

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 2020**

REAL LIFE OPTIONS
(A company limited by guarantee)

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

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 documents are its 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 (Resigned 14 th August 2020) D I Sargent |
| Officers: | |
| Company secretary | R Milner |
| 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 |
| Director of Human Resources | A Holden (Appointed 31 March 2020) |
| Director of Digital and Enablement | P Cusworth (Appointed 31 March 2020) |
| Advisers: | |
| Independent Auditor | BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT |
| Bankers | Natwest 135 Bishopsgate London EC2M 3UR |
| Legal | Weightmans Westgate Point Leeds LS1 2AX |

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GROUP STRATEGIC REPORT
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STRUCTURE, GOVERNANCE & MANAGEMENT

I. STATUS

Real Life Options is a company limited by guarantee. Our governing documents are the Memorandum and 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 2020 there were five Trustees.

The RLO constitution also facilitates a membership group which is distinct from the Board and appointed through a separate process to ensure impartiality. The current eight members hold the Board to account in terms of ensuring that the organisation operates in accordance with its value.

Real Life Options has, over the years, evolved the organisation's structure to cope with increasing regulation, legislation, and complexity. The Board meets regularly in accordance with the constitutional requirements. The Board also benefits from an audit committee, remuneration committee and other working groups.

Real Life Options has a well-established annual planning and budgeting process.

Decision making

The Board meets quarterly in accordance with an annual work programme agreed annually in advance. In addition, it meets annually for an average of two days during which time it works with the Leadership team to set the strategic agenda and review previous performance.

Operational responsibility is delegated to the Chief Executive Officer. The Board is supported by a Company Secretary. At its meetings, the Board receives strategic and operational reports as well as a financial report.

II. OBJECTIVES AND ACTIVITIES

Real Life Options is founded on the values of respect, honesty, responsibility and excellence. These 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.

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II. OBJECTIVES AND ACTIVITIES (continued)

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.

The Trustees have had due regard to the guidance published by the Charity Commission on public benefit in directing the Charity's activities.

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

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

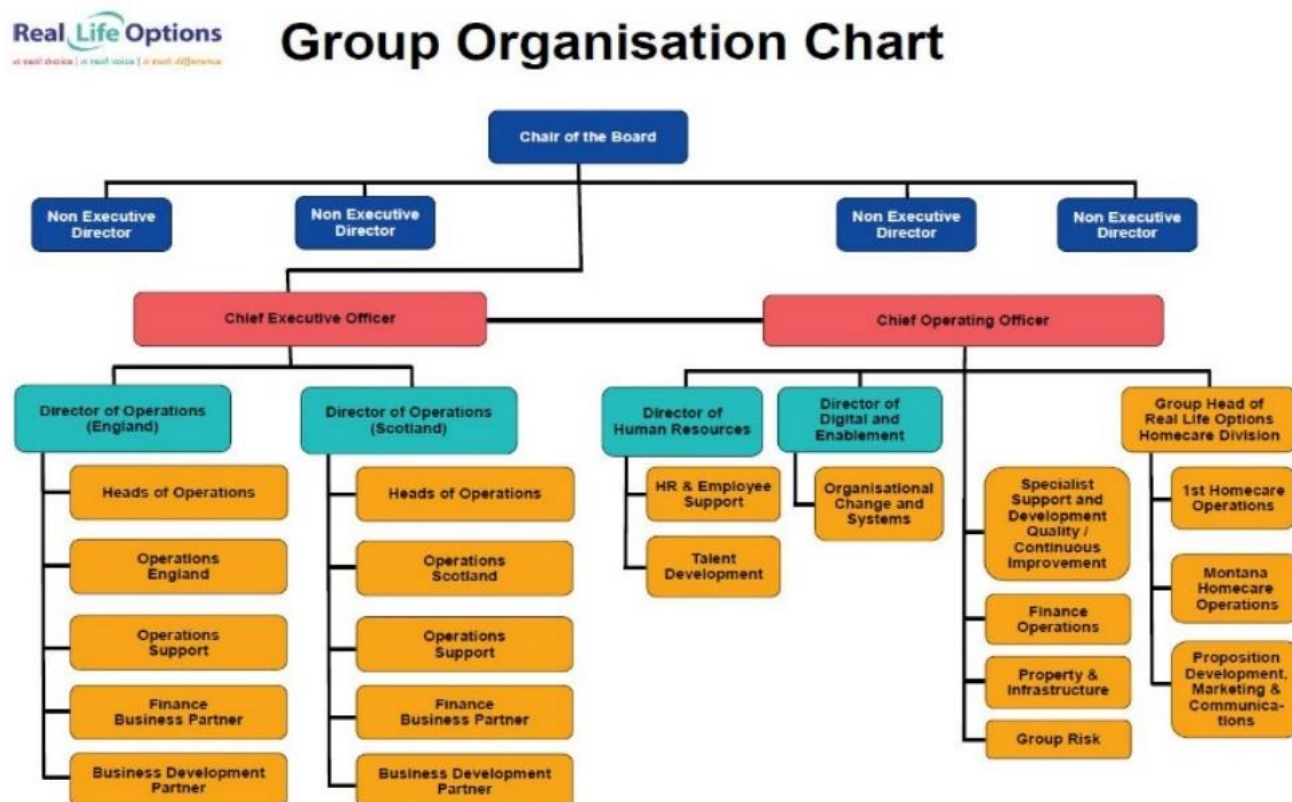
The focus of the charity's effort will continue to be care and support for those who need it, particularly people with a learning or other disability.

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III. STRUCTURE

Real Life Options' Structure:



IV. VOLUNTEERS

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 will be able to play a more significant and rewarding role in enhancing the life experience of the people we support. Funding approved in 2019 secured a part time volunteer coordinator and established volunteer programme in Central Scotland as a pilot for the whole of RLO UK. This enabled RLO to conclude the volunteer strategy and to enrol volunteers in Central Scotland. It also facilitated the establishment of a volunteer with all the necessary paperwork, forms and processes to ensure safe practices. Strong working relationships were created internally between relevant support teams and externally partners such as Enable Scotland, Quarriers and DWP. A portfolio of marketing materials were produced to highlight possible routes into employment through our volunteering programme.

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V. PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's guidance on public benefit. This Trustees' report clearly sets out our charitable objectives and how they benefit the public. The organisation is set up to benefit 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. We deliver professional, innovative and effective customer-focused services with the aim of improving the quality of life of people by:

- promoting choice and control
- enabling people to make a positive contribution
- increasing dignity and respect
- providing freedom from discrimination and harassment
- furthering health and emotional well-being
- enhancing economic well-being

VI. SECTION 172 STATEMENT

This section provides RLO Group's section 172 statement. It needs to be read in the context of the whole annual report as evidence of the Directors' compliance with Section 172 of the Companies Act which requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to consider the Company's employees and other stakeholders, including the impact of its activities on the various communities we serve, the environment and the Company's reputation, when making decisions.

Acting in good faith and fairly between stakeholders, the Directors consider what is most likely to promote the success of the Company for its stakeholders in the long term. Whilst the importance of giving due consideration to our stakeholders is not new, we are explaining in more detail this year how the Board engages with our stakeholders, thus aiming to comply with the requirement to include a statement setting out how our Directors have discharged this duty.

The Board regularly reviews our principal stakeholders and how we engage with them. This is achieved through a number of channels including our independent membership which is in monthly receipt of information concerning the organisation's activities. The Board has also invested in our Support and Enablement programme which is primarily concerned with ensuring that services provided are designed and delivered in accordance with the wishes and expectations of people we support and their families. Thus, the stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by the leadership team and also by direct engagement with stakeholders themselves.

The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

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VI. SECTION 172 STATEMENT (continued)

RLO Group's principal stakeholders are defined as:

Prime

People we support
Families
Staff
Volunteers

Base

Local Authorities
Commissioners
Banks
Regulators
Suppliers
Local Communities

Partner

Researchers
Technical informers
Civil leaders
Strategic partners
Media
Donors

The Board continues to enhance its methods of engagement with the workforce. The RLO employee journey was designed to provide multiple points of engagement:



We aim to work responsibly with our suppliers. During the year, the Board reviewed our arrangements set out in RLO's Modern Slavery and Human Trafficking Statement which sets out the steps taken to prevent modern slavery in our business and supply chains.

The Chief Executive Officer has continued to enhance the Leadership Team to support him in his duties and decision making. This includes recognition of the Senior Leadership Group which comprises the senior functional management roles and together is comprised of those with responsibility for interacting with the Company's principal stakeholders.

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VII. STREAMLINED ENERGY & CARBON REPORTING (SECR)

This report summarises the energy usage, associated emissions, energy efficiency actions and energy performance for RLO, under the government policy Streamlined Energy & Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

RLO are a UK incorporated charity. Under the new SECR legislation we are mandated to include energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented in our most recent financial year. This is the first time that RLO has provided SECR data. Except for direct emissions (Gas and Fuel 2019-20 already available) at the time of reporting RLO is still compiling the 2019-20 consumption data and therefore the organisation has utilised the consumption data gathered from ESOS phase 2 compliance which is for the financial year 2018-19.

RLO's Scope 1 direct emissions (combustion of natural gas and transportation fuels) for this first year of reporting are 189 tCO₂e, resulting from the direct combustion of 940,160 kWh of fuel. Scope 2 indirect emissions (purchased electricity) for this first year of reporting are 122 tCO₂e, resulting from the consumption of 476,758 kWh of electricity purchased and consumed in day to day business operations.

RLO's operations have an intensity metric of 6.98 tCO₂e/£m turnover for this reporting year.

RLO is the highest parent company out of three companies (RLO, 1st Homecare Ltd and Montana Home Care Ltd). RLO is required to comply with SECR as a group, as we exceed the qualification threshold of employee numbers (in 2019, RLO employed over 250 FTE across the group), of turnover (in 2019, RLO had a turnover exceeding £36m).

The total consumption (kWh) figures for energy supplies reportable by RLO are as follows:

| Utility and Scope | 2019 UK Consumption (kWh) |
|-------------------------------------|---------------------------|
| Grid-Supplied Electricity (Scope 2) | 476,758 |
| Natural Gas (Scope 1) | 681,197 |
| Transportation (Scope 1) | 258,963 |
| Total | 1,416,917 |

The total emission (tCO₂e) figures for energy supplies reportable by RLO are as follows. Conversion factors utilised in these calculations are detailed in RLO's Streamlined Energy & Carbon Reporting (SECR) available on request:

| Utility and Scope | 2019 UK Consumption (tCO ₂ e) |
|-------------------------------------|--|
| Grid-Supplied Electricity (Scope 2) | 121.86 |
| Natural Gas (Scope 1) | 125.24 |
| Transportation (Scope 1) | 63.35 |
| Total | 310.44 |

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VII. STREAMLINED ENERGY & CARBON REPORTING (SECR) (continued)

An intensity metric of tCO₂e per £m turnover has been applied for the annual total emissions of RLO. The methodology of the intensity metric calculations are detailed in RLO's Streamlined Energy & Carbon Reporting (SECR) are available on request, and results of this analysis is as follows:

| Intensity Metric | 2019 UK Intensity Metric |
|-------------------------|--------------------------|
| tCO ₂ e / £m | 6.98 |

In terms of planning Real Life Options are ESOS compliant and ISO14001 accredited. As an organisation we are committed to operating our business in an environmentally friendly fashion, as much as is reasonably practicable, whilst also mindful of our obligations as a Charity to the people we support.

Whilst it may not be a cost effective use of the Charity's finances to install solar panels or use a "green energy" supplier, small steps can make a big difference and signs are on display encouraging people to turn lights and electrical equipment off when not in use and to recycle as much as possible. In addition, Real Life Options encourage people we support and staff to look for other innovative ways to reduce waste, to recycle and to lower energy usage and costs.

For those properties where Real Life Options have responsibility for provision of gas and electricity, one provider is used to ensure the best rates are procured and oversight of spend and usage is easily available in order that usage can be managed accordingly. At the Business Support site in Knottingley, LED lights have been installed and similar energy saving measures will be considered for this and other relevant sites in the Estates portfolio.

Mindful of carbon emissions, Real Life Options reduced the leased fleet by 7 vehicles from April 2018 to March 2019 and will continue to review both procurement of and usage of vehicles via expenses and mileage claims.

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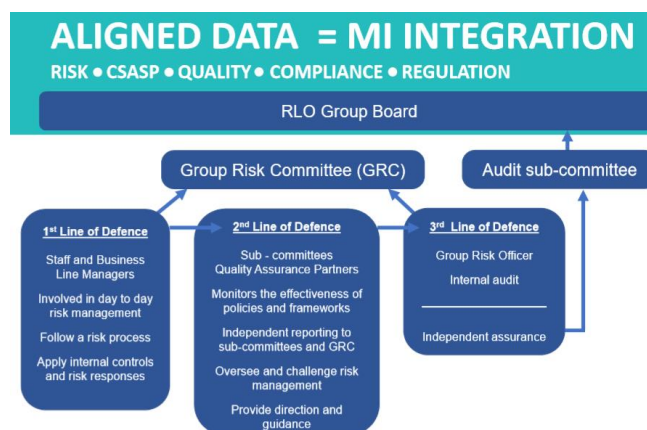
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VIII. PRINCIPAL RISKS AND UNCERTAINTIES

Real Life Options Group used a traditional risk register system until 2018. This was superseded by the introduction of a dynamic risk programme which consists of a number of sub-committees, who meet on a quarterly basis. These sub committees comprise of:

- Corporate Safeguarding and Adult Support and Protection
- Health and Safety
- Data Protection
- Quality Review Board

As part of the organisation's commitment to continuous improvement, the Trustees approved a dynamic risk management programme based on three lines of defence as per the diagram below.



In May 2019, a Group Risk Committee was introduced. The purpose of the group is:

- To ensure we have a pro-active risk strategy across Real Life Options Group including preventable risks, measurable risks, strategy and external risk
- Live reporting within the governance structure including compliance with reporting protocols as defined by regulators.
- To have trustee representation and oversight of all corporate sub committees
- To ensure robust categorisation of risk
- Ensure there is an effective system for reporting and recording risks
- Approve new risk procedures
- Approve policy changes
- Ensure Board have insight of existing and emerging risks
- Assess serious incidents to determine if any are reportable to the Charities Commission and the Office of the Scottish Charity Regulator
- Report to the Board on a quarterly basis

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GROUP STRATEGIC REPORT
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IX. PANDEMIC IMPACT ON THE YEAR

Whilst Coronavirus 19 (COVID-19) did not have a significant material impact on the report for this year, it did require forethought for the 2020/2021 year. In the last two months of the financial year RLO Group began to plan for the potential impact of the COVID-19 pandemic. Planning at a Leadership and Governance level took account of risk to people we support, staff and the business as a going concern. Initial thoughts were that the organisation expected the impact of COVID-19 might be significant, but uncertain, e.g. in relation to expected future performance and effects on future asset valuation or activities in general. As planning continued into the new year it became apparent that there would be an impact in terms of deaths, severe illness, disruption for staff, disruption to central business structures and increased costs in relation to PPE, SSP and the organisation's own sickness scheme. A COVID-19 Risk Committee was initiated in accordance with RLO's dynamic risk management programme and this began to meet towards the end of March 2020 three times a week to review an information grid detailing COVID-19 infections, deaths and shielding impact. It also detailed impact on hours, communication channels and ethical considerations.

It soon became clear that there would be an impact on the organisation's financial performance, but that this would be within safe, manageable parameters. Prudent appointment of national procurement contracts meant that PPE was available at reasonable costs and the existing IT infrastructure was assessed as being COVID-19 ready due to earlier investment in systems and control procedures. There would also be disruptions to operations, access to offices and travel and internal controls needed to be modified. These changes to internal controls included, for example, changes to staff roles and functions, shifting of reporting lines and altering access to IT systems to enable a remote workforce to operate virtually. A complete evacuation of business support premises to remote home offices would be facilitated.

The Board of Trustees have been involved in the COVID-19 risk committee meetings and at this time are satisfied with the organisation's performance to date in response to COVID-19.

Based on the last quarter RLO group anticipates a reduction of between 1% and 5% due to the pandemic, but this will depend on the impact of a second wave. To mitigate a second wave the organisation has appointed a specialist Covid-19 operational support team to oversee operational responses to a potential second wave.

Based on the above factors, the directors are satisfied that the group, including all individual group companies therein, remain viable going concerns for the foreseeable future, and the financial statements have thus been prepared on a going concern basis.

X. SLEEPS

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

The Sleeps Challenge represents a considerable financial risk to the organisation, but the steps that the organisation 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 have not materialised. Nevertheless, the Trustees still await the High Court judgement which is due to be handed down within the 2020/2021 year.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

GROUP STRATEGIC REPORT

I. ACHIEVEMENTS AND PERFORMANCE

During this year, the Board has overseen the next implementation stages of the strategic plan with a strong focus on leadership, collaboration and accountability. During the year, RLO acquired Montana Home Care Ltd, a home care services provider based in Falkirk, to help broaden our activities in Scotland. The financial performance of this new subsidiary, covering the period from 6 December 2019 (date of acquisition) to 31 March 2020, is disclosed in note 14 to the financial statements. The organisation was able to make a valuable acquisition due to excellent planning and efficiency gains arising from delivering the 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 an organisation that anticipates customer needs, is resilient to change and well-led.

Significant investment has produced a framework which defines RLO Group's primary aim of person centred support and enablement as enabling staff to support people to engage in meaningful activity and relationships because taking part in a range of activities provides experience of variety of life and the opportunity to make real and informed choices. Being actively involved increases the opportunities the people we support have to interact with others in meaningful and purposeful ways, which in turn increases quality of life.

At Real Life Options we are developing bespoke person-centred support and enablement learning programme based on real life experiences of people who were involved in the pilot project.

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GROUP STRATEGIC REPORT
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I. ACHIEVEMENTS AND PERFORMANCE (continued)

Practice leads are key in providing consistent messages regarding values, expectations and effective performance management to ensure that the priority is the goals and aspirations of the people we support. To support practice leads in this role we have developed bespoke support and enablement tools which are linked to our model of support.

We have committed to seconding two support and enablement partners (one in Scotland and one in England) for one year, who will take the lead in developing capacity of our practice leads and supporting teams to truly embed a culture of doing for, to doing with.

We know from our pilot study at Darlington Road that support and enablement increased the people we support levels of engagement, opportunities, and choices which has had a significant impact on their quality of life. The staff team feel more inspired and fulfilled in their work. Support and enablement was key in securing our first CQC “Outstanding” inspection result.

Social Impact

During the year RLO also embarked on a programme to define the organisation's social benefit and impact as a charity. To this end RLO Group entered into a partnership with ‘The Collectives charity’ to begin the journey of defining the social value and monetary worth derived from the difference made in the lives of individuals and communities, as a result of RLO's activity. This will help to deliver accountability and is a key contributor to support good governance. This work programme continued at pace through the year with teams defining and populating the organisations outputs, outcomes and impact. Progress was also made in identifying stakeholders.

Community Connection Fund

During the year RLO Group launched the Community Connection Fund, a small grants programme designed to empower people we support and staff in local services to invest in their communities by submitting applications for funding activities that make a difference locally. The CCF Panel consists of one staff member from Scotland, one from England, one from 1st Homecare, two from operations and two from Business Support. The panel meets regularly to decide on proposals from teams.

II. CONSTITUTION

The organisation is a company limited by Guarantee. The organisation's governing documents 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 all applicable regulations.

RLO Group's governance policy and structure complies with the following regulators:

- Charities Commission
- Scottish Charities Regulator
- Care Quality Commission
- The Care Inspectorate

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

II. CONSTITUTION (continued)

Under the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014: Regulation 17, providers must have effective governance, including assurance and auditing systems or processes. These must assess, monitor and drive improvement in the quality and safety of the services provided, including the quality of the experience for people using the service. The systems and processes must also assess, monitor and mitigate any risks relating to the health, safety and welfare of people using services and others. Providers must continually evaluate and seek to improve their governance and auditing practice. RLO Group's governance approach drives performance in compliance with this.

Operation of the Board of Trustees

The Board of Trustees meets quarterly during the year to monitor performance against agreed strategic goals and review the organisation's and Senior Leadership Team'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 and Director of Finance in attendance.

A Remuneration Committee, comprising Non-Executive Trustees, has specific responsibility to review and determine the remuneration of the CEO and review the remuneration of the Senior Leadership Team based on external benchmarking and, where appropriate, recommendation and discussion with the Chief Executive. Oversight is also provided to the Remuneration Committee on levels of remuneration/rewards throughout the whole organisation.

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 recruited through a process which includes being interviewed by at least two Non-Executive Trustees (one of whom will be the Chair) and meeting a panel comprising people we support and their support workers. 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 Leadership Team and key staff of functional aspects of the organisation's operations.

Due to the pandemic the recruitment of Trustees was placed on hold until such time as the full recruitment process can be reinstated including interviews by people we support.

Related parties

The only related parties are considered to be the Trustees. The only transactions have been transactions in the normal course of their employment and through standard delivery of services.

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Subsidiaries

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

- 1st Home Care Ltd is a company with offices located throughout Scotland. The company provides domiciliary care to service users who 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 RLO Orchard Care Limited.
- RLO Orchard Care Limited ceased trading in August 2016 and previously provided domiciliary care to elderly services users in Warwickshire and Coventry. The company is expected to become dormant in due course.
- Alpha Homecare (Scotland) Limited, Real Life Options (Cymru) 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.
- Montana Home Care Ltd, is a company based in Falkirk, Scotland. The company provides domiciliary care to service users who require support. It is a strategic investment in domiciliary care provision and has well-earned reputation for excellent quality services.

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 (resigned April 2019)
- Director of Operations, England & Wales
- Director of Operations, Scotland and NI

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

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

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 2019 to 31st March 2020, is made on behalf of the Board at Real Life Options Group with regards to 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 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.

Operating in the social care sector, we employ a high percentage of female employees (73%) 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 that there is only a 1% pay differential in our Median hourly wage rates and a 4.1% differential towards males in our Mean hourly wages. We continue to strive towards parity among all employees and all new recruits are paid at standard rates to help us achieve this. The organisation will continue to review any evident pay gaps both at Mean and Quartile levels, with an aspiration to close any gaps and ensure pay parity for all employees.

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.

REAL LIFE OPTIONS
(A company limited by guarantee)
REAL LIFE OPTIONS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

III. FINANCIAL REVIEW

In the year to 31 March 2020, Real Life Options Group turnover increased by 1.1% from £44.5million to £44.9million. This increase reflects a growth in services across Real Life Options and its subsidiaries. Real Life Options achieved an increase in turnover of 3.0% from £38.4 million to £39.6million and its subsidiaries achieved growth of 1.7% from £5.7million to £5.8million.

Net movement in funds for the group increased by 95.2% from £378,000 to £738,000 reflecting 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.

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 continue to drain 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.

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.

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Fund Accounting

At the end of the year the Group held total reserves of £7.3M.

The Group'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 are summarised as follows:

- 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 (£206,965) - have been designated within the unrestricted reserves for furniture and equipment repairs and replacement.
- General funds (£3.0M) – 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 changed due to asset purchases in the year, these 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 or computers.

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 reserves are sufficient to meet the requirements of the reserves policy.

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 £2,687 (2019 £1,400).

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

IV. PLANS FOR THE FUTURE

Real Life Options Group is committed to achieving the current strategic plan, to become a very effective learning organisation and to have excellent communication at all levels.

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

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 changes resulting from the current pandemic and external policies.

ON BEHALF OF THE BOARD



D Wilkin
Director and Chair of the Trustees

Date: 19 October 2020

REAL LIFE OPTIONS
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report with the financial statements of the charitable company and the group for the year ended 31 March 2020.

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 £726,000 (2019: £378,000).

Directors

The directors who served during the year were:

D I Sargent
D Wilkin
R A Hendry
J R Swales
H Mounsey (Resigned 14th August 2020)

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.

Statement as to disclosure of information to auditor

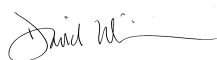
Each of the trustees who are directors for the purpose of company law at the time when this Report of the Trustees is approved has confirmed that:

- So far as the directors are aware, there is no relevant information 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

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD



D Wilkin
Director and Chair of the Trustees

Date: 19 October 2020

REAL LIFE OPTIONS
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2020

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 and 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
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REAL LIFE OPTIONS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REAL LIFE OPTIONS
FOR THE YEAR ENDED 31 MARCH 2020

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 2020 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2020 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 Financial Reporting Council'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
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REAL LIFE OPTIONS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REAL LIFE OPTIONS
FOR THE YEAR ENDED 31 MARCH 2020

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.

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.

REAL LIFE OPTIONS
(A company limited by guarantee)
REAL LIFE OPTIONS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REAL LIFE OPTIONS
FOR THE YEAR ENDED 31 MARCH 2020

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, 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.

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: 18 November 2020

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

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

FOR THE YEAR ENDED 31 MARCH 2020

| | Note | Unrestricted Funds £'000 | Restricted Funds £'000 | Designated Funds £'000 | 2020 Total £'000 | 2019 Total £'000 |
|--|------|--------------------------------|------------------------------|------------------------------|------------------------|------------------------|
| Incoming resources | | | | | | |
| Charitable activities | 4 | 39,232 | - | 358 | 39,590 | 38,447 |
| Donations | | - | 2 | - | 2 | 7 |
| Trading activities: | | | | | | |
| Trading subsidiaries income | | 5,401 | - | - | 5,401 | 6,026 |
| Other income | | - | - | - | - | 45 |
| Total incoming resources | | 44,633 | 2 | 358 | 44,993 | 44,525 |
| Resources expended | | | | | | |
| Trading expenditure: | | | | | | |
| Trading subsidiaries expenditure | | 5,095 | - | - | 5,095 | 6,284 |
| Charitable activities | | 38,701 | 4 | 466 | 39,171 | 37,863 |
| Total resources expended | 5 | 43,796 | 4 | 466 | 44,266 | 44,147 |
| Net income/(expenditure) before transfers and tax | | 837 | (2) | (108) | 727 | 378 |
| Transfer between funds | 28 | (2) | 2 | - | - | - |
| Net income/(expenditure) before tax | | 835 | - | (108) | 727 | 378 |
| UK Corporation tax | 11 | (1) | - | - | (1) | - |
| Net movement in funds | | 834 | - | (108) | 726 | 378 |
| Fund balances at 1 April 2019 | 28 | 6,303 | - | 315 | 6,618 | 6,240 |
| Total fund balances at 31 March 2020 | 28 | 7,137 | - | 207 | 7,344 | 6,618 |

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

The notes on pages 29 to 54 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 2020

| | Note | Unrestricted Funds £'000 | Restricted Funds £'000 | Designated Funds £'000 | 2020 Total £'000 | As restated 2019 Total £'000 |
|---|------|--------------------------------|------------------------------|------------------------------|------------------------|---------------------------------------|
| Incoming resources | | | | | | |
| Charitable activities | 4 | 39,232 | - | 358 | 39,590 | 38,397 |
| Donations | | - | 2 | - | 2 | 7 |
| Other income | | - | - | - | - | 40 |
| | | | | | | |
| Total incoming resources | | 39,232 | 2 | 358 | 39,592 | 38,444 |
| Resources expended | | | | | | |
| Charitable activities | | 38,310 | 4 | 466 | 38,780 | 37,863 |
| | | | | | | |
| Total resources expended | 5 | 38,310 | 4 | 466 | 38,780 | 37,863 |
| Net income/(expenditure) before gift aid from subsidiaries and transfers | | | | | | |
| | | 922 | (2) | (108) | 812 | 581 |
| Gift Aid from subsidiaries | | 83 | - | - | 83 | - |
| | | | | | | |
| Net movement in funds before transfers | | 1,005 | (2) | (108) | 895 | 581 |
| Transfers | | (2) | 2 | - | - | - |
| | | | | | | |
| Net movement in funds | | 1,003 | - | (108) | 895 | 581 |
| Reconciliation of funds | | | | | | |
| Fund balances at 1 April 2019 as previously stated | 28 | 8,041 | - | - | 8,041 | 7,460 |
| Prior year adjustment to recognise designated funds | 28 | (315) | - | 315 | - | - |
| | | | | | | |
| Fund balances at 1 April 2019 as restated | 28 | 7,726 | - | 315 | 8,041 | 7,460 |
| Net movement in funds | | 1,003 | - | (108) | 895 | 581 |
| | | | | | | |
| Total fund balances at 31 March 2020 | 28 | 8,729 | - | 207 | 8,936 | 8,041 |

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

The notes on pages 29 to 54 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 2020

| | | Group | | Charity | |
|--|------|---------------|---------------|---------------|------------------------------|
| | Note | 2020 £'000 | 2019 £'000 | 2020 £'000 | As restated 2019 £'000 |
| Fixed assets | | | | | |
| Goodwill | 12 | 2,467 | 1,645 | 72 | 119 |
| Tangible assets | 13 | 4,092 | 4,131 | 4,086 | 4,131 |
| Investments in Subsidiaries | 14 | - | - | 5,685 | 4,322 |
| | | <u>6,559</u> | <u>5,776</u> | <u>9,843</u> | <u>8,572</u> |
| Current assets | | | | | |
| Debtors: | | | | | |
| Amounts recoverable within one year | 15 | 4,430 | 4,346 | 3,980 | 3,627 |
| Cash at bank and in hand | | 2,633 | 1,565 | 1,438 | 1,141 |
| | | <u>7,063</u> | <u>5,911</u> | <u>5,418</u> | <u>4,768</u> |
| Creditors: | | | | | |
| Amounts falling due within one year | 16 | (4,934) | (3,900) | (4,981) | (4,130) |
| | | <u>2,129</u> | <u>2,011</u> | <u>437</u> | <u>638</u> |
| Net current assets | | | | | |
| | | <u>8,688</u> | <u>7,787</u> | <u>10,280</u> | <u>9,210</u> |
| Total assets less current liabilities | | | | | |
| | | | | | |
| Creditors: | | | | | |
| Amounts falling due after more than one year | 18 | (1,344) | (1,169) | (1,344) | (1,169) |
| | | <u>7,344</u> | <u>6,618</u> | <u>8,936</u> | <u>8,041</u> |
| Net assets | 29 | | | | |
| | | <u>7,344</u> | <u>6,618</u> | <u>8,936</u> | <u>8,041</u> |
| Reserves | | | | | |
| Unrestricted Funds | | 7,137 | 6,303 | 8,729 | 7,726 |
| Restricted Funds | | - | - | - | - |
| Designated Funds | | 207 | 315 | 207 | 315 |
| | | <u>7,344</u> | <u>6,618</u> | <u>8,936</u> | <u>8,041</u> |
| Total Funds | 28 | | | | |
| | | <u>7,344</u> | <u>6,618</u> | <u>8,936</u> | <u>8,041</u> |

The financial statements were approved and authorised for issue by the Trustees on 19 October 2020 and signed on their behalf by:



D Wilkin
Chair of the Board

The notes on pages 29 to 54 form part of these financial statements.

REAL LIFE OPTIONS
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2020

| | | 2020 £'000 | As restated 2019 £'000 |
|---|-------|-----------------------------|---|
| Cash flows from operating activities | | | |
| Profit for the financial year | | 726 | 378 |
| Adjustments for: | | | |
| Amortisation of Intangible Assets | 12 | 413 | 372 |
| Depreciation of Fixed Assets | 13 | 135 | 125 |
| Net Interest Payable | | 55 | 110 |
| Taxation | 11 | 1 | - |
| Decrease in debtors | 15 | 16 | 389 |
| Increase in creditors | 16 | 440 | 70 |
| | | <hr/> | <hr/> |
| Cash from operations | | 1,786 | 1,444 |
| Interest Paid | | (55) | (110) |
| Taxation Paid | 11 | (4) | - |
| | | <hr/> | <hr/> |
| Net cash generated from operating activities | | 1,727 | 1,334 |
| | | <hr/> | <hr/> |
| Cash flows from investing activities | | | |
| Acquisition of subsidiary | 22 | (890) | - |
| Purchases of tangible fixed assets | 13 | (91) | (38) |
| | | <hr/> | <hr/> |
| Net Cash from investing activities | | (981) | (38) |
| | | <hr/> | <hr/> |
| Cash flows from financing activities | | | |
| Receipt of new bank loans | | 840 | - |
| Bank loans repaid | | (518) | (533) |
| | | <hr/> | <hr/> |
| Net cash used in financing activities | | 322 | (533) |
| | | <hr/> | <hr/> |
| Net increase in cash and cash equivalents | | 1,068 | 763 |
| Cash and cash equivalents at beginning of year | | 1,565 | 802 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at end of year | 24 | 2,633 | 1,565 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents comprise: | | | |
| Cash at bank and in hand | 24,25 | 2,633 | 1,565 |
| | | <hr/> | <hr/> |

Details of the prior year restatement can be found in note 30.

The notes on pages 29 to 54 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 2020

1 General information

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.

2 Accounting policies

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 2019) - 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 FRS 102 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 3).

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:

2.1. 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 2020

2 Accounting policies *(continued)*

2.2. Going Concern

Whilst Coronavirus 19 (COVID-19) did not have a significant material impact on the report for this year, it did require forethought for the 2020/2021 year. In the last two months of the financial year RLO Group began to plan for the potential impact of the COVID-19 pandemic. Planning at a Leadership and Governance level took account of risk to people we support, staff and the business as a going concern. Initial thoughts were that the organisation expected the impact of COVID-19 might be significant, but uncertain, e.g. in relation to expected future performance and effects on future asset valuation or activities in general. As planning continued into the new year it became apparent that there would be an impact in terms of deaths, severe illness, disruption for staff, disruption to central business structures and increased costs in relation to PPE, SSP and the organisation's own sickness scheme. A COVID-19 Risk Committee was initiated in accordance with RLO's dynamic risk management programme and this began to meet towards the end of March 2020 three times a week to review an information grid detailing COVID-19 infections, deaths and shielding impact. It also detailed impact on hours, communication channels and ethical considerations.

It soon became clear that there would be an impact on the organisation's financial performance, but that this would be within safe, manageable parameters. Prudent appointment of national procurement contracts meant that PPE was available at reasonable costs and the existing IT infrastructure was assessed as being COVID-19 ready due to earlier investment in systems and control procedures. There would also be disruptions to operations, access to offices and travel and internal controls needed to be modified. These changes to internal controls included, for example, changes to staff roles and functions, shifting of reporting lines and altering access to IT systems to enable a remote workforce to operate virtually. A complete evacuation of business support premises to remote home offices would be facilitated.

The Board of Trustees have been involved in the COVID-19 risk committee meetings and at this time are satisfied with the organisation's performance to date in response to COVID-19.

RLO group anticipates a reduction in hours of between 1% and 5% due to the pandemic, but this will depend on the impact of a second wave. To mitigate a second wave the organisation has appointed a specialist Covid-19 operational support team to oversee operational responses to a potential second wave.

Based on the above factors, the directors are satisfied that the group, including all individual group companies therein, remain viable going concerns for the foreseeable future, and the financial statements have thus been prepared on a going concern basis.

2.3. 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.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2 Accounting policies *(continued)*

2.4. Income

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

- 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.

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.

2.5. 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. The charity has one type of activity – support services. All support costs are allocated to this activity. 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.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2 Accounting policies *(continued)*

2.6. 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 FRS 102, 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.

2.8. 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 land & buildings | - 50 years |
| Leasehold improvements | - 10 years or the length of the lease if shorter |
| Fixtures and fittings | - 3-10 years |
| Computer equipment | - 2-4 years |
| Office equipment | - 3-4 years |

Freehold Land will not be depreciated.

2.9. 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.

2.10. 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.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2 Accounting policies *(continued)*

2.10. Current and Deferred Taxation *(continued)*

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.

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

2.11. Accounting for Investments in Subsidiaries

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

2.12. 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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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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2 Accounting policies *(continued)*

2.13. 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.

3 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 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.

4 Analysis of Income from Charitable Activities

All activity relates to the provision of care services in the UK.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

5 Analysis of resources expended

GROUP 2020

| | Total | Governance costs | Human Resources & Training | Property Costs | Administration and Finance |
|----------------------------------|---------------|-------------------------|---------------------------------------|-----------------------|-----------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Trading subsidiaries expenditure | 5,095 | - | 4,894 | 130 | 71 |
| Charitable activities | 39,171 | 80 | 32,966 | 1,881 | 4,244 |
| | 44,266 | 80 | 37,860 | 2,011 | 4,315 |

GROUP 2019

| | Total | Governance costs | Human Resources & Training | Property Costs | Administration and Finance |
|----------------------------------|---------------|-------------------------|---------------------------------------|-----------------------|-----------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Trading subsidiaries expenditure | 6,284 | 11 | 5,320 | 166 | 787 |
| Charitable activities | 37,863 | 80 | 33,026 | 1,743 | 3,014 |
| | 44,147 | 91 | 38,346 | 1,909 | 3,801 |

Total expenditure for the year for the group was £44,266k (£44,147k) of which £4k (2019: £22k) was restricted, £466k (2019: £Nil) was designated and £43,796k (£44,125k) was unrestricted.

CHARITY 2020

| | Total | Governance costs | Human Resources & Training | Property Costs | Administration and Finance |
|-----------------------|--------------|-------------------------|---------------------------------------|-----------------------|-----------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Charitable activities | 38,780 | 80 | 32,966 | 1,881 | 3,853 |

CHARITY 2019

| | Total | Governance costs | Human Resources & Training | Property Costs | Administration and Finance |
|-----------------------|--------------|-------------------------|---------------------------------------|-----------------------|-----------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Charitable activities | 37,863 | 80 | 33,026 | 1,743 | 3,014 |

Total expenditure for the year for the charity was £38,780k (£37,863k) of which £4k (2019: £22k) was restricted, £466k (2019: £Nil) was designated and £38,310k (£37,841k) was unrestricted.

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6 Analysis of support costs

| | GROUP | | CHARITY | |
|---|--------------|--------------|----------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| Analysis of governance costs | £'000 | £'000 | £'000 | £'000 |
| Audit fees | 46 | 41 | 36 | 31 |
| Other financial services including accountancy services | 22 | 15 | 22 | - |
| Other professional fees | 12 | 35 | 22 | 49 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 80 | 91 | 80 | 80 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | GROUP | | CHARITY | |
| | 2020 | 2019 | 2020 | 2019 |
| Audit and Non Audit Services | £'000 | £'000 | £'000 | £'000 |
| Statutory audit of parent and consolidated accounts | 36 | 31 | 36 | 31 |
| Statutory audit of subsidiary companies | 10 | 10 | - | - |
| Tax Services | 12 | 14 | 12 | 14 |
| Other Services | 10 | 11 | 10 | 11 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 68 | 66 | 58 | 56 |
| | <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.

7 Other costs and income

| | GROUP | | CHARITY | |
|------------------------------|--------------|--------------|----------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Operating lease rentals: | | | | |
| - equipment land & buildings | 230 | 201 | 877 | 179 |
| - land & buildings | 938 | 231 | 213 | 231 |
| Depreciation - owned assets | 135 | 125 | 135 | 125 |
| Loan interest | 36 | 74 | 36 | 74 |
| Amortisation of goodwill | 413 | 372 | 47 | 47 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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8 Staff costs

| | GROUP | | CHARITY | |
|---|---------------|--------------|----------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Wages and salaries | 34,139 | 33,026 | 30,060 | 28,454 |
| Social security costs | 2,390 | 2,382 | 2,156 | 2,114 |
| Other pension costs - contributions to defined contribution schemes | 829 | 820 | 750 | 743 |
| | 37,358 | 36,228 | 32,966 | 31,311 |

Included in staff costs were £268k of payments in relation to redundancies. These costs were incurred as part of a business-restructuring plan and all payments made were outside the contract terms with employees and were all recognised at the date of agreement with the individual employees. There were no amounts paid to individuals that were greater than £60,000 and there were no payments outstanding at the balance sheet date.

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

| | GROUP | | CHARITY | |
|-------------------|---------------|---------------|----------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | Number | Number | Number | Number |
| £60,001 - £70,000 | 2 | 1 | 2 | 1 |
| £70,001 - £80,000 | - | 3 | - | 3 |
| £80,000- £90,000 | 2 | 1 | 2 | 1 |
| £90,001- £100,000 | - | 2 | - | 2 |
| £100,001-£110,000 | 2 | 1 | 2 | 1 |
| | 6 | 8 | 6 | 8 |

All employees earning more than £60,000 contributed to a personal pension scheme. The Charity contributed £46,402 (2019 - £48,702) on their behalf.

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

| | GROUP | | CHARITY | |
|-------|---------------|---------------|----------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | Number | Number | Number | Number |
| Staff | 2,041 | 2,094 | 1,704 | 1,728 |

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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9 Directors' Remuneration

| | GROUP AND CHARITY | |
|--|--------------------------|--------------|
| | 2020 | 2019 |
| | £'000 | £'000 |
| Directors' emoluments | 391 | 593 |
| Company contributions to defined contribution pension scheme | 56 | 42 |
| | 447 | 635 |
| | 447 | 635 |

There were 5 directors in the group's defined contribution pension scheme (2019 - 3). None of the directors accrued benefits under the group's defined benefit pension scheme during the year (2019 - 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 £105k (2019 - £106k). Company pension contributions of £11k (2019 - £8k) 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 2020, or the year ended 31 March 2019, no non-executive trustees were remunerated.

There was one trustee (2019 – No trustees) in their capacity as executive directors in the year that were remunerated.

During the year three trustees (2019 - no trustees) were reimbursed for expenditure of £380 (2019 - £Nil) incurred in attending trustees meetings or visiting the Group's home and facilities in their roles as Trustees.

During the year ended 31 March 2020, there was an amount of £Nil (2019 - £131k) paid as compensation for loss of office.

10 Indemnity insurance

The Charity purchases Directors and Officers Liability insurance. The cost of the premium in the year was £2,687 (2019 - £1,400).

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11 Taxation

| | GROUP | |
|--|--------------|--------------|
| | 2020 | 2019 |
| | £'000 | £'000 |
| Corporation Tax | | |
| Charge for year | - | - |
| Adjustment in respect of prior periods | - | 2 |
| | <hr/> | <hr/> |
| Total | - | 2 |
| Deferred Tax | | |
| Origination and reversal of timing differences | - | - |
| Adjustments in respect of prior periods | 1 | (2) |
| Change to tax rates | - | - |
| | <hr/> | <hr/> |
| | 1 | - |
| | <hr/> | <hr/> |
| Total tax charge for the year | 1 | - |
| | <hr/> | <hr/> |
| Net incoming resources before other recognised gains, losses and transfers | 739 | 378 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%) | 140 | 72 |
| Income not subject to tax | (139) | (135) |
| Expenses not deductible for tax purposes | - | 63 |
| Adjustments in respect of prior periods | 1 | - |
| Deferred tax not recognised | (1) | - |
| | <hr/> | <hr/> |
| Total tax charge for the year | 1 | - |
| | <hr/> | <hr/> |

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12 Goodwill

| | GROUP | |
|--|----------------|--------------|
| | 2020 | 2019 |
| | £'000 | £'000 |
| Cost as at the start of the year | 3,830 | 3,830 |
| Additions | 1,235 | - |
| | <hr/> | <hr/> |
| Cost as at 31 March | 5,065 | 3,830 |
| Accumulated Amortisation as at the start of the year | 2,185 | 1,813 |
| Amortisation in the year | 413 | 372 |
| | <hr/> | <hr/> |
| Accumulated Amortisation as at 31 March | 2,598 | 2,185 |
| | <hr/> | <hr/> |
| Net book value as at 31 March | 2,467 | 1,645 |
| | <hr/> | <hr/> |
| Goodwill | CHARITY | |
| | 2020 | 2019 |
| | £'000 | £'000 |
| Cost as at the start of the year | 474 | 474 |
| Additions in the year | - | - |
| | <hr/> | <hr/> |
| Cost as at 31 March | 474 | 474 |
| Accumulated Amortisation as at the start of the year | 355 | 308 |
| Amortisation in the year | 47 | 47 |
| | <hr/> | <hr/> |
| Accumulated Amortisation as at 31 March | 402 | 355 |
| | <hr/> | <hr/> |
| Net book value as at 31 March | 72 | 119 |
| | <hr/> | <hr/> |

Goodwill additions relate to the acquisition of Montana Home Care Ltd in the year. More details of this can be found in note 22.

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13 Tangible fixed assets

| GROUP | Freehold land and buildings £'000 | Leasehold improvements £'000 | Fixtures and fittings £'000 | Office equipment £'000 | Computer equipment £'000 | Total £'000 |
|------------------------------|--|---|--|---------------------------------------|---|------------------------|
| Cost | | | | | | |
| At 1 April 2019 | 4,275 | 174 | 199 | - | 1,282 | 5,930 |
| Additions | - | 34 | 53 | - | 4 | 91 |
| On acquisition of subsidiary | - | - | 4 | 1 | - | 5 |
| At 31 March 2020 | 4,275 | 208 | 256 | 1 | 1,286 | 6,026 |
| Depreciation | | | | | | |
| At 1 April 2019 | 324 | 87 | 178 | - | 1,210 | 1,799 |
| Provided during the year | 60 | 15 | 19 | - | 41 | 135 |
| At 31 March 2020 | 384 | 102 | 197 | - | 1,251 | 1,934 |
| Net Book Value | | | | | | |
| At 31 March 2020 | 3,891 | 106 | 59 | 1 | 35 | 4,092 |
| At 31 March 2019 | 3,951 | 87 | 21 | - | 72 | 4,131 |

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13 Tangible fixed assets *(continued)*

| CHARITY | Freehold land and buildings £'000 | Leasehold improvements £'000 | Fixtures and fittings £'000 | Computers £'000 | Total £'000 |
|-----------------------------|--|---|--|----------------------------|------------------------|
| At 1 April 2019 | 4,275 | 174 | 188 | 1,234 | 5,871 |
| Additions | - | 34 | 52 | 4 | 90 |
| Transfers | - | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2020 | 4,275 | 208 | 241 | 1,238 | 5,961 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation | | | | | |
| At 1 April 2019 | 324 | 87 | 155 | 1,174 | 1,740 |
| Provided during the year | 60 | 15 | 19 | 41 | 135 |
| Disposals | - | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2020 | 384 | 102 | 174 | 1,215 | 1,875 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value | | | | | |
| At 31 March 2020 | 3,891 | 106 | 67 | 23 | 4,086 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2019 | 3,951 | 87 | 33 | 60 | 4,218 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14 Investments

| | 2020 £'000 | 2019 £'000 |
|---|-----------------------------|-----------------------------|
| Cost and net book value as at the start of the year | 4,322 | 4,322 |
| Additions in the year | 1,363 | - |
| | <hr/> | <hr/> |
| Cost and net book value as at 31 March 2020 | 5,685 | 4,322 |
| | <hr/> | <hr/> |

Additions in the year relate to the acquisition of Montana Home Care Ltd, more details of this can be found in note 22.

| Subsidiary | Control % | Co Number | Registered office |
|---|------------------|------------------|---|
| 1st Home Care Ltd | 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 |
| Montana Home Care Ltd. (acquired in the year) | 100 | SC267110 | 88 Grahams Road, Falkirk, Stirlingshire, FK2 7DL |

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 Ltd and Montana Home Care Ltd are 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 2020

14 Investments (continued)

The income and expenditure for the material subsidiaries for the period ended 31 March 2020 was as follows:-

| | 1st Home Care Year Ended 31 March 2020 £'000 | 1st Home Care Year ended 31 March 2019 £'000 | Montana Home Care 6th December 2019 to 31 March 2020 £'000 |
|---|--|--|--|
| Turnover | 4,977 | 6,081 | 424 |
| Cost of sales | (4,145) | (5,198) | (263) |
| Gross profit | 832 | 883 | 161 |
| Administrative expenses | (644) | (767) | (38) |
| Operating profit | 188 | 116 | 123 |
| Interest payable and similar charges | - | - | - |
| Profit on ordinary activities before tax | 188 | 116 | 123 |
| Taxation | (1) | - | (1) |
| Profit after tax | 187 | 116 | 122 |

The aggregate of the assets liabilities and funds was:

| | As at 31 March 2020 £'000 | As at 31 March 2019 £'000 | As at 31 March 2020 £'000 |
|-------------|--|--|--|
| Assets | 2,195 | 2,351 | 286 |
| Liabilities | (749) | (851) | (41) |
| Reserves | 1,446 | 1,500 | 245 |

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15 Debtors

| | GROUP | | CHARITY | |
|--|--------------|--------------|----------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts due within one year | | | | |
| Trade debtors | 2,914 | 2,250 | 2,608 | 1,948 |
| Amounts due from subsidiary undertakings | - | - | 199 | 199 |
| Other debtors | 765 | 38 | 445 | 37 |
| Prepayments and accrued income | 750 | 2,056 | 728 | 1,443 |
| Deferred tax asset | 1 | 2 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 4,430 | 4,346 | 3,980 | 3,627 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

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

16 Creditors: amounts falling due within one year

| | GROUP | | CHARITY | |
|--|--------------|--------------|----------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank loans and overdrafts | 523 | 376 | 523 | 376 |
| Trade creditors | 621 | 514 | 603 | 438 |
| Other taxes and social security | 616 | 638 | 557 | 570 |
| Accruals and deferred income | 2,072 | 1,660 | 2,072 | 1,544 |
| Other creditors | 716 | 710 | 357 | 445 |
| Amounts due to subsidiary undertakings | - | - | 509 | 757 |
| Corporation tax payable | 26 | 2 | - | - |
| Deferred consideration | 360 | - | 360 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 4,934 | 3,900 | 4,981 | 4,130 |
| | <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 £2,257k (2019 - £2,296k). These are not included within the funds of the group.

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(A company limited by guarantee)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

17 Deferred income

| | GROUP | | CHARITY | |
|-------------------------------|--------------|--------------|----------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 April | 305 | 228 | 305 | 228 |
| Amount released to income | (305) | (228) | (305) | (228) |
| Amount deferred in the period | 895 | 305 | 895 | 305 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Balance at 31 March | 895 | 305 | 895 | 305 |
| | <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 | |
|------------|--------------|--------------|----------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank loans | 1,344 | 1,169 | 1,344 | 1,169 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

19 Bank loans

Repayments fall due as follows:

| | 2020 | 2019 | 2020 | 2019 |
|---------------------------------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Within one year | 523 | 376 | 523 | 376 |
| In the second to fifth year inclusive | 1,117 | 901 | 1,117 | 901 |
| After 5 years | 227 | 268 | 227 | 268 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total loans and overdrafts | 1,867 | 1,545 | 1,867 | 1,545 |
| | <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.

20 Financial instruments

| | GROUP | |
|---|--------------|--------------|
| | 2020 | 2019 |
| | £'000 | £'000 |
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | 6,773 | 3,855 |
| | <hr/> | <hr/> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 4,381 | 4,024 |
| | <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
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21 Deferred taxation

| | GROUP | |
|-------------------------|--------------|--------------|
| | 2020 | 2019 |
| | £'000 | £'000 |
| At 1 April 2019 | 2 | - |
| Charged in the year | (1) | 2 |
| | <hr/> | <hr/> |
| At 31 March 2020 | 1 | 2 |
| | <hr/> | <hr/> |

The deferred taxation debtor is made up as follows:

| | GROUP | |
|-------------------------------|--------------|--------------|
| | 2020 | 2019 |
| | £'000 | £'000 |
| Short Term Timing Differences | 1 | 2 |
| | <hr/> | <hr/> |

22 Business combinations

On 6 December 2019 the Charity acquired 100% of the share capital of Montana Home Care Ltd. for a total consideration of £1,362,782.

In calculating the goodwill arising on acquisition, the fair value of the net assets of Montana Home Care Ltd. have been assessed and adjustments from book value have been made where necessary.

Recognised amounts of identifiable assets acquired and liabilities assumed

| | Book value | FV adjustment | Fair value |
|--------------------------------------|-------------------|--------------------------|-------------------|
| Fixed assets | | | |
| Tangible | 5 | - | 5 |
| Current assets | | | |
| Debtors due in one year | 100 | - | 100 |
| Cash at bank and in hand | 113 | - | 113 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | 218 | - | 218 |
| Liabilities | | | |
| Due within one year | (63) | - | (63) |
| Corporation tax | (27) | - | (27) |
| | <hr/> | <hr/> | <hr/> |
| Total identifiable net assets | 128 | - | 128 |
| Goodwill (see note 12) | | | 1,235 |
| | | | <hr/> |
| Total purchase consideration | | | 1,363 |
| | | | <hr/> |

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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22 Business combinations (*continued*)

Consideration

| | |
|------------------------|-------|
| Cash | 1,003 |
| Deferred consideration | 360 |

| | |
|-------------------------------------|--------------|
| Total purchase consideration | 1,363 |
|-------------------------------------|--------------|

Cash outflow on acquisition

| | |
|--|-------|
| Purchase consideration settled in cash, as above | 1,003 |
| Less: cash and cash equivalents acquired | (113) |

| | |
|------------------------------------|------------|
| Cash outflow on acquisition | 890 |
|------------------------------------|------------|

23 Other financial commitments

At 31 March 2020 the group had commitments under non-cancellable operating leases as follows:

| | GROUP Land and buildings | | GROUP Equipment | |
|----------------------------|---|--------------|------------------------------------|--------------|
| | As restated | | | |
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Expiry date: | | | | |
| Within one year | 849 | 913 | 102 | 125 |
| Between two and five years | 127 | 538 | 166 | 161 |
| In more than 5 years | - | - | - | 1 |
| | 976 | 1,451 | 268 | 287 |
| | | | | |
| | CHARITY Land and buildings | | CHARITY Equipment | |
| | As restated | | | |
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Expiry date: | | | | |
| Within one year | 724 | 844 | 100 | 117 |
| Between two and five years | 55 | 467 | 165 | 149 |
| In more than 5 years | - | - | - | - |
| | 849 | 1,311 | 265 | 266 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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24 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 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 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.

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 2016. 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 2020 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 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 2019-20, employers' contributions of £51,025 (2018-19: £117,738) 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 2016. These costs are included within creditors.

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25 Related party transactions

The charity has taken advantage of the exemption conferred by section 33.1A of FRS 102 not to disclose transactions with wholly owned subsidiaries.

Transactions with Trustees are detailed in note 9.

26 Analysis of cash and cash equivalents

| | GROUP | | CHARITY | |
|--------------------------|--------------|--------------|----------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Short term deposits held | 2,609 | 1,552 | 1,414 | 1,129 |
| Cash balances | 24 | 13 | 24 | 13 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 2,633 | 1,565 | 1,438 | 1,142 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

27 Analysis of net debt

| | At 1 April | Cash flows | Non-cash | At 31 March |
|--------------------------------------|-------------------|-------------------|-----------------|--------------------|
| | 2019 | | flows | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Short term deposits held | 1,552 | 1,057 | - | 2,609 |
| Cash balances | 13 | 11 | - | 24 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,565 | 1,068 | - | 2,633 |
| Bank loans due in one year | (376) | (322) | 175 | (523) |
| Bank loans due in more than one year | (1,169) | - | (175) | (1,344) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | (1,545) | (322) | - | (1,867) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 20 | 746 | - | 766 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

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28 Funds

| Group | At 1 April 2019 £'000 | Income £'000 | Expenditure £'000 | Transfers £'000 | Gains, Losses and tax £'000 | At 31 March 2020 £'000 |
|---------------------------------|---|-------------------------|------------------------------|----------------------------|--|---|
| Restricted funds | | | | | | |
| Services Fund | - | 2 | (4) | 2 | - | - |
| Total restricted funds | - | 2 | (4) | 2 | - | - |
| Unrestricted funds | | | | | | |
| Designated General fund | 315 6,303 | 358 44,633 | (466) (43,796) | - (2) | - (1) | 207 7,137 |
| Total unrestricted funds | 6,618 | 44,991 | (44,262) | (2) | (1) | 7,344 |
| Total funds | 6,618 | 44,993 | (44,266) | - | (1) | 7,344 |
| | | | | | | |
| Charity | At 1 April 2019 (restated) £'000 | Income £'000 | Expenditure £'000 | Transfers £'000 | Gains and losses £'000 | At 31 March 2020 £'000 |
| Restricted funds | | | | | | |
| Services Fund | - | 2 | (4) | 2 | - | - |
| Total restricted funds | - | 2 | (4) | 2 | - | - |
| Unrestricted funds | | | | | | |
| Designated fund General fund | 315 7,726 | 358 39,315 | (466) (38,310) | - (2) | - - | 207 8,729 |
| Total unrestricted funds | 8,041 | 39,673 | (38,776) | (2) | - | 8,936 |
| Total funds | 8,041 | 39,675 | (38,780) | - | - | 8,936 |

A figure of £206,945 (2019 - £314,839) has been designated within the unrestricted reserves for furniture and equipment repairs and replacement. Restatement of the funds in the charity relates to the allocation of this fund, this amount should have been designated within the charity in the previous year.

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

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28 Funds (continued)

| Group – prior year | 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 General fund | 222 6,018 | - 44,509 | - (44,125) | 93 (99) | - - | 315 6,303 |
| Total unrestricted funds | 6,240 | 44,509 | (44,125) | (6) | - | 6,618 |
| Total funds | 6,240 | 44,525 | (44,147) | - | - | 6,618 |
| <hr/> | | | | | | |
| Charity – prior year | As restated 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 General fund | 222 7,238 | - 38,428 | - (37,841) | 93 (99) | - - | 315 7,726 |
| Total unrestricted funds | 7,460 | 38,428 | (37,841) | (6) | - | 8,041 |
| Total funds | 7,460 | 38,444 | (37,863) | - | - | 8,041 |

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29 Analysis of net assets

Group – current year

| | General fund £000 | Designated fund £000 | Total funds £000 |
|--|----------------------|----------------------------|---------------------|
| Goodwill | 2,467 | - | 2,467 |
| Tangible assets | 4,092 | - | 4,092 |
| Current assets | 7,063 | - | 7,063 |
| Amounts falling due within one year | (5,141) | 207 | (4,934) |
| Amounts falling due after more than one year | (1,344) | - | (1,344) |
| | <u>7,137</u> | <u>207</u> | <u>7,344</u> |

Group – prior year

| | General fund £000 | Designated fund £000 | Total funds £000 |
|--|----------------------|----------------------------|---------------------|
| Goodwill | 1,645 | - | 1,645 |
| Tangible assets | 4,131 | - | 4,131 |
| Current assets | 5,911 | - | 5,911 |
| Amounts falling due within one year | (4,215) | 315 | (3,900) |
| Amounts falling due after more than one year | (1,169) | - | (1,169) |
| | <u>6,303</u> | <u>315</u> | <u>6,618</u> |

Charity – current year

| | General fund £000 | Designated fund £000 | Total funds £000 |
|--|----------------------|----------------------------|---------------------|
| Goodwill | 72 | - | 72 |
| Tangible assets | 4,086 | - | 4,086 |
| Investments in Subsidiaries | 5,685 | - | 5,685 |
| Current assets | 5,418 | - | 5,418 |
| Amounts falling due within one year | (5,188) | 207 | (4,981) |
| Amounts falling due after more than one year | (1,344) | - | (1,344) |
| | <u>8,729</u> | <u>207</u> | <u>8,936</u> |

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

29 Analysis of net assets *(continued)*

Charity – prior year

| | As restated General fund £000 | As restated Designated fund £000 | As restated Total funds £000 |
|--|-------------------------------------|---|------------------------------------|
| Goodwill | 119 | - | 119 |
| Tangible assets | 4,131 | - | 4,131 |
| Investments in Subsidiaries | 4,322 | - | 4,322 |
| Current assets | 4,768 | - | 4,768 |
| Amounts falling due within one year | (4,445) | 315 | (4,130) |
| Amounts falling due after more than one year | (1,169) | - | (1,169) |
| | 7,726 | 315 | 8,041 |

30 Prior year restatements

During the year the group has made three prior year restatements, none of these adjustments have had an impact on the net income or total funds held by the group.

1st restatement

Cash flow statement

The financial statements were amended for late adjustments in the previous year and the impact of these adjustments were not reflected in the cash flow statement. The statement has been corrected to ensure it ties to the relevant areas of the accounts.

2nd restatement

Designated funds

During the previous year the charity designated £315k in relation to funds held for the specific purpose of the replacement of furniture and equipment for the service users. This was incorrectly only reflected in the group funds and was not designated or disclosed within the charity.

3rd restatement

Operating lease disclosures

In the group disclosure the previous year the operating lease commitments of the subsidiary companies were omitted in error, this has been corrected and the amounts have been included in the comparatives.

In the charity disclosure the previous year figures for the charity upon review did not reflect the commitments at the year end, these have been revised to ensure the comparatives are correct.