 1 April 2018	22,006	102,711	13,580	138,297
Charge for the year	-	-	-	-
Disposals	-	-	-	-
At 31 March 2019	22,006	102,711	13,580	138,297
Net book value				
At 31 March 2019	-	-	-	-
At 31 March 2018	-	-	-	-

OPTIONS FOR SUPPORTED LIVING
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

19.

11. Debtors

	2019	2018
	£	£
Trade debtors	586,053	422,106
Other debtors	3,947	6,519
Prepayments	52,050	36,328
	<u>642,050</u>	<u>464,953</u>

12. Creditors: Amounts Falling Due Within One Year

	2019	2018
	£	£
Trade creditors	30,961	23,607
Other taxes and social security	102,180	103,966
Other creditors	21,062	5,791
Pension contributions	17,618	31,806
Short-term compensated absences (holiday pay)	62,062	60,267
Accruals and deferred income	238,451	531,507
	<u>472,334</u>	<u>756,944</u>

13. Operating Lease Commitments

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

	2019 £	2018 £
Land and buildings		
Within one year	57,719	57,719
Between one and five years	59,890	117,609
	<u>117,609</u>	<u>175,328</u>

14. Movements in Funds

	At 1 April 2018 £	Incoming Resources (Inc. gains) £	Outgoing Resources £	Transfers £	At 31 March 2019 £
Unrestricted funds:					
General funds	1,523,071	7,177,039	(6,708,231)	(1,276,524)	715,355
Designated funds	1,946,994	-	(15,994)	1,276,524	3,207,524
	<u>3,470,065</u>	<u>7,177,039</u>	<u>(6,724,225)</u>	<u>-</u>	<u>3,922,879</u>
Restricted funds:					
Riverside Group - ECHG	1,672	-	(1,672)	-	-
Big Lottery: Awards For All	3,726	-	(3,726)	-	-
The Will Charitable Trust	1,045	-	(752)	-	293
Goundwork UK	-	1,000	(1,000)	-	-
LCVS - Community Impact	-	1,500	(396)	-	1,104
LCVS - Craft & Jewellery Club	-	1,979	(1,979)	-	-
Heritage Lottery Fund	-	9,600	(4,310)	-	5,290
	<u>6,443</u>	<u>14,079</u>	<u>(13,835)</u>	<u>-</u>	<u>6,687</u>
	<u>3,476,508</u>	<u>7,191,118</u>	<u>(6,738,060)</u>	<u>-</u>	<u>3,929,566</u>

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 2019 was £715,355 (2018 - £1,523,071).

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 2019 are as follows:

New office base (2019: £750,000; 2018: £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.

14. Movements in Funds (cont.)

Unique Fund (2019: £36,000; 2018: £37,513)

Designated to enable the provision of enhanced support.

Tenant Property Investment (2019: £1,200,000; 2018: £1,000,000)

Designated for an investment by the charity in property, as Local Authorities are now seeking property solutions for the people we support.

Inclusion Projects (2019: £9,150; 2018: £3,631)

Designated for community projects which encourage people we support to socialise and participate in social events.

Contingency for lost income (2019: £1,212,374; 2018: £nil)

Designated contingency funds to cover 30% of contracted income for six months, and managing cash flow for day-to-day activities.

Restricted Funds

The **Riverside Group fund** relates to contributions received for furniture and appliances for the homes of supported people living in Riverside Housing Trust accommodation.

The **Big Lottery: Awards For All project** aims to recruit volunteers who would go on to provide support and social interaction for people with learning disabilities.

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.

Groundwork UK contributed to the funding for a farm project.

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.

15. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total £
Intangible fixed assets	-	-	-
Tangible fixed assets	-	-	-
Current assets	4,395,213	6,687	4,401,900
Current liabilities	(472,334)	-	(472,334)
Net assets at 31 March 2019	<u>3,922,879</u>	<u>6,687</u>	<u>3,929,566</u>

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

	2019 £	2018 £
Net movement in funds	453,058	379,546
Interest income	(1,788)	(591)
Amortisation	-	40,472
Depreciation	-	8,260
Increase in debtors	(177,097)	(252,462)
(Decrease)/Increase in creditors	(284,610)	57,177
Net cash (outflow)/inflow from operating activities	<u>(10,437)</u>	<u>232,402</u>

17. 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 £145,545 (2018 - £136,964). There was a amount of £17,618 (2018 - £31,806) payable to the scheme at the year end.

18. Contingent Liabilities

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