

Annual Report & Financial Statements

Year ended 31 March 2023



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Members and Advisors

Members of the Board

Mr C Poole (Chair)	Appointed 07.2022
Ms A Clements	
Mr M Clinton	Resigned 09.2023
Ms S Coomes	
Mr A Cross	
Ms D Esptein	Appointed 05.2023
Mr P Frackiewicz	
Mr C Gilmour	Appointed 09.2023
Ms J Griffiths	Resigned 10.2022
Mr I Lewis	
Ms L Morris	Resigned 04.2022
Mr R Thakrar	
Mr O Vallis	
Ms F Walker	Appointed 05.2023
Mr D Witharana	

Secretary

Mrs M Mills

Registered Office

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Registered Society Number

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Auditors

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Bankers

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EC14 5HP

Lloyds Bank
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London
EC2V 7HN

Website

activeprospects.org.uk

Chair and Chief Executive's Annual Report

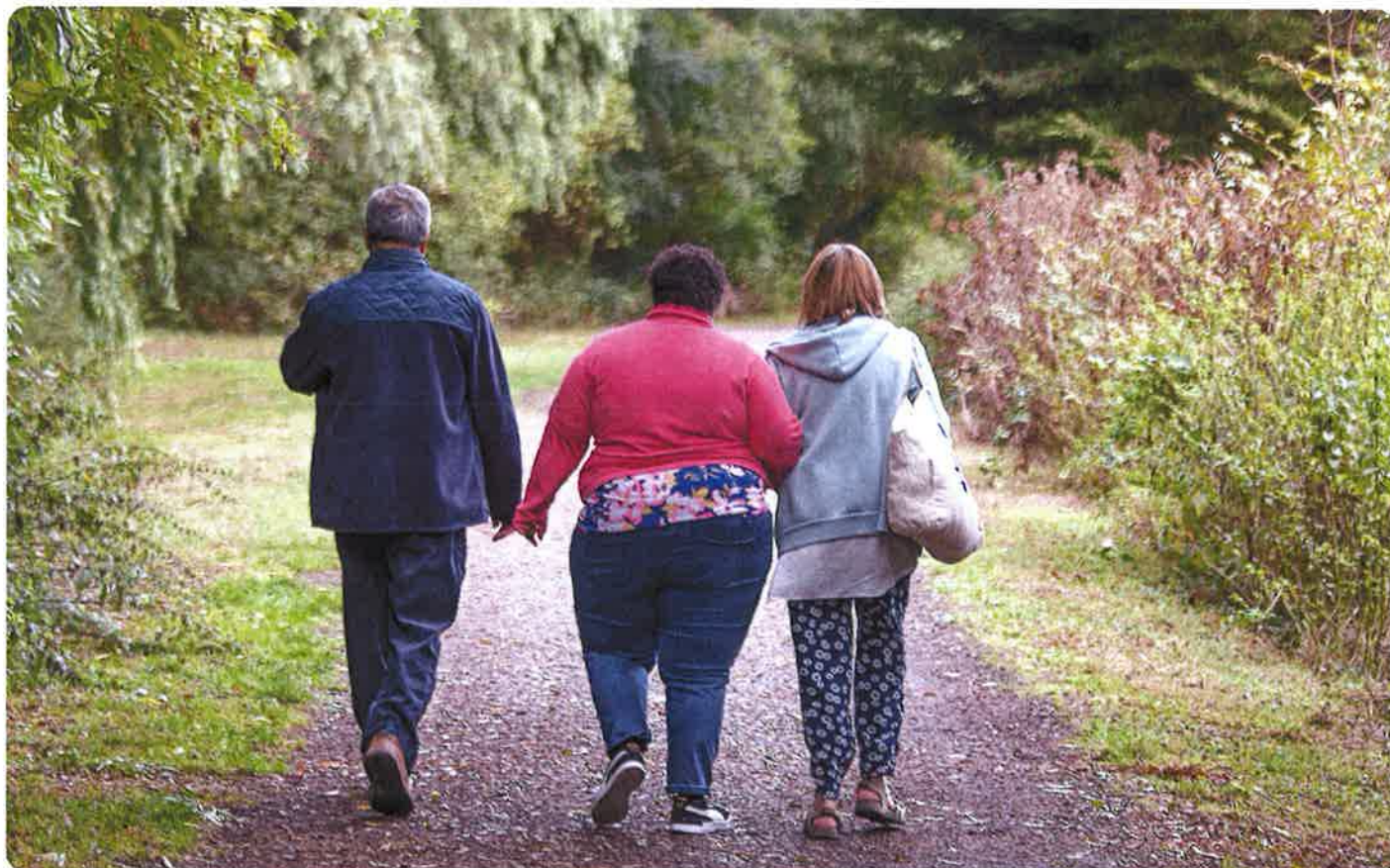
Directors Report

Active Prospects provides high-quality impactful supported living, residential and community services, activities, and employment, for people with learning disabilities and autism, physical and mental health needs across Southeast England.

We are ambitious for our people, staff, and organisation to be the best we can, and we are so proud of the energy, commitment and achievements that are made by everyone, to deliver our purpose.

We have grown from a turnover of **£6.9 million** in March 2016 to a turnover of **£14 million** for the year to March 2023, and onto £17 million the year after, doubling the numbers of people we support and continuing to add greater depth to our specialisms and offers to deliver our purpose.

We would like in our report to thank all our dedicated and hardworking staff, Members of the Board, People We Support Experts and our wider partners for shaping Active Prospects and enabling it to deliver our purpose. In particular we want to thank Owen Vallis who recently retired as Chair, acting as a key support in Active Prospects recent evolution and growth, with sound wisdom and inclusive stewardship.



Our Why and Our Vision

Our why (our mission and purpose) is to enable people to lead aspiring lives - words carefully chosen as people shape their own lives and we facilitate what matters to them, both ordinary and extraordinary.

We enable people to do the ordinary things that we all do – chose what to wear, eat, sleep, go out, meet friends, have loving relationships, look after our health and wellbeing, do something meaningful such as learn a new skills volunteer or have a job, have a tenancy, do our household chores, and so on.

We also enable people to dream big and do extraordinary things and support to make this happen – go on a big holiday, lead a campaign or project, change something in their community, do something for the first time that they have always wanted to do, climb a mountain, go to festival, and so on.

Our Vision for Active Prospects is to become Impactful regionally and nationally, through enabling people to improve their health and wellbeing.

Our Values

Aspiring – We are ambitious for our people and ourselves

Caring – We care about people and their wellbeing, acting with kindness and empathy

Trusting – We act with integrity, and are open, honest and transparent

Inclusive – We actively promote Equity Diversity and Inclusion in all we do

Vocal – We amplify the rights of people to have a good life with equitable health and wellbeing outcomes

Ethical – We work with integrity, uphold good governance principles and act sustainably.

This year we took a fresh look at our ACTIVE values. Our staff and people we support came together to explore how our organisational values could better reflect the changing times. We added two new values:

Vocal: this reflects how we use our voice to push for change. This year we ran the Care about Care campaign, to bring together providers and people receiving care to push for greater recognition of the essential role of social care within society. The campaign invited people to show their support by clicking on a heart symbol on our website and sharing supportive messages on social media. Over 1,000 different people clicked on the heart, and there were more than 10,000 impressions on Twitter and LinkedIn.

Our CEO Maria Mills is the Vice-Chair of the Surrey Care Association, and we have used our membership to push for fair funding from NHS and local government commissioners, and for sector reform through the Reinventing Social Care initiative. We fed into a House of Lords inquiry into Adult Social Care and published several articles in the sector press pushing for change.

Ethical: this reflects our commitment to acting ethically in everything we do. This year, 60 % of internal promotions were for staff from ethnically minoritised groups. We also published our second diversity pay gap report, which showed that the ethnicity pay gap had narrowed, while the mean gender pay gap was only 1.3 %, where women are paid slightly higher than men for the average hourly rate.

We promoted equity, diversity and inclusion by leading the 'Ambitious for Equity' programme across the Surrey charity sector, and by celebrating events such as Surrey Pride, Race Equality Week and Black History Month.

Last year we published our first Environmental Strategy, which set out ambitious plans to reduce our carbon footprint by improving all homes' EPC ratings to a level C over the next 10 years and aim for all new homes to have an A/B rating; reduce energy/water use by 10 %; and improving outdoor space by growing our own fruit and vegetables, improving biodiversity, and creating outdoor sensory spaces.

Our Approach

At Active Prospects we focus on three key things - quality, impact, and co-production. Working together is central to our purpose of enabling people to lead aspiring lives, establishing quality standards and approaches, with a drive to keep learning, improving, and innovating.

Active Prospects has increased its quality ratings through this period of growth, investing heavily in staff training, clinical leadership, coaching and quality assurance. All our services are rated as good by CQC, with half having outstanding domains.

Our co-produced outcome model evaluates how people are meeting their aspirational goals. We are driven to enable people to live their best lives and to have a full range of choices and opportunities, leading the lives they want and achieving the things that matter to them.

Our Underlying Pillars

A focus on quality and outcomes – we have significantly enhanced the quality of our provision over the last five years as this is absolutely the foundation to our success and that of our people. We invest in people's development and our systems to be the best we can.

Working side-by-side the people we support – our award-winning approach to co-production with the people we support is one of our strengths and this centres everything we do and continues to drive us forward. Our people shape their care, what matters in supporting their wellbeing, and enabling inclusive communities. They advocate for system-wide improvements to address health and wellbeing inequalities as Experts by Experience.

Being resilient – it is tough working in social care and being reliant on publicly-funded services, and made even tougher by a Cost of Living crisis, but we do it because we believe in the power of great care to transform people's lives and widen opportunities. We are caring and supportive as colleagues. We pay above the real living wage and campaign for fair wages for care staff as skilled employees.

Problem-solving – we will always strive to make things work and overcome difficulties and challenges together. If there are gaps in services or needs not being met we seek to address this. We are inspired by everyone throughout the organisation.

Focus on improvement – we invest in robust quality assurance giving us feedback and analytical reviews across all our areas. We identify, address, and learn from our mistakes and from things that are not working, adapting and evolving shared best practice.

Equity Diversity and Inclusion – we believe in a fairer equal world and play an active part in tackling discrimination and disadvantage and creating inclusive and accepting communities, where everyone can play a full and valued role.

Creative – we don't stand still: we constantly look for new ways to provide better care and wellbeing and innovating to help people to lead aspiring lives.

Collaborative – as an active part of the Voluntary Community and Social Enterprise Sector both locally and nationally we join forces to support an equal say in strategic discussions and to support and drive best practice approaches, so everyone can live well, healthy and fulfilled lives.

Entrepreneurial – we invest in our future and look at ways to generate income to deliver our objectives, to meet the aspirations of people we support and to enhance our communities.

Key Impact of our work over the last year

We have won National Awards in Social Enterprise, Workforce Development, Employee Wellbeing, Covid Leadership and Positive Behaviour Support highlighting our sector leading innovation and creativity.

We achieved a Great Place to Work Large Employer Rating of 17th nationally and the top placed care organisation for our sector, leading employee engagement with a national award for our wellbeing approaches and for woman's engagement.

100% of our CQC regulated services are rated overall as 'Good' with a half achieving 'Outstanding' ratings in individual domains. When Family and friends were asked if they would recommend Active Prospects to a friend 96 % of the respondents said they would. As part of our annual surveys we found that 100 % of the people we support felt that their service was caring or very caring.

We develop 20 new homes for people with learning disabilities and/or autistic people each year. This included two high quality capable environments in Redhill and Horley.

We have embraced digital working and have fully rolled out Sekoia our digital care management system to all services enabling enhancements to the management and service delivery information, and practice support with the people we support and have been using for the last two years to drive data analysis and quality improvement. Our digital transformation project continues to take forward systems across all areas of our business and use of assistive technology to support timely management and quality standards and analytical depth to understanding our people's needs and aspirations and impactful support. This includes rolling out Sona in 2023/4 to improve staffing capacity and rota management.

We re-achieved accreditation from the NHS as being compliant with their Data Security and Protection Toolkit and continued to maintain Cyber Essentials status.

We borrow and leverage our resources to meet our objectives. We have used our social funding from Social & Sustainable Capital (SASC) to open new services in West Sussex and Surrey and new mortgage finance arrangement with Barclays in a major partnership deal across our wide property portfolio.

We have become a regional leader in enabling people, often with complex needs and behaviours of concern, to leave hospital to live in bespoke homes in their community. We have supported over 40 people to do this in the last four years (outperforming many national providers) and saving the public purse over £2 million each year. We deliver a 64 % reduction in people's significant behaviours of concern through our specialist support programmes with a 94 % success rate for placements for people leaving hospital after three years. Recognising our expertise and delivery track record, several local authority commissioners have approached us to extend our offer into new areas and help more people, which we are making happen with new services in West Sussex and Brighton & Hove being delivered over the next year and more planned over the next three years with further reach planned across the Southeast.

Over the last 5 years we have secured £12 million of new NHS Capital Grant to develop much needed new homes for people leaving hospital in their own communities, recognising our leading regional role in the successor to the Transforming Care programme. We are extending our offer in Sussex with new specialist services in West Sussex and Brighton and Hove.

Our complex needs offer includes those with behaviours of concern, forensic histories, autism and mental health and those with profound and multiple learning disability. We currently support 31 people of who have complex needs. This is defined as:

- Having multiple diagnoses including Autism, Learning Disabilities, Serious Mental Illness
- Histories of Behaviour that puts themselves or others at risk of harm, or significantly impacts quality of life
- Frequent placement breakdowns or frequent or long-term hospital admission

We now support 5 individuals who were in hospital settings between 10 and 26 years, and have been settled in supported living for over 2 years, we also support 7 individuals who had to be placed far from home and are now back near their families successfully.

With all the challenges that the Social Care sector is facing, we have continued to show that it can be done. 2023-24 will be more sharing our success and joining in with the debates on mental health support for autistic, homes not hospitals and recognising the impact and excellent work that our support staff do.

Our approaches include

- **Capable Environments** – we plan and design our services around the needs of the individuals, creating robust homes that meet the sensory needs of individuals and are still cosy and homely.
- **Aspiring Lives** – all of our support aims to achieve the same vision, people living their best life, our support plans, training and quality assurance all measure this aim.
- **Wellbeing Outcomes** – we utilise a wellbeing approach measured across 8 domains on the basis that if you feel content, you are more able to cope and better equipped to manage life's ups and downs.
- **Positive Behaviour Support** – we provide functional assessments and behavioural strategies where needed.
- **Social Prescription and Wellbeing Coaching** – new to 2023 we have begun piloting a social prescription approach identifying activities, experiences and opportunities to give wellbeing a bump start.

Behavioural Outcomes for people with complex needs 2022- 2023

- 61 % of people had a decrease in number of behavioural incidents when compared to 2021-2022
- 87 % of behavioural occurrences were resolved without the need for physical intervention, emergency medication, restrictions and with no injury to self or others
- 100 % placement success rate – no placement breakdowns and no readmissions to hospital
Restrictions used
- 51 % of people have a Court of Protection DOLS
- 3 % have had all restrictions removed
- 4 uses of physical intervention in 2022-2023
- 0 uses of restraint

Health Outcomes for people with complex need 2023-2023

- 31 % have lost weight
- 61 % are having regular exercise
- 12 % are no longer obese
- 100 % have had annual health checks where available from GP's
- 2 people have had first dental check-up in over 5 years
- 1 person has had first blood test ever
- 1 person has met with diabetic nurse and consultant for first time in 3 years
- 2 people celebrated 3 years out of hospital after over a decade in hospital

We support the Pro-Active Community, now an independent charity we support, is leading the way in supporting people's voice and meaningful co-production input to addressing health and wellbeing inequalities including best practice in tackling obesity, access to birthing support, and accessible adaptive primary care and health screening. Experts by Experience have been involved in seven key pieces of research over the last year – shaping local services and national programmes.

We have led on a Surrey-wide project to tackle obesity among people with learning disabilities and/or autistic people as part of a programme with national significance and involved key partners and people with lived experience in our learning along the journey.

Results from Parents and Family Survey 2023

A family and friends survey was carried to identify any areas where we could make improvements that would have a positive impact on the people we support and highlight any areas of good practice. There were many positive comments received and acknowledgement of the care that is shown to people by our staff -

‘The staff are excellent. I feel they care about my son which is having a big effect on him and a secondary one on me. I feel relaxed for the first time knowing my son is in a good place’.

‘There is a very kind and caring team that look after my brother. The residents are all like a family, being looked after by a very professional team’.

‘Absolutely delighted with the team that support my son, particularly since they were all new to care. I think they are doing very well, and I appreciate the care they show towards my son’.

‘The staff are always thoughtful of my sister as a person. She is not treated just as a patient or a number, but as a person with her own thoughts and feelings and desires and moods’.

‘For the first time in years my son is happy. His confidence is growing as is his self-esteem’.

However, we recognise that there were areas we need to work on as an organisation concerning how our services are delivered. Slow replies to emails and phones not always being answered is an area for improvement for some services and communication in general was an area that this survey highlighted as in need of improvement.

Some of the people responding to the survey acknowledged the impact that the pandemic had had on access to activities and expressed the wish for a return to more active lives for their friends and family members.

Overall, however we saw positive trends in many areas. The survey we used was previously rolled out for friends and family. We have therefore compared the results to identify trends and areas for improvement.

- 95 % of respondents would recommend Active Prospects to a friend (compared to 96 % in 2022).
- 97 % of respondents thought that their relatives’ needs were being met (compared to 90 % in 2022).
- 100 % of respondents rated the overall care and

support received by their relative/friend as good or very good (compared to 88 % in 2022).

- 97 % of respondents rated the support and interaction provided by support workers as very good or good (compared to 86 % in 2022).
- 97 % of respondents thought support staff were very caring or caring (the same as in 2022).
- 100 % of respondents thought that their relative received very good or good levels of support and encouragement to live a full and active life (compared to 91 % in 2022).
- 87 % of respondents thought that support staff ensure their relative/friend accesses appropriate health checks and follow up. (compared to 83 % in 2022).
- 100 % of respondents felt their relative was safe and protected from avoidable harm (compared to 92 % in 2022).

Key findings:

- 95 % of respondents thought staff were responsive or very responsive to comments and suggestions (compared to 96 % in 2022).
- 63 % of respondents thought communication they receive about their relative’s support, health & wellbeing was good or very good (down from 75 % in 2022).
- 66 % of respondents thought general communication from Active Prospects was good or very good (compared to 60 % in 2022).
- 97 % of respondents agreed that the service manager for their relative/friend’s service is approachable (compared to 96 % in 2022).
- 87 % of respondents agreed that they knew how to make a complaint should they wish to do so (compared to 92 % in 2022).
- 93 % of respondents thought the overall appearance of their relative/friend’s residential service was good or very good (compared to 96 % in 2022).
- 93 % of respondents thought the homeliness of their relative/friend’s residential service was good or very good (compared to 92 % in 2022).
- 93 % of respondents thought the cleanliness of their relative/friend’s residential service was good or very good (compared to 92 % in 2022).

Results from People's Survey 2023

We noted some greater variation on the people survey this year. We did separate an online version for people with more capacity to answer this themselves more independently – but there were some questions with higher 'do not knows' with presumably less support from staff to perhaps explain the meaning of the questions. We are exploring this with our co-production groups, and action improvements at the time of writing this report.

- 97 % of respondents thought that their support staff were 'very caring' or 'caring', compared to 98 % in 2022.
- 90 % of respondents thought that support staff helped them to do the things they want to do either 'all of the time' or 'most of the time' (compared to 95 % in 2022).
- 95 % of respondents knew who their key worker is, compared to 75 % in 2022.
- 74 % of respondents thought that staff helped them to plan their personal goals, compared to 93 % in 2022 – but only 5 % said they were not - with a high net percentage saying they didn't know.
- 93 % of respondents rated the support they get as 'very good' or 'good' (compared to 98 % in 2022).
- 78 % of respondents said that they know how to make a complaint (compared to 76 % in 2022).
- 71 % of respondents said that they knew how to report abuse (compared to 73 % in 2022).
- 78 % of respondents felt that they are treated with dignity and respect in their home (compared to 97 % in 2022). There were high do not knows on this question.
- 85 % of respondents felt safe in their home (compared to 90 % in 2022).
- 88 % of respondents said that they were very happy in their home (compared to 97 % in 2022). Not one was unhappy but 12 % were neither happy or unhappy.
- 78 % of respondents felt involved in the running of their home (compared to 75 % in 2022).
- 85 % of respondents thought that the overall standard of their home was either 'very good' or 'good', compared to 93 % in 2022.

Aspiring Lives, Active Lives and EDI

We deliver an Aspiring Prospects programme, commissioned by Surrey County Council, which supports young people aged 17-24 with a learning disability and/or autism to gain the skills and experience they need to access paid or voluntary work, and have achieved mainstream funding.

We have extended our innovative Active Living programme of online activity sessions, which focus on health, wellbeing, learning new skills and active citizenship.

We raise over £600k each year through our fundraising and income generation initiatives adding deep value to deliver impactful support and support innovation and new initiatives. This year we have built the innovative EASI Cooking webtool in partnership with JP Morgan Chase, and have been selected as partners for a further force for Good Project with them to develop an innovative Wellbeing App.

We have attracted a grant of nearly £400k from the Surrey ICS and Surrey CC to develop an exemplar fast track careers programme. Working in partnership with key providers in the Statutory, VCSE and Independent Sectors and key system partners, we will achieve this through a values-based approach with the right 'brand' marketing and offer, competency development, support and accredited training which will build successful and deeply rewarding careers which improve the lives and wellbeing of people with Learning Disabilities and Autistic People in Surrey.

We continue to deliver our Equity, Diversity, and Inclusion Strategy. So far, we have delivered enhanced mandatory EDI training for all of our staff and trustees; promoted and celebrated specific awareness days and events (e.g., Pride and Black History Month); became a Disability Confident Leader, sponsored 6 staff to undertake the Skills for Care Move on Up programme focused on aspiring leaders from ethically minoritised groups. Our diversity pay gap reports show a positive gender outcome and improving ethnicity pay gap – with improving representation throughout our pay profiles. Delivery of the strategy is overseen by a group of staff drawn from across our services.

We also manage a newly resourced EDI fund for whole Surrey Voluntary Community and Faith Sector and play an active part in driving forward EDI outcomes across the sector.

Promoting health and wellbeing We have been acutely aware of the impact of the pandemic and cost of living crisis has had on people's wellbeing. We continued to implement our three-year strategy on promoting the physical and emotional wellbeing of our staff and people we support. The delivery of this strategy is overseen by a steering group comprising representatives of every team, and members of the Pro-Active Community. Some of the specific initiatives we have introduced include:

- Weekly Mindfulness sessions and chair-based exercises.
- Weekly fresh fruit initiative for all our staff.
- Rolling out Mental Health First Aid training across Active Prospects.
- Regular wellbeing events – mental health awareness, inclusive evening quizzes, health living events

Sector Leadership we pride ourselves in playing a leading sector role to ensure that the voices, ideas and needs of our people and communities are heard and involved in shaping local services and national policies. We represent the VCSE on the Surrey Heartlands ICB Partnership Committee and various Committees and Board to help shape local systems. We share our expertise in many areas and help lead and raise best practice.

Summary of Risks and Mitigation

Risk	Mitigation
Pandemic	<ul style="list-style-type: none"> - Clear plan, policies and guidance updated regularly and signed off by staff - Communication plan and regular updates - Extensive Infection Control systems and procedures in place
Cost of living pressures/and Cash flow: failure to maintain positive cash flow	Proactive <ul style="list-style-type: none"> - Monthly Review of development costs - Monthly cash forecasting and trend analysis - Daily cash/income checks - Weekly voids meetings - Staff utilisation weekly checks - Proactive relationship with Bank - Good levels of cash being maintained.
Income growth & diversification	<ul style="list-style-type: none"> - Flexing budget and overheads if development programme stalls/slows - Pro-active relationship management and development Systematic and rigorous approach to fee negotiations - Use and development of relevant KPIs. - Ensuring quality standards and reputation is enhanced and protected. - Evaluation of services and their financial viability - Strategic plan - growth through property strategy & geographical expansion
Lack of financial and budgetary control or delivering budget targets	<ul style="list-style-type: none"> - Management Accounts - Budgetary Control - Use of KPIs - Business Planning Reconciliation of control accounts - Void management - Appraisal of new business proposals - Authorisation Procedures (all purchases and staff appointments) - Up-to-date Internal Controls - Income and debt reconciliations updated. - Residents' monies procedures
Legislation & Policy changes - impacting on services	<ul style="list-style-type: none"> - Environmental scanning through networks and membership groups e.g., SCA, VODG and LDE - Annual strategic planning and business planning ensuring that political, economic, social and technological factors are covered - Campaigning in partnership with relevant groups - Property development and maintenance to meet required standards and expectations - Monitoring exempt rents changes for housing benefit and working proactively with Districts/boroughs and our mainly County lead commissioners

Risk	Mitigation
Age Profile of PWS : (Approx. 20 people +65 years old)	<ul style="list-style-type: none"> - Focus new business on younger client group - Care Assessment Reviews - Monitoring of profiles and strategic plans - Working in conjunction with SCA to ensure costs fully covered by SCC - Reassess people with more complex needs to ensure right level of support provided and funded
Safeguarding	<ul style="list-style-type: none"> - Staff Code of Conduct - Recruitment policy and procedures including appointment checks - Staff training & onboarding - Safeguarding reviews - Clear policy and procedures - Incident reporting, follow up and (where necessary) investigation - PR & Media Strategy
Business continuity (resulting from system failure, environmental condition, natural disasters, epidemic or terrorist activity)	<ul style="list-style-type: none"> - Updated Business Continuity plans and training for all managers - Disaster Recovery Plan -tested annually - Information Technology - Security - Regular Testing - Use of new technologies and approaches: especially cloud based - Information Technology Strategy - Cyber essentials
Staff : loss or failure to attract key staff/poor capacity	<ul style="list-style-type: none"> - Reviews of recruitment, rewards and retention - Staff appraisal and development - Organisational and Management Culture - Review of our values and further work to embed. - Effective communication - Development of working environments - Focus on first year project lead by Head of Quality
Governance - failure to meet requirements	<ul style="list-style-type: none"> - Internal & External Audit Functions - Use of external advisors - Senior staff with experience, knowledge & judgement - Annual Board Profile - HR Policies & Procedures - Staff Management & Training - Data Protection Policy - Egress System
Health & Safety Management – system failure	<ul style="list-style-type: none"> - Policies & Procedures - Staff Training Reviews - External partners – Citation,, Pyrotech and regular audits - Work with networks to ensure current practice. - Risk assessments - Investment in lead post and data management through Sekoia - Clearly defined roles and responsibilities

Risk	Mitigation
Commissioner Relationships: loss of contacts	<ul style="list-style-type: none"> - Stakeholder mapping and improvement plans - Board Reports - Personal Relationships - Pro-active use of events to develop links
Pension Liability: failure to provide for deficit	<ul style="list-style-type: none"> - Monitoring through Pension Reports & Statements (SHPS DB Scheme) - Revaluation Reports - Use of external advisors - Reporting in Statutory Accounts - Reserves Policy
Capital Development Plan: Non-Delivery	<ul style="list-style-type: none"> - Flexing programme with funders, commissioners and internal budgets and overheads - Thorough Investment Appraisals - Professional Project Management - Contract Construction & Management - Management Accounts - Staff recruitment plans - Contingency Planning - Impact on culture as organisation grows
Resilience and Wellbeing/ Cost of Living	<ul style="list-style-type: none"> - Wellbeing Strategy and awareness events - Wellbeing Resources - EAP, MHFAs, signposting, Apps, coaching - Team meetings and 1:1 support - Regular Structure Reviews - Weekly Helps and tips on cost of living - Hardship fund - Maintaining above Real Living Wage salaries

Analysis of financial results 2022/23

Our Turnover increased in 22/23 to £14.1m from £13.2m in 21/22. This was as a result of price uplifts and bringing new services fully into operation.

Over 2022/23 we were able to produce a small operating surplus of £284k compared to £343k in the prior year. This is against a background of high inflation and the cost of living crisis. We have managed this through careful cost control and losing a number of head office posts.

The growth in development has meant an increase in our fixed assets by £2m.

Our cash position has fallen slightly from £2.4m to £2.1m in 22/23 which is a result of grant cash for building works being received in March 22 which has been spent in 22/23.

Going concern assessment for Active Prospects

For Active Prospects 2022/23 was like for all organisations in the care sector a real challenge both operationally and financially. However, we are pleased to say we have come out of 22/23 still in a strong financial position.

As an organisation we have felt the impact of the cost of living rises and the shortage of skilled staff in the labour market. In addition to the tail end impacts for social care of additional requirements for the pandemic.

In terms of the pandemic at the beginning of the year we were still bound by government rules which meant mask wearing, 5-day isolation periods for positive cases and regular testing of staff. We received a final Grant payment related to additional Covid costs in April 2022. The government in April 2023 changed all Covid rules which included the end of free testing and PPE as well as the lift on mask wearing and 5-day isolation periods. The stance was to treat Covid as Flu or colds in terms of organisational response unless an outbreak of three or more individuals were positive from one source within a care home.

The cost of living has impacted our organisation in multiple ways.

- We have seen dramatic increases to all our ongoing maintenance costs in terms of both raw materials and contractor costs.
- In nearly all our services we have commercial utility contracts they were on a two-year fixed contract until Oct/Nov 2022. Since then, we have seen an increase of approximately 300 % in our overall costs. Some of these costs have been passed on to our tenants directly but we are still bearing a large uplift for all shared areas.
- All other consumables including food have increased by inflation and continue to do so.

To manage these increases, we have been extremely prudent in terms of our cost management and have had to make a number of head office posts redundant or not back filled leavers. In addition, we have worked to rationalise our supplier base to ensure maximum value for each pound we spend.

We were able to continue to develop new services in the year funded with monies from the NHS. We have brought on stream a six-bed unit for Transforming Care in Brighton Road, Horley. We will also soon be opening a six-bed unit again for Transforming care Great Meadows in Redhill. We have also redeveloped a number of units that had been temporarily shut during the pandemic. These will be coming on stream mid-2023.

As seen in the press the care industry has struggled to recruit and retain staff especially during the pandemic. We have worked tirelessly to make sure we keep a core number of staff and limit the need for agency staff. We have increased the benefits package to staff and were able to increase the bases pay rate by 6.8 % in March 2023, as well as paying a one-off bonus to staff in October 2022.

We were still able to produce an operating surplus in 2022/23 and have maintained a strong cash position.

The Board has formally considered all key factors and considers that the organisation remains a going concern.

Our reserves policy

Many of Active Prospects' activities relate to the provision of services that would likely be transferred to a new provider if Active Prospects were unable to continue to deliver those services and the associated operational staff would TUPE to that new provider.

Our approach to reserves is to try and ensure we have enough free reserves and cash to maintain normal operational activities and to be able to fund additional expenditure should there be a need to restructure.

With this in mind, we have adopted an approach to free reserves which is enough to:

- 1) Allow time for a reorganisation in the event of a downturn in income. Assuming core central running costs which is approx. £1.6m per qtr.- under such circumstances operational staff would transfer to new providers. This should provide sufficient time to restructure the organisation.
- 2) Have sufficient funds to enable the organisation to self-fund ongoing developments and to manage unexpected property or other costs. The target being 10 % of turnover (currently £1.4m).

Our current total reserves are £3.4m. In 2022-23 a designated element of £0.68m has been separately identified in our reserves to be aligned with the Repairs Reserve for longer term repairs and renovations across our properties. This leaves £2.7m of Unrestricted Funds of which £2.1m are free reserves in the form of cash on hand and in the bank. This would enable us to satisfy both the short- and medium-term criteria set out above.

Trustee governance, responsibilities and training

Active Prospects regularly reviews the skills and competencies of those on its Management Board and Sub-Committees to support meeting its governance requirements and strategic objectives, as well as to represent its communities. Board Members are appointed on three-year terms with a maximum tenure of 9 years. The Board and its sub-Committee all have clear terms of reference and each meet four times a year with an additional annual away day focused on key strategic themes and learning and development.

The Board agrees the broad strategy of the organisation, borrowing and investment strategies, risk management policies and performance. The Board are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. In preparing the financial statements the Board are responsible for:

- Selecting suitable accounting policies and applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Stating whether the financial statements have been prepared in accordance with applicable law;
- Preparing the financial statements on the going concern basis unless it is inappropriate so to do.

We recruit new Board Members through an open and transparent process. We use external advertising and consultants to increase our reach beyond our owned channels (e.g. website and social media accounts) with an interview process against role descriptions. New members are provided with a thorough induction to support their understanding of governance requirements, strategy, operations, finance and risk. Training and learning is offered on an ongoing basis to support key areas, ranging from equity, diversity and inclusion, through to safeguarding and pension management. There is an appraisal process every two years to consider individual and collective development and this informs further governance support.

Officer roles are elected by members at the Board meeting following the AGM with appointments made on a 3-year term and maximum 2 terms.

Delegation of Responsibilities

The Organisation's Standing Orders which were reviewed in 2021 to consider what is the Board's responsibility and what is delegated to the Executive staff team. These are available on our website.

Ref	Authority for	Delegated to
21.1 Annual returns to regulatory bodies		
AR1	Approving Annual Returns to Mutual Register as part of the Financial Conduct Authority	Company Secretary - currently the Chief Executive
21.2 Governance and strategic management and control		
G1	Approval of Strategic Plan	Board
	Approval of Business Plan	Board
	Approval of subsidiary 3-year strategies such as Property, Business Development, Marketing, Quality, Equity Diversity, and Inclusion, Training and Development Strategy etc	Relevant Committee, noted by Board.
	Annual plans for Teams and Departments	Executive Management Team
G2	Approval of authorised signatories	Board
G3	Approval of recommendation to the AGM on the appointment of the external auditors	Board, on recommendation from the Finance Audit & Risk Committee
G4	Approval of appointment of internal auditors	Board, on recommendation from Finance Audit & Risk Committee
G5	Recommending the external and internal audit fees	Board, on recommendation from Finance Audit & Finance Committee
G6	Agree any remedial action identified by the internal auditor	Board, on recommendation Finance Audit & Risk Committee
G7	Preparation and issue of notice, agenda, papers and minutes for meetings of Board	Chief Executive, in consultation with the Chair
G8	Approval of draft minutes of Board meetings	Chair
G9	Preparation and issue of notices, agenda, papers and minutes Committees	Chief Executive, in consultation with respective Chairs
G10	Preparation and issue of notices, agenda, papers and minutes of Hearing/Appeals/ Advisory Panels, and Working Groups (parties/groups/panels)	Chief Executive (unless the subject of a hearing or appeal) in consultation with respective Chair
G11	Approval of draft minutes of Committee meetings	Appropriate Chair
G12	Preparation and issue of notice, agenda, papers and minutes for AGM	Secretary, in consultation with Chair

Ref	Authority for	Delegated to
21.2 Governance and strategic management and control (continued)		
G13	Approval and Monitoring of all Registers required by Regulators	Board and for asset/financial registers on recommendation from Audit & Finance Committee
G14	Maintenance of all Registers required by Regulators	Chief Executive

Ref	Authority for	Delegated to
21.3 Finance and Risk Management		
F1	Agreeing Financial Regulations and Procedures	Board
F2	Approving borrowing and investment strategies and principles	Board
F3	Ensuring borrowings and investments comply with statutory and regulatory requirements and Rules	Chief Executive, Finance Audit & Risk Committee and Board
F3	Reviewing the Organisation's statement on internal control systems prior to endorsement by Board and reviewing business risk and the management of these risks.	Board on recommendation from Finance Audit & Finance Committee
F4	Approval of Annual Accounts	Board on recommendation From Finance Audit & Risk Committee
F5	Approval of Budget	Board on recommendation from Finance Audit & Risk Committee
F6	Monitoring financial performance and reporting to the Board	Chief Executive, Director of Finance and Finance Audit & Risk Committee
F7	Ensuring annual external audit carried out	Finance Audit & Risk Committee and Director of Finance
F8	Agreeing and implementing remedial action identified in the course of the annual external audit	Finance Audit & Risk Committee (reporting to Board)
F9	Agreeing and overseeing the implementation of changes to accounting policies and practices	Finance Audit & Risk Committee.
F10	Agreeing the opening and closure of bank or building society accounts Holding of all bank and cheque books and other financial documentation	Board, on recommendation from Finance Audit & Risk Committee Director of Finance
F11	Approve the terms of all insurances	Finance Audit & Risk Committee.
F12	Agree internal management control systems	Finance Audit & Risk Committee
F13	Incur and instruct payment of all items of budgeted expenditure within the terms of agreed budgets and financial regulations	Chief Executive and officers specifically identified in Financial Regulations

Ref	Authority for	Delegated to
21.3 Finance and Risk Management (continued)		
F14	Agree action to address short term cash flow difficulties	Board
F15	Approval of the setting of annual rents and service charges	Board
F16	Agree to write off rent, rechargeable repairs, care invoices or other tenancy related debt within the terms of financial regulations above £20k a year (profile to come to the Finance Audit & Risk Committee as part of agreeing annual accounts)	Board
F17	Agreeing process for appointment of new contractors and consultants under the terms of the procurement policy	Chief Executive
	Maintenance of list of current contractors/ consultants – annual reporting	Board
F18	Negotiating terms of loans to fund Organisation short, medium- and long-term requirements and making recommendations to the Board	Board
F19	Approving loan terms or parameters	Board
F20	Negotiating grant(s) to fund individual developments or acquisitions	Chief Executive

Ref	Authority for	Delegated to
21.4 Employment and employer responsibilities		
E1	Approve overall staffing budget	Board
	Approval of Executive Management Team roles	Board
	Approval of new or changed job roles (excluding EMT EMT) within budget	Executive Management Team
E2	Approve significant changes to terms and conditions of employment.	Board on recommendation from the People and Remuneration Committee
E3	Development and negotiation of all issues relating to remuneration of staff,	Board on recommendation from the People and Remuneration Committee

Ref	Authority for	Delegated to
21.4 Employment and employer responsibilities (continued)		
E4	Approving pension policy and arrangements and any other non-contractual benefits e.g. death in service benefits	Board
	Day to day pension operations and signatory	Director of Finance
E5	Recruitment of Chief Executive	Board
E6	Recruitment of Executive staff	Chief Executive/ Board
E7	Line Management of Chief Executive	Chair
E8	Line Management of senior staff	Chief Executive
E9	Line Management of all other staff	Appropriate director/manager/team leader
E10	Grievance and Disciplinary issues relating to Chief Executive	Chair
E11	Grievance and Disciplinary issues relating to Executive staff	Chief Executive or Board member
E12	Grievance and Disciplinary issues relating to all other staff	Appropriate manager/team leader
E13	Appeals Grievance, Disciplinary	One grade above hearing
E14	Dismissal	Panel and one EMT member with HR advice
E15	Suspension	EMT member with HR advice
E16	Whistleblowing outcome	EMT member, or Board if involve an Executive Team Member
E17	Redundancy	Less than 5 members of staff and no senior managers – Executive Management Team Otherwise Board, following recommendation from the People and Remuneration Committee

Ref	Authority for	Delegated to
21.5 Housing, property management and care/service delivery		
H1	Signing tenancy agreements	Supported Housing Officer, Property Team Coordinator,
H2	Entering into new management agreements or leases for supported or temporary housing	Board
	Renewing management agreements or leases for supported or temporary housing	Chief Executive, Director of Property
H3	Entering into agency agreements for the receipt or provision of housing or property services e.g. management services, where these have financial or policy implications.	Board or as delegated to Chief Executive
	Renewing agency agreements for receipt or provision of housing or property services	Chief Executive, Director of Care, Director of Property
H4	Instructing Recovery Action for breach of tenancy conditions	Director of Property and Director of Care
H5	Approving Eviction	Director of Property and Director of Care
H6	Approving the terms of the customer satisfaction survey	Director of Care
H7	Appointment of Contractors and Consultants for works, goods and services under the terms of the procurement policy, within budget and financial regulations.	Chief Executive or designated officer
H8	Agreeing the 30-year Property management plan and 3-year major repairs plan	Board
C1	Agreeing individual care contracts within an agreed framework	Director of Care
C2	Ending a care contract for an individual	Chief Executive
C3	Agreeing care/service contract value >£500k a year	Board, less £500k Chief Executive

Ref	Authority for	Delegated to
21.6 Acquisition, Development or Disposal of land or property		
D1	Disposal of land and property	Board
D2	Taking and granting of leases over 3 years	Board
D3	Negotiating terms for the acquisition of sites or property and making recommendations to Board of Trustees	Chief Executive
	Approving Site or Property Acquisition	Board
D4	Approving: <ul style="list-style-type: none"> • in principle investment in new development or acquisition; • outline development proposals; • the establishment of development contracts or offers to purchase; • associated terms and parameters 	Board, on recommendation of the Business Development Committee
D5	Negotiating or procuring development or acquisition contracts within set parameters	Chief Executive
D6	Agreeing savings to individual schemes:	Chief Executive
D7	Approving claims against Contractors/ Consultants Intimating claims to contractors or consultants	Chief Executive, Director of Finance

Public Benefit Guidance

Our trustees/Board Members review all applicable guidance and meet all requirements as an organisation with a charitable purpose.

Our charity trustees must ‘have regard’ to the commission’s public benefit guidance ‘when exercising any powers or duties to which the guidance is relevant’.

‘Having regard’ to its public benefit guidance means our charity trustees should be able to show that:

- they are aware of the guidance
- they have taken it into account when making a decision to which the guidance is relevant
- if they have decided to depart from the guidance, they have good reasons for doing so

This requirement is covered in our board member’s handbook and as part of their induction. We review compliance with the Charity Codes and guidance regularly and make decisions with these in full regards.

Our future plans

Our Forward strategy highlights our plans for the next three years and our key developments, targets and goals. We recognise the challenges of Social Care being in crisis, severe Cost of Living pressures and volatile policy changes. We will however focus on being Louder and remaining Resilient and Impactful.

Decades of underfunding and neglect from Governments has seen thousands of people unable to get the care they need and a sector workforce that whilst bigger than the NHS, is not valued by society nor paid fairly in comparison to similar roles.

We are actively leading campaigns to create a new and fair deal for social care, with people who are supported and for our social care staff, and to shape local and national approaches and services. Whatever happens – we will be the best organisation we can be.

Our Key Strategic Objectives

- A Louder Voice Supporting people to have a strong impactful voice in shaping their health and wellbeing locally and nationally
- An Aspiring Life Enabling people to lead ordinary and extraordinary lives with equitable health and wellbeing outcomes
- An Employer of Choice Sector Leading employee engagement, learning and wellbeing, enabling our staff to flourish
- A Creative Approach Investing in innovation, increasing our fundraising, and working in deeper collaboration
- A Good Organisation Leaner, sustainable and resilient, enabled by digital systems, with a foundation of Equity Diversity and Inclusion

Key Goals in our Active Plan

A Louder Voice Supporting people to have a strong impactful voice in shaping their health and wellbeing locally and nationally.

- To continue to build our co-production work and range of impactful projects and programmes alongside The Pro-Active Community and experts by experience
- To Increase the visibility and reach of our Voice work through regional and national events and programmes, showcasing collaborative work alongside key influencing bodies each year
- To further progress our work on developing and sharing best practice to support healthy weight and lifestyles with people with a learning disability in Surrey and other Integrated Care Systems
- To further build relationships with universities and research bodies to deliver expert by experience informed and evidence-based work to addressing health inequalities
- To further accredit of our co-production work and competencies of our experts by experience

An Aspiring Life Enabling people to lead ordinary and extraordinary lives with equitable health and wellbeing outcomes.

- To position our offer and expertise as a complex care provider from September 2023
- To launch our Aspiring Lives care and support model and outcome framework by June 2023 with qualitative progression analysed every 6 months
- To update our strategies and best practice development with linked training, for supporting older people, autistic people, health condition management, forensic support, people with mental needs, and complex care within a detailed delivery plan from September 2023
- To continue to be a leading provider of services to people requiring intensive support leaving hospital – and both consolidating and extending our reach in the Southeast with 20 new homes coming into management each year
- To pilot innovative new services that address unmet needs including support for autistic people with mental health needs, support for people with complex needs and further application of assistive technology
- To support people's financial wellbeing through the cost-of-living crisis and enable people to live their best life possible

An Employer of Choice Sector Leading employee engagement, Learning and wellbeing, enabling our staff to flourish.

- To lead collaborative sector and place-based work development projects to attract people to work and develop in our sector, with fair rates of pay, within a framework agreed by October 2023.
- To ensure our Inclusive Wellbeing Committee develops and drives an updated Strategy for 2023-6 to support staff wellbeing and resilience from June 2023
- To continue to offer comprehensive workforce development for all our roles and experts by experience with updated opportunities promoted every 6 months
- To develop and deliver new coaching approaches for managers linked to practice-based competencies from January 2024
- To retain top 100 Great Places to Work Large Organisations position and drive continuous improvement in our staff engagement, wellbeing and retention.
- To place our culture and values at the heart of our organisation, with ongoing programmes supporting their evolution and being embedded in all we do.

A Creative Approach Investing in innovation, increasing our fundraising, and working in deeper collaboration.

- To support our culture of innovation throughout Active Prospects with a new framework developed by October 2023
- To attract £500k a year new funding through fundraising and partnerships
- To position further on sector alliances and partnerships with an updated strategy by September 2023
- To update our positioning with Commissioners across the South East with an updated plan produced from September 2023
- To further develop our learning and employment offer for young people and the people we support with an updated offer by December 2023
- To update our marketing strategy to support our new strategic objectives by September 2023

A Good Organisation Leaner, sustainable and resilient, enabled by digital systems, with a foundation of Equity Diversity and Inclusion.

- To provide high quality safe home environments with housing support, working towards delivery of our ambitious sustainability goals.
- To continue to deliver a programme of system reviews and development focused on impactful digital investment and leaner processes.
- To update our EDI strategy and action plans by December 2023, continuing to drive our sector leading work in this area.
- To maintain our continued viability through dynamic management of our business and the challenges facing us including effective procurement and cost management, and sustainable funding negotiations.
- To continue to develop our risk management including policy changes to exempt rents, social care funding reforms, and continued cost of living and high inflation.
- To look at our borrowing and partnership strategies from April 2024 so that we may continue to develop more homes.
- To support and develop our governance to support our Plan, including piloting a Chair Advisor/Co Chair who is an expert by experience from June 2023, and reviewing our formalised co-production structures with the people we support.

We continue to look forward to everyone working together to deliver our plans and enable us to be the best organisation we can be and also make the best impact we can for the people and communities we serve.

Report of the independent auditors on the financial statements

Opinion

We have audited the financial statements of Active Prospects for the year ended 31 March 2023 which comprise of the Statement of Financial Activities, the Balance Sheet, the statement of changes in reserves, the Cash Flow Statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 society's affairs as at 31 March 2023 and of its incoming resources and application of resources 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 Co-operative and Community Benefits Societies Act 2014.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the information given in the Chair & Chief Executives' and Members' Annual report is inconsistent in any material respect with the financial statements; or
- the society has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities statement set out in page 15, the members 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 board members determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the society'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 members either intend to liquidate the society or to cease operations, or have no realistic alternative but so to do.

Auditor's Responsibilities for the audit of the financial statements

We have been appointed as auditor under section 83 of the Co-operative and Community Benefit Societies Act 2014 and report in accordance with regulations made in that Act. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the society.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the society and considered that the most significant are the Co-operative and Community Benefit Societies Act 2014, the Society SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the society complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement on the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instance of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

This report is made solely to the society's members, as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 any party other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP

Statutory Auditor

date: 26 / 10 /2023

9 Appold Street

London

EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Statement of Financial Activities

Year ended 31 March 2023

	Note	2023 £	2022 £
INCOME	3		
Donations		4,940	5,119
Charitable Activities		14,039,043	13,202,269
Other Trading Activities		65,534	42,522
Investment		1,433	30
Other Income		-	20,503
Total Income		14,110,950	13,270,443
EXPENDITURE	4		
Raising Funds		79,932	120,150
Charitable Activities		13,747,060	12,807,158
Other Services		-	-
Total Expenditure		13,826,992	12,927,308
Net Income		283,958	343,135
Actuarial losses on defined benefit pension schemes	19	(53,220)	(111,242)
NET MOVEMENT IN FUNDS		230,738	231,893
Reconciliation of funds			
Funds brought forward		3,162,637	2,930,744
Funds carried forward		3,393,375	3,162,637

All amounts relate to continuing activities.

Balance Sheet

As at 31 March 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Housing land and buildings	8	20,412,633	19,346,230
Other fixed assets	9	1,190,212	250,998
		21,602,845	19,597,228
CURRENT ASSETS			
Debtors	10	973,789	1,056,186
Cash at bank and in hand		2,102,343	2,419,232
		3,076,132	3,475,418
LESS CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	(2,364,656)	(2,007,551)
Deferred Income	12	(466,160)	(402,938)
		(2,830,816)	(2,410,489)
NET CURRENT ASSETS/LIABILITIES		245,316	1,064,929
TOTAL ASSETS LESS CURRENT LIABILITIES		21,848,161	20,662,157
CREDITORS: amounts falling due after more than one year			
Loans	13	(5,154,447)	(5,876,186)
Pension -defined benefit liability	21	(552,781)	(637,199)
Unamortised grants	15	(12,747,558)	(10,986,135)
		(18,454,786)	(17,499,520)
NET ASSETS		3,393,375	3,162,637
CAPITAL AND RESERVES			
Share Capital	16	62	62
Unrestricted funds	17	3,393,313	3,162,575
		3,393,375	3,162,637

These financial statements were approved and authorised for issue by the Board and signed on its behalf by:

Sarah Coomes

S Coomes
Board Member

Maria Mills

M Mills
Secretary

Chris Poole

Chris Poole
Chair

Statement of changes in reserves

Year ended 31 March 2023

	Share Capital	Unrestricted Funds	Restricted Funds	Total
Balance at 1 April 2021	62	2,924,184	6,498	2,930,744
Surplus/(deficit) for the year	-	238,391	(6,498)	231,893
Balance at 1 April 2022	62	3,162,575	-	3,162,637
Surplus /(deficit) for the year	-	230,738	-	230,738
	-			-
Balance at 31 March 2023	62	3,393,313	-	3,393,375

Statement of cash flows

Year ended 31 March 2023

	2023 £	2022 £
Net cash provided by operating activities	633,565	795,876
Interest paid	(337,207)	(286,495)
Net cash inflow from operating activities	296,358	509,381
Cash flows from investing activities		
Investment income received	-	-
Capital grant received	1,964,745	3,636,000
Payments to acquire tangible fixed assets	(2,453,700)	(3,877,663)
Proceeds from sale of fixed assets	-	909,210
Net cash (used in)/provided by investing activities	(488,955)	667,547
Cash flows from financing activities		
Share capital paid in	-	-
Increase in short term borrowing	-	-
Repayments of hire purchase agreements	(7,541)	(10,288)
Repayment in borrowing	(116,751)	(116,770)
Net cash (used in) financing activities	(124,292)	(127,058)
Change in cash and cash equivalents	(316,889)	1,049,870
Cash and cash equivalents brought forward	2,419,232	1,369,362
Cash and cash equivalents carried forward	2,102,343	2,419,232

Notes to the cashflow

Reconciliation of net income /(expenditure) to net cash used in operating activities

Net income(expenditure for the year	283,958	343,135
Profit/loss on disposal of fixed assets	-	(20,502)
Interest paid	337,207	286,495
Amortisation of grants	(203,322)	(166,009)
Depreciation	448,083	361,767
Decrease/(increase) in debtors	82,397	(57,720)
(Decrease)/increase in creditors	(236,758)	62,836
Increase/(decrease) in defined benefit pension provision	(78,000)	(14,125)
Net cash (outflow/inflow from operating activities)	633,565	795,876

Notes to the financial statements

Year ended 31 March 2023

1. ACCOUNTING POLICIES

Entity status

Active Prospects is a community benefit society registered under the Co-operative and Community benefits Societies Act 2014. It has charitable objectives and is recognised as charitable by HMRC. The registered office is at 1 Castlefield Court, Church Street, Reigate, RH2 0AH.

Basis of Accounting

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which includes Accounting and Reporting by Charities, Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in accordance with Co-operative and Community Benefit Societies Act 2014.

The accounts are prepared under the historical cost basis. The society is a Public Benefit entity as defined by FRS 102.

The financial statements are prepared in sterling which is the functional currency of the society. Monetary amounts in these financial statements are rounded to the nearest pound.

Assets and Liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. Fair value movements are dealt with through the income statement.

Going Concern

The Board have assessed whether the use of the going concern basis is appropriate and have considered possible events and conditions that might cast significant doubt on the ability of the society to continue as a going concern. The Board has made this assessment for a period of at least one year from the date of approval of the financial statements.

In view of the level of assets held and the projected income, expenditure and cash flows, the Board has concluded that there is a reasonable expectation that the society has adequate resources to continue in operational existence for the foreseeable future.

The society therefore continues to adopt the going concern basis in preparing its financial statements.

Subsidiary Company

The financial statements reflect the results and financial position of Active Prospects only and not its wholly owned subsidiary Hethersett Housing Association Limited because the entity was dormant during the current and previous financial years.

Income and Expenditure

Income and expenditure are accounted for on the accruals basis, inclusive of VAT. This means that income and expenditure are shown in the accounts for the year to which they relate, even if they were paid or received in a different year, provided that the receipt or payment is probable at the balance sheet date.

Grants

Grants receivable are accounted for over the period to which they relate. If the grant is received with specific performance conditions it is recognised as deferred income until the conditions are met and then recognised in turnover. Government grants comprise amounts received during the year adjusted for income which relates to future periods. Deferred income relating to grants is included within creditors as deferred income.

Fixed Assets – land and buildings

Housing properties are stated at cost or deemed cost at 1 April 2014. Cost comprises the following:

- a) the cost of acquiring land
- b) development expenditure
- c) interest charged on mortgage loans raised to finance the scheme before its operation.

Capital grants

Capital grants received in relation to the housing properties are accounted for using the accruals model set out in FRS 102. Grants are credited separately to the balance sheet as deferred income and are released to the Statement of Financial Activities in line with the useful life of the asset funded by them.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recorded at cost and subsequently measured at market value at the balance sheet date. Any gains or losses arising from revaluation and disposals throughout the year are taken to the Statement of Financial Activities.

Current asset investments

Current asset investments are initially recorded at cost and subsequently measured at market value at the balance sheet date. Any gains or losses arising from revaluation and disposal throughout the year are taken to the Statement of Financial Activities.

Pension costs

The society participates in a multi employer social housing pension scheme. Additionally there are some employees who participate in the NHS pension scheme due to historical employment agreements. Both schemes are treated as defined contribution schemes.

The society pays agreed deficit contributions to the multi employer scheme. As required by FRS 102 provision is made for the net present value of the contributions. The movement in the provision is dealt with through the Statement of Financial Activities. Full details are provided in note 18.

Employee benefits

The cost of short-term benefits are charged as an expense as the fall due. Any unpaid short-term benefits for services rendered during the period are recognised as a liability.

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement.

Depreciation

Provision is made for depreciation on all fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life from the date of acquisition, as follows:

Freehold Buildings (excluding land)	2 % per annum
Leasehold Buildings	2 % per annum
Building Enhancements	12.5 % per annum
Motor Vehicles	25 % per annum
Furniture and Equipment	25 % per annum
Intangible Assets	25 % per annum

Freehold land is not depreciated.

Operating leases

Rentals paid under operating leases are charged to expenditure as incurred.

Financial Instruments

i) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short-term deposits with a maturity date of three months or less.

ii) Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and Creditors that are receivable or payable in more than one year and not subject to market rate of interest are measured at the present value of the expected future receipts or payment discounted at the market rate of interest.

Restricted reserves

Restrictive reserves are monies received for a specified purpose that have not been expended at the balance sheet date.

Designated reserves

Designated reserves are those which have been allocated for a specific purpose by the members.

Unrestricted reserves

Unrestricted reserves are available to the society for its general purposes and are to be drawn upon in the event of reductions in income, unexpected costs and property investment.

Critical accounting estimates and areas of judgement

In preparing the financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Members in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry any significant risk of material adjustment on the next financial year.

The properties purchased with funding from Social and Sustainable capital have been discounted to arrive at the present value of the loan at 31 March 2023.

The valuation was calculated using the UK House Price Index available from HM Land Registry at <http://landregistry.data.gov.uk>. In calculating the valuation an assumption was made that 50 % of the renovation work undertaken by Active Prospects was client specific and does not increase the value of the property on the open market and therefore has been excluded from the valuation.

2. NET INCOME

The net income for the year is stated after charging:

	2023 £	2022 £
Depreciation:		
Housing properties	310,701	284,936
Other fixed assets	137,382	76,831
	448,083	361,767
Auditors' remuneration (including VAT)		
In respect of audit services	23,100	22,000
Members expenses	12	209

3. INCOME

	2023 £	2022 £
Income from donations	4,940	5,119
Income from charitable activities		
Care and support	11,308,449	9,312,804
Property services	2,315,909	2,763,936
Government grants released to income	203,322	166,009
Income from grant funding	211,363	959,520
Furlough income	-	-
Other income	-	-
Total income from charitable activities	14,039,043	13,202,269
Income from other trading activities	65,534	42,522
Investment income	1,433	30
Other income – sale of assets	-	20,503
	14,110,950	13,270,443

4. EXPENDITURE

	Raising Funds 2023 £	Care & Housing 2023 £	Head Office 2023 £	Total 2023 £	Other Services 2023 £	Total Expenditure 2023 £
Staff costs	40,078	9,457,361	651,999	10,109,360	-	10,149,438
Recruitment/training		198,655	19,914	218,569	-	218,569
Legal & professional	507	40,768	127,418	168,186	-	168,693
IT & communication	1,916	60,017	285,545	345,562	-	347,478
Interest & similar	1,145	326,320	9,742	336,062	-	337,207
Utilities & council tax	2,954	381,536	24,105	405,641	-	408,595
Maintenance & cleaning	3,751	562,435	22,496	584,931	-	588,682
Equipment replacement	437	281,521	34,252	315,773	-	316,210
Depreciation	-	440,036	8,047	448,083	-	448,083
Rent	21,522	156,519	135,458	291,977	-	313,499
Foods	-	90,539	-	90,539	-	90,539
Activities	229	50,603	-	50,603	-	50,832
Insurance	-	91,212	-	91,212	-	91,212
Other	7,393	159,542	131,020	290,562	-	297,955
Total	79,932	12,297,064	1,449,996	13,747,060	-	13,826,992

The comparatives for 2022 are shown below:

Expenditure	Raising Funds 2023 £	Care & Housing 2023 £	Head Office 2023 £	Total 2023 £	Other Services 2023 £	Total Expenditure 2023 £
Staff costs	79,723	8,930,093	554,213	9,484,306	-	9,564,029
Recruitment/training	-	220,295	6,211	226,506	-	226,506
Legal & professional	395	66,872	78,945	145,817	-	146,212
IT & communication	4,401	68,432	250,157	318,589	-	322,990
Interest & similar	1,103	278,863	6,529	285,392	-	286,495
Utilities & council tax	2,881	257,730	21,591	279,321	-	282,202
Maintenance & cleaning	4,606	385,632	22,431	408,063	-	412,669
Equipment replacement	2,040	362,965	51,995	414,960	-	417,000
Depreciation	-	343,405	18,362	361,767	-	361,767
Rent	21,479	152,813	134,410	287,223	-	308,702
Food	-	103,580	-	103,580	-	103,580
Activities	-	49,749	-	49,749	-	49,749
Insurance	-	82,969	-	82,969	-	82,969
Other	3,522	204,695	154,221	358,916	-	362,438
Disposal of fixed assets	-	-	-	-	-	-
Total	120,150	11,508,093	1,299,065	12,807,158	-	12,927,308

5. SALARY COSTS

The cost of employing staff during the year was:

	2023	2022
	£	£
Salary and agency costs	9,107,620	8,631,135
Social security costs	785,798	677,395
Pension costs	256,020	255,499
Total	10,149,438	9,564,029

The total amount of employee benefit paid to key management personnel for their services, excluding pension contributions, was £517,974 (2022: £492,128). Key management personnel is comprised of the Chief Executive, Director of Care, Director of Finance and Resources, Director of People, Director of Business Development and Director of Properties. The average full time equivalent number of employees during the year was:

	Headcount	
	2023	2022
Head Office Staff	28	29
Care Staff	265	268
Total Staff	293	297

The number of employees who received remuneration over £60,000, excluding pension contributions, during the year was:

	Number of Employees	
Remuneration	2023	2022
£60-£70k	-	-
£70-£80k	3	2
£80-£90k	3	3
£90-£100k	-	-
£100-£110k	1	1
£110-120K	-	-

The Board Members did not receive any remuneration or other benefits during the year (2022: £nil)

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2023	2022
	£	£
Mortgage interest and similar	325,135	277,640
Hire Purchase Interest	1,183	1,223
Bank Charges	10,889	7,632
	337,207	286,495

7. CORPORATION TAX

Confirmation has been received from HM Revenue & Customs that Active Prospects is an exempt charity and therefore not subject to corporation tax.

8. TANGIBLE FIXED ASSETS

	Long Leasehold housing, land and buildings	Freehold housing, land and buildings	Assets in the course of construction	Total
Cost				
At 1 April 2022	347,584	20,059,912	1,301,271	21,708,767
Additions	-	-	2,218,217	2,218,217
Disposals	-	-	-	-
AUC capitalised	-	2,513,713	(3,354,826)	(841,113)
At 31 March 2023	347,584	22,573,625	164,662	23,085,871
Depreciation				
At 1 April 2022	128,009	2,234,528	-	2,362,537
Charge for the year	5,186	305,515	-	310,701
Disposals	-	-	-	-
At 31 March 2023	133,195	2,540,043	-	2,673,238
Net book value				
At 31 March 2023	214,389	20,033,582	164,662	20,412,633
At 31 March 2022	219,575	17,825,384	1,301,271	19,346,230

Fixed charges are held on the following properties as security over loans made to Active Prospects (see note 13).

Financial Institution	Property
Lloyds Bank	18 Wolverton Gardens, Horley 33 Blanford Road, Reigate Chestnut Court, 28 Princes Road, Redhill 2 Beech Lodge, Waller Lane, Caterham 50 Cheyne Walk, Horley
Barclays Bank	23 Montfort Rise, Redhill 33 Welcomes Road, Kenley
Social and Sustainable Capital	59 Three Bridges Road, Crawley Oakfield Lodge, Axes Lane, Salfords 44 Copthorne Road, Leatherhead

The Secretary of State for Health also holds legal charges over those properties where the purchase was funded by NHS grants. As at 31 March 2023 Active Prospects has no capital commitments (2022: £1,508k) .

9. OTHER ASSETS

	Vehicles	Furniture and Equipment	Building Enhancements	Intangible Assets	Total
	£	£	£	£	£
Cost					
At 1 April 2022	201,891	418,401	65,635	24,360	710,287
Additions	23,739	13,047	198,697	-	235,483
Transfer from AUC			841,113		841,113
Disposals	-	-	-	-	-
At 31 March 2023	225,630	431,448	1,105,445	24,360	1,786,883
Depreciation					
At 1 April 2022	150,393	283,852	684	24,360	459,289
Charge for the year	18,171	50,228	68,983	-	137,382
Disposals	-	-	-	-	-
At 31 March 2023	168,564	334,080	69,667	24,360	596,671
Net Book Value					
At 31 March 2023	57,066	97,368	1,035,778	-	1,190,212
At 31 March 2022	51,498	134,549	64,951	-	250,998

10. DEBTORS

	2023	2022
	£	£
Amounts receivable within one year:		
Rent Receivable	117,841	209,809
Care and Support receivable	150,444	652,294
Prepayments and accrued income	642,340	148,622
Other Debtors	63,164	45,461
Total	973,789	1,056,186

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Mortgage loans	768,663	198,653
Other taxation and social security	175,706	189,066
Trade creditors	259,863	640,140
Pension deficit contributions	127,219	120,801
Accruals and deferred income	623,225	490,030
Hire Purchase agreement	-	7,541
Other creditors	409,980	361,320
Total	2,364,656	2,007,551

All creditors are financial instruments and are measured at present value.

12. DEFERRED INCOME

	2023	2022
	£	£
Balance at 1 April 2022	402,938	475,115
Amount released to incoming resources	(333,270)	(298,946)
Amount Deferred in the year	396,492	226,770
Total	466,160	402,938

Income is deferred if it relates to a future period.

13. LOAN: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Mortgages	2,873,754	3,631,084
Hire Purchase Agreement	-	-
Social and Sustainable Finance Loan	2,280,694	2,245,102
Total	5,154,448	5,876,186

In November 2019 Active Prospects entered into an agreement with Social and Sustainable Capital LLP to have access to a loan facility of £3,400,000. Active Prospects drew down £2,162,000 and no further funds will be drawn under this agreement. The loan will be repayable in November 2029.

In May 2023 Active Prospects signed an agreement with Barclays Bank to refinance the mortgages currently held with Lloyds Bank. A mortgage of £2,100,000 has been arranged with Barclays Bank which will repay the existing Lloyds Bank mortgages and consolidate the loans. The transaction completed in August 2023. A fixed charge will be held over the following properties as security over the loan:

- 2 Beech Lodge, Waller Lane, Caterham
- 33 Blanford Road, Reigate
- 50 Cheyne Walk, Horley
- Chestnut Court, 28 Princes Road, Redhill

Loans payable by instalments	2023	2022
	£	£
Within 1 year	768,663	206,194
In 2-5 years	601,979	1,220,521
In 5 years or more	4,552,468	4,655,665
Total Loans	5,923,110	6,082,380

14. OPERATING LEASE COMMITMENTS

As at 31 March 2023 Active Prospects had total commitments under non-cancellable operating leases as set out below:

Operating leases payable:	2023 £	2022 £
Less than one year	194,676	220,044
In two to five years	559,294	14,490
After five years	-	-
Total	753,970	234,534

A charge of £227k (2022: £225k) is included in the Statement of Financial Activities in respects of operating leases in the year.

15. GRANTS RECEIVED

	Long Leasehold housing, land and building £	Freehold housing, land and buildings £	Total £
Grants received			
At 1 April 2022	162,561	10,823,574	10,986,135
Additions	-	1,964,745	1,964,745
Disposals	-	-	-
Amortisation	(3,714)	(199,608)	(203,322)
At 31 March 2023	158,847	12,588,711	12,747,558

	2023 £	2022 £
Amounts due to be released in:		
Less than one year	257,648	193,182
More than one year	12,489,910	10,792,953
Total	12,747,558	10,986,135

16. SHARE CAPITAL

	2023 £	2022 £
Allotted, issued and fully paid ordinary shares of £1 each	62	62

17. UNRESTRICTED FUNDS

	At 1 April 2022	Incoming Resources	Outgoing Resources	Transfers	Transfer to Designated Funds	At 31 March 2023
Pension deficit	(758,000)	-	(131,221)	209,221	-	(680,000)
Repairs reserve	-	-	-	-	679,000	679,000
Unrestricted	3,920,575	14,110,950	(13,748,991)	(209,221)	(679,000)	3,394,313
Total	3,162,575	14,110,950	(13,880,212)	-	-	3,393,313

The unrestricted funds have the following designations:

Pension deficit contribution	An amount equal to the amounts provided for future contributions which will be paid from future income.
Repairs Reserve	The management of Active Prospects have resolved to reclassify a portion of the unrestricted reserves to create a designated repairs reserve for the ongoing repairs to the properties owned or leased by the organisation and occupied by tenants. The fund will fund the cost of repairs including boilers, kitchens, bathrooms and fire safety.
Unrestricted reserve	These reserves are undesignated representing free reserves to be drawn upon in the event of reductions in income, unexpected costs and property investment. The management of Active Prospects have resolved to reclassify a portion of the unrestricted reserves to create a designated sinking fund for the ongoing repairs to the properties owned or leased by the organisation and occupied by tenants. The fund will fund the cost of repairs to specific categories of repair including boilers, kitchens, bathrooms and fire safety.

18. PENSION

Active Prospects participates in two pension schemes: TPT Retirement Solutions which is a defined benefit scheme which is the main pension scheme of the organisation and the NHS pension scheme for some employees who have retained existing terms and conditions when transferring their employment to Active Prospects.

a) TPT Retirement Solutions – Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multiemployer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme.

Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme. For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 29 February 2024 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

18 a) TPT Retirement Solutions

FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT LIABILITY

	31 March 2023	31 March 2022
	£'000s	£'000s
Fair value of plan assets	2,198	3,481
Present value of defined benefit obligation	2,879	4,239
Deficit in plan	(680)	(758)
Unrecognised surplus	-	-
Defined benefit liability to be recognised	(758)	(758)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period from 31 March 2022 to 31 March 2023
	£'000s
Defined benefit obligation at the start of the period	4,239
Expenses	7
Interest expenses	111
Actuarial losses (gains) due to scheme experience	(129)
Actuarial losses (gains) due to changes in demographic assumptions	(7)
Actuarial losses (gains) due to changes in financial assumptions	(1,117)
Benefits paid and expenses	(225)
Defined benefit obligation at end of period	2,879

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period from 31 March 2022 to 31 March 2023
	£'000s
Fair value of the plan assets at the start of period	3,481
Interest income	92
Experience on plan assets (excluding amounts in interest income) – gain/ (loss)	(1,280)
Employer contributions	131
Benefits paid and expenses	(225)
Fair value of plan assets at end of period	2,199

The actual return on plan assets (including any changes in share assets) over the period from 31 March 2022 to 31 March 2023 was (£1,188,000).

18 a) TPT Retirement Solutions

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOI)

	Period from 31 March 2022 to 31 March 2023 £'000s
Expenses	7
Net Interest expenses	19
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	26

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period from 31 March 2022 to 31 March 2023 £'000s
Experience on plan assets (excluding amounts included in net interest cost)- gain (loss)	(1,280)
Experience gains and losses arising on the plan liabilities – gain (loss)	129
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	7
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	1,117
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable – gain (loss))	(27)
Total amount recognised in Other Comprehensive Income – gain (loss)	(27)

18 a) TPT Retirement Solutions (continued)

ASSETS	31 March 2023 £'000s	31 March 2022 £'000s
Global Equity	41	668
Absolute return	24	140
Distressed Opportunities	67	124
Credit Relative Value	83	116
Alternative Risk Premia	4	115
Emerging Markets Debt	12	101
Risk Sharing	162	115
Insurance-Linked Securities	55	81
Property	95	94
Infrastructure	251	248
Private Debt	98	89
Opportunistic Liquid Credit	94	85
High Yield	8	30
Opportunistic Credit	-	12
Cash	16	12
Corporate Bond Fund	-	232
Liquid Credit	-	-
Long Lease Property	66	90
Secured Income	101	130
Liability Driven Investment	1,012	971
Currency Hedging	4	(14)
Net Current Assets	6	10
Total Assets	2,199	3,481

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

KEY ASSUMPTIONS

	31 March 2023 % per annum	31 March 2022 % per annum
Discount Rate	4.57	2.69
Inflation (RPI)	3.49	3.87
Inflation (CPI)	3.05	3.49
Salary Growth	3.75	4.19
Allowance for commutation of pension for cash at retirement	75 % of maximum allowance	75 % of maximum allowance

18 a) TPT Retirement Solutions (continued)

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

Life expectancy at age 65

	Years
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

18 b) NHS pension scheme

Some past and present employees are covered by the provisions of the two NHS pension schemes. Details of the benefits payable and rules of the schemes can be found on the NHS pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit scheme that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable the NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

I. Accounting Valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government's Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust

figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023 is based on valuation data at 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM treasury have also been used.

The latest assessment of the liabilities of the liabilities is contained in the report of the scheme actuary which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS website and are published annually. Copies can be obtained from The Stationery Office.

II. Full Actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rates payable from April 2019 to 20.6 % of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.