

Registered Company Number: 02189556
Charity Number: 298149



CHOICE SUPPORT

**Consolidated
Financial Statements
31 March 2008**

CHOICE SUPPORT

Financial statements for the year ended 31 March 2008

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CHOICE SUPPORT

Reference and administrative details

Registered Company Number: 02189556

Charity Number: 298149

Board of Management:

Charles Spencer – Chairman
Brian Norbury – Deputy Chairman
Barry Coker – Treasurer
Michael Drake
Gwyneth Frost
Carol Sibson
David Sines
Jane Cooper
Margaret Tozer
Kevin Rodgers

Secretary:

Steven Rose

Auditor:

HLB Vantis Audit plc
Chartered Accountants
66 Wigmore Street
London
W1U 2SB

Registered office:

100 Westminster Bridge Road
London
SE1 7XA

Bankers:

Barclays Bank plc
St Johns Wood and Swiss Cottage Branch
P O Box 2764
London NW3 6JD

Solicitors:

Russell-Cooke
Solicitors
2 Putney Hill
Putney
London
SW15 6AB

CHOICE SUPPORT

Report of the Board of Management (including a Directors' Report) for the year ended 31 March 2008

The Board of Management presents its report and the consolidated financial statements for Choice Support and its subsidiary companies for the year ended 31 March 2008.

Structure, governance and management

Choice Support ("the charity" or "the company") was incorporated on 6 November 1987 and was registered with the Charity Commission on 11 December 1987 under charity number 298149. It has previously been known as Southwark Consortium. Choice Support is incorporated as a company limited by guarantee. The liability of each member is £1. Details of the Board of Management and executive officers are dealt with below. Details of principal address and details of the charity's principal advisers are given on the previous page.

Governing document

The charity is governed by its memorandum and articles of association incorporated 6 November 1987.

Members of the Board of Management

The members of the Board of Management, who are all directors of the company and the trustees of the charity, during the year were as follows:-

Charles Spencer	Chair
Barry Coker	Treasurer
Brian Norbury	Deputy Chair
Michael Drake	
Gwyneth Frost	
Carol Sibson	
Professor David Sines	
Jane Cooper	
Margaret Tozer	

The Board has four sub-committees:

Risk Management sub committee -	Chair , Margaret Tozer, Mike Drake, Gwyneth Frost
Finance and Investment sub committee -	Chair , Barry Coker Charles Spencer, Mike Drake
Quality Assurance sub committee	Chair , Brian Norbury, Gwyneth Frost, Carol Sibson, Margaret Tozer, David Sines
Human Resources sub committee	Chair , Brian Norbury, Carol Sibson, Jane Cooper

CHOICE SUPPORT

Report of the Board of Management (including a Directors' Report) for the year ended 31 March 2008

Recruitment and training of the Board of Management

The members of the Board of Management are appointed following a formal recruitment process. Trustee recruitment is targeted to ensure there is a balance in terms of gender, ethnicity and specific knowledge and technical skills represented on the Board of Management.

The organisation has produced a detailed Trustee Induction Pack with information on both the organisation, the Trustee's role in relation to governance and their responsibilities under Charity Law. A series of visits are arranged for new Trustees to meet service users and staff. Each Trustee is matched to a geographical area and continues to visit service users, staff and families throughout their time as a Trustee.

Trustees attend numerous training sessions throughout the year and are updated on new developments at the annual Board/Senior Management Team Away day. This year the Board expanded its experience through the recruitment of a Trustee with learning disabilities. The Board plan to recruit a second Trustee with learning disabilities during 2008.

Organisational management

The members of the Board of Management are responsible for the overall management and control of Choice Support. The Board meets every other month and has four sub-committees. The details above show the members of the Board of Management and the sub committees.

The Board of Management delegates the day to day running of the charity to the Chief Executive ("CEO") and his Senior Management Team. The CEO and Directors meet once a month for the Senior Management Team meeting. Members of the Senior Management Team attend the Board of Management and the sub committees.

Group structure and relationships

Choice Support has a wholly owned subsidiary Choice Consultancy Services Limited, which is registered in England, and whose activities and trading performance are dealt with below. In addition Choice Support also owns The Blue River Project, a charitable company limited by guarantee, which has similar activities to Choice Support and is registered in England, and whose activities and trading performance are also dealt with below. This was completed on 1 April 2008 (See note 3). During the year negotiations were undertaken to incorporate the Charity Signature Care & Support (SC&S) within Choice Support's group structure. The incorporation was completed in April 2008. SC&S currently operates in Hampshire, Southampton and Portsmouth. Both organisations recognise the potential for significant improvements to their beneficiaries through a strategic alliance in the south of England. During the year negotiations were also undertaken to demerge the charitable subsidiary Toucan Employment Ltd from Choice Support's group structure. Toucan will continue to support people with learning disabilities into employment in the London borough of Southwark whilst Choice Support will be adopting a national focus to Supported Employment.

CHOICE SUPPORT

Report of the Board of Management (including a Directors' Report) for the year ended 31 March 2008

Risk management

As set out by the revised Statement of Recommended Practice: Accounting and Reporting by Charities ("SORP 2005"), the Board of Management has been closely monitoring the organisation's Risk Register. The Risk Management sub-committee has delegated powers from the Board to ensure a programme of action is in place to minimise existing risks, and identify potential risks. A formal review of the charity risk management process is undertaken on an annual basis. A detailed action plan has been completed on all of the risks to the organisation. The key controls used by the charity include:

- Formal agendas and minutes for all Board and sub committee meetings.
- Terms of reference for committees and clear authorisation/approval limits/levels for Board and senior executives.
- Comprehensive strategic planning, budgeting, management reporting and accounting.
- Written policies and procedures.

Through the risk management process established by the charity, the Board of Management is satisfied that the major risks have been identified have been adequately mitigated where necessary. It is recognised that systems and internal controls can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Objectives and activities

Objectives of the charity

The charity was established for the relief of those who have learning or other disabilities including the provision of residential care and support services and relief of those with mental or physical illness or who are old or infirm or who have needs because of their youth, lack of education or poverty.

Aims of the Charity and Public Benefit

Our aim is to support people with a learning disability to take as much control of their lives as possible. Where the individual is unable to make these decisions, control of their service will be placed as close to the person as possible. By provision of these services, the charity delivers public benefit to the individuals and their families who rely on the charity's support

Objectives for the year

The Board conducted a review of Choice Support 2006 – 2009 Business Plan and noted that the majority of objectives have been achieved. Choice Support's plans take account of emerging government and social policy, in particular, the White Papers Valuing People (2001 & 2008) and 'Our Health, Our Care, Our Say' (2006) and the government Concordat 'Putting People First' (2007).

CHOICE SUPPORT

Report of the Board of Management (including a Directors' Report) for the year ended 31 March 2008

Strategies to achieve this year's objectives

The organisation employed a number of strategies to ensure we achieved our objectives. These included establishing a number of steering groups tasked with specific goals. For example the person centred planning steering group continued to ensure that all staff were trained in person centred approaches; and a recruitment committee explored using a variety of ways to involve people with learning disabilities in staff recruitment.

Principal activities during the year

The principal activity of the Choice Support Group continues to be the provision of high quality, person-centred services to people with learning disabilities.

The organisation continues its successful programme of planned expansion, which is reflected in these financial statements. Choice Support recently underwent an unprecedented period of expansion and now employs over 1300 staff to support approximately 650 people with learning disabilities in Wakefield, Oldham, Mansfield, Nottingham, Stockport, Leicestershire, Buckinghamshire, Milton Keynes, Bedfordshire, Hampshire, Portsmouth, Southampton and nine London Boroughs.

Details of significant activities

There have been many significant activities worthy of mention in this financial year. These include the successful transfer of employment of large numbers of staff to Choice Support; the employment of more people with learning disabilities; the involvement of significant number of people with learning disabilities in recruiting staff; the organisation-wide implementation of the REACH standards, Whole Service Review and Quality checkers comprising a comprehensive quality assurance system; and another successful service user survey. Choice Support also became one of the first large charities to individualise its accounting system in preparation for the change anticipated as more people begin to direct their own support. Choice Support also became involved in a number of community building activities through the Small Sparks projects and won an award from the Royal Society of Arts for its work in combating bullying and building safer communities for people with learning disabilities.

Achievements and performance

Operational performance

Once again substantial progress was made toward completing the objectives of the 2006 – 2009 Business plan. The annual review revealed that most objectives had been fully achieved with over achievement in a number of areas.

CHOICE SUPPORT

Report of the Board of Management (including a Directors' Report) for the year ended 31 March 2008

Results

The results of the Group for the year ended 31st March 2008 are shown in the consolidated statement of financial activities on page 12.

The retained surplus for the year was £516,168 (£659,086 - 2007)

Review of Financial position

The significant investment and upgrade of our computerised financial systems and the overhaul of our IT infrastructure has enhanced our ability to provide better business intelligent information to our operational management.

The revamped accounting and management information systems have enabled us to reflect on organisational processes and identify wasteful and non value adding processes. These have resulted in our positive financial performance during the year.

Income

Our key areas of income are Registered services, Supported living, individualised services, voluntary income, investment income and Bank interest.

Total Group Income resources fell by 3% from £24.4 million to £23.8 million. The decrease was due to 'voids' which remained unfilled during the year and the loss of our supported living service in Lincolnshire. The impact of this loss was mitigated by our success in winning new contracts in Stockport, Bedfordshire and Wakefield in the last quarter of the financial year.

The amounts raised in project grants vary, depending on the specific activities being undertaken and the timing of those activities. £149,975 was received from the Lottery.

Bank interest and investment income for the group rose from £0.270 million in 2007 to £0.309 million in 2008.

CHOICE SUPPORT

Report of the Board of Management (including a Directors' Report) for the year ended 31 March 2008

Expenditure

Expenditure fell by 3% from £23.7 million in 2007 to £23.2 million in 2008. This was as a result of the cost efficiency processes and the loss of our Lincolnshire service.

All staff are directly engaged in activities in furtherance of the objects of Choice Support and their cost has been allocated accordingly.

Governance

Our governance costs fell from £0.056 million in 2007 to £0.041 in 2008. Costs of governance include the expenses associated with Trustee Board meetings, Trustee liability insurance, external audit fees, and the costs of maintaining our constitution.

The Blue River Project

The key source of income for The Blue River Project is Registered Care services. The income generated by the Project in 2008 (£0.32m) was slightly lower than in 2007 (£0.50m). This was mainly due to reductions in staffing levels. The project ended the year with a modest deficit.

Choice Consultancy Services Ltd

Choice Consultancy Services Ltd, a trading Company within the Group, generated a modest income during the year.

Reserves policy

With regard to the Group's reserves the Board of Management considers that the level of unrestricted reserves of £5.9m is justified. Of this, £2.5m relates to the Group's fixed assets, leaving £3.2m of general "free" reserves.

Choice Support aims to retain sufficient free reserves equivalent to one and half months' future expenditure. This is pivotal, in case of any sudden decline in funding and it ensures that commitments to staff, service users and suppliers can be made with confidence. The level of free reserves currently represents just over one month's expenditure. Choice Support is hoping to build up its free reserves to a level equivalent to three months' operating costs.

CHOICE SUPPORT

Report of the Board of Management (Including a Directors' Report) for the year ended 31 March 2008

This level of reserves will enable the Group to invest further in properties and information and Communication Technology Infrastructure which will enhance the range of accommodation and communication systems available to people with learning disabilities.

Designated funds

This year the Trustees have agreed to set aside a further £0.2m from funds generated into designated reserves. This will be used to fund an additional programme of work substantially over the next 12 months, including cyclical maintenance of homes and the on going developing the group's ICT infrastructure. Existing designated funds will be used for staff training, steering group activities and redesigning of services in line with new legislations.

Fixed assets

Movements in fixed assets are disclosed in note 2 to the financial statements.

Investment policy and objectives

Treasury management activities are conducted with the aim of maximising return on any liquid funds through the use of short term fixed deposits and interest bearing accounts with appropriate financial institutions.

CHOICE SUPPORT

Report of the Board of Management (including a Directors' Report) for the year ended 31 March 2008

Statement of Responsibilities of the Board of Management

Company law and charity law require the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company and of the income and expenditure of the group for that year. In preparing these financial statements, the Board of Management is required to:

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

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable it to ensure that the financial statements comply with the Companies Act 1985. It is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each Trustee, who was a Director of the company at the date that this report was approved, has taken all steps that the ought to have taken as Directors in order to:

- make themselves aware of any relevant audit information (as defined by the Companies Act 1985); and
- ensure that the auditors are aware of all relevant audit information (as defined).

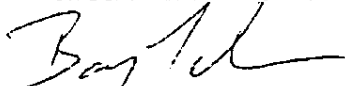
As far as each Director is aware, there is no relevant audit information of which the company's auditors are unaware.

The maintenance and integrity of the charity's website is the responsibility of the Trustees. Legislation in the United Kingdom governing the preparation of financial statements may differ from legislations in other jurisdictions.

Auditor

A resolution to re-appoint HLB Vantis Audit plc as auditor will be proposed at the AGM.

On behalf of the Board of Management



BARRY COKER
MEMBER OF THE BOARD OF MANAGEMENT

Date:

8/10/2008

CHOICE SUPPORT

Independent Auditor's report to the Members of Choice Support

We have audited the financial statements of Choice Support for the year ended 31 March 2008 which comprise the Consolidated Statement of Financial Activities, Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Cash Flow Statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985 and section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions that we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Responsibilities of the Board of Management the company's directors, who are the charitable trustees, are responsible for the preparing the Report of the Board of Management and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985.

We report to you whether in our opinion the information given in the Report of the Board of Management is consistent with the financial statements.

We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees and directors' remuneration and transactions with the charitable company is not disclosed.

We read the Report of the Board of Management and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

CHOICE SUPPORT

Independent Auditor's report to the Members of Choice Support

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the group as at 31 March 2008 and of their incoming resources and application of resources, including their income and expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Report of the Board of Management is consistent with the financial statements.

HLB Vantis Audit Plc

HLB Vantis Audit plc

**Chartered Accountants
Registered Auditors**

LONDON

Date: 10.10.2008

CHOICE SUPPORT**Consolidated statement of financial activities (including an income and expenditure account)****for the year ended 31 March 2008**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Incoming resources					
Incoming resources from charitable activities					
Registered services		8,818,501	-	8,818,501	8,838,729
Supported living and Individualised services		<u>14,507,208</u>	<u>-</u>	<u>14,507,208</u>	<u>15,222,094</u>
		23,325,709	-	23,325,709	24,060,823
Incoming resources from generated funds					
Voluntary income		3,760	146,215	149,975	74,584
Investment income - bank interest		<u>308,610</u>	<u>-</u>	<u>308,610</u>	<u>270,246</u>
		312,370	146,215	458,585	344,830
Total incoming resources		<u>23,638,079</u>	<u>146,215</u>	<u>23,784,294</u>	<u>24,405,653</u>
Charitable activities					
Registered services		8,123,622	69,846	8,193,468	9,067,378
Supported living and Individualised services		<u>14,929,739</u>	<u>104,348</u>	<u>15,034,087</u>	<u>14,623,578</u>
		23,053,361	174,194	23,227,555	23,690,956
Governance costs		<u>40,571</u>	<u>-</u>	<u>40,571</u>	<u>55,611</u>
Total resources expended	7	<u>23,093,932</u>	<u>174,194</u>	<u>23,268,126</u>	<u>23,746,567</u>
Net incoming resources/(outgoing) resources before transfers	6	544,147	(27,979)	516,168	659,086
Gross transfers between funds		<u>(8,468)</u>	<u>8,468</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources		535,679	(19,511)	516,168	659,086
Fund balances brought forward		<u>5,328,475</u>	<u>85,184</u>	<u>5,413,659</u>	<u>4,754,573</u>
Fund balances carried forward	10,11	<u>5,864,154</u>	<u>65,673</u>	<u>5,929,827</u>	<u>5,413,659</u>

The group has no recognised gains and losses other than those included in the surplus above, and therefore no separate statement of total recognised gains and losses has been presented. There is no difference between the result for the year stated above, and its historical cost equivalent.

The notes on pages 17 to 25 form part of these financial statements.

CHOICE SUPPORT
Statement of financial activities (including an income and expenditure account)
for the year ended 31 March 2008

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2008	Total Funds 2007
		£	£	£	£
Incoming resources					
Incoming resources from charitable activities					
Registered services		8,497,097	-	8,497,097	8,343,375
Supported living and Individualised services		<u>14,507,208</u>	<u>-</u>	<u>14,507,208</u>	<u>15,222,094</u>
		23,004,305		23,004,305	23,565,469
Incoming resources from generated funds					
Voluntary income		-	146,215	146,215	74,584
Investment income - bank interest		<u>307,976</u>	<u>-</u>	<u>307,976</u>	<u>269,671</u>
		307,976	146,215	454,191	344,255
Total incoming resources		<u>23,312,281</u>	<u>146,215</u>	<u>23,458,496</u>	<u>23,909,724</u>
Charitable activities					
Registered services		7,802,014	69,846	7,871,860	8,571,324
Supported living services		<u>14,929,739</u>	<u>104,348</u>	<u>15,034,087</u>	<u>14,623,578</u>
		22,731,753	174,194	22,905,947	23,194,902
Governance costs		<u>37,071</u>	<u>-</u>	<u>37,071</u>	<u>52,132</u>
Total resources expended		<u>22,768,824</u>	<u>174,194</u>	<u>22,943,018</u>	<u>23,247,034</u>
Net incoming resources/(outgoing) resources before transfers	6	543,457	(27,979)	515,478	659,086
Gross transfers between funds		<u>(8,468)</u>	<u>8,468</u>	<u>-</u>	<u>-</u>
Operating surplus for the year, being net income		534,989	(19,511)	515,478	662,690
Fund balances brought forward		<u>5,319,124</u>	<u>85,184</u>	<u>5,404,308</u>	<u>4,741,618</u>
Fund balances carried forward		<u>5,854,113</u>	<u>65,673</u>	<u>5,919,786</u>	<u>5,404,308</u>

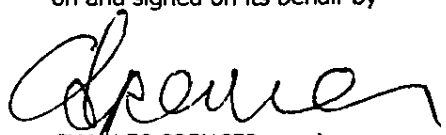
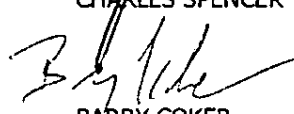
The charity has no recognised gains and losses other than those included in the surplus above, and therefore no separate statement of total recognised gains and losses has been presented. There is no difference between the result for the year stated above, and its historical cost equivalent.

The notes on pages 17 to 25 form part of these financial statements.

CHOICE SUPPORT
Consolidated balance sheet as at 31 March 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	2	<u>2,523,822</u>	<u>2,291,385</u>
Current assets			
Investments – cash fixed term deposits		3,989,968	5,797,321
Debtors	4	2,316,004	1,357,626
Cash at bank and in hand		<u>1,074,451</u>	<u>164,605</u>
		7,380,423	7,319,552
Creditors: amounts falling due within one year	5(a)	<u>3,767,418</u>	<u>3,990,278</u>
Net current assets		<u>3,613,005</u>	<u>3,329,274</u>
Total assets less current liabilities		6,136,827	5,620,659
Creditors: amounts falling due within one year	5(b)	<u>207,000</u>	<u>207,000</u>
Net assets		<u>5,929,827</u>	<u>5,413,659</u>
Reserves			
Unrestricted funds – General		3,184,145	2,664,300
- Designated		<u>2,680,009</u>	<u>2,664,175</u>
		5,864,154	5,328,475
Restricted		<u>65,673</u>	<u>85,184</u>
	10,11	<u>5,929,827</u>	<u>5,413,659</u>

The financial statements were authorised for issue and approved by the Board of Management on and signed on its behalf by


 CHARLES SPENCER)

 BARRY COKER)
 MEMBERS OF THE BOARD
 OF MANAGEMENT


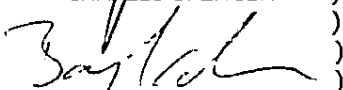
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The notes on pages 17 to 25 form part of these financial statements.

CHOICE SUPPORT
Balance sheet as at 31 March 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	2	2,523,822	2,291,385
Investments	3	<u>1</u>	<u>1</u>
		<u>2,523,823</u>	<u>2,291,386</u>
Current assets			
Investments – cash fixed term deposits		3,989,968	5,797,321
Debtors	4	2,341,396	1,383,762
Cash at bank and in hand		<u>1,034,129</u>	<u>124,887</u>
		<u>7,365,493</u>	<u>7,305,970</u>
Creditors: amounts falling due within one year	5(a)	<u>3,762,530</u>	<u>3,986,048</u>
Net current assets		<u>3,602,963</u>	<u>3,319,922</u>
Total assets less current liabilities		<u>6,126,786</u>	<u>5,611,308</u>
Creditors: amounts falling due within one year	5(b)	<u>207,000</u>	<u>207,000</u>
Net assets		<u>5,919,786</u>	<u>5,408,308</u>
Reserves			
Unrestricted funds – General		3,174,103	2,705,112
- Designated		<u>2,680,010</u>	<u>2,614,012</u>
		<u>5,854,113</u>	<u>5,319,124</u>
Restricted		<u>65,673</u>	<u>85,184</u>
		<u>5,919,786</u>	<u>5,404,308</u>

The financial statements were authorised for issue and approved by the Board of Management on and signed on its behalf by


 CHARLES SPENCER)
)

 BARRY COKER)
)

8/12/08

MEMBERS OF THE BOARD
OF MANAGEMENT

The notes on pages 17 to 25 form part of these financial statements.

CHOICE SUPPORT

Consolidated cash flow statement for the year ended 31 March 2008

	2008 £	2007 £
Net cash inflow/(outflow) from operating activities (see below)	<u>(930,692)</u>	<u>1,064,963</u>
Returns on Investments and servicing of finance		
Interest received	<u>308,610</u>	<u>270,246</u>
	<u>308,610</u>	<u>270,246</u>
Cash (outflow)/inflow before financing	(622,082)	1,335,209
Management of liquid resources	1,807,353	(3,192,910)
Payments to acquire tangible fixed assets	(279,696)	-
Proceeds from sale of tangible fixed assets	<u>4,271</u>	<u>6,649</u>
Increase / (Decrease) in cash	<u>909,846</u>	<u>(1,851,052)</u>

Notes to the cash flow statement

a. Reconciliation of surplus to net cash inflow from operating activities

	2008 £	2007 £
Surplus for year	516,168	659,086
Interest receivable	(308,610)	(270,246)
Depreciation	42,988	60,420
Sale of fixed assets	-	-
Movement in: Creditors	(222,860)	372,411
Debtors	(958,378)	243,292
	<u>(930,692)</u>	<u>1,064,963</u>

b. Reconciliation of net cash flow to movement in net funds

	£
Increase in cash in the year	909,846
Increase in current asset investments	(1,807,353)
Net funds as at 1 April 2007	<u>5,754,926</u>
Net funds at 31 March 2008	<u>4,857,419</u>

c. Analysis of changes in net funds

	At 1 April 2007	Cash Flows	At 31 March 2008 £
Cash at bank and in hand	164,605	909,846	1,074,451
Current asset investments	5,797,321	(1,807,353)	3,989,968
Debt due after one year	<u>(207,000)</u>	-	<u>(207,000)</u>
	<u>5,754,926</u>	<u>(897,507)</u>	<u>4,857,419</u>

CHOICE SUPPORT

Notes to the financial statements For the year ended 31 March 2008

1. Accounting policies

i. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities", issued in March 2005, and the Companies Act 1985.

ii) Basis of consolidation

The results of Choice Consultancy Services Limited and The Blue River Project have been consolidated, on a line by line basis.

The results of another subsidiary undertaking (Toucan Employment) has not been consolidated due to the short term nature of Choice Supports' investment in that subsidiary – See note 3.

iii) Depreciation of tangible fixed assets

The cost of all additions and replacements to office and house furnishings and equipment is written off when expenditure is incurred.

The cost of land and buildings and motor vehicles is capitalised and written off over the useful life of the asset:

- Long leasehold – over length of lease
- Freehold property – at 2% per annum (excluding land)
- Vehicles – at 25% per annum (straight line)
- Let to clients – at 2% per annum (excluding land)

No depreciation is provided on let properties when they are funded by long-term capital grants.

iv) Grants and residents' fees

All grants and residents' fees are accounted for when receivable. Income is deferred only if it is clearly stated to relate to a future accounting period.

v) Contracts

Income and expenditure relating to contracts is accounted for when receivable or payable.

vi) Resources expended

Expenditure is recognised on an accruals basis.

Costs of charitable activities comprise those costs incurred directly in the provision of running the homes and additional services for the support of persons with learning difficulties. This includes the salaries of people supporting the above services and an allocation of overheads based on the nature of the activity and staff time.

Governance costs include expenditure incurred to comply with constitutional and statutory requirements such as audit, legal fees, trustees' expenses and annual general meetings.

CHOICE SUPPORT

Notes to the financial statements For the year ended 31 March 2008

1. Accounting policies

vii) **Pension costs**

The group contributes to a defined contribution pension scheme on behalf of the employees. The amount payable during the year is charged to the statement of financial activities. This complies with stakeholder legislation.

viii) **Leases**

Rental costs under operating leases are charged to the Statement of Financial Activities in equal annual instalments over the period of the lease.

ix) **Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. (The aim and use of each designated fund is set out in note 10 of the financial statements).

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

x) **Current asset investments**

In line with Financial Reporting Standard Number 1, cash deposits which are not repayable on demand are disclosed as current asset investments in the Balance Sheet and classified as liquid resources in the Cash Flow Statement.

CHOICE SUPPORT

Notes to the financial statements For the year ended 31 March 2008

2. Tangible fixed assets Group and Company

	Long leasehold and improvements £	Freehold properties £	Let to Clients £	Motor Vehicles £	Total £
Cost:					
At 1 April 2007	1,658,647	253,864	504,770	180,273	2,597,554
Additions	-	279,696	-	-	279,696
Disposal	-	-	-	(17,085)	(17,085)
At 31 March 2008	<u>1,658,647</u>	<u>533,560</u>	<u>504,770</u>	<u>163,188</u>	<u>2,860,165</u>
Depreciation:					
At 1 April 2007	62,927	47,919	42,931	152,392	306,169
Charge for year	16,545	5,948	7,021	13,474	42,988
Disposal	-	-	-	(12,814)	(12,814)
At 31 March 2008	<u>79,472</u>	<u>53,867</u>	<u>49,952</u>	<u>153,052</u>	<u>336,343</u>
Net Book Value:					
At 31 March 2008	<u>1,579,175</u>	<u>479,693</u>	<u>454,818</u>	<u>10,136</u>	<u>2,523,822</u>
At 31 March 2007	<u>1,595,720</u>	<u>205,945</u>	<u>461,839</u>	<u>27,881</u>	<u>2,291,385</u>

Two properties within 'let to clients' have land values of £110,810 which have not depreciated.

3. Investments

The investment of £1 represents shares held in wholly owned subsidiary, Choice Consultancy Services Limited, which is registered in England.

The company also owns The Blue River Project, a charitable company limited by guarantee, which has similar activities to Choice Support and is registered in England.

These companies are summarised below:

	The Blue River Project £	Choice Consultancy Services Limited £
Incoming resources	321,404	4,395
Resources expended	(324,904)	(204)
Funds brought forward	<u>12,889</u>	<u>(3,542)</u>
Funds carried forward	<u>9,389</u>	<u>649</u>

CHOICE SUPPORT

Notes to the financial statements For the year ended 31 March 2008

Note 3

Choice Support also owned Toucan Employment (a registered charity) and its subsidiary Toucan (café Van Gogh) Ltd. between 1 April 2007 and 31 March 2008.

At 1 April 2008, Choice Support disposed of its investment entirely. The results of the activities for the year end 31.03.2008 are as follows:-

	Toucan Employment	Toucan Employment (Café Van Gogh) Ltd
	£	£
Incoming resources	241,796	89,881
Resources expended	(230,753)	(96,515)
Funds brought forward	<u>27,865</u>	<u>(11,416)</u>
Funds carried forward	<u>£39,908</u>	<u>£18,050</u>

CHOICE SUPPORT

Notes to the financial statements For the year ended 31 March 2008

4. Debtors

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Charges to residents	184,751	175,212	184,751	175,212
Loans to residents	28,981	47,534	28,981	47,534
Amount due from subsidiary undertaking	-	-	25,422	26,136
Social services	1,840,399	792,895	1,840,399	792,895
Other debtors	221,574	235,863	221,544	235,863
Prepayments	40,299	106,122	40,299	106,122
	<u>2,316,004</u>	<u>1,357,626</u>	<u>2,341,396</u>	<u>1,383,762</u>

5. Creditors

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
a) Amounts falling due within one year				
Accruals and sundry creditors	2,564,553	2,644,161	2,559,665	2,639,931
Deferred income	680,653	911,639	680,653	911,639
Other taxes and social security	522,212	434,478	522,212	434,478
	<u>3,767,418</u>	<u>3,990,278</u>	<u>3,762,530</u>	<u>3,986,048</u>

	Group and Company	
	2008	2007
	£	£
b) Amounts falling due after more than one year		
Amounts payable in more than 5 years: other than by instalments:		
Capital grant relating to let properties	<u>207,000</u>	<u>207,000</u>

The company received grants from South East Thames Regional Health Authority, acting as agent for the Secretary of State for Health, of £207,000 to purchase three freehold properties. The grant will be repaid as and when the properties are disposed of.

CHOICE SUPPORT

Notes to the financial statements For the year ended 31 March 2008

6. Net Incoming/(Outgoing) Resources for the year

The operating surplus is stated after charging:-

	2008 £	2007 £
Auditor's remuneration	30,000	30,000
Operating lease rentals:		
- land and buildings	193,764	112,397
- office equipment	17,235	3,419
Loss on disposal	4,271	-
Depreciation	<u>42,988</u>	<u>60,420</u>

7. Resources expended for the group

	Staff Costs £	Direct Costs £	Allocated Costs £	2008 £	2007 £
Charitable activities					
Registered services	6,986,024	1,207,444	-	8,193,468	9,067,378
Supported living services	<u>13,273,088</u>	<u>1,760,999</u>	-	<u>15,034,087</u>	<u>14,623,578</u>
	20,259,112	2,968,443	-	23,227,555	23,690,956
Governance costs	-	-	40,571	40,571	55,611
Total resources expended	<u>20,259,112</u>	<u>2,968,443</u>	<u>40,471</u>	<u>23,268,126</u>	<u>23,746,567</u>

8. Taxation Status

The activities of Choice Support and The Blue River Project, as registered charities, are undertaken for charitable purposes only. As a result no provision for taxation has been made on the income of these companies. There is no taxation on the income of Choice Consultancy Limited, due to losses made.

CHOICE SUPPORT

Notes to the financial statements For the year ended 31 March 2008

9. Staff and trustees

	2008 £	2007 £
a) Staff costs		
Wages and salaries	17,084,636	17,537,282
Social security costs	1,481,178	1,569,472
Pension costs	<u>447,232</u>	<u>526,357</u>
	19,013,046	19,633,111
Agency staff costs	<u>1,246,066</u>	<u>803,100</u>
	<u>20,259,112</u>	<u>20,436,211</u>
b) Average number of person employed During the year (excluding agency staff)		
Care staff	848	806
Management and administration	<u>50</u>	<u>46</u>
	<u>898</u>	<u>852</u>
c) Employees earning more than £60,000 p.a.		
£60,001 - £70,000	1	1
£80,001 - £90,000	<u>1</u>	<u>1</u>

No member of the Board of Management received any remuneration for the year (2007:None).

Expenses were reimbursed or paid to third parties on behalf of 5 members of the Board of Management during the year, amounting to £1,571 (2007: £2,132 for 6 members of the Board of Management). Trustee liability insurance was purchased at a cost of £6,621 (2007:£6,810).

CHOICE SUPPORT

Notes to the financial statements For the year ended 31 March 2008

10. Analysis of group funds	At 1 April 2007	Incoming resources	Outgoing resources	Transfers	At 31 March 2008
	£	£	£	£	£
Unrestricted Funds					
General	<u>2,664,300</u>	<u>23,638,079</u>	<u>(23,064,367)</u>	<u>(53,867)</u>	<u>3,184,145</u>
Designated					
Choice Support					
-Fixed asset fund	2,291,385	-	232,437	-	2,523,822
-Pay award	190,000	-	(235,399)	45,399	-
-Upkeep of houses	115,593	-	-	-	115,593
-Staff welfare, training and compliance costs	23,505	-	(12,828)	-	10,677
-ICT infrastructure	<u>43,692</u>	<u>-</u>	<u>(13,775)</u>	<u>-</u>	<u>29,917</u>
Total Designated	<u>2,664,175</u>	<u>-</u>	<u>(29,565)</u>	<u>45,399</u>	<u>2,680,009</u>
Total Unrestricted	<u>5,328,475</u>	<u>23,638,079</u>	<u>(23,093,932)</u>	<u>(8,468)</u>	<u>5,864,154</u>
Restricted Funds					
Choice Support					
Carer's Grant	1,681	-	-	-	1,681
Personal Album Project	14,388	-	-	-	14,388
One to One Travel Training Project	10,729	-	(6,096)	-	4,633
PCP Facilitators	52,163	-	(42,469)	744	10,438
Café Conversation	-	25,795	(33,519)	7,724	-
--National Lottery	<u>6,223</u>	<u>120,420</u>	<u>(92,110)</u>	<u>-</u>	<u>34,533</u>
Total Restricted	<u>85,184</u>	<u>146,215</u>	<u>(174,194)</u>	<u>8,468</u>	<u>65,673</u>
Total Funds	<u>5,413,659</u>	<u>23,784,294</u>	<u>(23,268,126)</u>	<u>-</u>	<u>5,929,827</u>

The purpose of each fund is as each title suggests.

Transfers

£45,399 has been designated for staff pay awards.

CHOICE SUPPORT

Notes to the financial statements For the year ended 31 March 2008

11. Group net assets by fund

	Tangible fixed assets	Net current assets	Creditors falling due after more than one year	Total
	£	£	£	£
General	-	3,299,613	(207,000)	3,184,145
Designated	2,523,822	156,187	-	2,680,009
Restricted	-	57,205	-	65,673
Total	<u>2,523,822</u>	<u>3,513,005</u>	<u>(207,000)</u>	<u>5,929,827</u>

12. Operating leases

	Property	
	2008	2007
	£	£
The group and company's commitments for rental payments Under operating leases are as follows:		
Leases expiring:	17,470	12,000
Under one year	<u>112,724</u>	<u>57,755</u>
	<u>130,194</u>	<u>69,755</u>

13. Capital commitments

There were no capital commitments at 31 March 2008 (2007: nil)

14. Pensions

The group operates individual defined contribution pension schemes. In addition a number of the employees are members of the NHS pension scheme.

The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the schemes and amounted to £447,232 (2007:£526,357).