

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)

Annual Report and Financial Statements
For the year ended 31 March 2022

REAL LIFE OPTIONS
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATION DETAILS
FOR THE YEAR ENDED 31 MARCH 2022

Organisation's Name	Real Life Options ("RLO")
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 D I Sargent C A Maltby C R McCorkindale K Shier (Resigned 5 December 2021) R C Sloggett (Resigned 21 March 2022)
Officers:	
Company secretary	R Milner
Chief Executive	D I Sargent
Chief Operating Officer	I Hardcastle
Managing Director Real Life Options Enterprise	V Simons
Managing Director Real Life Options Charity	J Trench
Director of Human Resources	A Holden
Director of Finance and Resources	K E Platts
Advisers:	
Independent Auditor	Grant Thornton 1 Holly Street Sheffield City Centre Sheffield S1 2GT
Bankers	Natwest 135 Bishopsgate London EC2M 3UR
Legal	Weightmans Westgate Point Leeds LS1 2AX

REAL LIFE OPTIONS
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STRUCTURE GOVERNANCE AND MANAGEMENT
FOR THE YEAR ENDED 31 MARCH 2022

I. STATUS

Real Life Options ("RLO") 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 2022 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 seven 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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STRUCTURE GOVERNANCE AND MANAGEMENT
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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.

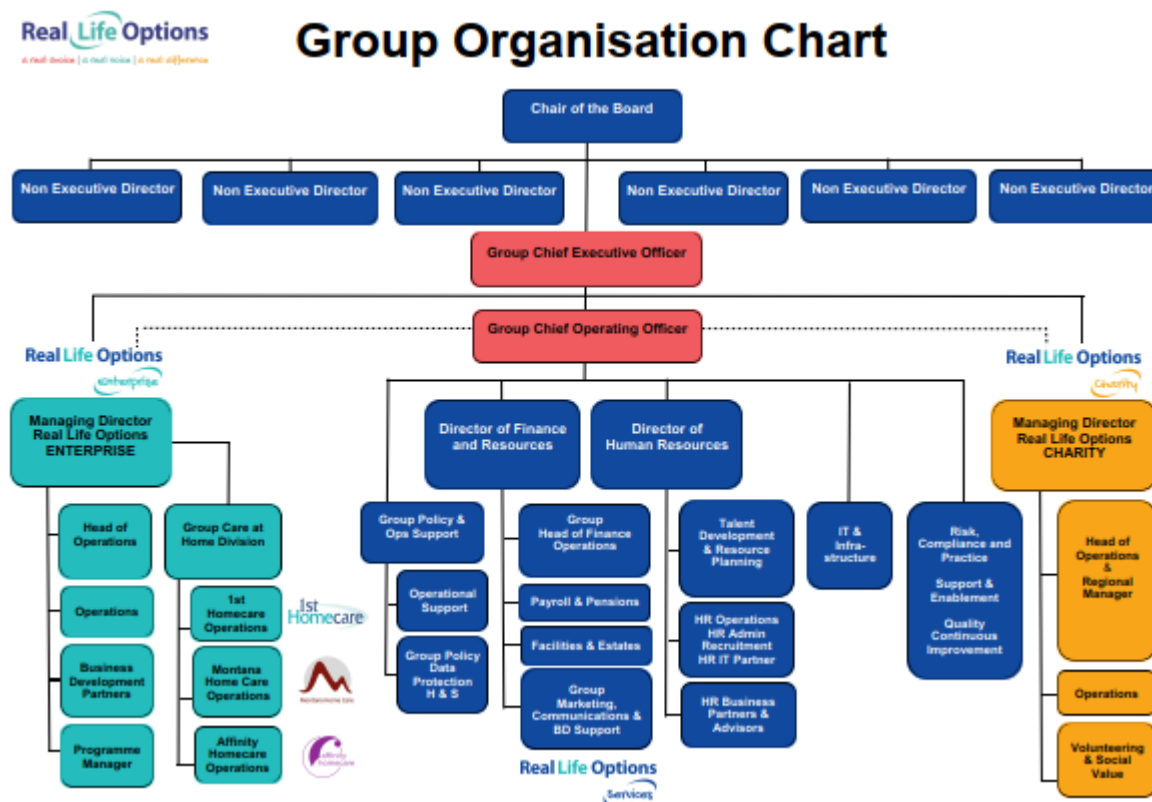
During 2022/23 RLO continues to develop the strategy further using a purpose led strategic approach.

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**STRUCTURE GOVERNANCE AND MANAGEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

III. STRUCTURE

Real Life Options' Structure:



IV. VOLUNTEERS

Real Life Options volunteer strategy has now been in place since 2019 and the initiative has grown considerably in 21/22. We continue to have 2 Volunteer and Social Value Managers operating out of England and Scotland supporting all areas of the business to plan innovative projects and map out the necessary funding to achieve those projects. The organisation has just over 229 volunteers and the numbers are continuing to grow however this has slowed somewhat due to the economic climate and people returning to paid employment. Alongside the volunteer strategy we now have a robust fundraising initiative that enables staff, people we support and groups across the communities to formally raise funding and contribute to the future development of our community connections work planning and opportunity to enhance existing services and activities.

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STRUCTURE GOVERNANCE AND MANAGEMENT
FOR THE YEAR ENDED 31 MARCH 2022

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	Base	Partner
People we support	Local Authorities	Researchers
Families	Commissioners	Technical informers
Staff	Banks	Civil leaders
Volunteers	Regulators	Strategic partners
	Suppliers	Media
	Local Communities	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. RLO remains committed to ensuring that there is no Modern Slavery or Human Trafficking in our supply chains or in any part of our business.

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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FOR THE YEAR ENDED 31 MARCH 2022

VII. STREAMLINED ENERGY & CARBON REPORTING (SECR)

This report summarises the energy usage, associated emissions, energy efficiency actions and energy performance for Real Life Options, 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.

Real Life Options is 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.

Real Life Options's Scope 1 direct emissions (combustion of natural gas and transportation fuels) for this third year of reporting are 276.25 tCO₂e (restated last year 285.80 tCO₂e following further scrutiny of the data), resulting from the direct combustion of 1,480,812 kWh of fuel (restated last year 1,522,687 kWh). Scope 2 indirect emissions (purchased electricity) for this third year of reporting are 125.65 tCO₂e, resulting from the consumption of 591,785 kWh of electricity purchased and consumed in day-to-day business operations. Scope 3 emissions (resulting from sources not directly owned by Real Life Options Group i.e., business travel undertaken in employee-owned vehicles) has been reported this year for the first time and is 91.42 tCO₂e resulting from the consumption of 394,083 kWh of energy.

Real Life Options's operations have an intensity metric of 10.93 tCO₂e/£m (restated last year 11.52 tCO₂e/£m) turnover for this reporting year.

Real Life Options is the highest parent company out of four trading companies (Real Life Options, 1st Home Care Ltd, Montana Home Care Ltd and Affinity Homecare Shrewsbury Ltd). Only Real Life Options is required to comply with SECR as a group, as we exceed the qualification threshold of two of the three criteria.

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

Utility and Scope	2021/22 Consumption (kWh)	2020/21 Consumption (kWh)
Grid-Supplied Electricity (Scope 2)	591,785	678,779
Gaseous and other fuels (Scope 1) ¹	1,377,609	1,412,695
Transportation (Scope 1)	103,203	109,992
Transportation (Scope 3)	394,083	222,009
Total	2,466,680	2,423,475

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

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

Utility and Scope	2021/22 Consumption (tCO ₂ e)	2020/21 Consumption (tCO ₂ e)
Grid-Supplied Electricity (Scope 2)	125.65	158.25
Gaseous and other fuels (Scope 1) ¹	252.32	259.75
Transportation (Scope 1)	23.93	26.05
Transportation (Scope 3)	91.42	51.49
Total	493.33	495.55

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

Intensity Metric	2021/22 Intensity Metric	2020/21 Intensity Metric
tCO ₂ e / £m	10.93	11.52

Reporting Methodology

Scope 1 and 2 consumption and CO₂e emission data has been calculated in line with the 2019 UK Government environmental reporting guidance. The following Emission Factor Databases consistent with the 2019 UK Government environmental reporting guidance have been used, utilising the current published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for reporting year 01/04/2021 – 31/03/2022:

- Database 2020, Version 1.0.

Estimations undertaken to cover missing billing periods for properties directly invoiced to Real Life Options were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 12% of reported consumption.

These full year estimations were applied to 2 electricity supplies, and 1 gas supplies for Real Life Options.

Intensity metrics have been calculated utilising the 2020-21 reportable figures for the following metrics, and tCO₂e for both individual sources and total emissions were then divided by this figure to determine the tCO₂e per metric:

- Total turnover (£m) £45m

Energy Efficiency Improvements

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

Real Life Options will be working with an external organisation to be compliant with SECR requirements which will enable the organisation to once again collect, measure and report on its carbon emissions.

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FOR THE YEAR ENDED 31 MARCH 2022

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

Energy Efficiency Improvements (continued)

Whilst it may not be a cost effective use of the Charity's finances to embark on major initiatives, small steps can make a big difference and as an organisation we have robust guidance in place to encourage 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 Services 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 has only 13 vehicles in its fleet and will continue to review both procurement of and usage of vehicles via expenses and mileage claims.

Measures ongoing and undertaken through 2021-22:

- Cycle to work scheme relaunched with a wider selection of bikes
- Introducing LED lighting where possible
- No further vehicles added to Fleet – 13 in total

Measures prioritised for implementation in 2022-23:

- Company -wide electric car benefit scheme launched April 2022
- Secured future electricity contracts at July 2021 prices up to 2027 - 27 electricity accounts from 2024 will be 100% renewable energy (once the existing contracts finish)
- All new sites will also be aligned to Green Energy going forward.

VIII. PRINCIPAL RISKS AND UNCERTAINTIES

Real Life Options Group uses a dynamic risk management programme which consists of a number of sub-committees, which meet on a quarterly basis. These sub committees comprise of:

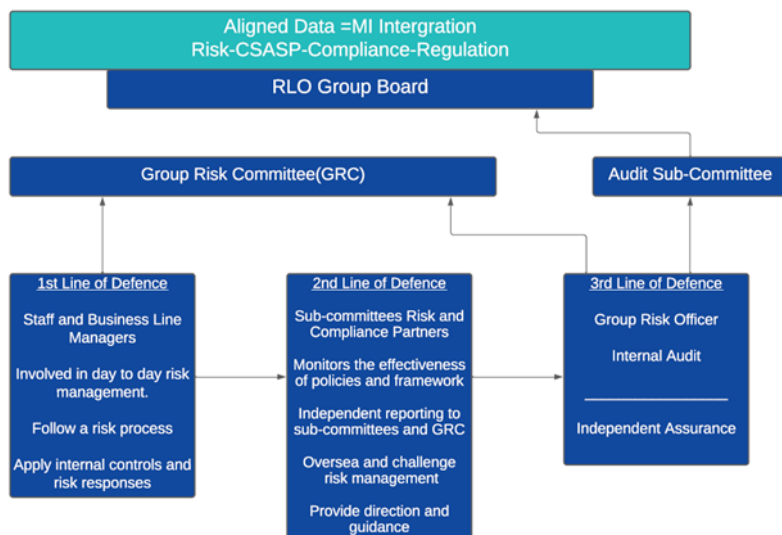
- Group Risk Committee
- Corporate Safeguarding and Adult Support and Protection
- Health and Safety
- Data Protection
- Quality Review Group
- Health and Wellbeing

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VIII. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The risk management programme is based on three lines of defence as per the diagram below.



RLO also has a Group Risk Committee. This group meets quarterly and its purpose is to:

- Ensure we have a pro-active risk strategy across the Real Life Options Group including: preventable risks, measurable risks, strategy and external risk
- Ensure live reporting within the governance structure including compliance with reporting protocols as defined by our regulators.
- Ensure robust risk categorisation, aligned with effective system for reporting and recording
- Agree and approve new risk procedures/related policy updates
- Assess serious incidents and instruct a Serious incident Panel Review to determine if the incident is reportable to CC/OSC
- Ensure Board have insight of existing and emerging risks
- Where appropriate to instruct a sub-committee to be developed for a specific purpose, for example, Covid-19. This group will be responsible for logging relevant/disseminating communications across the organisation

Risk Advisory Panel

Although this panel is aligned with the sub group process, it operates independently from the rest of the sub groups. This ensures that a clear and robust focus on the assessment and on-going review of emerging risks across the Real Life Options Group (including 1st Homecare, Montana and Affinity) is maintained at all times. The purpose of the panel is to:

- Identify future areas of risk for consideration by the Board and GRC
- Consider risk in an objective and subjective manner
- Consider areas of major non-conformance and where relevant align to emerging risk

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IX. SERIOUS INCIDENT REPORTING

During the year an incident was reported to the Charity Commission which has since been satisfactorily been resolved. There are no legal or financial matters arising from this incident.

X. PANDEMIC IMPACT ON THE YEAR

The impact of the Coronavirus 19 (COVID-19) pandemic on RLO this year was reduced from the previous year, in terms of deaths, severe illness, disruption for staff, to provision of services and to central business structures and increased costs in relation to PPE, SSP and the organisation's own sickness scheme.

Despite the continued relaxation of the Government restrictions for travel and social distancing for the general public, staff providing care and support continued to follow Government guidance relevant to the sector including testing and the use of PPE appropriate to care needs. Office-based staff continued with the new hybrid / flexible working patterns and with regular testing.

Whilst COVID continued to have an impact on the organisation's financial performance, this was reduced compared with 2020/21. RLO Group accessed both Scottish and UK Government COVID related funding during the year to support the costs of staff isolating with COVID -19, and of PPE usage. Where Government funding was not available, ongoing national procurement contracts meant that PPE was available at reasonable costs.

During 2021 the organization passed onto relevant support staff the one off 'thank you' payments from the Scottish Government and also some English Local Authorities.

Some Local authorities continued to extended their care contracts rather than retendering for services however others returned to releasing new tenders for support provision contracts which have led to new business opportunities.

During the year the COVID-19 Risk Committee kept a watching brief on the progression of the pandemic and the impact upon operations, and the Operational support team met monthly to provide relevant briefings to staff as they arose.

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

I. ACHIEVEMENTS AND PERFORMANCE

During this year, the Board has continued to oversee the next implementation stages of the strategic plan with a strong focus on leadership, collaboration and accountability. The organisation has a 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.

During 2021/22 RLO continued to develop the strategy further from 2022-2024, using a purpose led strategic approach. Leadership Team worked on interpreting these seven themes into an updated strategy linked to Our Purpose – Always with a lasting connection. From this the 2022-23 strategic objectives were determined.

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

I. ACHIEVEMENTS AND PERFORMANCE (continued)

Person Centred Support and Enablement

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 have developed a bespoke person-centred support and enablement learning programme based on real life experiences of people who use our services.

Practice leads are key in providing a consistent message 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 two support and enablement partners (one in Scotland and one in England), 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.

Social Impact

In 2021/22 we continued to shape our social impact measures/targets/outputs and outcomes to dovetail with wider Group strategy, "Our Purpose". The approach has captured and evidenced our Social Impact in a user-friendly format introducing interactive case studies and links to wider Group reports. A full year-end report will be prepared to offer a strong baseline to measure 22/23 against. We can already see the impact that volunteer input is having across many of our services. In addition, feedback from people we support is now shaping new pieces of work and further development of services across the wider Group as well as for individuals we support.

The Social Impact report continues to be broken down into the 6 pathways of the "Our Purpose" paper and involves feedback from across the Real Life Options Group as well as external partners and People we Support.

Community Connection Fund

In 2021/22 RLO Group continued to deliver against the Community Connection Fund, our small grants programme designed to empower people we support and staff in local services to invest in their communities by submitting funding applications for activities that make a difference locally. Throughout the year we have seen the impact that match funding raised by teams/families and guardians has had in many of our services and community events. New Community Hubs have been introduced in several areas across our service portfolio, not only widening the service model for people we support but also opening up new opportunities for volunteers from within the communities.

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

I. ACHIEVEMENTS AND PERFORMANCE (continued)

Staff Health and Wellbeing

Real Life Options Group are committed to supporting our staff with their health and wellbeing. Over the year the Health & Wellbeing Core Group have met to further develop the plan for the future Health & Wellbeing Strategy. The plan confirms the organisations commitment to the following objectives:

1. Producing, implementing, and communicating a mental health at work plan that encourages and promotes good mental health in the workplace.
2. Communicating of Health & Wellbeing
3. Providing a specific focus on mental health awareness
4. Providing Health & Wellbeing/Mental Health Representatives & Support Networks
5. Encouraging open conversations about mental health
6. Providing good working conditions, ensuring staff have a healthy work life balance
7. Providing good career and role development opportunities
8. Promoting an effective people management environment
9. Routinely monitoring employee mental health and wellbeing by
10. Analysing data

The new Group Health & Wellbeing Lead will lead the organisation through its plan in the coming year. This role will be responsible for training Health & Wellbeing Champions across our services and be a key driver of the Action Plan.

Staff Learning and Development

The Ascend leadership programme continues to enhance the skills and knowledge of our managers and team coordinators with 50 graduates in 2021-22. Master Classes are planned in 2022-23 to further increase their operational abilities. In addition, career Gateway classes will be introduced to support staff develop their careers in the social care sector

Staff engagement

During the year a number of Employee Voice focus groups and surveys have taken place to help us shape our support for staff and enabled us to focus on employee rewards and recognition as well as enhancing leadership skills of managers.

Equality, Diversity, and Inclusion

Real Life Options Group is committed to ensure that all our diverse groups of staff experience job satisfaction and wellbeing at work. The Equality, Diversity and Inclusion framework will be further developed in 2022-23 which will give our staff the knowledge, and skills to ensure that our values are lived and culture and generational differences in the workplace recognised.

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GROUP STRATEGIC REPORT
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II. CONSTITUTION

The organisation is a company limited by Guarantee. The organisation's governing documents are its Articles of Association. 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

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 Leaderships 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 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.

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

II. CONSTITUTION (continued)

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.

During the year there were no new Trustees appointed.

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.

Subsidiaries

At the balance sheet date, Real Life Options had nine wholly-owned subsidiaries and 13 dormant newly incorporated subsidiaries (see note 15).

- Affinity Homecare Shrewsbury Limited is a Shrewsbury based domiciliary homecare company. This strategic investment will expand on its market share of traditional LA funded clients as well as private and continuing health care clients.
- 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.
- 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 is a dormant trading company that previously provided domiciliary care to elderly services users in Warwickshire and Coventry.
- Alpha Homecare (Scotland) Limited, Real Life Options (Cymru) Limited, Lowland Care Services Limited, and Lowland's subsidiary Senior Service (Edinburgh) Limited are dormant trading companies who ceased trading on 31 March 2016 and transferred their activities to 1st Homecare Limited.

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

II. CONSTITUTION (continued)

Staff Management

During the year under review the Leadership Team (LT) had the following staff structure:

- Chief Executive,
- Chief Operating Officer,
- Managing Director - Charity
- Managing Director - Enterprise
- Director of Human Resources
- Director of Finance and Resources

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

Environmental Policy

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

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

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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 2021 to 31st March 2022, 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, staff are made aware through our safeguarding learning module. Our employees are encouraged to identify any potential anti-slavery concerns and receive regular communications regarding what to do if they suspect this and we have in place protection for whistle blowers.

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 (75%) 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 0.6% pay differential in our Median hourly wage rates and a 4.0% 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.

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GROUP STRATEGIC REPORT
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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.

III. FINANCIAL REVIEW

In the year to 31 March 2022, Real Life Options Group turnover increased by 1.0% from £44.6 million to £45.1 million. This increase reflects a increase in services across Real Life Options and its subsidiaries. Real Life Options turnover increased by 0.54% from £39.1 million to £39.3 million and its subsidiaries increased from £5.6 million to £5.8 million.

Net movement in funds for the group increased by 216.2% from £105,000 to £332,000 reflecting the increase in activity throughout England and Scotland and also a £46,000 impairment charge (more details in note 13). 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. The most significant challenge during the year has been to recruit and retain staff, because of competition for staff from the hospitality and retail sectors, this has been particularly challenging in the homecare business where this has hampered growth plans. Recruitment and Retention of staff is a key focus currently and staff remuneration is being managed to ensure staff are attracted and retained so that the business is sustainable into the future. We continue 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 continue to grow Outreach services and plans for two new supported living services in Derbyshire will begin in August 2022

In Warwickshire, we successfully transitioned a new service into our Southern England portfolio. Working with a social builder and the local authority the new service is very person-centered and modern.

In East Lothian, due to the high delivery costs against income (geographical positioning of a small outreach service/ rurality and distance from other Real Life Options services) we successfully transitioned a very small number of people we support to a local provider ensuring service continuity for everyone.

Our Hawick services successfully transitioned a number of people (and their staff team) who had been in receipt of a Care at Home service from an arms- length local authority organisation. This not only sustained services for people within the community but also increased the hours of delivery substantially in the area and raised Real Life Options profile.

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

III. FINANCIAL REVIEW (continued)

Statement of Financial Position

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 have been met using arrangements already in place with RBS Invoice Financing.

There has been no substantial investment in property.

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.

Fund Accounting

At the end of the year the Group held total reserves of £7.8m (2021 - £7.4m).

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 (£24,000) – these are held under trust law and so can only be used for particular purposes, as specified or agreed with the donor.
- Designated funds (£201,000) - have been designated within the unrestricted reserves for furniture and equipment repairs and replacement.
- General funds (£3.6M) – 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 (£4.0M) – 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 or computers.

The funds policy review still recognises the need for free reserves to cover short-term risk. The Board of Trustees considers it prudent that unrestricted reserves should be sufficient to manage and changes in the funding from local authorities in respect of fee rates and losses of contracts. RLO has many contracts with c 40 local authorities which protects the organization from any significant pressure of the loss of contract from one or two of these local authorities.

The Board have agreed that reserves should be kept at a minimum of 10% of turnover or £5m.

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

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

IV. FINANCIAL REVIEW (continued)

Fund Accounting (continued)

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

The Charity purchases Directors and Officers Liability insurance. The cost of the premium in the year was £1,400 (2021 £1,400).

Going concern

The impact of the COVID 19 pandemic on the Group finances was reduced compared to 2020/21. RLO Group continued to access Government COVID-19 grant funding and Local Authority support continuing to be at an adequate level to support the charity.

The three wholly owned trading subsidiary companies, 1st Home Care Ltd, Montana Homecare Ltd and Affinity Homecare Shrewsbury Limited were all also affected by the pandemic given the nature of their business.

Taking account of the above and the level of reserves held, the cash available to the Charity and its subsidiaries to the 31 March 2024 will ensure there is sufficient funding to support the existing commitments including the compliance with the RLO Group banking loan covenants.

The Trustees have reviewed forecasts to 31 March 2024, and it was concluded that the Charity will be able to meet its liabilities as they fall due over the period.

During 2022-23 a review of RLO's liquidity was undertaken by RLO Group's lending bank. This was initiated following a restructure of the finance team and change to the sales invoicing process which resulted in a temporary need for additional working capital. The assessment is still ongoing but it is anticipated that there will be no impact on the Group's finances.

Sensitivity analysis has been undertaken for a number of scenarios including the impact of being unable to secure fee uplifts from Local Authorities.

The Trustees expect that Real Life Options has sufficient resources to enable it to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

As a result of the above, the trustees, after reviewing cashflow forecasts prepared for a 12 month period after the date these financial statements are signed, do not believe that there are any material uncertainties, which cast significant doubt on the ability of the Trust to continue as a going concern.

V. PLANS FOR THE FUTURE

During this year Real Life Options worked on interpreting the strategic plan to ensure that it is focussed on supporting people throughout their lives and ensuring that RLO Group focusses on local communities across the UK to build on the organisation's ability to deliver charitable outcomes.

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.

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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

David Wilkin

D Wilkin
Director and Chair of the Trustees
24/3/2023

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their report with the audited financial statements of the charitable company and the group for the year ended 31 March 2022.

Principal Activities and Future Developments

The principal activities of the group are set out in the Group Strategic Report. The group continues to deliver public services.

Results

The group surplus for the year, after taxation amounted to £332,000 (2021: £105,000).

Directors

The Directors who served during the year were:

D I Sargent
D Wilkin
R A Hendry
C A Maltby
C R McCorkindale
R C Sloggett (Resigned 21 March 2022)
K Shier (resigned 5 December 2021)

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Auditor

The auditor, Grant Thornton LLP, was appointed during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD

David Wilkin

D Wilkin

Director and Chair of the Trustees

24/3/2023

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees (who are the directors of Real Life Options for the purposes of Company Law) are responsible for preparing the Group Strategic Report, the Trustees' 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. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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;
- observe the methods and principles set out in the Charities SORP (FRS 102);
- 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 charitable company and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities Act 2011, the Charities and Trustee Investment (Scotland Act) 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Trust Deed. The Trustees 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.

David Sargent

Dr D I Sargent

Director
24/3/2023

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REAL LIFE OPTIONS
FOR THE YEAR ENDED 31 MARCH 2022

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 2022, which comprise Consolidated Statement of Financial Activities, the charity Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cashflows, 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 parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including the group's and the parent income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent charitable company and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the parent charitable company or group to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the parent charitable company's and group's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the parent charitable company's and group's financial resources or ability to continue operations over the going concern period.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REAL LIFE OPTIONS
FOR THE YEAR ENDED 31 MARCH 2022

Conclusions relating to going concern (continued)

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

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

Other information

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

Opinion 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 Group Strategic Report and the Trustees' Report, prepared for the purposes of company law, included in the Group Strategic Report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Group Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Group Strategic Report or the Trustees' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REAL LIFE OPTIONS
FOR THE YEAR ENDED 31 MARCH 2022

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group 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 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; Charities SORP (FRS 102), FRS 102, Charities Act 2011, Data Protection Act 2018 and the Charity Code of Governance.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes and legal expenses.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussions with management to understand where management considered there is a susceptibility to fraud.
- Audit procedures performed by the engagement team included:
 - evaluation of the controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries determined to be large or relating to unusual transactions based on our understanding of the business;
 - identifying and testing related party transactions;
 - completion of audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REAL LIFE OPTIONS
FOR THE YEAR ENDED 31 MARCH 2022

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 and trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006, Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Peter Edwards BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield

Date: 24/3/2023

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Designated Funds £'000	2022 Total £'000	2021 Total £'000
Incoming resources						
Charitable activities	4	39,203	-	-	39,203	37,951
Donations		-	27	-	27	12
Trading activities:						
Trading subsidiaries income		5,808	-	-	5,808	5,568
Other income	5	40	-	-	40	1,096
Total incoming resources		45,051	27	-	45,078	44,627
Resources expended						
Trading expenditure:						
Trading subsidiaries expenditure		5,078	-	-	5,078	4,805
Charitable activities		39,639	14	8	39,661	39,297
Impairment of goodwill	13	-	-	-	-	479
Total resources expended	6	44,717	14	8	44,739	44,581
Net income before transfers and tax		334	13	(8)	339	46
UK Corporation tax	12	(7)	-	-	(7)	59
Transfers between funds	28	-	-	-	-	-
Net movement in funds		327	13	(8)	332	105
Fund balances at 1 April 2021	28	7,229	11	209	7,449	7,344
Total fund balances at 31 March 2022	28	7,556	24	201	7,781	7,449

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

The notes on pages 34 to 59 form part of these financial statements.

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

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Designated Funds £'000	2022 Total £'000	2021 Total £'000
Incoming resources						
Charitable activities	4	39,203	-	-	39,203	37,951
Donations		-	27	-	27	12
Other income	5	40	-	-	40	1,096
Total incoming resources		39,243	27	-	39,270	39,059
Resources expended						
Charitable activities		39,243	14	8	39,265	38,117
Impairment of investments	15	-	-	-	-	1,925
Total resources expended	6	39,243	14	8	39,265	40,042
Net expenditure before gift aid from subsidiaries and transfers		-	13	(8)	5	(983)
Gift Aid from subsidiaries		996	-	-	996	441
Net movement in funds before transfers		996	13	(8)	1,001	(542)
Transfers between funds		-	-	-	-	-
Net movement in funds	28	996	13	(8)	1,001	(542)
Fund balances at 1 April 2021	28	8,174	11	209	8,394	8,936
Total fund balances at 31 March 2022	28	9,170	24	201	9,395	8,394

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 34 to 59 form part of these financial statements.

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CONSOLIDATED AND CHARITY BALANCE SHEETS
Registered No 02699638

AS AT 31 MARCH 2022

	Note	Group 2022 £'000	2021 £'000	Charity 2022 £'000	2021 £'000
Fixed assets					
Intangible assets	13	1,978	2,387	-	24
Tangible assets	14	4,117	4,041	4,115	4,039
Investments in Subsidiaries	15	-	-	4,919	4,916
		<u>6,095</u>	<u>6,428</u>	<u>9,034</u>	<u>8,979</u>
Current assets					
Stock		26	-	26	-
Debtors: amounts recoverable within one year	16	3,802	4,100	4,118	4,178
Cash at bank and in hand	26	2,910	2,425	2,210	1,233
		<u>6,738</u>	<u>6,525</u>	<u>6,354</u>	<u>5,411</u>
Creditors:					
Amounts falling due within one year	17	(4,081)	(4,524)	(5,026)	(5,016)
		<u>2,657</u>	<u>2,001</u>	<u>1,328</u>	<u>395</u>
Net current assets					
		<u>8,752</u>	<u>8,429</u>	<u>10,362</u>	<u>9,374</u>
Total assets less current liabilities					
		<u>8,752</u>	<u>8,429</u>	<u>10,362</u>	<u>9,374</u>
Creditors:					
Amounts falling due after more than one year	19	(966)	(980)	(967)	(980)
Provisions:					
Deferred taxation	22	(5)	-	-	-
		<u>7,781</u>	<u>7,449</u>	<u>9,395</u>	<u>8,394</u>
Net assets	29				
		<u>7,781</u>	<u>7,449</u>	<u>9,395</u>	<u>8,394</u>
Reserves					
Unrestricted Funds		7,556	7,229	9,170	8,174
Restricted Funds		24	11	24	11
Designated Funds		201	209	201	209
		<u>7,781</u>	<u>7,449</u>	<u>9,395</u>	<u>8,394</u>
Total Funds	28				
		<u>7,781</u>	<u>7,449</u>	<u>9,395</u>	<u>8,394</u>

The financial statements were approved and authorised for issue by the Trustees on 24/3/2023 and signed on their behalf by:

David Wilkin

D Wilkin
Chair of the Board

The notes on pages 34 to 59 form part of these financial statements.

REAL LIFE OPTIONS
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2022

		2022	2021
		£'000	£'000
Cash flows from operating activities			
Surplus for the financial year		332	105
Adjustments for:			
Amortisation of intangible assets	13	395	504
Depreciation of fixed assets	14	145	129
Impairment of goodwill	13	46	479
Loss on disposal of fixed asset		3	5
Net interest payable		28	52
Taxation	12	7	(59)
Increase in stock		(26)	-
Decrease in debtors	16	297	295
Decrease in creditors	17	(212)	(188)
		<hr/>	<hr/>
Cash from operations		1,015	1,322
Interest paid		(28)	(52)
Taxation paid		(1)	(51)
		<hr/>	<hr/>
Net cash generated from operating activities		986	1,219
		<hr/>	<hr/>
Cash flows from investing activities			
Acquisition of subsidiary		-	(499)
Purchases of tangible fixed assets	14	(224)	(81)
Purchase of intangible fixed assets	13	(32)	(8)
		<hr/>	<hr/>
Net cash outflow from investing activities		(256)	(588)
		<hr/>	<hr/>
Cash flows from financing activities			
Receipt of new bank loans		425	-
Bank loans repaid		(458)	(479)
Deferred consideration paid		(212)	(360)
		<hr/>	<hr/>
Net cash used in financing activities		(245)	(839)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		485	(208)
Cash and cash equivalents at beginning of year		2,425	2,633
		<hr/>	<hr/>
Cash and cash equivalents at end of year	26	2,910	2,425
Cash and cash equivalents comprise:		<hr/>	<hr/>
Cash at bank and in hand	26,27	2,910	2,425
		<hr/>	<hr/>

The notes on pages 34 to 59 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 2022

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 2022

2 Accounting policies *(continued)*

2.2. Going Concern

The impact of the COVID 19 pandemic on the Group finances was reduced compared to 2020/21. RLO Group continued to access Government COVID-19 grant funding and Local Authority support continuing to be at an adequate level to support the charity.

The three wholly owned trading subsidiary companies, 1st Home Care Ltd, Montana Homecare Ltd and Affinity Homecare Shrewsbury Ltd were all also affected by the pandemic given the nature of their business.

Taking account of the above and the level of reserves held, the cash available to the Charity and its subsidiaries to the 31 March 2024 will ensure there is sufficient funding to support the existing commitments including the compliance with the RLO Group banking loan covenants.

The Trustees have reviewed forecasts to 31 March 2024, and it was concluded that the Charity will be able to meet its liabilities as they fall due over the period.

During 2022-23 a review of RLO's liquidity was undertaken by RLO Group's lending bank. This was initiated following a restructure of the finance team and change to the sales invoicing process which resulted in a temporary need for additional working capital. The assessment is still ongoing but it is anticipated that there will be no impact on the Group's finances.

Sensitivity analysis has been undertaken for a number of scenarios including the impact of being unable to secure fee uplifts from Local Authorities.

The Trustees expect that Real Life Options has sufficient resources to enable it to continue to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustment that would arise if the going concern basis of preparation was not considered appropriate.

As a result of the above, the trustees, after reviewing cashflow forecasts prepared for a 12 month period after the date these financial statements are signed, do not believe that there are any material uncertainties, which cast significant doubt on the ability of the Trust to continue as a going concern.

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.

REAL LIFE OPTIONS
(A company limited by guarantee)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2 Accounting policies *(continued)*

2.4. Income

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

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

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

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

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

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

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.

REAL LIFE OPTIONS
(A company limited by guarantee)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2 Accounting policies *(continued)*

2.6. Intangible assets

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.

Other intangibles

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.7. Tangible Assets

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

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

Freehold land & buildings	-	50 years straight line
Leasehold improvements	-	10 years straight line or the length of the lease if shorter
Fixtures and fittings	-	3-10 years straight line
Computer equipment	-	2-4 years straight line
Motor vehicles	-	25% reducing balance
Office equipment	-	3-4 years straight line

Freehold Land will not be depreciated.

2.8. Accounting for Investments in Subsidiaries

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

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.

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2 Accounting policies *(continued)*

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.

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. 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.

REAL LIFE OPTIONS
(A company limited by guarantee)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2 Accounting policies *(continued)*

2.12. Pension Contributions

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

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

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

2.13. Gift aid distribution

The payment of Gift Aid is subject to the reserves policy of the gifting entity, and the approval of the charity.

Gift Aid is recognised on the accruals basis in line with the deed of covenant.

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.

All income is unrestricted other than restricted donations of £27k (£2k).

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5 Other income

	GROUP & CHARITY	
	2022	2021
	£'000	£'000
Government grants:		
- Job retention scheme	-	268
- Covid support for personal protective equipment	-	816
Other income	40	12
	<hr/>	<hr/>
	40	1,096
	<hr/>	<hr/>

6 Analysis of resources expended

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

GROUP 2022

	Total	Governance	Human	Property	Administration
	£'000	costs	Resources	Costs	and Finance
	£'000	£'000	& Training	£'000	£'000
	£'000	£'000	£'000	£'000	£'000
Trading subsidiaries expenditure	5,078	-	4,444	177	457
Charitable activities	39,661	143	34,297	1,459	3,762
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	44,739	143	38,741	1,636	4,219
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

GROUP 2021

	Total	Governance	Human	Property	Administration
	£'000	costs	Resources	Costs	and Finance
	£'000	£'000	& Training	£'000	£'000
	£'000	£'000	£'000	£'000	£'000
Trading subsidiaries expenditure	4,805	-	4,141	138	526
Charitable activities	39,297	100	33,329	1,784	4,084
Impairment of goodwill	479	-	-	-	479
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	44,581	100	37,470	1,922	5,089
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Total expenditure for the year for the group was £44,739k (2021: £44,581k) of which £14k (2021: £Nil) was restricted, £8k (2021: £285k) was designated and £44,717k (2021: £44,296k) was unrestricted.

REAL LIFE OPTIONS
(A company limited by guarantee)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6 Analysis of resources expended (continued)

CHARITY 2022

	Total	Governance costs	Human Resources & Training	Property Costs	Administration and Finance
	£'000	£'000	£'000	£'000	£'000
Charitable activities	39,265	143	34,300	1,458	3,364

CHARITY 2021

	Total	Governance costs	Human Resources & Training	Property Costs	Administration and Finance
	£'000	£'000	£'000	£'000	£'000
Charitable activities	38,117	66	33,329	1,783	2,939

Total expenditure for the year for the charity was £39,265k (2021: £38,117k) of which £14k (2021: £Nil) was restricted, £8k (2021: £285k) was designated and £39,243k (2021: £37,832k) was unrestricted.

7 Analysis of support costs

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Analysis of governance costs				
Audit fees	77	76	38	42
Other financial services including accountancy services	24	24	24	24
Other professional fees	42	-	81	-
	143	100	143	66
	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Audit and Non Audit Services				
Statutory audit of parent and consolidated accounts	38	42	38	42
Statutory audit of subsidiary companies	39	34	-	-
Tax Services	12	11	12	11
Other Services	12	13	12	13
	101	100	62	66

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

All expenditure in the current and preceding year was unrestricted.

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8 Net income

Net income is stated after charging:

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Operating lease rentals:				
- land & buildings	639	893	558	821
- equipment	194	164	189	161
Depreciation - owned assets	138	129	138	129
Loan interest	27	51	-	51
Amortisation of goodwill	389	525	24	48
Amortisation of software	6	-	-	-
	=====	=====	=====	=====

9 Staff costs

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Wages and salaries	34,218	33,966	30,157	30,192
Social security costs	3,128	2,551	2,810	2,328
Other pension costs - contributions to defined contribution schemes	682	881	621	804
	=====	=====	=====	=====
	38,028	37,398	33,588	33,324
	=====	=====	=====	=====

The figures shown above represent all staff costs for the Group and Company including operational staff costs, as shown in Note 6, together with costs relating to staff who work in support services and regional offices, which are incorporated within the support cost figures in note 6.

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

	GROUP		CHARITY	
	2022	2021	2022	2021
	Number	Number	Number	Number
£60,001 - £70,000	5	3	5	3
£70,001 - £80,000	1	1	1	1
£80,000- £90,000	2	1	2	1
£90,001- £100,000	-	-	-	-
£100,001-£110,000	1	2	1	2
£130,001-£140,000	1	-	1	-
£140,001-£150,000	-	-	-	-
£150,001-£160,000	1	1	1	1
£160,001-£170,000	1	1	1	1
£170,000-£180,000	1	-	1	-
£180,000-£200,000	1	-	1	-
	=====	=====	=====	=====
	14	9	14	9
	=====	=====	=====	=====

All employees earning more than £60,000 contributed to a personal pension scheme. The Charity contributed £43,605 (2021 - £62,563) on their behalf.

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9 Staff costs (continued)

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

	GROUP		CHARITY	
	2022 Number	2021 Number	2022 Number	2021 Number
Staff	1,853	1,868	1,539	1,580

Redundancy costs of £41,306 (2021 - £369,464) were payable of which £Nil (2021 - £369,464) was unpaid at year end. This related to compensation for loss of office for 6 (2021 - 47) individuals.

10 Directors' Remuneration

	GROUP AND CHARITY	
	2022 £'000	2021 £'000
Directors' emoluments	769	705
Company contributions to defined contribution pension scheme	26	51
	795	756

There were 5 directors in the group's defined contribution pension scheme (2021 - 7). None of the directors accrued benefits under the group's defined benefit pension scheme during the year (2021 - 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 £187k (2021 - £164k). Company pension contributions of £4k (2021 - £12k) 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 2022, or the year ended 31 March 2021, no non-executive trustees were remunerated.

Trustees are reimbursed for expenditure incurred in attending trustees meetings or visiting the Group's home and facilities in their roles as Trustees. In the year to 31 March 2022, costs totalling £436 (2021 - £49) were reimbursed to no (2021 - None) Non-Executive Trustees.

During the year ended 31 March 2022, there was an amount of £41,306 (2021 - £369,464) paid as compensation for loss of office. Of this £Nil (2021 - £369,464) was unpaid at the year end.

11 Indemnity insurance

The Charity purchases Directors and Officers Liability insurance. The cost of the premium in the year was £1,400 (2021 - £1,400).

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12 Taxation

	GROUP	
	2022	2021
	£'000	£'000
Corporation Tax		
Charge for year	-	-
Adjustment in respect of prior periods	1	(23)
	<hr/>	<hr/>
Total	1	(23)
Deferred Tax		
Origination and reversal of timing differences	167	-
Adjustments in respect of prior periods	(122)	(36)
Change to tax rates	(39)	-
	<hr/>	<hr/>
	6	(36)
	<hr/>	<hr/>
Total tax credit for the year	7	(59)
	<hr/>	<hr/>
Net incoming resources before other recognised gains, losses and transfers	339	46
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	64	9
Income not subject to tax	(7,461)	(91)
Impairment of goodwill	-	91
Expenses not deductible for tax purposes	7,536	103
Adjustments in respect of prior periods	(122)	(59)
Remeasurement of deferred tax for changes in tax rates	42	-
Deferred tax not recognised	(53)	(101)
Other adjustments	1	(11)
	<hr/>	<hr/>
Total tax credit for the year	7	(59)
	<hr/>	<hr/>

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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13 Intangible assets
Group

	Goodwill £'000	Software £'000	Total £'000
Cost as at the start of the year	5,968	-	5,968
Additions	3	29	32
Reduction in goodwill	(46)	-	(46)
	<hr/>	<hr/>	<hr/>
Cost as at 31 March 2022	5,925	29	5,954
Accumulated Amortisation as at the start of the year	3,581	-	3,581
Amortisation in the year	389	6	395
	<hr/>	<hr/>	<hr/>
Accumulated Amortisation as at 31 March 2022	3,970	6	3,976
	<hr/>	<hr/>	<hr/>
Net book value as at 31 March 2022	1,955	23	1,978
	<hr/>	<hr/>	<hr/>
Net book value as at 31 March 2021	2,387	-	2,387
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Charity

	Goodwill £'000
Cost as at the start of the year	474
	<hr/>
Cost as at 31 March 2022	474
Accumulated Amortisation as at the start of the year	450
Amortisation in the year	24
	<hr/>
Accumulated Amortisation as at 31 March 2022	474
	<hr/>
Net book value as at 31 March 2022	-
	<hr/>
Net book value as at 31 March 2021	24
	<hr/> <hr/>

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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14 Tangible fixed assets

GROUP	Freehold land and buildings £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost							
At 1 April 2021	4,275	252	204	1	1	1,322	6,055
Additions	-	115	7	67	-	35	224
Disposals	-	-	(7)	-	-	-	(7)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	4,275	367	204	68	1	1,357	6,272
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation							
At 1 April 2021	444	122	171	-	-	1,277	2,014
Provided during the year	60	31	23	10	-	21	145
Disposals	-	-	(4)	-	-	-	(4)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	504	153	190	10	-	1,298	2,155
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value							
At 31 March 2022	3,771	214	14	58	1	59	4,117
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	3,831	130	33	1	1	45	4,041
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14 Tangible fixed assets *(continued)*

	Freehold land and buildings £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computer £'000	Total £'000
CHARITY						
At 1 April 2021	4,275	252	233	1	1,274	6,035
Additions	-	115	7	67	35	224
Disposals	-	-	(7)	-	-	(7)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	4,275	367	233	68	1,309	6,252
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation						
At 1 April 2021	444	122	190	-	1,240	1,996
Provided during the year	60	31	23	10	21	145
Disposals	-	-	(4)	-	-	(4)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	504	153	209	10	1,261	2,137
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value						
At 31 March 2022	3,771	214	24	58	48	4,115
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	3,831	130	43	1	34	4,039
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15 Investments

	CHARITY	
	2022	2021
	£'000	£'000
Cost and net book value as at the start of the year	4,916	5,685
Movement in value of investments	3	8
Additions in the year	-	1,148
Impairment charge	-	(1,925)
	<hr/>	<hr/>
Cost and net book value as at 31 March 2022	4,919	4,916
	<hr/>	<hr/>

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.	100	SC267110	88 Grahams Road, Falkirk, Stirlingshire, FK2 7DL
Affinity Homecare Shrewsbury Limited	100	09508514	Suite D, Global House Sitka Drive, Shrewsbury Busienss Park, Shrewsbury, SY2 6LG

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 Affinity Homecare Shrewsbury Limited, 1st Home Care Ltd and Montana Home Care Ltd are considered to be material to the operations of the group.

During the year, an unlawful distribution to Real Life Options was made from three dormant subsidiaries: Real Life Options (Cymru) Limited of £1,289; Lowland Care services Limited of £6,683; and RLO Orchard Care Limited of £60. Real Life Options is not planning to repay the subsidiaries as they are dormant. The tax of £34.77 has been paid to HMRC on behalf of Real Life Options (Cymru), and tax of £1,269.77 has been paid on behalf of Lowland Care Services Limited. HMRC have been notified of the potential tax of £11.40 to be paid on behalf of RLO Orchard Care Limited. Charities Commission and Office of the Scottish Charities Regulator has been informed of the matter.

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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15 Investments (continued)

The following subsidiary Companies were incorporated during the previous financial year but were dormant. Each Company has 2 shares with an aggregate nominal values of £2.

Subsidiary	Control %	Co Number	Registered office
Real Life Options West Yorkshire Limited	100	13082099	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU
Real Life Options Warwickshire Limited	100	13082242	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU
Real Life Options Tyne & Wear Limited	100	13082119	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU
Real Life Options Staffordshire Limited	100	13082096	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU
Real Life Options Derbyshire Limited	100	13082113	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU
Real Life Options County Durham Limited	100	13082447	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU
Real Life Options Cheshire Limited	100	13082164	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU
Real Life Options Angus Limited	100	13082200	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU
Real Life Options Aberdeenshire Limited	100	13082153	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU
Real Life Options Enterprise Ltd	100	13071404	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU
Real Life Options Innovation Ltd	100	13055357	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU
Real Life Options Services Ltd	100	13055350	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU
13055370 Ltd	100	13055370	David Wandless House A1 Business park Knottingley Road Knottingley WF11 0BU

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15 Investments (continued)

The income and expenditure for the year ended 31 March 2022 was as follows:-

	1st Home Care		Montana Home Care		Affinity Home Care	
	Year ended	Year ended	Year ended	Year ended	Year ended	1 month
	31 March	31 March	31 March	31 March	31 March	period ended
	2022	2021	2022	2021	2022	31 March
	£'000	£'000	£'000	£'000	£'000	2021
						£'000
Turnover	3,871	4,298	929	1,174	1,007	96
Cost of sales	(3,032)	(3,272)	(692)	(856)	-	-
Gross profit	839	1,026	237	318	1,007	96
Administrative expenses	(447)	(553)	(128)	(78)	(815)	(76)
Operating profit	392	473	109	240	192	20
Interest receivable and similar income	-	-	-	-	-	-
Profit on ordinary activities before tax	392	473	109	240	192	20
Taxation	(5)	36	-	27	-	(4)
Profit after tax	387	509	109	267	192	16

The aggregate of the assets liabilities and funds was:

	As at	As at	As at	As at	As at	As
	2022	2021	2022	2021	2022	restated
	£'000	£'000	£'000	£'000	£'000	As at
						2021
						£'000
Assets	1,901	2,185	149	274	318	589
Liabilities	(246)	(418)	(26)	(15)	(53)	(274)
Reserves	1,655	1,767	123	259	265	315

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16 Debtors: amounts due within one year

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	2,809	2,045	2,433	1,644
Amounts due from subsidiary undertakings	-	-	937	923
Other debtors	85	1,122	84	785
Prepayments and accrued income	908	849	664	826
Deferred tax asset	-	1	-	-
Corporation tax repayable	-	83	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	3,802	4,100	4,118	4,178
	<hr/>	<hr/>	<hr/>	<hr/>

The impairment loss recognised in the Group's Statement of Financial Activities for the period in respect of bad and doubtful trade debtors was £Nil (2021 - £Nil). The impairment loss recognised in the charity's Statement of Financial Activities for the period in respect of bad and doubtful trade debtors was £Nil (2021 - £Nil).

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

17 Creditors: amounts falling due within one year

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	389	408	389	408
Trade creditors	549	503	523	455
Other taxes and social security	702	653	652	587
Accruals and deferred income	1,087	2,106	962	2,108
Other creditors	1,354	642	1,421	335
Amounts due to subsidiary undertakings	-	-	1,079	911
Deferred consideration	-	212	-	212
	<hr/>	<hr/>	<hr/>	<hr/>
	4,081	4,524	5,026	5,016
	<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 £2,185k (2021 - £2,241k). These are not included within the funds of the group.

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18 Deferred income

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Balance at 1 April	785	895	785	895
Amount released to income	(785)	(895)	(785)	(895)
Amount deferred in the period	767	785	767	785
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 31 March	767	785	767	785
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

19 Creditors: amounts falling due in more than one year

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans	966	980	967	980
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20 Bank loans

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Repayments fall due as follows:				
Within one year	389	408	389	408
In the second to fifth year inclusive	814	798	814	798
After 5 years	152	182	153	182
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total loans and overdrafts	1,355	1,388	1,356	1,388
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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.

21 Financial instruments

	GROUP	
	2022	2021
	£'000	£'000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	5,804	6,218
	<u> </u>	<u> </u>
Financial liabilities		
Financial liabilities measured at amortised cost	3,257	4,065
	<u> </u>	<u> </u>

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

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

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
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22 Deferred taxation

	GROUP	
	2022	2021
	£'000	£'000
At 1 April 2021	1	1
Charged in the year	(6)	-
	<hr/>	<hr/>
At 31 March 2022	(5)	1
	<hr/>	<hr/>

The deferred taxation (creditor)/debtor is made up as follows:

	GROUP	
	2022	2021
	£'000	£'000
Short Term Timing Differences	(5)	1
	<hr/>	<hr/>

23 Other financial commitments

At 31 March 2022 the group had commitments under non-cancellable operating leases as follows:

	GROUP		GROUP	
	Land and buildings		Equipment	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Expiry date:				
Within one year	613	612	139	159
Between two and five years	45	82	111	184
In more than 5 years	-	-	17	-
	<hr/>	<hr/>	<hr/>	<hr/>
	658	694	267	343
	<hr/>	<hr/>	<hr/>	<hr/>
	CHARITY		CHARITY	
	Land and buildings		Equipment	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Expiry date:				
Within one year	556	570	135	155
Between two and five years	10	47	109	182
In more than 5 years	-	-	17	-
	<hr/>	<hr/>	<hr/>	<hr/>
	566	617	261	337
	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 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 2022 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 2021-22, employers' contributions of £46,841 (2020-21: £47,918) 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

During the year there were no sales or direct purchases between Group companies. Recharges between Group companies have been made for expenses and other costs on behalf of related parties. Amounts owed between subsidiaries are disclosed in note 16 and 17.

Transactions with Trustees are detailed in note 10.

26 Analysis of cash and cash equivalents

	GROUP		CHARITY	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Short term deposits held	2,910	2,382	2,210	1,190
Cash balances	-	43	-	43
	<hr/>	<hr/>	<hr/>	<hr/>
	2,910	2,425	2,210	1,233
	<hr/>	<hr/>	<hr/>	<hr/>

27 Analysis of net debt

	At 1 April	Cash flows	Interest	At 31 March
	2021			2022
	£'000	£'000	£'000	£'000
Short term deposits held	2,382	529	(1)	2,910
Cash balances	43	(43)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,425	486	(1)	2,910
Bank loans due in one year	(408)	-	19	(389)
Bank loans due in more than one year	(980)	60	(46)	(966)
	<hr/>	<hr/>	<hr/>	<hr/>
	(1,388)	60	(27)	(1,355)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,037	546	(28)	1,555
	<hr/>	<hr/>	<hr/>	<hr/>

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28 Funds

Group	At 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Tax £'000	At 31 March 2022 £'000
Restricted funds						
Services Fund	11	27	(14)	-	-	24
Total restricted funds	11	27	(14)	-	-	24
Unrestricted funds						
Designated	209	-	(8)	-	-	201
General fund	7,229	45,051	(44,717)	-	(7)	7,556
Total unrestricted funds	7,438	45,051	(44,725)	-	(7)	7,757
Total funds	7,449	45,078	(44,739)	-	(7)	7,781

Charity	At 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 March 2022 £'000
Restricted funds						
Services Fund	11	27	(14)	-	-	24
Total restricted funds	11	27	(14)	-	-	24
Unrestricted funds						
Designated fund	209	-	(8)	-	-	201
General fund	8,174	40,239	(39,243)	-	-	9,170
Total unrestricted funds	8,383	40,239	(39,251)	-	-	9,371
Total funds	8,394	40,266	(39,265)	-	-	9,395

A figure of £201k (2021 - £209k) has been designated within the unrestricted reserves for furniture and equipment repairs and replacement, these are funds are provided on behalf of the clients supported by the group.

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

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

28 Funds (continued)

Group	At 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains, Losses and tax £'000	At 31 March 2021 £'000
Restricted funds						
Services Fund	-	11	-	-	-	11
Total restricted funds	-	11	-	-	-	11
Unrestricted funds						
Designated	207	287	(285)	-	-	209
General fund	7,137	44,329	(44,296)	-	59	7,229
Total unrestricted funds	7,344	44,616	(44,581)	-	59	7,438
Total funds	7,344	44,627	(44,581)	-	59	7,449

Charity	At 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 March 2021 £'000
Restricted funds						
Services Fund	-	11	-	-	-	11
Total restricted funds	-	11	-	-	-	11
Unrestricted funds						
Designated fund	207	287	(285)	-	-	209
General fund	8,729	39,202	(39,757)	-	-	8,174
Total unrestricted funds	8,936	39,489	(40,042)	-	-	8,383
Total funds	8,936	39,500	(40,042)	-	-	8,394

REAL LIFE OPTIONS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

29 Analysis of net assets

Group – current year

	General fund £000	Designated fund £000	Restricted fund £000	Total funds £000
Intangible assets	1,978	-	-	1,978
Tangible assets	4,117	-	-	4,117
Current assets	6,513	201	24	6,738
Current liabilities	(4,081)	-	-	(4,081)
Non-current liabilities and provisions	(971)	-	-	(971)
	<u>7,556</u>	<u>201</u>	<u>24</u>	<u>7,781</u>

Group – prior year

	General fund	Designated fund	Restricted fund	Total funds
Intangible assets	2,387	-	-	2,387
Tangible assets	4,041	-	-	4,041
Current assets	6,514	-	11	6,525
Current liabilities	(4,733)	209	-	(4,524)
Non-current liabilities	(980)	-	-	(980)
	<u>7,229</u>	<u>209</u>	<u>11</u>	<u>7,449</u>

Charity – current year

	General fund £000	Designated fund £000	Restricted fund £000	Total funds £000
Tangible assets	4,115	-	-	4,115
Investments in Subsidiaries	4,919	-	-	4,919
Current assets	6,129	201	24	6,354
Current liabilities	(5,026)	-	-	(5,026)
Non-current liabilities	(967)	-	-	(967)
	<u>9,170</u>	<u>201</u>	<u>24</u>	<u>9,395</u>

REAL LIFE OPTIONS
(A company limited by guarantee)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

29 Analysis of net assets *(continued)*

Charity – prior year

	General fund £000	Designated fund £000	Restricted fund £000	Total funds £000
Goodwill	24	-	-	24
Tangible assets	4,039	-	-	4,039
Investments in Subsidiaries	4,916	-	-	4,916
Current assets	5,400	-	11	5,411
Current liabilities	(5,225)	209	-	(5,016)
Non-current liabilities	(980)	-	-	(980)
	<u>8,174</u>	<u>209</u>	<u>11</u>	<u>8,394</u>

30 Capital commitments

The company has the following capital expenditure contracted for at the year end:

	GROUP & COMPANY 2022 £'000	2021 £'000
Expenditure contracted for but not included in liabilities	<u>6</u>	<u>95</u>