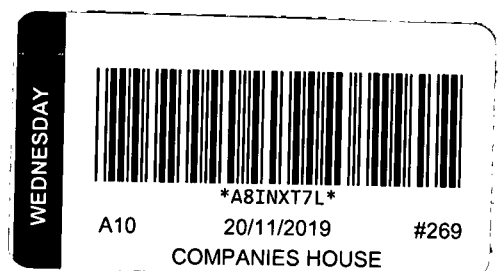


Company Registered Number 02699638
Registered Charity Number in England and Wales 1156258
Registered Charity Number in Scotland SC045939

REAL LIFE OPTIONS

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019



REAL LIFE OPTIONS
(A company limited by guarantee)

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REAL LIFE OPTIONS
(A company limited by guarantee)
REAL LIFE OPTIONS AND SUBSIDIARY COMPANIES

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

Reference and Administrative Details

Organisation's Name	Real Life Options
Status	Real Life Options is a charitable company limited by guarantee. Real Life Options' governing document are it's Memorandum and Articles of Association.
Company Registration Number	02699638
Charity Registration Number	1156258
Office of the Scottish Charity Regulator Number	SCO45939
Principal Office and Registered Address	David Wandless House A1 Business Park Knottingley Road Knottingley West Yorkshire WF11 0BU
Trustees	D Wilkin R A Hendry. J R Swales H Mounsey
Directors	The directors who served during the year were: D Wilkin G J Collingham, Resigned 24 September 2018 R A Hendry I Hardcastle, Resigned 7 May 2018 J R Swales, Appointed 24 September 2018 H Mounsey, Appointed 24 September 2018
Officers	
Company Secretary	SJR Lett
Chief Executive:	D I Sargent
Chief Operating Officer	I Hardcastle
Director of Operations England and Wales	V Simons
Director of Operation Scotland and Northern Ireland	J Trench
Executive Director for Strategy	J McDonald

REAL LIFE OPTIONS
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REAL LIFE OPTIONS AND SUBSIDIARY COMPANIES

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

Advisers:

Independent Auditor

BDO LLP
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Legal

Weightmans
Westgate Point
Leeds
LS1 2AX

STRUCTURE, GOVERNANCE & MANAGEMENT

I. STATUS

Real Life Options is a company limited by guarantee. Our governing documents are the company's Memorandum and Articles of Association. In 2017/18, the Board undertook a review of the charitable objects and governance structures which led to the Charity Commission giving consent under section 198 of the Charities Act 2011 to changes to the charity's objects and governance clauses in the Articles of Association.

Governing Body and Structure

Our governing body is a Board of Directors who are also the Trustees of the charity. As at 31st March 2019 there were four Trustees.

A new Charity governance code, endorsed by the Charity Commission and other industry bodies, was launched during the year. With our Trustees we have ensured we are substantially compliant with the code. The code asks charities to "apply or explain". The board has worked to apply the code in terms of organisational purpose, leadership, integrity, decision-making, risk and control, board effectiveness, diversity, openness, delegation and accountability. The Board recently reviewed the organisation's charitable purposes, and the external environment in which it works, to make sure that the charity, and its purposes, stay relevant and valid. A series of away sessions enabled the board to review the performance of the organisation, leadership team and CEO; reflect on strategy development that aims to achieve the organisation's charitable purposes and is clear about the desired outputs, outcomes and impacts. Areas requiring further attention this next year include diversity at Board level and reserves allocation.

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GROUP STRATEGIC REPORT
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OBJECTIVES AND ACTIVITIES

Real Life Options is founded on strong values and always put the people we support first so that they are enabled to live their lives as they choose. That approach remains as true today as when the organisation first began. Our values of respect, honesty, responsibility and excellence underpin our person-centred approach and help us work towards our vision of enabling every person to achieve their potential – whether they are someone we support or a member of staff.

The objects of the charity are:

"The Charity's objects are the relief of those in the United Kingdom who are in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage."

Real Life Options supports people to achieve their potential. We focus particularly on supporting people with learning disabilities and autism.

The Charity's main activities in relation to its objects and for the public benefit are the provision of tailored, person-centred care and support to people who have been identified by local authorities as qualifying for publicly funded services.

Our Vision

Is to be recognised as leaders in enabling people to achieve their potential.

Our Purpose

Is to provide excellent social care and support.

Our Values

Focus on respect, honesty, responsibility and excellence.

Our purpose is to provide relief to those that are in need through the provision of excellent care and support. We provide over 50,000 hours of care each week, working with 43 different local authorities throughout England and Scotland.

We support:

- People with learning disabilities or autism
- People with complex needs
- People with challenging behaviours
- People with physical disabilities
- People with sensory disabilities
- People with dementia
- Older people needing support
- People requiring palliative care
- People with a history or risk of offending

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FOR THE YEAR ENDED 31 MARCH 2019

Real Life Options is an innovative provider of a range of service models which allow for individualised support packages including:

- Individual and multi occupancy tenancies with 24 hour support
- Supported living models
- Personalised 1:1 outreach
- Residential care homes
- Vocational day opportunities
- Short breaks
- Respite support
- End of life care

The Board recognised Real Life Options' history as a not-for-profit company of supporting people with learning disabilities. When Real Life Options applied for charitable status, supporting people with disabilities was still at the core of the organisation's activities. Over time, the market in which the company operates has developed. To maintain its strong position as a partner of the people we support, local authorities and families, the Trustees sought and were granted permission to extend the charity's power to provide care and support to a wider range of people. Without this extension, Real Life Options could have been excluded from bidding for contracts and tenders which include both people with disabilities and people with one of the other attributes identified.

The wider powers will give the charity the opportunity to utilise its skills and experience in providing care and support to more people in need, including the young, the old and the sick. In the future, when local authorities invite bids for comprehensive care and support services, including people with a wider range of needs, Real Life Options will be able to respond to all needs.

The focus of the charity's effort will continue to be care and support for those who need it, particularly people with a learning or other disability.

When making the decision, the Trustees were mindful of the Charity Commission's view that the change should not be to the detriment of existing beneficiaries.

Further changes were made in relation to the benefits that were available to Trustees of the charity through employment opportunities. The Articles that were approved by the Charity Commission at first registration required Trustees to be Members and Executive Directors to be Trustees and therefore Members.

Following current guidance on charity governance, the Board decided that a governance model that separated the roles of Members, Trustees and Executive Directors would provide the accountability and oversight that the charity needed.

Clauses within the Articles of Association deal with the qualification, appointment and roles of Members and Trustees. In order to facilitate the transition to the new structure, members were appointed to meet the legal requirements and further recruitment will take place to extend the membership group.

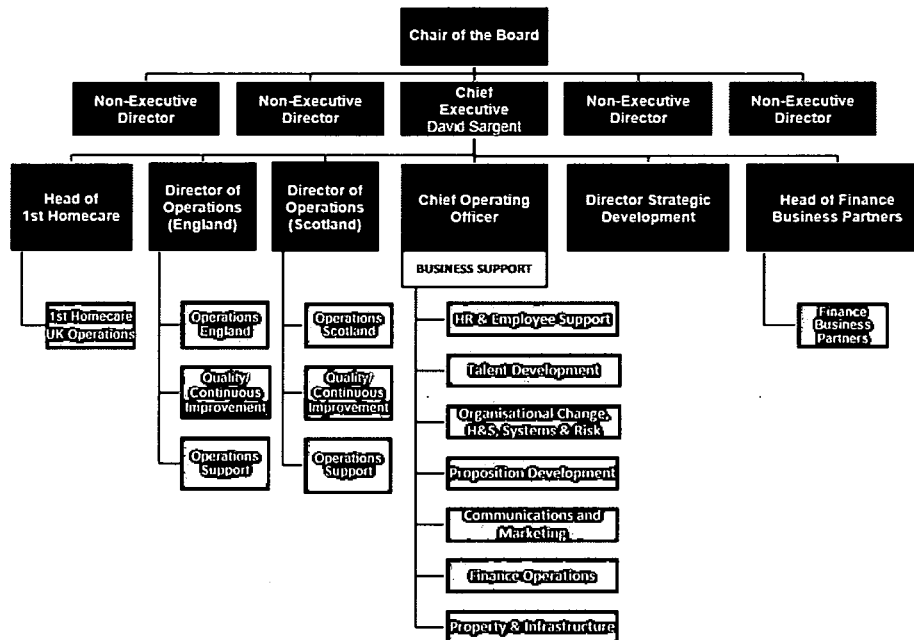
REAL LIFE OPTIONS
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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

II. STRUCTURE

Real Life Options' Structure:



III. VOLUNTEERS

Most of the work performed by the Charity is delivered by paid employees. During the year, staff, family and community members near to our services have contributed through fund-raising and taking part in local activities. We are clear that volunteers could play a more significant and rewarding role in enhancing the life experience of the people we support and we are looking carefully at how we can develop the contribution that volunteers could make in achieving the organisation's objectives.

IV. PUBLIC BENEFIT

Real Life Options provides public benefit as a charity to support people who are in need because they have disabilities or require support at home. It also works with people who have severe learning difficulties. The organisation works to achieve its vision of a society in which disabilities are not a barrier to people taking control of their lives. The UK Charities Act 2011 to follow the Charity Commission's guidance on the operation of this public benefit.

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GROUP STRATEGIC REPORT
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V. PRINCIPLE RISKS AND UNCERTAINTIES

The Trustees review the risks facing the organisation at each meeting and are satisfied that major risks have been identified through a Risk Register, which is supported by a robust process to ensure that appropriate systems and procedures for managing those risks are in place or are actively being developed.

The main areas of risk identified during the year were in relation to:

- Fee income not covering the cost of delivering excellent services to people we support
- Services making continuing losses
- Failure to recruit and retain suitable qualified staff, particularly in light of Brexit
- Failures in policy relating to employment, including staff safety, national minimum wage and working time directive compliance
- Consequences of reliance on agency staff
- Impact on the supply chain following Brexit
- Potential impact of Royal Mencap Society v Tomlinson-Blake appeal on Sleeps.

Effective management and control procedures have been put in place by the Trustees and management including:

- Strong financial and management information and control procedures, including regular business planning and quality management processes
- Regular review of services and implementation of innovative approaches to promote choice and control by the people we support
- Appropriate insurance measures
- Implementation of strategies and plans to mitigate risks including consultation and co-operation through relevant sector bodies
- Development and review of relevant policies and processes that support best practice and good outcomes
- Development of functional support through business partners to support operational management in their day to day responsibilities.

The key financial risk relates to the liquidity of the group and meeting liabilities as they fall due. Strong credit control and responsible liability management are key elements in the cashflow monitoring process. The company does not operate any complex financial instruments and has repaid secured debt through the year. In its capacity as a corporate appointee, the charity does hold some funds on behalf of people we support.

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In November 2017, HMRC published the details of the Social Care Compliance Scheme (SCCS) an initiative that allowed Care providers the opportunity to review payments to staff to ensure that they were compliant with the National Minimum Wage (NMW). The SCCS gave Care providers an opportunity to review payments to staff, particularly those related to time spent on a sleep-in shifts (Sleeps) to ensure compliance with minimum wage regulations. Real Life Options joined the SCCS in December 2017 to ensure that it was in the best possible position to be fair to employees and to avoid any potential penalties arising from the non-payment of minimum wage.

Since early 2015, Real Life Options has made additional payments to staff to meet the relevant NMW practice guidelines, following the guidance of the Department for Business, Energy and Industrial Strategy.

In July 2018, the Court of Appeal issued a judgment that overturned the decision of the Employment Appeal Tribunal. The Court of Appeal decided that workers on Sleeps were only entitled to have their hours counted for NMW purposes when they were (and were required to be) awake for the purpose of performing some specific activity.

The SCCS represented a considerable financial risk to the company, but the steps that the company took to improve pay for staff completing Sleeps after the earlier Employment Appeal Tribunal decisions and the decision by the Court of Appeal means that the threat of an additional payment to staff did not materialise. A 'Nil' return was approved.

The Trustees await the upcoming appeal of MenCap decision, which is due to be heard in Autumn 2019, and hence therefore up to that point, the current legal position is based on the decision of the 2018 MenCap case.

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

GROUP STRATEGIC REPORT

I. ACHIEVEMENTS AND PERFORMANCE

This year has been a watershed for the Real Life Options Group. Building on the governance foundations set in previous years, the Board has overseen a strategic review with a strong focus on leadership, collaboration and accountability.

During the year the Real Life Options Group produced its strategic plan known as 'Our Plan' - a five year blueprint and direction of travel towards 2022. Built on seven core themes underpinned by an ethos of safeguarding, it provides a framework for innovation and agile working. A key priority for our strategic plan is to have the right people, in the right place, at the right time to create and deliver excellent frontline support. Our Plan is a live working document that utilises Innovation Groups as the forum for co-production and collaboration with individuals, families, professional services and staff teams.

Our strategic aims are to:

- Provide a gold standard and personalised experience for every person we support
- Create a process for attracting and retaining the best possible values-driven workforce
- Continually build on our credentials as a socially responsible member within our sector, our markets and localities
- Provide opportunities that enable the people we support to be active and valued members within their local communities
- Support agile working practices in our drive for organisational excellence
- Create an efficient and effective infrastructure for delivering frontline support
- Build a business that anticipates customer needs, is resilient to change and well-led.

The Real Life Options Group has focussed over the year on creating a leaner and more efficient business support offer to ensure that the best support is given to operational teams. This activity included the launch of Real Talk, an internal communications app-based channel to improve employee engagement and provide a mechanism for sharing good news stories. MyView, our online employee support system, was also extended so that all employees now access Payslips online and receive documents electronically making the process more efficient, secure and at the same time reducing paper consumption. Work also started on trialling a Digital Support Plan system, starting a journey to modernising the way we evidence the support we provide. To improve our efficiency in procurement of internally consumed services we reviewed supplier contracts to assist with ongoing savings to re-invest in services

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We are very pleased with progress in the creation of an Employee Support Centre with payroll personnel now part of the team. This has improved internal communication in respect of payroll/HR administrative support and advice to the staff teams. We created a new recruitment process which has reduced timelines from over 100 days to an average of 30 days.

Through positive activity, increased engagement and support of staff and managers we have successfully reduced agency expenditure by supporting managers in adopting a more efficient and effective recruitment process.

We have many examples of how people we support have been achieving their potential through the support offered by our excellent and dedicated staff at all levels throughout the organisation. Here, with their permission we are pleased to share a few stories which demonstrate some of their achievements:

Shining a Light on Dementia

When diagnosed with dementia in 2016, Dawn from Redcar was determined to be included in everything connected with her condition, and that included training Real Life Options support staff to understand dementia better. Recently, Dawn's support team and family members attended a training session about the subject at our regional office in Stockton-On-Tees, which included a presentation from a local Community Nurse and Dawn herself.

Dawn will be joining Sarah Ryan, Supported Living Lead, at the regional finals of the National Learning Disability and Autism Awards in June 2019. Sarah has been working extensively with Dawn over the last three years and is shortlisted for the 'Making a Difference' category.

Choices and Decisions

The Residents from Earlswood Road in Birmingham have been actively involved in the process of choosing their new home which is far more person centred. They are moving to a bungalow which is far more suitable, and the housing provider is at present refurbishing the property. They will be able to engage more in the community and benefit from more targeted support.

Active Support

At Darlington Road the staff team has been embedding Active Support and gathering evidence with the people we support to demonstrate the difference made. Over the year this rigorous process has shown marked increases in confidence levels and in individual's capacities to undertake activities which they enjoy. The Commissioners have noted what a positive difference the programme is making.

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FOR THE YEAR ENDED 31 MARCH 2019

II. CONSTITUTION

The organisation is a company limited by Guarantee. The organisation's governing document are its Articles of Association updated on 29 March 2018. The liability of each member of Real Life Options is £1. There are a minimum of six members and a maximum of twelve members. Only one Non-Executive and one Senior Manager of the company can be a member at any time.

The Articles require a minimum of three Non-Executive Directors (who are also Trustees) and a maximum of eight non-executive Directors. The articles allow for the appointment of up to two Executive Directors as Trustees, with no minimum number.

The Board reviews its own operational effectiveness and governance annually to ensure that it is meeting the needs of the organisation and complying with regulation.

Operation of the Board of Trustees

The Board of Trustees meets six times a year to agree strategic goals and review the organisation's work and services. An Audit Committee, comprised of Non-Executive Trustees, has responsibility for reviewing the organisation's accounting policies and financial accounts. It meets at least annually, with the Chief Executive in attendance.

A Remuneration Committee, comprising Non-Executive Trustees, has specific responsibility to review the remuneration of the Executive Team based on external benchmarking.

The Trustees also sit on the risk committee and Corporate Safeguarding Group.

The Charity purchases Directors and Officers Liability insurance.

Recruitment and appointment of new Trustees

Under the leadership of the Chair, the recruitment needs of the Board of Trustees is monitored. This includes a review of the current knowledge, experience, skills and abilities, and how these will be affected by any planned Trustee departures in the future. Trustee vacancies are advertised externally. Applicants are shortlisted against the criteria in the person specification for the role, including any specific matters highlighted during the above review. Shortlisted applicants are interviewed by at least two Non-Executive Trustees (one of whom will be the Chair). A group of people we support and our staff who support them are also part of the recruitment process, they meet with all candidates and feedback to Trustees as part of a group discussion. Shortlisted applicants are appointed only where they have the necessary skills and qualities to contribute effectively to the organisation's management and development.

New Trustees are inducted in two main ways:

- Through the provision of information on the organisation's policies and procedures and on its staff, financial and organisational management and development.
- Trustees are briefed by the Executive Management Team and key staff of functional aspects of the organisation's operations. Parts of such briefings take place at one of our regional offices and involve visits to some of our services

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

Subsidiaries

At the balance sheet date, Real Life Options had six wholly-owned subsidiaries.

- 1st Homecare is a Limited Company with offices located throughout Scotland. The Company provides domiciliary care to older service users who live at home and require support. It is a strategic investment in domiciliary care provision and with previous acquisitions has created a significant provider within Scotland.
- Orchard Care Services Limited is a dormant trading company that previously provided domiciliary care to elderly service users. The trading was previously transferred to Real Life Options Orchard Care Limited and ceased trading in August 2016 and previously provided domiciliary care to elderly service users in Warwickshire and Coventry. The company is expected to become dormant in due course.
- Alpha Homecare (Scotland) Limited, Lowland Care Services Limited, and Lowland's subsidiary Senior Service (Edinburgh) Limited ceased trading on 31 March 2016 and transferred their activities to 1st Homecare Limited.

Staff Management

During the year under review the Leadership Team (LT) was reviewed and structured to comprise:

- Chief Executive,
- Chief Operating Officer,
- Director of Finance & Company Secretary,
- Director of Operations, England & Wales
- Director of Operations, Scotland and NI
- Executive Director, Strategy.

The Chief Executive has overall responsibility for all operational matters and reports directly to the Board of Trustees on a regular basis.

Environmental Policy

The organisation is fully committed to safeguard the environment. In this respect it will specifically endeavour to:

- encourage the reduced consumption of natural resources and energy
- operate a purchasing policy that avoids the use of environmentally damaging products whenever feasible
- prevent environmental pollution arising from its own operations
- provide information and support to both the service users and staff to encourage interest in environmental matters
- encourage economical and environmentally sound use of its vehicles
- encourage the use of public transport and car sharing where appropriate

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REAL LIFE OPTIONS AND SUBSIDIARY COMPANIES

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

Modern Slavery Act 2015 - Modern Slavery and Human Trafficking Statement

Real Life Options will always work to the highest ethical standards and comply with all laws, regulations and rules relevant to our business. Our reputation is paramount and we take our Corporate and Social Responsibilities very seriously. We realise that our relationships with those we deal with, whether service users, employees, stakeholders, suppliers or the local community, are key to our success and consequently we take our obligations to those people very seriously.

This statement which covers the financial period 1st April 2018 to 31st March 2019, is made on behalf of the Board at Real Life Options Group with regards the Modern Slavery Act 2015, which requires large employers to be transparent about their efforts to eradicate Slavery and Human Trafficking in their supply chains. This statement describes how we recognize and prevent human trafficking and slavery in our supply chains.

Since 1992, Real Life Options has been delivering high quality, ethically managed social care for people with learning disabilities and autism. We have a national reputation for providing person-centred care and services to support people to live their lives. We provide self-directed support to ensure people have equal rights as citizens, to maximize their independence and social inclusion and to exercise choice about their own lives.

Our supply chains include procurement of agency staff, facilities maintenance and utilities.

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We are committed to acting ethically and with integrity in all our business relationships and to implement and enforce effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains. We expect our supply chains to comply with all relevant regulatory pre-employment checks and verification of certification and eligibility

We have various checks that enable us to identify and mitigate risk in relation to slavery and human trafficking. We will ensure that we work with suppliers who treat their obligations towards modern slavery with the same importance that we do. We maintain systems that:

- Identify and assess potential risk areas in our supply chains, through active risk management. Mitigate the risk of slavery and human trafficking occurring in our supply chains, through ethical procurement.
- Monitor potential risk areas in our supply chains, through close working relationships with suppliers
- Protect whistle blowers, through our policy.

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we will provide training to our staff. Our employees are encouraged to identify any potential anti-slavery concerns and we have in place protection for whistle blowers.

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Gender Pay Reporting

Our gender pay report can be found on the government website.

Real Life Options is a nationwide organisation operating in the social care sector. We employ a high percentage of female employees (71%) in common with sector norms. Our strategy is to build a diverse workforce ensuring that all employees are treated fairly and with respect. We ensure that all our pay and reward scales are transparent and ensure that all employees have equal opportunity to progress within the organisation.

We are pleased to note zero pay differential in our Median hourly wage rates and 2% differential towards males in our Mean hourly wages which is a significant improvement compared to our previous report. We continue to strive towards parity amongst all employees and all new recruits are paid at standard rates to help us achieve this. The organisation will continue to review the evident pay gaps both at Mean and Quartile levels, with an aspiration to close these as we move towards pay parity for all employees. No bonuses were paid.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts received are presented in our accounts as "voluntary income" and include legacies and grants when they are received.

In relation to the above we can confirm that all solicitations are managed internally, without the involvement of commercial participators, professional fundraisers or third parties. The day to day management of all income generation is delegated to the Leadership Team, who are accountable to the Board of Trustees.

The charity is not bound by any undertaking to a regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice. We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonable at all times. As we do not approach individuals for funds we do not particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

III. FINANCIAL REVIEW

In the year to 31 March 2019, Real Life Options Group turnover increased by 6.4% from £41.836 million to £44.525million. This increase reflects a growth in services across Real Life Options and its subsidiaries. Real Life Options achieved an increase in turnover of 6.5% from £36.103 million to £38.444 million and its subsidiaries achieved growth of 6.3% from £5.667 million to £6.026 million.

Net incoming resources before other recognised gains, losses and transfers in the charity decreased by 38.6% from £947,000 to £581,000.

There is no single factor that explains the change in performance over the year. There has been an increase in activity throughout England and Scotland, with new services generating additional income. Fee levels have increased largely in response to the increase in the National Minimum Wage and Scottish Living Wage, although not all local authorities have responded promptly or comprehensively to the increase in the rates that we are obliged to pay. A concentrated effort resulted in a 22% reduction in the cost of agency staff. Recruitment and retention of staff to further reduce the dependency on agency staff remains a key target for the organisation.

Operating costs reduced by £318,000 making a significant contribution to the overall result for the year. Interest costs were £23,500 lower in the year as short term borrowing was reduced and debt was repaid in line with scheduled repayment and following disposal of property and consequent redemption of mortgages.

There was a shift of 14% in our market segmentation towards supported living and housing support and a reduction in our residential care provision of 16.5%.

In West Lothian, residential care homes were transformed into supported living services under a new financial framework. The implementation of an action plan in Birmingham to maintain sustainability included staged closure of four residential homes at the beginning of 2017 which has resulted in income loss of approximately £1.2m.

New supported living packages in Glasgow, Aberdeenshire, Warwickshire and Hope House in Oxford have contributed to the improvement in financial performance during the year. There has been an increase in Care at Home provision through the East Lothian Care at Home and Housing Support Framework, the subsequent transfer from the British Red Cross in July 17 and the provision of Support at Home in Falkirk.

We continue to discuss the need for fee rates that ensure quality provision and sustainable services for the people we support. Over-capacity and voids place a strain on our resources and we are continuing to work with commissioners in both England and Scotland to ensure that we are in a position to continue to provide effective and economic services.

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GROUP STRATEGIC REPORT
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England achieved growth of 6.2% in contrast to a 16% decline in the previous two years. We are carefully reviewing our services in London and since the year end have closed a day service in London as a consequence of low take up and the withdrawal of funding by the local authority. The lack of new referrals to the services, the accommodation on offer and the difficulty of recruiting and retaining staff are all factors that have resulted in the need to reassess what we should be offering in London.

In Birmingham, the transition to a new framework since the end of the year has been fairly slow. During the year under review, fees in Birmingham did not reflect our view of the needs of the people we support. This combined with the lack of referrals to occupy the rooms available in the care homes, which is largely a result of an aging client group, has resulted in under budget performance.

Balance Sheet

Debt collection remains strong and the relationship with local authorities that commission our services ensures strong cashflow. Our relationship with our long term lenders remains strong and through the year debt has been repaid in accordance with the agreed schedules. Short term cashflow requirements are met by RBS Invoice Financing. There has been no substantial investment in property or equipment during the year.

Taxation

The activities of the charity fall within the exemptions conferred by sections 505 and 506 of the Income and Corporation Taxes Act 1988. Consequently, no corporation tax will be provided for in the financial statements for the charity in this and future years.

The group's trading subsidiaries are subject to corporation tax where retained reserves are insufficient for all surpluses to be paid to the charity by way of gift aid. In the current year there has not been a declaration of any donations that will qualify for gift aid relief to the parent charity, but the accounts have been prepared on the assumption that the gift will be made and corporation tax relief granted.

Funds Policy

In early 2019, the Trustees carried out an interim review of the organisation's Funds Policy. They took into account the changing needs of the organisation, improved financial information, best practice and Charity Commission guidance.

Fund Accounting

At the end of the year the RLO held total reserves of £6.6M.

RLO's funds are held for a variety of purposes, to ensure that the organisation can operate as a going concern in the future and also fulfil its legal obligations. The funds and effect of the review is summarised as follows:

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- Restricted funds (£Nil) – these are held under trust law and so can only be used for particular purposes, as specified or agreed with the donor.
- Designated funds (£321,552) - have been designated within the unrestricted reserves for furniture and equipment repairs and replacement.
- General funds (£2.2M) – these are sums that are freely available for general use. They are held at a level to withstand any short-term financial risks.
- Fixed asset funds (£4.1M) – these funds form part of the general funds. These have not changed and continue to make up the bulk of assets held, representing the operational assets of the organisation, without which we could not operate. The vast majority of these are freehold property, leasehold improvement, motor vehicles, computers and assets in the course of construction.

The funds policy review still recognised the need for free reserves to cover short-term risk. The Board of Trustees considers it prudent that unrestricted reserves should be sufficient to:

- Cover lost income and operational costs for between one and six months of unforeseen difficulties
- Ensure the organisation can continue to meet its contracted support services provision for between three and six months in the event of unforeseen difficulties.

The Board of Trustees will review the reserves policy in light of changing risks presented to the organisation and will formally review the reserves policy and levels maintained on an annual basis. The Trustees recognise that investment in trading subsidiaries and operational assets ties up funds that would otherwise be available for spending, but have concluded that funds do not need to be set aside for a specific purpose at this time and that additional funds are not required to meet future commitments.

The Charity purchases Directors and Officers Liability insurance. The cost of the premium in the year was £1,400 (2018 £1,120).

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(A company limited by guarantee)

REAL LIFE OPTIONS AND SUBSIDIARY COMPANIES

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

IV. PLANS FOR THE FUTURE

In future Real Life Options will consider the development of services in residential care, home care, supported living and mixed models of partnership delivery.

Residential Care is a very challenging environment but is an essential part of a care and support portfolio mix. Home Care too is a challenging and competitive environment, but it is one where scale, growth through acquisition and innovation translate into success.

Supported Living for People with Learning Disabilities is a core segment of Real Life Options' portfolio and provides opportunities for innovation and viability.

Real Life Options is aware that place based commissioning is likely to generate other forms of support going forwards and that whole life planning where care and support is delivered through collaboration is part of the journey going forwards. The forward plan is influenced by current external policies and strategies including the NHS Plan; Keys to Life; Transforming Care and The National Service Model. In addition, Real Life Options' approach is also affected by the National Autism Strategy which is under review and the Mental Capacity Act (Amendment).

Over the next year a further focus on Excellence in Leadership will attract investment in:

- Cohesive Role modelling
- Collaboration
- Communication
- Clear objectives
- Continuing performance management
- Consistent Engagement and Retention
- Financial Excellence
- Excellence in Services
- Excellence in Development

ON BEHALF OF THE BOARD


D. Wilkin – Director and Chair of the Trustees
14 October 2019

REAL LIFE OPTIONS
(A company limited by guarantee)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 March 2019

The trustees present their report with the financial statements of the charitable company and the group for the year ended 31 March 2019.

Principal Activities and Future Developments

The principal activities of the group are set out in the strategic report. The group continues to deliver public services.

Results

The group surplus for the year, after taxation amounted to £378,000 (2018: £756,000).

Directors

The directors who served during the year were

D Wilkin

G J Collingham, Resigned 24 September 2018

R A Hendry

I Hardcastle, Resigned 7 May 2018

J R Swales, Appointed 24 September 2018

H Mounsey, Appointed 24 September 2018

Employees

Local arrangements have continued for managers to meet employees and their representatives to discuss matters of mutual interest and concern including the provision of relevant information.

Employment of the disabled

The company recognises its responsibility for the employment, training, career development and promotion of disabled persons and gives full consideration of applications irrespective of an individual's background. Every effort is made to continue to employ those who become disabled while working for the company.

REAL LIFE OPTIONS
(A company limited by guarantee)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 March 2019

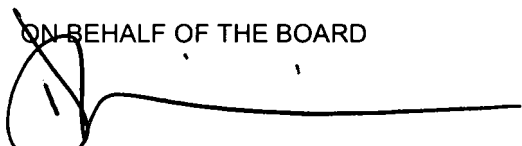
Statement as to disclosure to auditors

So far as the directors are aware, there is no relevant information (as defined by section 428 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

BDO LLP are to be nominated for reappointment as auditor at the Annual General Meeting.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a horizontal line extending to the right.

D Wilkin – Director and Chair of the Trustees

14 October 2019

REAL LIFE OPTIONS
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Group Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the [Companies Act 2006/Charities Act 2011]. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REAL LIFE OPTIONS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF REAL LIFE OPTIONS

Opinion

We have audited the financial statements of Real Life Options ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2019 and of the Group's incoming resources and application of resources and the Parent Charitable Company's 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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 related to going concern

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

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

REAL LIFE OPTIONS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF REAL LIFE OPTIONS

Other information

The other information comprises the information included in the Group Strategic report and the Trustees Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

REAL LIFE OPTIONS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF REAL LIFE OPTIONS

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF REAL LIFE OPTIONS

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees 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, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Helen Knowles (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester, UK

Date 8.11.19.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

REAL LIFE OPTIONS
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Designated Funds £'000	2019 Total £'000	2018 Total £'000
Incoming resources						
Incoming resources from charitable activities	3	38,437	10	-	38,447	36,099
Donations		1	6	-	7	3
Other incoming resources:						
Trading subsidiaries income - continuing		6,026	-	-	6,026	5,667
Other income		45	-	-	45	67
Total incoming resources		44,509	16	-	44,525	41,836
Resources expended						
Cost of generating funds						
Trading subsidiaries expenditure		6,262	22	-	6,284	6,014
Charitable activities		37,863	-	-	37,863	35,156
Total resources expended	4	44,125	22	-	44,147	41,170
Net incoming resources before other recognised gains, losses and transfers		384	(6)	-	378	666
UK Corporation tax	10	-	-	-	-	90
Surplus on Disposal of Fixed Assets		-	-	-	-	-
Transfer between funds		(99)	6	93	-	-
Net movement in funds		285	-	93	378	756
Fund balances at 1 April 2018	24	6,018	-	222	6,240	5,484
Total fund balances at 31 March 2019		6,303	-	315	6,618	6,240

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 28 to 49 form part of these financial statements.

REAL LIFE OPTIONS
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an income and Expenditure account

FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2019 Total £'000	2018 Total £'000
Incoming resources					
Incoming resources from charitable activities	3	38,437	10	38,397	36,099
Donations		1	6	7	3
Other income		40	-	40	1
		<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources		38,428	16	38,444	36,103
		<hr/>	<hr/>	<hr/>	<hr/>
Resources expended					
Charitable activities		37,841	22	37,863	35,156
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	4	37,841	22	37,863	35,156
		<hr/>	<hr/>	<hr/>	<hr/>
Net incoming resources before other recognised gains, losses and transfers		587	(6)	581	947
Gift Aid from subsidiaries		-	-	-	350
Net movement in funds before transfers		587	(6)	581	1,297
Transfers		(6)	6	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		581	-	581	1,297
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at 1 April 2018	24	7,460	-	7,460	6,163
		<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances at 31 March 2019		8,041	-	8,041	7,460
		<hr/>	<hr/>	<hr/>	<hr/>

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.
All amounts in 2018 related to unrestricted funds.

The notes on pages 28 to 49 form part of these financial statements.

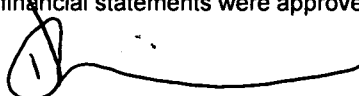
REAL LIFE OPTIONS
(A company limited by guarantee)

CONSOLIDATED AND CHARITY BALANCE SHEETS
Registered No 02699638

AS AT 31 MARCH 2019

	Note	Group 2019 £'000	2018 £'000	Charity 2019 £'000	2018 £'000
Fixed assets					
Intangible assets	11	1,645	2,017	119	166
Tangible assets	12	4,131	4,218	4,131	4,218
Investment Properties	13	-	-	-	-
Investments in Subsidiaries	14	-	-	4,322	4,322
		<hr/>	<hr/>	<hr/>	<hr/>
		5,776	6,235	8,572	8,706
Current assets					
Debtors:					
Amounts recoverable within one year	15	4,346	4,733	3,627	4,029
Cash at bank and in hand		1,565	802	1,141	372
		<hr/>	<hr/>	<hr/>	<hr/>
		5,911	5,535	4,768	4,401
Creditors:					
Amounts falling due within one year	16	3,900	3,813	4,130	3,930
		<hr/>	<hr/>	<hr/>	<hr/>
Net current assets/(liabilities)		2,011	1,722	638	471
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets less current liabilities		7,787	7,957	9,210	9,177
		<hr/>	<hr/>	<hr/>	<hr/>
Creditors:					
Amounts falling due after more than one year	18	1,169	1,717	1,169	1,717
		<hr/>	<hr/>	<hr/>	<hr/>
Net assets		6,618	6,240	8,041	7,460
		<hr/>	<hr/>	<hr/>	<hr/>
Reserves					
Unrestricted Funds		6,303	6,018	8,041	7,460
Restricted Funds		-	-	-	-
Designated Funds		315	222	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total Funds		6,618	6,240	8,041	7,460
		<hr/>	<hr/>	<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Trustees on
by:



D Wilkin Chair of the Board

and signed on their behalf

14 October 2019

The notes on pages 28 to 49 form part of these financial statements.

REAL LIFE OPTIONS
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2019

	GROUP	
	2019	2018
	£'000	£'000
Cash flows from operating activities		
Profit for the financial year	480	756
Adjustments for		
Amortisation of Intangible Assets	372	372
Depreciation of Fixed Assets	125	136
Net Interest Payable	110	81
Taxation	-	(90)
Decrease (increase) in debtors	421	(405)
Increase (decrease) in creditors	(60)	(49)
Increase (decrease) in provisions	-	(19)
	<hr/>	<hr/>
Cash from operations	1,444	782
Interest Paid	(110)	(81)
Taxation Paid		90
	<hr/>	<hr/>
Net cash generated from operating activities	1,334	791
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from sales of tangible fixed assets	-	2
Proceeds from sale of investment property	-	225
Purchases of tangible fixed assets	(38)	(125)
	<hr/>	<hr/>
Net Cash from investing activities	(38)	102
	<hr/>	<hr/>
Cash flows from financing activities		
Bank Loans repaid	(533)	(726)
	<hr/>	<hr/>
Net cash used in financing activities	(533)	(726)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	763	167
Cash and cash equivalents at beginning of year	802	635
	<hr/>	<hr/>
Cash and cash equivalents at end of year	1,565	802
	<hr/>	<hr/>
Cash and cash equivalents comprise		
Cash at bank and in hand	1,565	802
	<hr/>	<hr/>

The notes on pages 28 to 49 form part of these financial statements.

REAL LIFE OPTIONS
(A company limited by guarantee)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

The charity is a private charitable company limited by guarantee incorporated in England and Wales and has no share capital. The address of the registered office is given on the company information page and the nature of the group's operations and its principal activities are set out in the trustees report.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - Charities SORP (FRS 102), UK Generally Accepted Accounting Practice (UK GAAP) including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and Liabilities are recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The charity meets the definition of a public benefit entity under FRS 102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 2).

Parent company disclosure exemptions

In preparing the separate financial statements of the charity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the charity;
- Disclosures in respect of the charity's financial instruments have not been presented as equivalent disclosures have been provided for the group as a whole.

The following principal accounting policies have been applied:

1.1. Basis of Consolidation

The consolidated financial statements present the results of Real Life Options and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of financial affairs from the date on which control is obtained. They are deconsolidated from the date control ceases.

REAL LIFE OPTIONS
(A company limited by guarantee)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1 Accounting policies (continued)

1.2. Going Concern

Accounts are prepared on the assumption that each entity is a going concern. In determining that the charity and its subsidiaries are going concerns the RLO Board gives consideration to the risks and uncertainties facing each entity, with particular reference to liquidity and solvency issues that might impact viability. The Board reviews forecasts for a period not less than the 12 months following the date the financial statements are to be issued. If solvency and liquidity issues present significant and material risks and uncertainties to the entities then the forecast period under review will be extended.

1.3. Fund Accounting

Unrestricted funds, which have not been designated for other purposes, are available for use at the discretion of the Trustees, in furtherance of the general objectives of the Charity.

Designated funds are transferred from general unrestricted funds for specific purposes, based on available cost information. These amounts are monitored annually and may be amended or re-designated by the Board.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by conditions relating to the arrangements leading to the receipt of the money; conditions under which money has been donated; or which have been raised by the Charity for particular purposes. If there is an obligation to use resources generated for a specific purpose the income will be accounted for in a restricted fund. The costs of raising and administering such funds will be charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4. Income

All income is included in the Statement of Financial Activities ('SOFA') when the entity is:

- legally entitled to the income, and
- any performance conditions attaching to the income have been met and
- the amount can be quantified with reasonable accuracy, and
- the amount is likely to be received.

Income may be accrued if the work has been completed and the service under the contract delivered. Income may be deferred if the service has not been provided even if the value has been invoiced and payment received.

Grants are received from bodies within Local Government and the National Health Service and are specific to the charitable activities.

All grants, donations, rental income and contractual payments are included on a receivable basis.

For legacies, income will be recognised if the amount can be measured and there is a clear indication that a distribution will be made from the estate.

REAL LIFE OPTIONS
(A company limited by guarantee)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1 Accounting policies (continued)

1.4. Income (continued)

Donated professional services and donated facilities will be recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. The economic benefit will be the amount the charity would have been willing to pay to obtain those services or facilities on the open market; a corresponding amount will be recognised in expenditure in the period of receipt.

In accordance with the Charities SORP (FRS 102), the contribution of volunteers general time to the Charity will not be recognised in the financial reports but will be referred to in the trustees' annual report.

Deferred capital grants are treated as deferred income in compliance current GAAP and are credited to the income and expenditure account over the expected useful economic life of the relevant fixed asset on a basis consistent with the depreciation policy.

Other grants are recognised as and when conditions for their release are fulfilled.

1.5. Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Charitable expenditure and support costs comprise direct expenditure including direct staff costs attributable to the activity. Where support costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources. Governance costs are those incurred in connection with the management of the Charity's assets, organisational administration and costs regarding compliance with constitutional and statutory requirements.

1.6. Goodwill

At the date of acquisition, goodwill will initially be measured as the excess of the cost of the business combination over the fair value of the net amount of the identifiable assets, liabilities and contingent liabilities.

After initial recognition, the goodwill shall be measured as cost less accumulated amortisation and accumulated impairment losses. An estimate of the useful life of the Goodwill will be made at the time of acquisition and the Goodwill be amortised on a systematic basis over that life. The useful life of the goodwill will not normally be more than 10 years.

Using the definitions in FRS102, as part of the annual impairment review process, the value of goodwill will be compared with the recoverable amount of the asset. In the event that the value of the goodwill is found to be less than the recoverable amount, the value of the impairment will be recognised in the accounts.

REAL LIFE OPTIONS
(A company limited by guarantee)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1 Accounting policies (continued)

1.7. Tangible Assets

Tangible fixed assets costing more than £1,000 are capitalised and valued at historical cost along with any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value on a straight line basis over the following ranges of expected useful economic lives:

Freehold buildings	-	50 years
Freehold improvements	-	up to 50 years
Leasehold improvements	-	10 years or the length of the lease if shorter
Fixtures and fittings	-	3-10 years
Computer equipment and systems	-	2-4 years
Motor vehicles	-	2-4 years

Freehold Land will not be depreciated.

1.8. Operating Leases

Income and costs associated with operating leases are either credited or charged to the SOFA on an accruals basis in accordance with the contracts in force during the year.

The cost of the lease payments over the contracted period, after allowing for any lease incentives, will be apportioned equally over the life of the lease.

1.9. Current and Deferred Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of financial affairs.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or future profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the near future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of the liabilities acquired and the amount that will be assessed for tax.

REAL LIFE OPTIONS
(A company limited by guarantee)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1 Accounting policies (continued)

1.9. Current and Deferred Taxation

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.10. Accounting for Investments in Subsidiaries

Investments in subsidiaries are stated at cost less any assessed impairment in the asset.

1.11. Financial Instruments

Real Life Options and its group entities only enter into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables are measured, initially and subsequently, at the undiscounted amounts of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently amortised at cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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(A company limited by guarantee)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1 Accounting policies (continued)

1.12. Pension Contributions

Retirement benefits to the majority of employees are provided by the Group's defined contribution scheme. Contributions payable to the Group's pension scheme are charged to the profit and loss account in the period to which they relate.

A small, and reducing, number of employees are members of the NHS pension scheme. This is a defined benefit scheme and the assets are held separately from those of the Group. The NHS Pension scheme is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The NHS pension scheme is a multi-employer scheme.

The Group will recognise in the accounts its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis if it is possible and economical to identify its share of the cost. If it is not possible or economical to identify the Group's share of the underlying assets and liabilities the NHS pension scheme will be treated as a defined contribution scheme and the Group's contributions will be recognised as they are paid each year.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the directors have made the following judgements:

The Directors have reviewed the carrying value of the Group's assets, including goodwill, to determine whether there are any indicators of impairment. Factors taken into account include the economic viability and expected future financial performance of the assets.

Other key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of assets and residual values are assessed on acquisition and may be revised if operating circumstances change significantly.

The Group's investment properties are essentially residential properties and the carrying value is based on the Director's assessment of open market value supported by periodic valuations by a qualified surveyor.

The Directors have made assumptions about the potential value and likelihood of success of claims against the company for unpaid wages from current and former employees. Further details are disclosed in note 7.

3 Analysis of Income from Charitable Activities

All activity relates to the provision of care services in the UK. All income in the preceding year was unrestricted.

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)**

4 Analysis of resources expended

The charity allocates its support costs as shown in the table below. Regional Office costs are allocated to the relevant region. Support Service costs are apportioned between the regions based on the percentage of income per region.

GROUP 2019					
	Total £'000	Governance costs £'000	Human Resources & Training £'000	Property Costs £'000	Administration and Finance £'000
Trading subsidiaries expenditure	6,284	11	5,320	166	787
Charitable activities	37,863	80	33,026	1,743	3,014
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	44,147	91	38,346	1,909	3,801
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
GROUP 2018					
	Total £'000	Governance costs £'000	Human Resources & Training £'000	Property Costs £'000	Administration and Finance £'000
Trading subsidiaries expenditure	6,014	9	5,129	138	738
Charitable activities	35,156	85	30,707	1,622	2,742
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	41,170	94	35,836	1,760	3,480
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
CHARITY 2019					
	Total £'000	Governance costs £'000	Human Resources & Training £'000	Property Costs £'000	Administration and Finance £'000
Charitable activities	37,863	80	33,026	1,743	3,014
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	37,863	80	33,026	1,743	3,014
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
CHARITY 2018					
	Total £'000	Governance costs £'000	Human Resources & Training £'000	Property Costs £'000	Administration and Finance £'000
Charitable activities	35,156	85	30,707	1,622	2,742
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	35,156	85	30,707	1,622	2,742
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Governance costs relate to the audit and other professional services in connection with governance of the charity. All other costs are allocated to charitable activities where they are incurred within the charity or trading subsidiaries expenditure where they are incurred in those subsidiaries.

All expenditure in the current and preceding year was unrestricted.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

5 Analysis of support costs

	GROUP		CHARITY	
	2019	2018	2019	2018
Analysis of governance costs	£'000	£'000	£'000	£'000
Other financial services including accountancy services	41	40	31	30
Other professional fees	15	51	-	56
	35	3	49	-
	<hr/>	<hr/>	<hr/>	<hr/>
	91	94	80	86
	<hr/>	<hr/>	<hr/>	<hr/>

	GROUP	
	2019	2018
Audit and Non Audit Services	£'000	£'000
Statutory audit of parent and consolidated accounts	31	30
Statutory audit of subsidiary companies	10	10
Tax Services	14	25
Other Services	11	26
	<hr/>	<hr/>
	66	91
	<hr/>	<hr/>

6 Other costs and income

	GROUP		CHARITY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Operating lease rentals:				
- equipment land & buildings	201	191	179	191
- land & buildings	231	164	231	164
Depreciation - owned assets	125	137	125	131
Loan interest	74	81	74	104
Amortisation of goodwill	372	372	47	37
	<hr/>	<hr/>	<hr/>	<hr/>

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

7 Staff costs

	GROUP		CHARITY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Wages and salaries	33,026	30,856	28,454	26,388
Social security costs	2,382	2,234	2,114	1,969
Other pension costs - contributions to defined contribution schemes	820	751	743	697
	<u>36,228</u>	<u>33,841</u>	<u>31,311</u>	<u>29,054</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	GROUP		CHARITY	
	2019	2018	2019	2018
	Number	Number	Number	Number
£60,001 - £70,000	1	1	1	1
£70,001 - £80,000	3	2	3	2
£80,000- £90,000	1	-	1	-
£90,001- £100,000	2	2	2	2
£100,001-£110,000	1	1	1	1
£130,000-£140,000	-	-	-	-
£140,001-£150,000	-	1	-	1
	<u>8</u>	<u>7</u>	<u>8</u>	<u>7</u>

All employees earning more than £60,000 contributed to a personal pension scheme. The Charity contributed £48,702 (2018 - £51,000) on their behalf.

The number of full and part-time employees, calculated on a monthly average basis, was:

	GROUP		CHARITY	
	2019	2018	2019	2018
	Number	Number	Number	Number
Staff	<u>2,094</u>	<u>2,044</u>	<u>1,728</u>	<u>1,644</u>

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

8 Directors' Remuneration

	GROUP AND CHARITY	
	2019	2018
	£'000	£'000
Directors' emoluments	593	313
Company contributions to defined contribution pension scheme	42	22
	<hr/>	<hr/>
	635	335
	<hr/>	<hr/>

There were 3 directors in the group's defined contribution pension scheme (2018 - 3). None of the directors accrued benefits under the group's defined benefit pension scheme during the year (2018 - none).

Other than the directors, there are not considered to be any other employees who are key management personnel.

Emoluments of the highest paid director were £106k (2018 - £136k). Company pension contributions of £8k (2018 - £9k) were made to a defined contribution pension scheme on their behalf.

Under the Articles of Association the charity is allowed to remunerate non-executive trustees for their duties.

In the year ended 31 March 2019, or the year ended 31 March 2018, no non-executive trustees were remunerated.

Director's remuneration of £Nil (2018 - £313k) was paid to 3 (2018 - 3) trustees in their capacity as executive directors.

Trustees are reimbursed for expenditure incurred in attending trustees meetings or visiting the Group's home and facilities in their roles as Trustees. In the year to 31 March 2019, costs totalling £Nil (2018 - £887) were reimbursed to 0 (2018 - 5) Non-Executive Trustees.

During the year ended 31 March 2019, there was an amount of £131k (2018 - £80k) paid as compensation for loss of office.

9 Indemnity insurance

The Charity purchases Directors and Officers Liability insurance. The cost of the premium in the year was £1,400 (2018 - £1,120).

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

10 Taxation

	GROUP	
	2019	2018
	£'000	£'000
Corporation Tax		
Charge for year	-	-
Adjustment in respect of prior periods	2	(71)
	<hr/>	<hr/>
Total	-	(71)
Deferred Tax		
Origination and reversal of timing differences	-	(55)
Adjustments in respect of prior periods	(2)	36
Change to tax rates	-	-
	<hr/>	<hr/>
	-	(19)
	<hr/>	<hr/>
Total	-	(90)
	<hr/>	<hr/>
Net incoming resources before other recognised gains, losses and transfers	378	666
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19%	72	127
Income not subject to tax	(135)	(179)
Expenses not deductible for tax purposes	63	(25)
Adjustments in respect of prior periods	-	(13)
	<hr/>	<hr/>
Total	-	(90)
	<hr/>	<hr/>

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

11 Goodwill

	GROUP	
	2019	2018
	£'000	£'000
Cost as at the start of the year	3,830	3,830
Cost as at 31 March	3,830	3,830
Accumulated Amortisation as at the start of the year	1,813	1,441
Amortisation in the year	372	372
Accumulated Amortisation as at 31 March	2,185	1,813
Net book value as at 31 March	1,645	2,017
	CHARITY	
	2019	2018
	£'000	£'000
Cost as at the start of the year	474	474
Additions in the year	-	-
Cost as at 31 March	474	474
Accumulated Amortisation as at the start of the year	308	261
Amortisation in the year	47	47
Accumulated Amortisation as at 31 March	355	308
Net book value as at 31 March	119	166

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)**

12 Tangible fixed assets

GROUP	Freehold land and buildings £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computers £'000	Assets in the course of construction £'000	TOTAL £'000
Cost							
At 1 April 2018	4,275	161	174	18	1,232	50	5,910
Additions	-	13	25	-	-	-	38
Disposals	-	-	-	(18)	-	-	(18)
Transfer	-	-	-	-	50	(50)	-
At 31 March 2019	4,275	174	199	-	1,282	-	5,930
Depreciation							
At 1 April 2018	264	73	172	18	1,165	-	1,692
Provided during the year	60	14	6	-	45	-	125
Impairment	-	-	-	-	-	-	-
Reclassification of assets	-	-	-	-	-	-	-
Disposals	-	-	-	(18)	-	-	(18)
At 31 March 2019	324	87	178	-	1,210	-	1,799
Net Book Value							
At 31 March 2019	3,951	87	21	-	72	-	4,131
At 31 March 2018	4,011	88	2	-	67	50	4,218

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)**

12 Tangible fixed assets (continued)

	Freehold land and buildings £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computers £'000	Assets in the course of construction £'000	TOTAL £'000
CHARITY							
At 1 April 2018	4,275	161	163	-	1,184	50	5,833
Additions	-	13	25	-	-	-	38
Transfers	-	-	-	-	50	(50)	-
At 31 March 2019	4,275	174	188	-	1,234	-	5,871
Depreciation							
At 1 April 2018	264	73	149	-	1,129	-	1,615
Provided during the year	60	14	6	-	45	-	125
Disposals	-	-	-	-	-	-	-
At 31 March 2019	324	87	155	-	1,174	-	1,740
Net book value							
At 31 March 2019	3,951	87	33	-	60	-	4,131
At 31 March 2018	4,011	88	14	-	55	50	4,218

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

13 Investment properties

	GROUP		CHARITY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Opening Balance	-	225	-	225
Reclassified from Freehold Property	-	-	-	-
Disposal	-	(225)	-	(225)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

The investment property was disposed of during the year ended 31 March 2018.

13 Investments

	2019	2018
	£'000	£'000
Cost and netbook value as at the start of the year	4,322	4,322
	<hr/>	<hr/>
Cost and net book value as at 31 March 2019	4,322	4,322
	<hr/>	<hr/>

Subsidiary	Control %	Co Number	Registered office
1st Home Care Limited	100	SC272838	14B Dickson Street, Elgin Industrial Estate, Dunfermline, Fife, KY12 7SN
Orchard Care Services Limited	100	05767436	David Wandless House, A1 Business Park, Knottingley Road, Knottingley, WF11 0BU
Lowland Care Services Limited	100	SC236443	14B Dickson Street, Elgin Industrial Estate, Dunfermline, Fife, KY12 7SN
Alpha Homecare (Scotland) Limited	100	SC263919	14B Dickson Street, Elgin Industrial Estate, Dunfermline, Fife, KY12 7SN
RLO Orchard Care Limited	100	08164674	David Wandless House, A1 Business Park, Knottingley Road, Knottingley, WF11 0BU
Senior Service (Edinburgh) Limited*	100	SC312050	14B Dickson Street, Elgin Industrial Estate, Dunfermline, Fife, KY12 7SN
Real Life Options (Cymru) Limited	100	08165205	David Wandless House, A1 Business Park, Knottingley Road, Knottingley, WF11 0BU

All subsidiaries are involved in the provision of care services.

* Denotes that the 100% control is indirect via Lowland Care Services Limited.

Of the above named subsidiaries only 1st Home Care Limited is considered to be material to the operations of the group.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

14 Investments (continued)

Its income and expenditure for the year ended 31 March 2019 was as follows:-

	2019 £'000	2018 £'000
Turnover	6,081	5,560
Cost of sales	(5,198)	(4,810)
	<hr/>	<hr/>
Gross profit	883	750
Administrative expenses	(767)	(739)
	<hr/>	<hr/>
Operating profit	116	11
Interest payable and similar charges	-	-
	<hr/>	<hr/>
Profit on ordinary activities before tax	116	11
Taxation	-	91
	<hr/>	<hr/>
Profit after tax	116	102
	<hr/>	<hr/>
The aggregate of the assets liabilities and funds was:		
	2019 £'000	2018 £'000
Assets	2,351	2,112
Liabilities	(851)	(853)
	<hr/>	<hr/>
Reserves	1,500	1,259
	<hr/>	<hr/>

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

15 Debtors

	GROUP		CHARITY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts due within one year				
Trade debtors	2,250	2,927	1,948	2,363
Amounts due from subsidiary undertakings	-	115	199	275
Other debtors	38	131	37	126
Prepayments and accrued income	2,056	1,560	1,443	1,265
Deferred tax asset	2	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	4,346	4,733	3,627	4,029
	<hr/>	<hr/>	<hr/>	<hr/>

The impairment loss recognised in the Group's Statement of Financial Activities for the period in respect of bad and doubtful trade debtors was £Nil (2018 - £273,000). The impairment loss recognised in the charity's Statement of Financial Activities for the period in respect of bad and doubtful trade debtors was £Nil (2018 - £268,000).

Amounts due from subsidiary undertakings are interest free and due on demand.

16 Creditors: amounts falling due within one year

	GROUP		CHARITY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	376	361	376	361
Trade creditors	514	684	438	607
Other taxes and social security	638	590	570	537
Accruals and deferred income	1,660	1,583	1,544	1,396
Other creditors	710	595	445	407
Amounts due to subsidiary undertakings	-	-	757	622
Corporation tax payable	2	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,900	3,813	4,130	3,930
	<hr/>	<hr/>	<hr/>	<hr/>

Amounts due to subsidiary undertakings are interest free and due on demand.

For a number of service users, the charity is an appointee for the purposes of benefit claims with the Department for Work and Pensions. The charity claims benefits on behalf of the service users and manages bank accounts opened specifically for the purpose on behalf of the claimant. In addition, the charity works with service users in supported living by managing shared resources in bank accounts. The total amount of money controlled by the company under these arrangements is £2,296k (2018 - £2,081k). This is not included within the charity or group funds.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

17 Deferred income

	GROUP		CHARITY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Balance at 1 April	228	183	228	183
Amount released to income	(228)	(183)	(228)	(183)
Amount deferred in the period	305	228	305	228
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March	305	228	305	228
	<hr/>	<hr/>	<hr/>	<hr/>

Deferred income relates to the provision of care services invoiced in advance.

18 Creditors: amounts falling due in more than one year

	GROUP		CHARITY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank loans	1,169	1,717	1,169	1,717
	<hr/>	<hr/>	<hr/>	<hr/>
Loans and overdrafts				
Repayments fall due as follows				
Within one year	376	361	376	361
In the second to fifth year inclusive	901	1,157	901	1,157
After 5 years	268	560	268	560
	<hr/>	<hr/>	<hr/>	<hr/>
Total loans and overdrafts	1,545	2,078	1,545	2,078
	<hr/>	<hr/>	<hr/>	<hr/>

The bank loans are secured by specific charges over the Group's properties and floating charges on all of the Group's assets and are repayable at varying rates of interest.

19 Financial instruments

	GROUP	
	2019	2018
	£'000	£'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,855	4,937
	<hr/>	<hr/>
Financial liabilities		
Financial liabilities measured at amortised cost	4,024	4,324
	<hr/>	<hr/>

Financial assets measured at amortised cost comprise cash, trade and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade and other creditors and accruals.

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)**

20 Deferred taxation

	GROUP	
	2019	2018
	£'000	£'000
At 1 April 2018	-	-
Charged/(credited) in the year	(2)	-
	<hr/>	<hr/>
At 31 March 2019	(2)	-
	<hr/>	<hr/>

The deferred taxation creditor is made up as follows:

	GROUP	
	2019	2018
	£'000	£'000
Short Term Timing Differences	(2)	-
	<hr/>	<hr/>

21 Other financial commitments

At 31 March 2019 the group had commitments under non-cancellable operating leases as follows:

	GROUP		GROUP	
	Land and buildings		Equipment	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Expiry date:				
Within one year	270	220	122	140
Between two and five years	259	355	83	179
In more than 5 years	-	-	-	1
	<hr/>	<hr/>	<hr/>	<hr/>
	529	575	205	320
	<hr/>	<hr/>	<hr/>	<hr/>
	CHARITY		CHARITY	
	Land and buildings		Equipment	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Expiry date:				
Within one year	270	220	111	132
Between two and five years	259	355	66	170
In more than 5 years	-	-	-	4
	<hr/>	<hr/>	<hr/>	<hr/>
	529	575	177	306
	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

22 Related party transactions

The charity has taken advantage of the exemption conferred by section 33.1A of FRS102 not to disclose transactions with wholly owned subsidiaries.

Transactions with Trustees are detailed in note 8.

23 Pension scheme obligations- Defined Contribution Schemes

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.

These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities.

Therefore, the schemes are accounted for as though they were defined contribution schemes: the cost to the clinical commissioning group of participating in a scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government 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 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 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 scheme 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 Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

23 Pension scheme obligations- Defined Contribution Schemes (continued)

b) 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 last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

For 2018-19, employers' contributions of £117,738 were payable to the NHS Pensions Scheme (2017-18: £75,382) were payable to the NHS Pension Scheme at the rate of 14.38% of pensionable pay. The scheme's actuary reviews employer contributions, usually every four years and now based on HMT Valuation Directions, following a full scheme valuation. The latest review used data from 31 March 2012 and was published on the Government website on 9 June 2012. These costs are included within creditors.

REAL LIFE OPTIONS
(A company limited by guarantee)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

24 Funds

Group	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 March 2019 £'000
Restricted funds						
Services Fund	-	16	(22)	6	-	-
Total restricted funds	-	16	(22)	6	-	-
Unrestricted funds						
Designated	222	-	-	93	-	315
General fund	6,018	44,509	(44,125)	(99)	-	6,303
Total unrestricted funds	6,240	44,509	(44,125)	(6)	-	6,618
Total funds	6,240	44,525	(44,147)	-	-	6,618

Charity	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 March 2019 £'000
Restricted funds						
Services Fund	-	16	(22)	6	-	-
Total restricted funds	-	16	(22)	6	-	-
Unrestricted funds						
General fund	7,460	38,428	(37,741)	(6)	-	8,141
Total unrestricted funds	7,460	38,428	(37,763)	(6)	-	8,141
Total funds	7,460	38,444	(37,763)	-	-	8,141

A figure of £314,839 (2018 - £221,552) has been designated within the unrestricted reserves for furniture and equipment repairs and replacement.

The restricted funds are funds collected for specific services that are ring fenced for projects they have collected for.