
Registered number: 03685650
Charity number: 1074954

Broadening Choices for Older People
(A Company Limited by Guarantee)

Consolidated financial statements

For the Year Ended 31 March 2021



Broadening Choices for Older People
(A Company Limited by Guarantee)

Charity Information

Trustees	B Toner (Chair of Board) C Cooban (Chief Executive) N Topping (Chair of Operations Committee) A Jones (Chair of Audit Committee) K Halliday G Maidens (resigned 16 June 2021) N Bradbury J Bennett V Pritchard-Wilkes (appointed 25 November 2020) T Pattni (appointed 25 November 2020) D Sizer (appointed 25 November 2020)
Company secretary	C Cooban
Registered number	03685650
Registered office	7-8 Imperial Court 12 Sovereign Road Kings Norton Birmingham B30 3FH
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Royal Bank of Scotland plc 57 Calthorpe Road Edgbaston Birmingham B15 1TT Barclays Bank plc 6th Floor 1 Snowhill Birmingham B4 6GN
Website	www.bcop.org.uk
Charity number	1074954
Regulator of social housing registration number	L4218

Broadening Choices for Older People
(A Company Limited by Guarantee)

Contents

	Page
Group strategic report	1 - 22
Trustees' report	23 - 24
Trustees' responsibilities statement	25
Independent auditors' report	26 - 30
Consolidated statement of comprehensive income	31
Consolidated statement of financial position	32
Charity statement of financial position	33
Consolidated statement of changes in reserves	34
Company statement of changes in reserves	35
Consolidated Statement of cash flows	36 - 37
Analysis of net debt	38
Notes to the financial statements	39 - 71

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report
For the Year Ended 31 March 2021**

Company status and principal activity

The company is limited by guarantee and is also a Registered Provider of Social Housing and a registered charity. Broadening Choices for Older People (BCOP) was founded in 1946 to meet the needs of older people in the immediate post-war period.

The charity is administered in accordance with the Memorandum and Articles of Association dated 28th November 2019. The main objects of the charitable company are to provide and manage accommodation, care and support services for older people in necessitous circumstances, and to make donations in line with our charitable objects. We operate nursing homes and we also own and manage accommodation for older people, including supported housing and properties for independent living.

BCOP is a corporate trustee of The Rhodes Almshouses which is a grant giving, linked registered Charity (1074954). As it is a special trust, the results and assets and liabilities of The Rhodes Almshouses are incorporated within BCOP's own financial statements. The Group comprises two other smaller charities and BCOP Services Limited - a company incorporated in England and Wales which has been dormant since incorporation. The charities are: 1) Emma Ball and Rolason Almshouses registered Charity (246857), an almshouse charity providing six almshouse residences; and 2) The Pargeter and Wand Trust, a grant giving registered Charity (No 210725), which pays annuities for qualifying applicants within the Trust's objectives.

Purpose

BCOP provides housing and nursing homes for older people, including those living with dementia, to ensure that individuals can live well in later life. Our range of services engage with those aged over 60 (or 55 at specific housing schemes, or individuals with a form of disability). We provide a home to those who are fully independent through to residents with complex healthcare needs who require the support of fully trained nursing and care teams.

Our care and support is tailored to meet the needs of individuals, enabling them to make positive choices on an everyday basis in a place they call home. We believe that feeling safe, happy and well cared for can make the difference not just to the older person but also to their families and friends.

The Board has taken into account the Charity Commission's guidance on public benefit when reviewing BCOP's aims, objectives and activities.

Legal and policy context

BCOP is governed by the Regulator of Social Housing's regulation and standards, Charity Commission rules, the Companies Act, the Care Quality Commission, and the regulatory frameworks for service commissioners.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Covid-19

Covid-19 continues to have a devastating impact on the provision of care and support services to older people and has exposed further the weaknesses in the current social care system. The West Midlands was one of the worst affected regions in England during the initial Coronavirus outbreak in spring 2020 and, sadly, care and nursing homes bore the brunt of the crisis throughout the pandemic.

Throughout 2020-21, we made rapid adjustments to our services in response to the pandemic. BCOP moved swiftly to lockdown on 13th March 2020 following an early report of suspected Covid-19 in one of our homes, almost a fortnight before the official government guidance to do so. With the goodwill and understanding of residents and families, we closed the nursing homes to external visitors, implementing enhanced infection control measures, following regulatory requirements and reviewing risk assessments and policies in light of the rapidly evolving and often contradictory government, Public Health England and Local Health Protection Team guidance. We prioritised bed-side care as we had to limit family visiting to the nursing homes unless for end of life visits. We independently sourced significant quantities of Personal Protective Equipment (PPE) as our needs had increased substantially at a time when our usual supply lines were becoming increasingly disrupted. During the year, we rolled out testing for residents and staff, responded to subsequent outbreaks and lockdowns, and once available, promoted Covid-19 vaccination for all. Similarly, we had to support lockdown measures in the older persons' housing schemes.

Our priority was to keep everyone safe. While sadly, we lost a number of residents to Covid-19, we had a recovery rate of 75% among residents following the first outbreak, and managed to confine transmission of infection during the second and third lockdowns. The gradual opening up of family visiting through the use of pods, and increasingly through essential carer and nominated visitor status was very welcome in order to support the emotional and physical wellbeing of residents.

The Board wish to acknowledge the tremendous sacrifice made by our residents, families, staff and supporters throughout the ongoing pandemic. We are very mindful of the impact of restrictions upon individual residents and their families, and pay tribute to the remarkable resilience shown by relatives. We are also extremely proud and grateful for the fortitude, compassion and care shown by staff under extremely difficult organisational, team and personal circumstances. They have worked diligently to maintain person-centred care and foster a sense of 'normality' for residents, many of whom have some form of dementia.

While the organisation focused on essential operations, the Board convened virtually and more frequently in order to gain assurance that the organisation was meeting its objectives, making effective decisions to ensure financial viability, and assessing and responding to risks in a timely manner. Subject to the continued effects of the Covid-19 pandemic, Trustees remain confident that the actions taken will enable the organisation to remain a sustainable service with an increasing focus on the delivery of strategic projects to ensure the charity's future development.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Our vision, mission, values and strategic objectives

Our Vision and Mission:

Making a difference every day, through everything we do, to enrich older people's lives by treating each person as the amazing individual they are, always helping them to feel cared for and respected.

Our core Values:

- **People at the heart of everything we do:** As a caring organisation, people – and their wellbeing – are at the heart of everything we do, be they residents, their families or our staff.
- **Working together to provide the best possible support:** As a team, we listen to and respect everyone.
We work together with residents and their families as well as external supporting organisations.
- **Adapting to our residents' needs:** To deliver person-centred care, we must be flexible and open-minded about our current approach to delivering care – this could mean learning new skills or developing new ones, or adapting existing practices to enhance the care of a particular resident.
- **Little Things Matter:** We're all different and our individuality makes our community special. We recognise and act on the little things, as these often make all the difference.

Our Strategic Priorities:

During 2020-2021, the Board continued to focus on its five year strategy for 2018-2023. The strategic objectives are framed around Strong Social Purpose, Strong Social Business and Strong Performance in order to future-proof the organisation.

BCOP's core business is in providing care: this accounts for around 83% of our turnover and is our key strength in an increasingly challenging and competitive market place.

BCOP's principal activities and objectives to help improve later life include:

- Operating homely nursing homes and providing good quality care to residents. Our three nursing homes offer a wide spectrum of care including high dependency nursing, dementia care and end-of-life care provision. We also offer transitional or episodic forms of care to assist discharge from hospitals, provide respite for carers, or day care for individuals living in the community.
- Balancing social needs by combining funding from public sector with contributions from individuals.
- Working in partnership with like-minded organisations to have a wider impact in the community.
- Responding to individual need and frailty as opposed to chronological age, but ultimately seeing the person first, and not their condition, as the guiding principle in offering person-centred care.

Our ambitions are to:

- Help address the issues that older people face, namely, health and care concerns, loneliness and financial insecurity by examining our service offerings and improving our ways of working in a financially sustainable way.
- Improve our dementia care offer, given the increasing incidence of dementia within the ageing population and, as a consequence, increase our profile and market presence in the sector.
- Maintain the pioneering spirit with which BCOP was first established in 1946.

Broadening Choices for Older People (A Company Limited by Guarantee)

Group Strategic Report (continued) For the Year Ended 31 March 2021

Objectives and activities

During 2020-2021, the Board focused attention on a Covid-19 Response and Recovery Plan, devised at the start of the pandemic, and updated regularly to monitor performance. The Plan was integrated into the organisational Operations Plan during the latter part of the year.

Progress is typically monitored monthly by Senior Executives with quarterly reports to Board using RAG-based indicators, aligned to the key priorities and risks facing the charity. During this year, we maintained weekly and then fortnightly updates to the Board to provide assurance around controls and measures. Committee meetings were extended to all Board Members to ensure effective understanding and decision-making within the changing operational environment. Key Performance Indicators e.g. workforce staffing costs, income levels and cashflow, along with reporting on the ongoing incidence of Covid-19, were monitored on a continuous basis given the drop in occupancy and changing public perceptions of social care.

Lessons learned from other providers informed our operational action plans throughout the year. We seek to benchmark and benefit from the experience of allied providers, for example, from the National Care Forum and Small Providers' Housing Group in the West Midlands.

Providing a home

In 2020-2021, BCOP provided a home to 341 people across our schemes:

	No of units	No of people during year
Nursing homes	130	200
Housing	150	141
Total *	280	341

* In addition the group supports 2 shared ownership units and manages 10 independent housing units on behalf of others.

Registered Care

BCOP provides three nursing homes for those requiring nursing care, often with complex needs or dementia. Robert Harvey House at Handsworth Wood has 46 rooms but holds registration for up to 52 residents. Some of its rooms allow for double occupancy, which means we can extend our service to couples who wish to stay together. Anita Stone Court based in Moseley provides 33 beds, and Neville Williams House in Selly Park is registered for 50 beds.

Quality

During 2020-21, the Care Quality Commission (CQC) suspended routine care home inspections meaning that all three nursing homes maintained their Good rating from their most recent inspection. An external Infection Prevention and Control Audit was conducted by CQC at Robert Harvey House on 4th February 2021, with safety assured grading awarded in 7 out of 8 domains, and Neville Williams House scored 99% in the local CCG Infection Prevention and Control Audit on 18 February 2021. As an organisation, we are working with management and staff to ensure that all our homes are recognised as Good or Outstanding.

CQC inspection reports can be accessed through our website or directly from the regulator's website.

BCOP measures the quality of care delivery through regular internal audits and provider visits to services. Key Care Performance Indicators are monitored by the Operations Committee and reported to the Board. The quality assurance process also takes into account additional sources of assurance including surveys and informal feedback from residents, families, visiting professionals and staff. The residents' survey 2020-21 was due to be conducted in April 2020 but had to be postponed owing to Covid-19. However, we invested in the continued roll-out of a new electronic care planning system during the year.

The capital expenditure was greatly reduced within year, spending only £15,411 on facilities in our nursing homes given the requirement to limit footfall into the homes and to focus only on emergency or essential actions.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Objectives and activities (continued)

Funding

The group continues to maintain a mixed portfolio between local authority, NHS and private funding. Overall income dropped from previous years. Nursing homes' income (excluding government grants) assumed a reduced proportion of our turnover, reducing from 84% (2019-20) to 77%; whereas social housing and other income accounted for 23% of the total. In relation to the nursing homes, 50% of the turnover related to nursing home fees paid for in part or whole by individuals and/or their families. Just under 12% of our income came from Birmingham Social Services who socially fund nursing home residents. Around 22% of our income during the year was based on Continuing Healthcare (CHC) funding, double the proportion of the previous year's income. CHC provides residents who have long-term complex health needs or who may be nearing the end of their lives with free social care which is assessed and funded solely by the NHS through the local Clinical Commissioning Group (CCG). We also retain contracts with Birmingham and Solihull Mental Health NHS Foundation Trust, Solihull Social Services and others, totalling 4%. Funded Nursing Care (FNC) is paid by the NHS as a flat rate contribution directly to the nursing homes towards the cost of registered nursing care. It accounts for just under 12% of our income.

Our nursing home occupancy dropped to 79.4% in May, recovering to 82.2% by end of June. The position at the end of the year shows an improvement to 85.1%. This was around 8% lower compared to the previous year (93.7%), and below our organisational target of 96-97% for the year.

Staffing

Staffing represents our most significant cost (70%); nursing home employees account for just over 91% of BCOP's total workforce based on the average monthly number of staff. Our payroll costs increased in the 2020-21 financial year following a general uplift across all pay grades, reflecting the increases in the workplace pension contributions and the National Minimum Wage (NMW). We have continued to implement NMW requirements together with a 1.5% pay increase across the organisation to maintain pay differentials and to keep pace with other providers in the social care sector.

The focus for the year was on keeping staff safe and to consider their wellbeing. We conducted a Staff Wellbeing Survey in September-October 2020 and implemented a number of recommendations based on staff requests e.g. staff ID cards. We make every effort to provide career development and opportunities to up-skill our nursing and care teams, as well as offering allied benefits. A planned launch for a Nurse Support Lead had to be postponed this year, but will be reviewed in 2021-22.

We continue to invest in our staff, environments and training to ensure that we can meet the increasing demands of the social care sector during the pandemic e.g. training on infection control, testing protocols, promoting safe visiting which undoubtedly placed an even greater burden upon staff.

Housing

BCOP's aim across our schemes is to promote personal independence by ensuring that our tenants feel happy and secure. We liaise closely with Birmingham Housing Services, from whom the majority of our tenants receive financial support in the form of Housing Benefit, as well as with Social Services and allied organisations in relation to supporting, safeguarding or sign-posting those who are the most frail or vulnerable to appropriate services.

Overall, our housing occupancy of 81.3% for 2020-21 fell short of the target 93.3%. A significant number of tenants' circumstances changed during the pandemic; some moved into care or chose to relocate to be closer to family members, while a number sadly passed away with non-Covid related issues. Due to the diligence of our tenants in observing social distancing measures, there was no reported incidence of a tenant contracting Covid-19 during 2020-21 other than hospital-acquired cases. The pandemic restricted opportunities to re-let properties with applications reduced and limitations of using our traditional advertising routes. We openly advertise our vacancies to ensure that our offer is inclusive and reflective of the needs of local communities.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Objectives and activities (continued)

Housing (continued)

This situation was compounded by persistent voids at one of our housing schemes as the lack of lift-access to the upper storey flats means these are only suitable for tenants with full mobility.

The Board agreed to continue to absorb the final 1% rent reduction in social housing while seeking to minimise disruption or concerns to our beneficiaries. On-site staff provide reassurance to many of our tenants and support them on a daily basis, and through community efforts, limit the detrimental impact of loneliness and isolation on the health and wellbeing of our tenants. Unfortunately, we had to postpone the Tenant Survey owing to Covid-19 as our focus has been on communicating with and providing guidance to tenant communities on how to keep safe during the pandemic.

We completed minor scheduled works on voids and also invested in emergency or essential improvements to our properties; however, the capital expenditure was reduced to £6,994. We also used the opportunity to commission a Stock Condition Survey to support strategic planning.

As part of our ongoing process of review, BCOP needs to balance meeting the needs of its current tenants with advancing our ambition to prioritise our core business.

Support Services

During the year, BCOP has continued to ensure that the Support Office has the right capacity and skills mix of senior operational and support staff. The year saw further changes at the Support Office with long serving staff moving onto new opportunities and new talent joining the organisation. This allowed us to reconfigure key support roles around Finance & Operations. We established a daily Covid-19 Register compiling all suspected cases of Covid-19 as well as the incidence of sickness, self-isolation and shielding among residents, tenants and staff. We did not furlough any staff. The Support team acted as a coordinating hub keeping residents, families, stakeholders and Board informed of changes to governmental guidance, the current status of our services, planning and key decisions that have been made. In practical terms, Support Office coordinated a variety of measures to support frontline services including the procurement of additional Personal Protective Equipment (PPE), filling gaps in administration, and supporting tenants with their essential needs. Our primary focus has been to reassure staff, families and tenants that BCOP is doing everything to ensure the safety and welfare of all residents and staff.

Progress in achieving performance objectives in 2020-2021

Quarterly reporting to Board provides an account of current performance against plan. In addition, there was active pandemic reporting throughout the year. The KPIs include EBITDA, occupancy rates, average weekly charge, staff costs per turnover and agency as a percentage of staff costs.

The measures and actions taken for the achievement of KPIs consist of:

- The Senior Management Team comprising the Chief Executive, the Head of Care Quality and the Head of Finance meeting regularly to maintain a tight control over operational and administrative expenditure, whilst recognising the need to ensure a high level of provision for service users.
- Delegated budgets with clear lines of responsibility and accountability being combined with bespoke IT and financial tools and systems to assist managers in decision-making and resource allocation.
- Maintaining and improving levels of income to ensure operations are run effectively and efficiently.
- We had to partially suspend, for this year, the regular support meetings with the managers to track and monitor performance against KPIs and the Quality Assurance framework, which in turn, is reported to Board and its Committees.
- Controlling and monitoring operational expenditure making provisions to ensure efficient cash-flow and that contingencies are met.
- Maintaining assets in good and marketable condition.
- Targeted marketing and communications to raise awareness and promote interest in our schemes.
- Regular checking and benchmarking of contractors and suppliers in line with our procurement policy.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Progress in achieving performance objectives in 2020-2021 (continued)

Specifically, we have been able to make progress in the following areas:

Our priorities for 2020-2021:	Key objectives	Key achievements:
STRATEGIC PURPOSE		
Ensure viability of good quality services	<p>Minimise incidence and impact of Covid-19 upon services</p> <p>Ensure Good ratings from CQC and key stakeholders</p> <p>Implement improvements to operations at underperforming services</p> <p>Conclude roll-out of digital care system across organisation</p> <p>Reduce number of complaints</p> <p>Improve occupancy rates at schemes</p>	<ul style="list-style-type: none"> • Responded swiftly to the Covid-19 crisis when one of our services was affected in early March. This action ensured that 75% of residents with suspected or confirmed virus survived the outbreak which affected the home. • Avoided major Covid-19 outbreaks in nursing homes during second and third waves of infection. • All three nursing care homes maintain 'Good' rating by the Care Quality Commission. • Maintained 'flexing to occupancy.' Adjusted staffing levels in line with resident numbers and care needs. • Commenced final phase of implementation of e-care planning at third home, including staff training. • Received positive feedback from families in relation to opening up home visiting in line with Public Health guidance.
STRONG SOCIAL BUSINESS		
Ensure business resilience	<p>Financial surplus and performance</p> <p>Regulatory H&S compliance</p> <p>Business development and responsiveness to changing market</p> <p>Contract reviews as part of Value for Money review</p> <p>Review IT estate/ systems for business fit</p>	<ul style="list-style-type: none"> • Operating surplus increased by 67% against a reduced turnover of 2% compared to previous year, generating an EBITDA of 9.6%. This was mainly due to government grants and reduced non-essential expenditure on repairs whilst balancing the need to maintain high standards of care and meet regulatory responsibilities. • Met loan covenants from bank. • Migrated all nursing income and all expenditure to new bank account. • Secured Coronavirus Business Interruption Loan. • Focused on essential Health & Safety works given Covid restrictions on access to properties. • Achieved 'High' compliance on care home H&S inspections. • Commenced implementation of Board approved three year IT & Digital Strategy including move to VOIP telephony, Wifi upgrade and Office365 migration.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Progress in achieving performance objectives in 2020-2021 (continued)

Our priorities for 2020-2021:	Key objectives	Key achievements:
	<p>Commission Stock Condition Survey to provide basis for Asset Management Strategy</p> <p>Assess compliance against new NHF Code of Governance</p>	<p>More strategic business planning was delayed during current pandemic.</p>
STRONG PERFORMANCE		
<p>Improve our ways of working to ensure that we are better able to meet future demands: People at the heart of our service</p>	<p>Improve recruitment and retention with people who share our values</p> <p>Value, develop and recognise staff</p> <p>Refresh organisational training matrix according to role and grade to enhance staff development and capability</p> <p>Strengthen absence management and performance controls</p> <p>Recruit new Board members</p> <p>Rebrand the work of BCOP</p> <p>Formalise volunteering opportunities</p>	<ul style="list-style-type: none"> Staff recruitment and retention remain critical to the consistency of service that we offer. Staff turnover was 18.5% for the year, which was a 6% decrease on the previous year and significantly below the sector average of 31% (Skills for Care, 2019) although sector-wide results from the pandemic are still awaited. Of staff who left the organisation, 64% were carers which is above the national average of 39.4% for frontline care roles (Skills for Care, 2019), although this proportion may change once more accurate data on the pandemic is available. We are constantly monitoring the reasons for departure of staff, especially in the first year of service, recognising the implicit challenges faced by staff through the Covid-19 crisis. Reducing agency hours as a proportion of the total staff hours continues to be a key priority, and we aim to get below 7% of total staff costs. Agency costs for the year were below the target at 4%. This has been impacted marginally towards the end of year as a result of Covid-19. Initiated actions arising from the Board-approved People and Workforce Development Strategy, 2021-23. The roll-out of the new training matrix scheduled for April 2020 had to be amended due to the Covid-19 situation with more emphasis being placed on e-learning and use of workbooks, rather than face-to-face training. Recruited three new Board Members. Approved and soft launched new branding for BCOP, including refreshed Values, and commenced the roll-out of a new Communications Strategy.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Group Strategic Report (continued)
For the Year Ended 31 March 2021

Financial results

The consolidated income and expenditure account has recorded an overall **operating** surplus on ordinary activities for the year of **£451,741** (2020 surplus was £271,190). This encompassed:

- Nursing Home **surplus of £95,839** (2020: £290,774)
- Social Housing lettings **surplus of £309,758** (2020: £67,965 deficit)
- Donations and Legacies **surplus of £62,748** (2020: £45,038)
- Other activities **deficit of £16,604** (2020: £3,343 surplus)

The increase in surplus between 2020 and 2021 is mainly a result of a number of government-funded Covid-19 grants received via the Local Authority in relation to PPE, Infection Control, Rapid Testing and Workforce Capacity Funds from May 2020 onwards. The grants provided a means to offset the significant additional costs incurred due to the pandemic.

During the year, the total amount of capital spend was £22,405 given that non-urgent works in both housing and nursing homes were deferred for this year. The preparation of a Stock Condition Survey in 2021-22 will support the development of a robust Asset Management Strategy for the incoming year.

Reserves

In 2020-21, overall total reserves were increased by £251,538 to £17,201,672 and of which restricted reserves were £1,641,562.

The charity continues to face an increasingly challenging environment from commissioners as they constrain fee levels to providers, especially for those clients from the Local Authority. Our fees for those who make a contribution towards their care costs have been maintained by raising prices in line with inflation. This has helped to offset the inflationary and policy pressures on staffing and other costs. Our nursing homes are heavily reliant on income from individual residents and their families. Therefore it is increasingly evident that the organisation needs to focus on both maximizing income by ensuring that our fees are sustainable and also improving cost control to mitigate financial pressures facing the sector. Throughout the year, we have experienced significant challenges in maintaining occupancy levels as a result of Covid-19. The position has been supported through a range of Infection Control and related Grants from the Local Authority. Whilst some of the Grants have continued into 2021-22, these may not be at the same level.

Risks and uncertainties

The Board recognises its responsibility in relation to the risks associated with the charity and its subsidiaries. Services for older people continue to face a period of uncertainty, especially in relation to Adult Social Care, where aside from the pandemic, there are further delays to proposed policy reforms, significant funding gaps and increasing regulatory requirements.

Risks are identified and continuously monitored by the Executive Team at both strategic and operational level, and updated in a Strategic Risk Register which is reviewed by the Board on a quarterly basis, having been considered and scrutinised by the Audit Committee in advance of the Board meetings.

The Board considers whether the risk framework is appropriate and effective, ensuring that all risks are identified and that appropriate action is being taken. Individual risks are assigned a risk score based on an assessment of the likelihood and impact of the identified risk. Consideration is also given to consequences if the risk were to occur, as well as reviewing existing controls and potential mitigating actions to minimise the risk. Additional steps, controls or measures which are being put in place are referenced under Actions for the incoming period. In this way, the Board receives assurance that the risks are being effectively identified, monitored, appraised and resolved by the Executive team.

Operational plans and the quality assurance framework are aligned to the risk framework so that management staff can monitor key organisational risks on an ongoing basis, towards continuous improvement.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Risks and uncertainties (continued)

The principal risks to delivering objectives in 2020-2021 included:

Principal risks	Risk appetite	Key controls/ actions
<p>Quality of care is impacted negatively.</p> <p>Serious service disruption e.g. pandemic</p>	<p>The charity is committed to providing good quality care and support minimising the potential for service failures or discontinuity such as safeguarding, serious incidents or other regulatory or legislative breach.</p> <p>The current pandemic situation has affected all organisations, and the Board is committed to protecting the lives and welfare of all our residents and staff at this most challenging time, balancing financial requirements with maintaining our care standards.</p>	<ul style="list-style-type: none"> ▪ Scrutiny and reporting from the Operations Committee. ▪ Quality assurance framework supported by appropriate management information with focus on Covid response/ capacity tracker. ▪ Updated Policy and procedures based on changing guidance. ▪ Staff training in key areas e.g. Infection control. ▪ Electronic care records, and notifications to CQC. ▪ Effective communications with regulators, commissioners and families. ▪ Complaints management. ▪ Business Continuity Plans. ▪ Whistleblowing policy.
<p>Failure of financial sustainability e.g.</p> <p>-price -liquidity -credit -cash flow</p>	<p>We operate in a highly regulated and financially challenged sector. We need to ensure sufficient surplus to enable effective financial and operational management.</p> <p>Key financial concerns are:</p> <ul style="list-style-type: none"> ▪ the fee income not rising at a rate sufficient to meet the rising costs and standards of social care ▪ increasing uncertainties in the commissioning environment with reduced local authority and CCG budgets ▪ exhausting funds for those who pay privately 	<ul style="list-style-type: none"> ▪ Scrutiny and reporting by the Audit Committee. ▪ Fees are agreed in advance with commissioners or self-funders with fixed payment cycles. ▪ Payment of suppliers managed with our payment terms. ▪ Improved forecasting to ensure an appropriate cashflow, liquidity and ability to meet borrowing commitments. ▪ Close monitoring and reporting on bank covenants against existing loans. ▪ Use of forecasting, scenario- and stress-testing to understand relations between occupancy, fees and staffing as the key business drivers. ▪ Budgetary process and controls, monthly management reporting including dashboards and variation monitoring.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Risks and uncertainties (continued)

Principal risks	Risk appetite	Key controls/ actions
Compliance with regulatory and statutory requirements	The charity operates in a highly regulated sector. Failure to meet these requirements would result in risk of harm to service users and employees which is not acceptable. The Board has no appetite for services to operate outside regulatory requirements.	<ul style="list-style-type: none"> ▪ External assurance ratings, audits and reports through Care Quality Commission and allied bodies. ▪ Policies and procedures which reinforce a culture of compliance. ▪ A Quality Assurance framework which monitors compliance and progress against any Development and Action plans, including Line of Sight and exceptional reporting. ▪ Appropriate level of resource made available for staff training. ▪ Training matrix that is role and grade specific. ▪ Safeguarding policy and training. ▪ Use of external compliance expertise/ auditors in HR and Health & Safety, including Fire Risk compliance.
Failure to attract and retain workforce that embodies our culture & ethos	<p>The Board recognises that staff form the heart of the organisation; with the majority of colleagues involved in frontline services. Colleagues are recruited in relation to their fit with the organisational values.</p> <p>Along with other care providers, we recognise the challenges around recruitment and retention of nursing and care teams given the more competitive salaries and employee benefits of the NHS, changing public perceptions of care homes, and the reputation of the social care sector.</p>	<ul style="list-style-type: none"> ▪ Staffing review and benchmarking against recognised models of care. ▪ Biannual HR reporting on staff metrics. ▪ Clear job descriptions and contracts. ▪ Staff Wellbeing surveys and 'check-ins' by senior staff. ▪ Contingent, rapid response planning in place to minimise disruption should critical staff members leave the organisation. ▪ Investment in systems and processes to support operational efficiency e.g. e-care planning. ▪ Monitor sickness absence. ▪ Maintain effective relations with key agency/ recruiters.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Risks and uncertainties (continued)

Strategic Risks related to underperforming services	The Board is mindful of the balance between providing sufficient 'turn around' time for services against the financial sustainability of the whole organisation, especially during a global pandemic.	<ul style="list-style-type: none">• Strategic Risk Register as a standing item on Board and Audit Committee meetings.• Development Plans defined for individual schemes have been delayed due to current need to focus on maintaining safe services.• Additional controls in place for planning and monitoring agency use.• Closer coordination between the Support Office and the administrative function in the home
Operational risks	As a frontline care service, our reputation is closely aligned to how we manage, develop and respond to issues that may arise within our services. The organisation adopts a transparent approach to dealing with such matters in order to meet our duty of candour.	<ul style="list-style-type: none">• Comprehensive set of policies and procedures that are supported through staff induction and cascaded through staff updates.• Review of systems and processes to ensure a satisfactory level of operational efficiency.• Reporting to the Board with clear escalation policy from frontline services to management, senior management, CEO and Board around issues of whistleblowing, serious incidents, fraud or other concerns.• Business continuity measures in relation to IT critical failure or other forms of business interruption.

The risks listed above represent key risks for any provider in the increasingly competitive social care sector. We seek to limit instances by deploying the necessary resources and controls in our day to day operations, including service improvement plans. We have focused on developing stronger relationships with commissioners in order to anticipate changes in a more active manner.

Governance and reporting structures

The charity reviews its governance arrangements and changes its governance procedures to meet best practice principles in the charitable sector.

During 2020-21, the Board comprised eleven trustees including the Chair and the Chief Executive. Our revised Articles of Association state that we must have a minimum of five trustees. The Board meets at least four times a year to monitor performance against strategy. Senior Executives also attend the relevant Board and Committee meetings. The Board has the expertise and experience to satisfy its legal obligations, safeguard the assets of the Charity and provide leadership and strategic direction whilst fostering a culture of constructive challenge and debate with the Executive who manage the charity on a day-to-day basis.

A new process of Board appraisal to be run on a biennial basis was introduced in 2018-19. The next round was due in 2020-21 but given the virtual nature of Board meetings, it was agreed to defer this until a time when restrictions might ease and permit individual and collective trustee reviews in person.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Governance and reporting structure (continued)

A trustee skills matrix is maintained by the Chair and reviewed on a regular basis to ensure the Board continues to meet the changing needs and demands of the charity. Board members are recruited by advertising through various websites and associated channels. Applicants are shortlisted by the Chair and Chief Executive, leading to formal interviews at one of our services and, if mutually agreeable, to an invitation for the applicant to observe a Board meeting, to meet with trustees and to visit more of our schemes, prior to a final appointment being recommended to, and if agreed, approved by Board. A description of the requirements of the role is provided to all trustees. Trustees serve a three year term before facing retirement or re-election up to a maximum of 9 years in office. Three new trustees were appointed in 2020-21 strengthening our skills in housing, development and social work. Two trustees stood for re-election in the year. The Board and its Committees met virtually during the current pandemic.

Following appointment, each new trustee receives a programme of induction which includes a comprehensive Introduction from the Chief Executive; key documents as part of the Trustees' Handbook; support from a Board 'buddy' drawn from among existing Members; and when appropriate, further service site visits and dedicated sessions with other members of the Executive Team.

Training is carried out both with external agencies and via in-house training, and drawn up on the outcomes of the Board appraisal process. The findings feed into the training/ development programme for new and existing members.

The Trustees are not remunerated but may receive reasonable out-of-pocket expenses for attending Board meetings in accordance with the expenses policy.

Whilst the Board retains individual and collective responsibility for ensuring compliance and Board effectiveness, it delegates elements of risk management and gains additional assurance and recommendations through a scheme of delegation to two Committees.

**Scheme of Delegations
Committees**

Each Committee has written terms of reference which are reviewed and approved by the Board on a biennial basis; updated versions were approved in March 2020. The work of the Committees provides trustees with more detailed understanding and assurance on specific areas of delegated risk, compliance and development.

Responsibilities

Audit Committee: Oversees finance, risk and audit with authority to appoint external auditors.

Operations Committee: Oversees and reports on quality assurance of services, including clinical governance of the nursing homes, monitoring the operations plan and assessing performance against KPIs.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Compliance with Code of Governance

The charity has adopted the National Housing Federation's Code of Governance (2020). As a small Registered Provider (less than 1000 units), we seek to adhere to the spirit of the Code, whilst prioritising our business needs.

Trustees recognise that there should be a balanced, diverse and effective Board which leads and controls the organisation, complies with its legal requirements and reflects the increasingly diverse service user community whom we serve.

We have undertaken an assessment against the provisions of the code, under its 4 principles, and comply with the following exceptions:

- (i) *Mission and Values*
 - Recognise our need to improve formal resident engagement following appropriate consultation with tenants
 - Formalise a code of conduct for Board and staff; we are currently reviewing our Staff Handbook
- (ii) *Strategy and Delivery*
 - Enhance the role of Environmental, Social and Governance criteria in decision-making and annual consideration of plans
 - The appraisal of the Chief Executive which was due to be conducted by a panel of Board members at year end has been delayed due to Covid-19
 - Improve awareness and adherence of corporate trustee obligations
- (iii) *Board effectiveness*
 - Following review, BCOP will remain at 9 years' retirement for trustees rather than reducing to 6 years' maximum tenure given that BCOP's primary business is care, and it is important to retain corporate memory.
 - The appraisal process for Chair and Board Trustees has been delayed in 2020-21 due to pandemic and preference for non-virtual based conversations.
- (iv) *Control and Assurance*
 - Comply Including an updated Whistleblowing policy and procedures shared with staff within year.

Remedial actions will be reviewed at Operations Committee for review at Board, as part of the forward Operations Plans up to 2022-23, when the Regulator expects compliance with all aspects of the code.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Internal financial control and financial reporting

The Board is ultimately responsible for the group's system of internal financial control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The Board reviewed the effectiveness of the group's internal financial control system for the period and up to the date of the approval of the report and financial statements. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements.

The main features of the internal control system are:

- written orders and financial regulations which delineate responsibilities and levels of authority
- annual budgets, set in the context of a longer term business plan with clear accountability for control of each part of the budget
- formal budgetary control arrangements with a quarterly reporting cycle
- detailed management accounts produced monthly/quarterly, and forecasts for the remainder of the financial year. These are reviewed by the Senior Executive and considered and approved by the Board
- Board approval of the parameters under which new investments or financing are entered into
- ongoing monitoring by the Board of the risk assessment review carried out by the management of the organisation and acknowledgement of its findings.

Meeting public benefit

In considering 'Public Benefit' the trustees recognise their responsibilities as guided by the Charity Commission's Governance Code, and as part of the governance and reporting policies of BCOP.

BCOP's objectives are encompassed by its name which strives to bring choice and opportunity to persons over 60 years of age, or 55 if living with a disability. BCOP provides accommodation, care and support for individuals within our nursing homes or persons within their own home.

Access to all of our care services can be achieved either through self-referral or a government-funded statutory organisation. We operate waiting lists in the nursing homes to ensure equity of access across the community, based on the individual's care needs assessment and our ability to meet those needs.

We publicly advertise rental tenancy vacancies in our social housing provision and operate a criteria assessment for prioritising needs. Over 66% of our housing residents are in receipt of Housing Benefit or other forms of state funding.

BCOP believes that everyone should benefit from the same standard of good quality care and we have strived to ensure that those standards are met even through the pandemic outbreaks. Fees charged to tenants and residents are set at levels appropriate to our charitable status ensuring our services are accessible to all, whilst maintaining the financial viability of the charity. Funding for residents in our nursing homes is provided through either state assistance via Local Authority, NHS or Clinical Commissioning Groups, and/ or with self-funding or through the support of charitable organisations. We aim to ensure equality of access to our services and to provide the highest quality of care to residents. We also provide day care places at two of our nursing homes for up to three service users per week though this was suspended during the year due to the pandemic.

BCOP schemes benefit from various local donations and fundraising activities undertaken by staff and families to help realise special projects which add value to our high quality services. This approach allows the charity to undertake new initiatives which do not call upon core revenue. In this way, we can keep fees at an economical level to meet our charitable aims.

BCOP extends its services to the wider community of older people, beyond those who are resident in our schemes. We administer a number of small charitable services which contribute towards the costs of many household items e.g. white goods, carpets, to older people in need, through referrals from Age UK and similar organisations.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

Marketing & fundraising activities

Our approach to fundraising is linked mainly to the work of the nursing homes. While BCOP does not have a dedicated fundraising team, we were able to secure financial grants towards our running costs, and donations to the welfare funds operated by each home through generous donations from family members. We also launched our new branding and communications work in 2020-21 gradually incorporating our new refreshed values and imagery into online and increasingly print publication.

The main sources of donation are:

1. Trusts and Foundations
2. Occasional donations from families, friends or the general public
3. Legacy donations
4. Free-to-attend fundraising events run in the nursing homes e.g. summer fetes, garden parties
5. Volunteers/staff who fundraise on our behalf

Opportunities have been severely limited to fundraise this year but we gratefully acknowledge the following grant making Trusts for donations during the current year:

- Baron Davenport's Charity
- Lillie Johnson Charitable Trust

We have not used any commercial participator or professional fundraiser in 2020-2021; any grant applications are prepared and managed in-house.

We are not registered with the Fundraising Regulator given the currently limited nature of our fundraising activities. We are compliant with the Regulator's Code of Fundraising Practice (V1.10) and the Institute of Fundraising in respect of the fundraising areas outlined above.

We received no complaints about fundraising in 2020-2021. We ensure that our fundraising is respectful, open, honest and accountable to those supporting us. Our approach relies upon an individual's personal preference to be involved. We do not currently maintain a scheme for regular donors, nor contact individual families or previous donors to ask for money directly. We always acknowledge and thank individuals if they have contributed to our work, but any campaigns or activities involve general promotion and are not targeted at individuals.

Value for money statement

BCOP recognises that in achieving Value for Money (VfM), the responsibility for robust financial management by the Board and management team is essential. Our working definition for VfM is to use our resources economically, efficiently and effectively as befits an organisation of our size and complexity, in order to provide quality services and homes for our service users.

Our strategic approach to Value for Money includes the following steps.

1. Embedding Value for Money objectives into our Strategic Objectives

One of our key strategic objectives is to be a strong Social Business, focused on achieving sustainable financial performance and doing this within a VfM framework.

BCOP believes that VfM is integral to how we work, and we encourage all staff, particularly budget holders, to consider VfM within the context of their roles, welcoming suggestions for process and service delivery improvements in order to achieve a more equitable balance between quality and cost of provision.

Our aim is to keep our tenants as independent as possible for as long as possible, to save costs downstream in the health and social care sectors. We also undertake support assessments of applicants to ensure that they will be able to live well within one particular scheme where a high degree of mobility is required to benefit from local services. Accessibility issues at one scheme has limited prospective tenant interest.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

2. Reporting on Regulatory Metrics

As a small provider with less than 1,000 units, an element of BCOP's remit is to provide affordable and safe housing for older people in its existing units. The core purpose of BCOP is predominantly as a Care provider and not a developer of Housing. In the medium-long term, the organisation intends to rationalise its housing stock as and when the opportunity arises given the profile of tenants.

In line with the principles of the metrics introduced by the Regulator of Social Housing, providers are expected to report their performance against seven key metrics in the annual financial statements. The Regulator acknowledges that reporting on a particular metric may be inappropriate given the nature of the organisation but it provides us with an opportunity to compare ourselves to the wider housing for older people sector.

The key metrics are as follows:

RSH Metric name	2019	2020	2021	Variation between Years 2020 and 2021	Peer group median 2020-21
a. Reinvestment	£57,000	£17,000	£6,994 Equates to 0.1%	Reduction of £10k; limited capital works due to Covid. Essential repairs & maintenance works were carried out in the year.	Absolute figures not available. 1.6%
b. New Supply (Social and Non Social Housing)	Nil	Nil	Nil	BCOP is not a housing developer.	0.2
c. Gearing (Group)	12.1%	10.8%	7.8%	3% reduction of dependence on debt finance.	28.0%
d. EBITDA (Group)	7.8%	8.9%	9.6%	Marginal improvement due to impact of Grants.	Not available
e. EBITDA MRI Interest cover (Group)	436%	641%	351%	This measure is more relevant for Housing development to gauge the scope for additional borrowing.	258.5%
f. Headline Social Housing Cost per Unit	£8,171	£8,760	£6,701	Reduced by £2.1k due to reduced routine maintenance.	£4,666
g. Operating Margin % (Group)	(1.98%)	3.5%	5.9%	Marginal increase due to reduced Repairs expenditure.	19.9%
h. Return on Capital Employed (ROCE) % (Group)	0.8%	1.2%	1.8%	Marginal improvement	3.3%

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

2. Reporting on Regulatory Metrics (continued)

Performance is benchmarked where data is available and appropriate, against a peer group of 7 West Midlands-based smaller housing associations (between 100-200 units) providing housing for older people or with over 50% of their stock addressing this need. An element of general needs property within a portfolio will lower the headline costs compared to a specialist provider for older people [Sourced from SPBM Small Providers' Benchmarking – West Midlands].

Reinvestment: We undertook minor Capital works on Housing properties in the year compared to the previous year, reflecting our commitment to provide safe and affordable accommodation to our tenants. The programme of maintenance and, where appropriate, modernisation of existing stock incorporated changes arising from improvements in fire safety regulations.

New supply delivered: BCOP is not currently developing new housing capacity.

Gearing: This metric looks at the percentage of assets supported by debt and the degree of dependence on Debt Finance. BCOP primarily operates as a care provider and any loans are only secured against the Nursing Homes. Although, an additional CBIL loan was approved in the year, our overall dependency on loan finance is low compared with the peer group median of 28.03% in 2020-21 as BCOP is not a developer of Housing.

EBITDA (Group): This relates to the whole group and this showed a marginal improvement which was due in part to the impact of Government grants which partially offset the loss of income from voids. In addition there was reduced activity on repairs and other controls implemented during the latter part of the year.

MRI Interest Cover: Performance has reduced due to the impact of Covid on occupancy and income levels.

Headline Social Costing per unit: Headline costs have reduced due to limited works carried out during Covid-19 resulting in a reduction by over 24% from the prior year. The annual figure of £6,701 per unit is still high compared with the peer group median of £4,666 however, this is an exceptional year with reduced routine maintenance carried out across the social housing sector.

Return on Capital Employed (ROCE) % (Group): This measure indicates the efficient use of resources. The assets and liabilities of the organisation are grouped together i.e. the Nursing Homes and Social Housing provision. As a group, we have marginally improved our performance.

Operating Margin: The Board recognises the need to ensure that we are providing homes to a decent standard for our tenants, ensuring compliance and reflecting our charitable credentials. However, equally it recognises that the performance of certain parts of the Social Housing portfolio continue to be challenging for the organisation. Most of our schemes were constructed in the 1960s and 1970s and some are reaching the end of their useful existence, with running costs only set to increase. In addition, existing building design and configuration may no longer be suitable to the needs of an ageing population in terms of access, mobility and supporting the increasing care needs of some of this age group.

As a responsible social landlord, overall, BCOP has a positive operating margin of 5.9% compared with peer group median 19.9% during of the this Covid period. The Board is continuing to explore further options for the Housing Stock by commissioning a more extensive Stock Condition Survey across all our schemes in 2021-22.

While these actions are ongoing, we have reviewed our lettings process in relation to advertising voids. While the independent units remain popular, particularly the one-bedroom bungalows, the supported living schemes are challenging; demand for these is affected adversely by the condition, size and layout, location, accessibility and amenities. Market feedback indicates that many of these units are smaller and less attractive than other newer schemes located in adjacent areas. The lockdowns and social isolation restrictions also impacted on our ability to re-let properties.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Group Strategic Report (continued)
For the Year Ended 31 March 2021

3. VfM and BCOP metrics

Our nursing homes come under the regulation of the Care Quality Commission, though the overheads of the organisation are apportioned across both parts of the organisation. In the following table, we outline key metrics used to measure performance.

Metric	2019-20	2020-21	Forecast 2021-22
Quality – services receiving a good CQC rating or above (% beds)	100%	100%	100%
Quality – Number of complaints	Nursing – 7 Housing – 1	Nursing – 2 Housing – 4 (1 not closed by year end)	Reduce from prior year
Quality – carehome.co.uk scores* (Leading care review site for family and friends. Scores out of 10)	Anita Stone Court 9.879 Neville Williams House 9.786 Robert Harvey House 9.840	ASC 8.7 NWH 9.2 RHH 9.8	Aim for 9.8 for all services
People – staff turnover %	25% (Sector average 31%, <i>Skills for Care</i> , 2017)	18.5% (Sector average 31%, <i>Skills for Care</i> , 2019)	Maintain below 30%
People – staff sickness % of total hours	3.4% (Sector average 4.8%, <i>Skills for Care</i> , 2019)	7.7% (Includes Covid-related sickness absence; no robust benchmarks available)	Maintain below 4.5%
Occupancy level	Nursing – 96% Housing – 92.7%	Nursing – 85.1% Housing – 81.3%	91%; Under review in light of Covid-19
Overhead costs as % of turnover (Group)	12.47%	12.85%	Maintain below 13%. Peer median is 17.7%
Support Office costs as % of Turnover (Group)	10.4%	11.6%	Maintain below 13%
Repairs/Maintenance	£240,087	£153,935	Under review in light of Covid-19. Includes minor improvement works.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Group Strategic Report (continued)
For the Year Ended 31 March 2021**

3. VfM and BCOP metrics (continued)

* All our homes retain their 'Good' rating for the year. In early 2020, BCOP was recognised with an award as a Top 20 Recommended Small Care Group in the region based on the leading user review site, www.carehome.co.uk. The decrease in recommendations to the site over the past year is understandable given restrictions to family visiting. Similarly, there was a marked decrease in complaints.

Unfortunately, we were not able to run the annual consumer survey for residents, families and tenants due to the Covid-19 situation.

In relation to efficiency, our overhead cost as percentage of turnover was lower than the median for the SPBM social housing group, and we will aim to keep below 13% on an ongoing basis.

The majority of our staff are based within the nursing homes. We have one dedicated Housing Manager and four on-site scheme managers within Housing, comprising both full and part-time positions (less than 2% of staffing). Our staff are our greatest asset and as a care provider, we have outperformed other providers in the care sector in relation to staff turnover and sickness. Staff turnover represents a significant cost for us in relation to direct and indirect costs of recruitment, on-boarding, induction, training and management of staff. A high staff turnover can also impact negatively upon the continuity and quality of service provision, morale of remaining staff and overall reputation of the organisation. We assess ourselves against the reported sector average, and we pride ourselves in historically out-performing this metric. BCOP's overall staff turnover continues to be well below the sector average.

As an employer of choice, we aim to build upon this trend with the implementation of more effective screening and monitoring of recruitment processes, working with our staff in relation to improving engagement, training and supervision of employees which will ultimately ensure that they are better equipped to meet the future needs of our services. The experience of Covid-19 has led to more agile approaches to recruitment and induction.

Staff need to be equipped with the necessary knowledge and skills to ensure that they can perform their duties to a high standard, especially as regulators and commissioners are improving standards all the time. We ensure that our employees receive both statutory and mandatory training facilitated by the greater use of e-learning materials. This applies not just to care staff but to ancillary posts such as housekeeping, kitchen and maintenance staff in the nursing homes as these employees also regularly interact with residents and families and therefore need to understand safeguarding, infection control, the Mental Capacity Act and related areas. We have continued to invest staff time with the roll-out of the new electronic care system to all homes.

Given the frailty and vulnerability of many of our tenants, BCOP choose to deploy our team of Direct Labour Operatives to lead repair and maintenance work, as they are well known and trusted by our tenants, and trained to a high standard. We commissioned a review of the in-house contractor service by an expert consultancy which reported in December 2019. Their options appraisal concluded that we should retain the DLO though they made recommendations on how to improve strategic direction and efficiency which we continue to implement.

We also approved a new IT and Digital Strategy aimed at improving our business efficiency, connectivity and responsiveness. A key outcome was to implement savings in switchover to VOIP telephony, review of key software applications, and IT provision.

We benchmark our performance against regional and national providers, including the SPBM, Skills for Care and other appropriate groupings. We are active members of the National Care Forum which is the leading not-for-profit care provider network.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Group Strategic Report (continued)
For the Year Ended 31 March 2021

3. VfM and BCOP metrics (continued)

Future Plans

The Business Plan for 2018-2023 commits us to:

- Focusing on our social purpose namely, providing care and support for those older people with high level needs and dependency.
- Ensuring that we can sustain the financial longevity of the organisation, focusing on what we are good at, and looking to cease activities that do not add value or distract from our core purpose.
- Prioritise our staff recruitment recognising that we have an ageing workforce for certain grades and that we need to focus on staff engagement and retention, talent progression and succession planning.

As BCOP has focused on maintaining essential services during the pandemic, at the year end, we are now in a better position to review the future direction of the organisation and plans for refresh and growth. An extensive business review is scheduled for the autumn 2021 building on the lessons learned from the pandemic and possible future directions for the social care sector in the aftermath of the pandemic.

Going concern statement

The 2019/20 Strategic Report and financial statements outlined the nature of pandemic risk and financial exposure to the charity posed by Covid-19.

The risk continues to evolve though is increasingly mitigated through the vaccination roll out, more robust testing and the constant monitoring of infection prevention and control measures across all our services, notwithstanding the easing of Covid-19 restrictions in July 2021. Our operations remained open during 2020-21 when significant numbers of staff were impacted by sickness absence, self-isolation or shielding due to the pandemic. The Board is confident that the charity will continue to offer services to vulnerable older people during 2021-22 consistent with the standards required by Care & Housing regulations.

BCOP undertook a number of management actions in the year including focussing on an occupancy improvement drive, and reducing and/or deferring unnecessary expenditure where possible, which has improved the financial position including the cash balance at the end of the year. The cash flow position has improved significantly with the assistance of government funding of around £433k together with the drawdown of the Coronavirus Business Interruption Loan of £930k.

The Budget for 2021/22 has been based on up-to-date and prudent assumptions on occupancy and income levels. The critical impact for BCOP is the occupancy levels primarily within the nursing homes which have stabilised towards the end of the year and are now gradually improving into 2021/22. The forecast for 2021/22 has been extended into 2022/23 when we expect occupancy levels to revert back to pre-pandemic levels by March 2022.

We have also modelled the forecast impact on our bank covenants which have all been achieved.

In addition, there is recognition of ongoing government support in the form of grants which are to be rolled over to at least 30th September 2021, however, these have not been built into the forecasts providing further headroom.

The Trustees believe that even with the altered pandemic risks the Group is well placed to manage its financing and other business risks, and that there is a reasonable expectation that the Group will have adequate resources to continue in operation for at least 12 months from the signing date of the consolidated financial statements. The Board therefore confirms that these financial statements are prepared on the basis that the Group is a going concern.

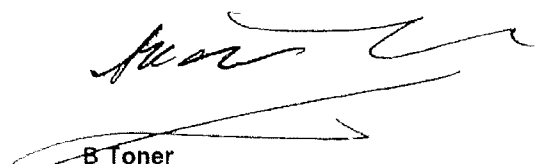
Broadening Choices for Older People
(A Company Limited by Guarantee)

Group Strategic Report (continued)
For the Year Ended 31 March 2021

Regulator governance compliance

BCOP has assessed its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and is compliant.

This Strategic Report prepared under the Companies Act 2006 was approved by the Board on 1 September 2021 and signed on its behalf.



B Toner
Chair

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Trustees' report
For the Year Ended 31 March 2021**

The Trustees present their report and the financial statements for the year ended 31 March 2021.

Company status and principal activity

The Trustees submit their report, including the audited consolidated financial statements of Broadening Choices for Older People for the year ended 31 March 2021. This report forms the Directors' report for the purposes of the Companies Act 2006.

Results

The surplus for the year amounted to £720,538 (2020 - loss £6,653).

Trustees

The Trustees, who also form the Board, who served during the year to 31 March 2021 are:

B Toner (Chair of Board)
C Cooban (Chief Executive)
N Topping (Chair of Operations Committee)
A Jones (re-elected 20 September 2020, Chair of Audit Committee)
K Halliday (re-elected 20 September 2020)
G Maidens (resigned 16 June 2021)
N Bradbury
J Bennett
V Pritchard-Wilkes (appointed 25 November 2020)
T Pattni (appointed 25 November 2020)
D Sizer (appointed 25 November 2020)

Under the terms of the statutory guarantee, the Trustees are deemed to be the statutory members and as such have given an undertaking to contribute up to £1 each if called upon to do so.

Going concern

At 31 March 2021 the group has cash at bank of £2.3m. The Board has reviewed the group's budgets and funding requirements and is satisfied that the group is a going concern and it has therefore continued to adopt the going concern basis in preparing the consolidated financial statements.

The Board will continue to manage the financial stability of the organisation by monitoring its operational activities and looking at ways of reducing expenditure and increasing cost effectiveness and value for money.

Qualifying third party indemnity provisions

Professional indemnity insurance is in place for the Trustees.

Matters covered in the strategic report

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006, to set out in the company's Strategic Report information required by this Schedule to be contained in the Trustees' Report in respect of future developments and financial risk management.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Trustees' report (continued)
For the Year Ended 31 March 2021

Disclosure of information to auditors

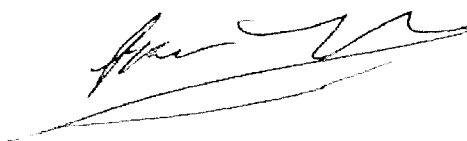
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as the Trustee is aware, there is no relevant audit information of which the Charity and the Group's auditors are unaware, and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charity and the Group's auditors are aware of that information.

Auditors

During the year, the Charity's Audit Committee undertook a formal review and tender process. The result of this process was that RSM UK Audit LLP resigned as auditors to the Charity and Dains LLP were appointed to fulfil this role. Dains LLP has indicated its willingness to continue in office as auditors and will be proposed for re-appointment as auditors of the Charity at the forthcoming Annual general meeting.

This Trustees' Report, which contains all information required in a Directors' Report by the Companies Act 2006, was approved by the Board on 1 September 2021 and signed on its behalf.



B Toner
Chair

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Trustees' Responsibilities Statement
For the Year Ended 31 March 2021**

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

Company law and registered social housing legislation requires the Trustees/Directors to prepare financial statements for each financial year. Under that law the Trustees/Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Trustees/Directors 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 Charity and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees/Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008, the Charities Act 2011, the Housing SORP 2014 "Statement of Recommended Practice for Registered Housing Providers" and the Accounting Direction for private registered providers of social housing in England 2019. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

Independent auditors' report to the shareholders of Broadening Choices for Older People

Opinion

We have audited the financial statements of Broadening Choices for Older People (the 'parent Charity') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Group Statement of comprehensive income, the Group and Charity Statements of financial position, the Group Statement of cash flows, the Group and Charity Statement of changes in reserves and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Charity's affairs as at 31 March 2021 and of the Group's surplus 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 Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 Group's or the parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

Independent auditors' report to the shareholders of Broadening Choices for Older People (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report and the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Charity 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Independent auditors' report to the shareholders of Broadening Choices for Older People (continued)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 25, the Trustees 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's and the parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 Group financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our knowledge and experience of the housing and nursing home sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the financial reporting legislation, Charities Act 2011, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

Independent auditors' report to the shareholders of Broadening Choices for Older People (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Charity's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

Other matters

The financial statements for the year ended 31 March 2020 were audited by RSM UK Audit LLP who expressed an unmodified opinion on those statements on 16 October 2020.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Independent auditors' report to the shareholders of Broadening Choices for Older People (continued)

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an Auditors' 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 Charity and the Charity's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

1 September 2021

Broadening Choices for Older People
(A Company Limited by Guarantee)

Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	4	7,662,848	7,814,324
Operating expenditure	4	(7,211,107)	(7,543,134)
Operating surplus	4,9	451,741	271,190
Fair value movements on investments	17	314,280	(217,232)
Income from listed investments	6	41,239	48,545
Interest receivable and similar income	7	275	2,091
Interest payable and similar expenses	8	(86,997)	(111,247)
Surplus/(deficit) for the financial year		720,538	(6,653)
Other comprehensive income/(expense)			
Actuarial (losses)/gains in respect of defined benefit pension scheme	29	(469,000)	528,000
Other comprehensive (expense)/income for the year		(469,000)	528,000
Total comprehensive income for the year		251,538	521,347

The notes on pages 39 to 71 form part of these financial statements.

Broadening Choices for Older People
(A Company Limited by Guarantee)
Registered number:03685650

Consolidated Statement of Financial Position
As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Housing properties	13	10,151,084	10,280,115
Other tangible assets	16	11,080,038	11,208,451
Investments	17	1,942,241	1,629,610
		<u>23,173,363</u>	<u>23,118,176</u>
Current assets			
Stocks	19	27,300	24,346
Debtors: amounts falling due within one year	20	236,107	279,243
Cash at bank and in hand	21	2,253,990	815,169
		<u>2,517,397</u>	<u>1,118,758</u>
Creditors: amounts falling due within one year	22	(1,190,056)	(1,093,859)
Net current assets		<u>1,327,341</u>	<u>24,899</u>
Total assets less current liabilities		<u>24,500,704</u>	<u>23,143,075</u>
Creditors: amounts falling due after more than one year	23	(6,555,668)	(5,820,577)
Provisions for liabilities			
Net assets excluding pension liability		<u>17,945,036</u>	<u>17,322,498</u>
Defined benefit pension scheme liability	29	(743,364)	(372,364)
Net assets		<u><u>17,201,672</u></u>	<u><u>16,950,134</u></u>
Reserves			
Endowment fund	28	34,329	34,329
Restricted funds	28	1,641,562	1,609,539
Revenue reserve	28	15,525,781	15,306,266
		<u><u>17,201,672</u></u>	<u><u>16,950,134</u></u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 1 September 2021.


B Toner
Chair


C Cooban
CEO

The notes on pages 39 to 71 form part of these financial statements.

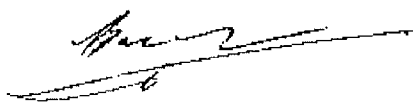
Broadening Choices for Older People
(A Company Limited by Guarantee)
Registered number:03685650

Charity Statement of Financial Position
As at 31 March 2021

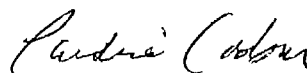
	Note	2021 £	2020 £
Fixed assets			
Housing properties	13	9,971,725	10,101,114
Other tangible assets	16	11,080,038	11,208,451
Investments	17	1,942,241	1,629,610
		<u>22,994,004</u>	<u>22,939,175</u>
Current assets			
Stocks	19	27,300	24,342
Debtors: amounts falling due within one year	20	236,222	278,710
Cash at bank and in hand	21	2,250,410	811,517
		<u>2,513,932</u>	<u>1,114,569</u>
Creditors: amounts falling due within one year	22	(2,030,593)	(1,920,286)
Net current assets/(liabilities)		<u>483,339</u>	<u>(805,717)</u>
Total assets less current liabilities		<u>23,477,343</u>	<u>22,133,458</u>
Creditors: amounts falling due after more than one year	23	(6,440,602)	(5,704,293)
Net assets excluding pension liability		<u>17,036,741</u>	<u>16,429,165</u>
Defined benefit pension scheme liability	29	(743,364)	(372,364)
Net assets		<u><u>16,293,377</u></u>	<u><u>16,056,801</u></u>
Reserves			
Restricted funds	28	768,823	750,544
Revenue reserve	28	15,524,554	15,306,257
		<u><u>16,293,377</u></u>	<u><u>16,056,801</u></u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 1 September 2021.

B Toner
Chair



C Cooban
CEO



The notes on pages 39 to 71 form part of these financial statements.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Consolidated statement of changes in reserves
For the Year Ended 31 March 2021

	Endowment Fund £	Restricted Funds £	Revenue Reserve £	Total £
At 1 April 2019	34,329	1,562,456	14,832,002	16,428,787
Comprehensive income for the year				
Deficit for the year	-	-	(6,653)	(6,653)
Actuarial gain in respect of defined benefit pension scheme	-	-	528,000	528,000
Total comprehensive income for the year	-	-	521,347	521,347
Transfers (Note 28)	-	47,083	(47,083)	-
At 1 April 2020	34,329	1,609,539	15,306,266	16,950,134
Comprehensive income for the year				
Surplus for the year	-	-	720,538	720,538
Actuarial loss in respect of defined benefit pension scheme	-	-	(469,000)	(469,000)
Total comprehensive income for the year	-	-	251,538	251,538
Transfers (Note 28)	-	32,023	(32,023)	-
At 31 March 2021	34,329	1,641,562	15,525,781	17,201,672

The notes on pages 39 to 71 form part of these financial statements.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Company statement of changes in reserves
For the Year Ended 31 March 2021

	Restricted Funds	Revenue Reserve	Total
	£	£	£
At 1 April 2019	727,955	14,832,002	15,559,957
Comprehensive income for the year			
Deficit for the year	-	(31,156)	(31,156)
Actuarial gain in respect of defined benefit pension scheme	-	528,000	528,000
	-	496,844	496,844
Total comprehensive income for the year			
Transfers (Note 28)	22,589	(22,589)	-
At 1 April 2020	750,544	15,306,257	16,056,801
Comprehensive income for the year			
Surplus for the year	-	705,576	705,576
Actuarial loss in respect of defined benefit pension scheme	-	(469,000)	(469,000)
	-	236,576	236,576
Total comprehensive income for the year			
Transfers (Note 28)	18,279	(18,279)	-
At 31 March 2021	768,823	15,524,554	16,293,377

The notes on pages 39 to 71 form part of these financial statements.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Surplus for the financial year	720,538	(6,653)
Adjustments for:		
Profit on disposal of tangible assets	-	(126)
Amortisation of deferred capital grant	(35,886)	(35,884)
Depreciation of tangible fixed assets	279,849	376,344
Interest payable	86,997	111,247
Interest receivable	(41,514)	(50,510)
(Increase)/decrease in stocks	(2,954)	2,524
Decrease in debtors	43,136	198,030
Increase in creditors	86,060	68,759
Fair value movements on investments	(314,280)	217,232
Pension contributions paid	(145,000)	(172,000)
Pension scheme costs	39,000	52,000
Net cash generated from operating activities	715,946	760,963
Cash flows from investing activities		
Sale of tangible fixed assets	-	79,269
Purchase of tangible fixed assets	(22,405)	(262,712)
Purchase of listed investments	(302,064)	(630,790)
Sale of listed investments	217,147	629,919
Interest received	275	1,965
Income from listed investments	41,239	48,545
Net cash from investing activities	(65,808)	(133,804)
Cash flows from financing activities		
Net movement on borrowings	781,114	(138,168)
Loan interest paid	(78,997)	(90,247)
Net cash used in financing activities	702,117	(228,415)
Net increase in cash and cash equivalents	1,352,255	398,744
Cash and cash equivalents at beginning of year	1,055,191	656,447
Cash and cash equivalents at the end of year	2,407,446	1,055,191

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Consolidated Statement of Cash Flows (continued)
For the Year Ended 31 March 2021**

	2021 £	2020 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,253,990	815,169
Cash on deposit awaiting investment	153,456	240,022
	<u>2,407,446</u>	<u>1,055,191</u>

Broadening Choices for Older People
(A Company Limited by Guarantee)

Consolidated Analysis of Net Debt
For the Year Ended 31 March 2021

	At 1 April 2020 £	Cash flows £	New loans £	At 31 March 2021 £
Cash at bank and in hand	815,169	508,821	930,000	2,253,990
Debt due after 1 year	(2,994,966)	97,023	(868,000)	(3,765,943)
Debt due within 1 year	(136,846)	51,863	(62,000)	(146,983)
	<u>(2,316,643)</u>	<u>657,707</u>	<u>-</u>	<u>(1,658,936)</u>

The notes on pages 39 to 71 form part of these financial statements.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

1. General Information

Broadening Choices for Older People is a private company, limited by guarantee and domiciled and incorporated in England and Wales. It is a Registered Provider of social housing with the Regulator of Social Housing (formerly the Homes & Communities Agency) and a Registered Charity.

The Charity's registered office address and registered numbers are set out in the Charity Information page.

The Charity's and the Group's principal activities are the provision of nursing care and the management of accommodation for older people.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS102"), the Housing SORP 2014 "Statement of Recommended Practice for Registered Housing Providers" and they comply with the Accounting Direction for Private Registered Providers of Social Housing 2019. They have been prepared under the historical cost convention modified to include investments at fair value and on the Going Concern basis as set out in the Strategic Report and the Trustees' Report.

Broadening Choices for Older People meets the definition of a public benefit entity under FRS102.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Charity and its own subsidiaries ("the Group") as if they form a single entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, contingent consideration and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Where acquisitions are in substance a gift of one business or another, the fair value of the gifted asset is accounted for as a donation in the year of acquisition within the Consolidated Statement of Comprehensive Income.

All intra-Group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. All financial statements are made up to 31 March. All Group entities adopt consistent accounting policies.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.3 Going concern

In order to consider the appropriateness of the going concern basis, the Trustees have reviewed the outcome of a scenario analysis conducted last year which considered the evolving nature of pandemic risk that could give rise to varying levels of financial exposure, if appropriate mitigating actions were not in place.

Performance over the past year shows an improved financial position than that projected in the mid/best-case scenario analysis modelled in March 2020, notwithstanding the local peaks of Covid-19 infection in March-May 2020, and again January-February 2021. The Board approved a Budget for 2021-22 based on prudent assumptions and forecasts around income streams and expenditure levels. As such, the charity is confident of achieving a breakeven/modest surplus position in the year to March 2022 sufficient to ensure that our covenant requirements will be met. Occupancy levels in our services are expected to return to pre-pandemic levels by 2021-22 year end. The organisation considers that the Going Concern basis remains appropriate for the preparation of these financial statements based on the following indicators: a healthy cash at bank position of £2.3m incorporating a CBIL Loan which was made available in December 2020, the benefit of government measures including specific grants for the care sector which will continue to be distributed until at least September 2021; and the impact of prudent cost control measures.

The Trustees have confidence that with the increasingly robust vaccination and testing programmes, BCOP is well placed to manage its financing and other business risks. The charity has assessed that it has adequate resources to continue operational activities for at least 12 months from the signing date of these consolidated financial statements. Our funders continue to support BCOP as evidenced in the CBIL arrangement.

The Board therefore confirms that these financial statements are prepared on the basis that the Group is a going concern. The Trustees have made this assessment after consideration of BCOP's cash flows and related assumptions and in accordance with the Guidance published by the UK Financial Reporting Council.

2.4 Turnover

Turnover comprises rental income, service charges, and fees receivable from housing activities and nursing homes, income receivable from day centres, catering activities, and management of schemes, it also includes legacies and donations receivable.

Legacies are included in the Consolidated Statement of Comprehensive Income when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. In addition, where the entitlement and probability criteria have been met, but the monetary value is not completely certain, the Group makes estimates and assumptions concerning the value.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.6 Government grants

Government grants include grants receivable from Homes England (formerly the Homes & Communities Agency), Local Authorities and other government bodies.

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

Government grants received for housing properties are recognised in the Consolidated Statement of Comprehensive Income over the useful economic life of the structure of the housing asset and, where applicable, the individual components of the structure (excluding land) under the accruals model. The deferred element of grants is included in creditors as deferred income.

2.7 Income from listed investments

Income from listed investments is included in the Consolidated Statement of Comprehensive Income when it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

2.8 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 VAT

The company was deregistered for VAT with effect from 1 October 2014. Therefore all expenditure is shown inclusive of VAT.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.11 Housing properties and Nursing home properties

Housing properties and Nursing home properties are stated at historical cost less accumulated depreciation and impairment losses where applicable. Historical cost includes the cost of acquiring land and buildings and expenditure that is directly attributable to the initial equipping of the Group's properties necessary for them to be capable of operating in the manner intended by management, including interest costs on related loans and freehold and leasehold costs.

The Group separately identifies the major components to its housing properties and nursing home properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years:

Freehold – Land	Nil
Freehold – Structure	60-100
Leasehold – Land & Structure	Over remaining lease term
Assets under construction	Nil
Windows	30
Kitchens	15
Bathrooms	15
Roofs	35 to 75

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs;
- A significant extension to the life of the property.

2.12 Other tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Individual fixed assets costing £2,000 or greater are normally capitalised.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.12 Other tangible assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line and reducing balance methods.

Depreciation is provided on the following bases:

Leasehold improvements & office equipment	- 20% straight-line or period of lease if shorter
Motor vehicles	- 33% reducing balance
Nursing and Sheltered Housing fixtures and equipment	- 10% - 50% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Impairment of tangible fixed assets

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is assessed, being the higher of its fair value less costs to sell and value-in-use based on its service potential. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period.

2.15 Stocks

Stocks relate to small tools and are stated at cost.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.20 Employee benefits and pensions

The costs of short-term employee benefits are recognised as a liability and an expense.

The company participates in one defined contribution and two defined benefit schemes under the Social Housing Pension Scheme ("SHPS") that are managed by The Pensions Trust. The Social Housing Pension Scheme (SHPS) scheme is a multi-employer scheme which provides benefits to some 500 non-associated employers. The Pension Trust Growth Plan is also a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers.

Defined Benefit Scheme

These schemes were open to any employees who wished to join them. However no new members have joined the schemes since 2016. The deficit on the schemes is reported as a Net Defined Benefit Pension Scheme Obligation in the Statement of Financial Position (Balance Sheet).

The net defined benefit obligation represents the present value of the defined benefit obligation minus the fair value of scheme assets out of which obligations are to be settled. The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms consistent with those of the benefit obligations. The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost (Note 10). Net interest on the net defined benefit liability comprises the interest cost on the defined benefit obligations and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligation. These amounts are recognised within net income/expenses (Note 8). Actuarial gains and losses and the difference between the interest income on scheme assets and the actual return on scheme assets are recognised as actuarial gains/losses within Other Comprehensive Income or Expense.

Defined Contribution Scheme

The amounts charged as expenditure represent the contributions payable by the Group in the year.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

2. Accounting policies (continued)

2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and loans to and from group undertakings.

2.22 Reserves

Revenue reserves represent those resources which may be used towards meeting any of the charitable objects of the Group at the discretion of the Board.

Restricted funds comprise all funds received with restrictions imposed by the funder/donor.

The endowment fund comprises property of the Group which the Board may not spend as if it were income. It must be held permanently, but can be used in furthering the Group's purposes or to produce an income for the Group.

2.23 Apportionment of management expenses

Direct employee, administration, and operating costs are apportioned between the operations which generate income, on the basis of the costs of the staff to the extent that they are directly engaged in each of the operations dealt with in these financial statements.

2.24 Taxation

The Charity is considered to pass the tests set out in Paragraph 1, Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 2 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Defined Benefit Pension Scheme liabilities

The Group, through the use of a scheme actuary as a management expert, assesses the assets and liabilities of the scheme, and hence the net liability at each year end using a number of key assumptions including mortality rates, discount rates, inflation and salary growth in order to establish the fair value of the assets and liabilities at the balance sheet date. Further information in relation to the assumptions used to evaluate the deficit as at 31 March 2021 is set out in Note 29 to the financial statements.

Economic Life of Assets

An estimation of the useful economic life of the Group's assets are determined by management and disclosed within the Accounting Policies. This impacts the policy for the depreciation of these assets. The relevant assets and depreciation are set out in Notes 13 and 16 to the financial statements.

Bad and Doubtful Debts

Provision is made against rent and service charge arrears for any current and former tenants and against any sundry debts to the extent that they are considered by management not to be recoverable at their full value. The level of any provision is based on historical experience and future expectations. The amounts involved are disclosed in Note 20 to the financial statements.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

4. Particulars of turnover, operating expenditure and operating surplus/(deficit)

	Turnover 2021 £	Operating expenditure 2021 £	Operating surplus / (deficit) 2021 £	Turnover 2020 £	Operating expenditure 2020 £	Operating surplus / (deficit) 2020 £
Social housing lettings (see note 5)	1,281,736	(971,978)	309,758	1,146,690	(1,214,655)	(67,965)
Non-social housing activities:						
Nursing homes	5,864,562	(5,768,723)	95,839	6,557,540	(6,266,766)	290,774
Donations and legacies	68,859	(6,111)	62,748	62,669	(17,631)	45,038
Other activities	14,326	(30,930)	(16,604)	47,425	(44,082)	3,343
Subtotal excluding government grants	7,229,483	(6,777,742)	451,741	7,814,324	(7,543,134)	271,190
Government grants	433,365	(433,365)	-	-	-	-
Total including government grants	7,662,848	(7,211,107)	451,741	7,814,324	(7,543,134)	271,190

Government grant income relates to claims made to the various government support schemes in response to the Covid-19 outbreak.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

5. Particulars of income and expenditure from social housing lettings

	2021 £	2020 £
Group		
Rent receivable net of identifiable service charges	678,470	611,510
Service charge income	567,380	499,294
Net Rental Income and Turnover from Social Housing Lettings	1,245,850	1,110,804
Amortisation of Government grants	35,886	35,886
Net Income and Turnover from Social Housing Lettings	1,281,736	1,146,690
Management	(403,990)	(379,605)
Services	(278,028)	(285,042)
Routine Maintenance	(153,935)	(240,087)
Depreciation of housing properties	(136,025)	(309,921)
Operating expenditure on social housing lettings	(971,978)	(1,214,655)
Operating surplus/(deficit) on social housing lettings	309,758	(67,965)

The void costs for 2021 were £289,142 (2020 - £135,031).

6. Income from listed investments

	2021 £	2020 £
Income from listed investments	41,239	48,545

7. Interest receivable and similar income

	2021 £	2020 £
Deposit account interest receivable	275	1,965
Gain on fixed asset disposal	-	126
	275	2,091

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

8. Interest payable and similar expenses

	2021 £	2020 £
Bank charges and interest charges	-	3,357
Loan Interest payable	75,687	83,580
Financing costs	3,310	3,310
Net interest expense in respect of defined benefit pension scheme (Note 29)	8,000	21,000
	<u>86,997</u>	<u>111,247</u>

9. Operating surplus

The operating surplus is stated after charging/(crediting) the following:

	2021 £	2020 £
Depreciation of properties	255,034	346,027
Components written down	-	50,688
Depreciation of other tangible assets	24,815	30,317
Amortisation of government grants	(35,886)	(35,886)
Auditor's remuneration - audit	18,900	26,822
Auditor's remuneration - non-audit	3,600	-
Operating lease charges - other	23,087	27,478
Operating lease charges - land and buildings	75,775	73,382

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

10. Employees

Staff costs were as follows:

	Group 2021 £	Group 2020 £
Wages and salaries	4,436,168	4,414,999
Social security costs	342,977	351,756
Defined contribution pension scheme costs	139,266	136,991
Defined benefit pension scheme - current service cost	34,000	46,000
	<u>4,952,411</u>	<u>4,949,746</u>

The average monthly number of employees during the year was as follows:

	2021 No.	2020 No.
Support Office	15	13
Nursing Homes	216	220
Repairs and Maintenance	4	7
	<u>235</u>	<u>240</u>

The average number of employees in the year expressed as full-time equivalents was as follows:

	2021 No.	2020 No.
Support Office	13	11
Nursing homes	181	181
Repairs and Maintenance	4	4
	<u>198</u>	<u>196</u>

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

11. Key management personnel

Key management personnel includes the Board, the Chief Executive and senior management.

Their emoluments consist of salary and the value attributed to benefits in kind.

	2021 £	2020 £
Key management remuneration		
Aggregate of emoluments	164,950	161,527
Aggregate of pension contributions	11,210	10,063
	<u>176,160</u>	<u>171,590</u>

	2021 £	2020 £
Highest paid Trustee - Chief Executive		
Aggregate of emoluments	73,426	72,014
Aggregate of pension contributions	8,522	7,415
	<u>81,948</u>	<u>79,429</u>

No employee other than the Chief Executive, received emoluments above £60,000. No fees or remuneration were payable to the Board. Expenses for members of the Board which were not subject to income tax were £Nil (2020 - £Nil).

The Chief Executive is an ordinary member of the Social Housing Pension Scheme and no enhanced or special terms apply. No contributions are made to any individual pension arrangement of the Chief Executive.

No other member of the Board (2020 - same) is a member of the Social Housing Pension Scheme.

12. Parent charity profit for the year

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The surplus after tax of the parent Charity for the year was £705,576 (2020 - deficit £31,156).

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

13. Tangible Fixed Assets - Housing Properties

Group

	Freehold Properties £	Leasehold Properties £	Total £
Cost			
At 1 April 2020	11,924,242	1,225,480	13,149,722
Additions	6,994	-	6,994
At 31 March 2021	11,931,236	1,225,480	13,156,716
Depreciation			
At 1 April 2020	2,082,849	786,758	2,869,607
Charge for the year on owned assets	110,627	25,398	136,025
At 31 March 2021	2,193,476	812,156	3,005,632
Net book value			
At 31 March 2021	9,737,760	413,324	10,151,084
At 31 March 2020	9,841,393	438,722	10,280,115

Included in Freehold Properties above is freehold land of £2,350,966 (2020 - £2,350,966) which is not depreciated.

The total capitalised interest in cost of freehold properties is £46,720 (2020 - £46,720). Included within freehold properties are costs incurred of £32,219 (2020 - £32,219) relating to shared ownership properties.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

13. Tangible Fixed Assets - Housing Properties (continued)

Charity

	Freehold Properties £	Leasehold Properties £	Total £
Cost			
At 1 April 2020	11,731,939	1,225,480	12,957,419
Additions	6,994	-	6,994
At 31 March 2021	<u>11,738,933</u>	<u>1,225,480</u>	<u>12,964,413</u>
Depreciation			
At 1 April 2020	2,067,800	788,505	2,856,305
Charge for the year	110,985	25,398	136,383
At 31 March 2021	<u>2,178,785</u>	<u>813,903</u>	<u>2,992,688</u>
Net book value			
At 31 March 2021	<u>9,560,148</u>	<u>411,577</u>	<u>9,971,725</u>
At 31 March 2020	<u>9,664,139</u>	<u>436,975</u>	<u>10,101,114</u>

Included in Freehold Properties above is freehold land of £2,230,966 (2020 - £2,230,966) which is not depreciated.

The total capitalised interest in cost of freehold properties is £46,720 (2020 - £46,720). Included within freehold properties are costs incurred of £32,219 (2020 - £32,219) relating to shared ownership properties.

14. Number of units

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Number of units owned and managed				
Nursing and residential home bed spaces	130	130	130	130
Housing accommodation	150	150	144	144
Shared ownership	2	2	2	2
Managed on behalf of others	10	10	16	16
	<u>292</u>	<u>292</u>	<u>292</u>	<u>292</u>

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

15a. Expenditure on works to existing housing properties

Expenditure on works to existing housing properties include the following:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Improvement work capitalised	6,994	17,000	6,994	17,000
Amounts charged to Statement of Comprehensive Income	153,935	240,087	153,935	240,087
	<u>160,929</u>	<u>257,087</u>	<u>160,929</u>	<u>257,087</u>

15b. Social Housing Assistance

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Capital grants received for social housing assistance	3,432,749	3,432,749	3,294,548	3,294,548
	<u>3,432,749</u>	<u>3,432,749</u>	<u>3,294,548</u>	<u>3,294,548</u>

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

16. Other tangible assets

Group

	Nursing home properties £	Leasehold improvements and office equipment £	Motor vehicles £	Nursing and Sheltered Housing fixtures and equipment £	Total £
Cost					
At 1 April 2020	12,830,738	743,435	102,774	145,204	13,822,151
Additions	13,971	1,440	-	-	15,411
At 31 March 2021	12,844,709	744,875	102,774	145,204	13,837,562
Depreciation					
At 1 April 2020	1,716,660	704,746	99,331	92,963	2,613,700
Charge for the year on owned assets	119,009	13,040	1,137	10,638	143,824
At 31 March 2021	1,835,669	717,786	100,468	103,601	2,757,524
Net book value					
At 31 March 2021	11,009,040	27,089	2,306	41,603	11,080,038
At 31 March 2020	11,114,078	38,689	3,443	52,241	11,208,451

Included in Nursing home properties above is freehold land of £2,286,640 (2020 - £2,286,640) which is not depreciated.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

16. Other tangible assets (continued)

Charity

	Nursing home properties	Leasehold improvements and office equipment	Motor vehicles	Nursing and Sheltered Housing fixtures and equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2020	12,830,738	393,326	102,774	106,391	13,433,229
Additions	13,971	1,440	-	-	15,411
At 31 March 2021	12,844,709	394,766	102,774	106,391	13,448,640
Depreciation					
At 1 April 2020	1,716,660	354,637	99,331	54,150	2,224,778
Charge for the year on owned assets	119,009	13,040	1,137	10,638	143,824
At 31 March 2021	1,835,669	367,677	100,468	64,788	2,368,602
Net book value					
At 31 March 2021	11,009,040	27,089	2,306	41,603	11,080,038
At 31 March 2020	11,114,078	38,689	3,443	52,241	11,208,451

Included in Nursing home properties above is freehold land of £2,286,640 (2020 - £2,286,640) which is not depreciated.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

17. Investments

	2021	2020
	£	£
Listed investments - valuation		
At 1 April	1,389,588	1,605,949
Additions	302,064	630,790
Disposals	(217,147)	(629,919)
Movement in fair value	314,280	(217,232)
At 31 March	1,788,785	1,389,588
	2021	2020
	£	£
Listed investment comprise:		
Fixed interest securities	344,070	280,618
Equities and Alternative Investments	1,444,715	1,108,970
Total	1,788,785	1,389,588
	2021	2020
	£	£
Other investments		
Cash on deposit awaiting investment	153,456	240,022
Total Investments	1,942,241	1,629,610

The fair values of the listed equity investments are based on quoted market prices for the equity shares using the bid price at year end.

	2021	2020
	£	£
Investments held at fair value - historic cost	1,558,473	1,490,445

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

18. Investments - Charity

Subsidiary undertakings

	2021 £	2020 £
Investments in audit exempt subsidiaries comprise:		
BCOP Services Limited - Company No. 06956792	1	1
Emma Ball and Rolason Almshouses - Charity No. 246857	-	-
The Pargeter and Wand Trust - Charity No. 210725	-	-
	<u>1</u>	<u>1</u>

The registered offices of the subsidiaries are as stated in the Charity Information page. Other than BCOP Services Limited, they are audit exempt, unincorporated charitable trusts.

BCOP Services Limited is a dormant company.

In 2012/13, the Charity became sole Trustee and thereby assumed control of the Emma Ball and Rolason Almshouses, an almshouse charity. The charity provides 6 almshouse residences.

On 1 March 2015, the Charity became sole Trustee and thereby assumed control of The Pargeter and Wand Trust for £Nil consideration. The Pargeter and Wand Trust is a grant giving registered Charity (No 210725), which pays annuities for qualifying applicants within the Trust's objectives.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

19. Stocks

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Small tools	27,300	24,346	27,300	24,342

20. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Rent and service charge debtors	290,330	277,880	289,693	277,736
Less: bad debt provision	(131,437)	(119,955)	(131,437)	(119,955)
	158,893	157,925	158,256	157,781
Prepayments and accrued income	77,214	121,318	77,966	120,929
	236,107	279,243	236,222	278,710

21. Cash at bank and in hand

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash at bank and in hand	2,253,990	815,169	2,250,410	811,517

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

22. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank loans	146,983	136,846	146,983	136,846
Trade creditors	155,793	173,589	155,793	173,589
Amounts owed to group undertakings	-	-	841,755	827,645
Other taxation and social security	74,758	98,082	74,758	98,082
Accruals and other creditors	774,047	639,366	774,047	639,366
Funds held for third parties	133	7,634	133	7,634
Deferred capital grants (Note 25)	38,342	38,342	37,124	37,124
	1,190,056	1,093,859	2,030,593	1,920,286

Details of security for the bank loans are given in Note 23.

23. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank loans	3,765,943	2,994,966	3,765,943	2,994,966
Deferred capital grant (Note 25)	2,789,725	2,825,611	2,674,659	2,709,327
	6,555,668	5,820,577	6,440,602	5,704,293

Included within bank loans is a loan of £930,000 obtained via the Coronavirus Business Interruption Loan Scheme. As part of this loan, the government will pay any arrangement fees and interest for the first 12 months. Interest then accrues on a floating rate basis at a margin of 4.090 per cent per annum.

The bank loans are secured through fixed and floating charges given by Broadening Choices for Older People on 29 November 2017. The fixed charges are against properties at Robert Harvey House and Anita Stone Court. The fixed loan accrues interest at 2.83 per cent and the floating loan accrues interest at 1.58 per cent as at 31 March 2021. The properties are included in Notes 13 & 16 in Housing freehold properties (Anita Stone Court Assisted Living), and Nursing home properties.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

24. Loans

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Amounts falling due within one year				
Bank loans	146,983	136,846	146,983	136,846
Amounts falling due 1-2 years				
Bank loans	341,548	142,913	341,548	142,913
Amounts falling due 2-5 years				
Bank loans	3,300,395	451,414	3,300,395	451,414
Amounts falling due after more than 5 years				
Bank loans	124,000	2,400,639	124,000	2,400,639
	3,912,926	3,131,812	3,912,926	3,131,812

25. Deferred Capital Grant

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
As at 1 April	2,863,953	2,899,837	2,746,450	2,781,118
Released in year	(35,886)	(35,884)	(34,668)	(34,668)
	2,828,067	2,863,953	2,711,782	2,746,450

The deferred capital grant estimated release is phased as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
For release in less than one year	38,342	38,342	37,124	37,124
For release in more than one year	2,789,725	2,825,611	2,674,659	2,709,327
	2,828,067	2,863,953	2,711,783	2,746,451

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

26. Financial instruments

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Financial assets				
Debt instruments measured at amortised cost	263,407	301,831	263,522	301,442
Instruments measured at fair value through income and expense	1,788,785	1,389,588	1,788,785	1,389,588
	<u>2,052,192</u>	<u>1,691,419</u>	<u>2,052,307</u>	<u>1,691,030</u>
Financial liabilities				
Measured at amortised cost	(4,917,657)	(4,050,483)	(5,759,412)	(4,878,128)

27. Called up share capital

The company is limited by guarantee and as such does not have share capital. Under the terms of the statutory guarantee, the Board are deemed to be statutory Members and as such have given an undertaking to contribute up to £1 each if called upon to do so. There are 11 such members at 31 March 2021 (8 at 31 March 2020).

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

28. Restricted Reserves

	Opening balance £	Transfers to / (from) reserves £	Closing balance £
Group 2021			
Endowment fund	34,329	-	34,329
Other Restricted	1,609,539	32,023	1,641,562
Total	1,643,868	32,023	1,675,891

	Opening balance £	Transfers to / (from) reserves £	Closing balance £
Group 2020			
Endowment fund	34,329	-	34,329
Other Restricted	1,562,456	47,083	1,609,539
Total	1,596,785	47,083	1,643,868

	Opening balance £	Transfers to / (from) reserves £	Closing balance £
Company 2021			
Other Restricted	750,544	18,279	768,823
Total	750,544	18,279	768,823

	Opening balance £	Transfers to / (from) reserves £	Closing balance £
Company 2020			
Other Restricted	727,955	22,589	750,544
Total	727,955	22,589	750,544

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

28. Restricted Reserves (continued)

Other restricted reserves - 2021 are analysed as follows:

	Opening balance £	Income £	Expenditure £	Closing Balance £
Robert Harvey Sensory Street	1,100	-	-	1,100
Anita Stone Court	7,708	-	-	7,708
Rhodes Trust	711,630	15,279	(100)	726,809
Belsize	28,039	3,100	-	31,139
Mrs Jollys	2,067	-	-	2,067
Company	750,544	18,379	(100)	768,823
Pargeter & Wand	301,523	6,783	(4,773)	303,533
Emma Ball	557,472	25,173	(13,439)	569,206
Group	1,609,539	50,335	(18,312)	1,641,562

Restricted reserves comprise:

- Anita Stone Court reserve- Income and expenditure restricted to the development of the Anita Stone development.
- Robert Harvey House Sensory Street – Income and expenditure restricted to the development of Sensory Street experience.
- Emma Ball and Rolason Almshouses, from 2013, an almshouse charity providing six almshouse residences, and a restricted fund to update and maintain the scheme, and support individual almspeople.
- The Pargeter and Wand Trust, from 2015, a grant giving registered Charity which pays annuities to women of the age of 55 or over, who have never married and who are living in condition of need, hardship or distress.
- Rhodes, Belsize and Mrs Jolly's Trusts. The use of funds for these charities is as follows:
 - o The Rhodes Trust is constituted as a special trust with funds to support the provision of homes for older people in necessitous circumstances.
 - o The Belsize Charitable Trust is a part of a fund to support charities to provide small grants of up to £250 to older people aged 60 or over, towards the purchase of household appliances.
 - o Mrs Jolly's Gentlefolks Charity is restricted to the allocation of small grants to assist people who are unable to maintain themselves by reason of age or ill-health.

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

28. Restricted Reserves (continued)

Other restricted reserves - 2020 are analysed as follows:

	Opening balance £	Income £	Expenditure £	Closing balance £
Robert Harvey Sensory Street	1,100	-	-	1,100
Anita Stone Court	7,708	-	-	7,708
Rhodes Trust	692,641	20,454	(1,465)	711,630
Belsize	24,439	4,000	(400)	28,039
Mrs Jollys	2,067	-	-	2,067
Company	727,955	24,454	(1,865)	750,544
Pargeter & Wand	296,850	9,080	(4,407)	301,523
Emma Ball	537,651	27,915	(8,094)	557,472
Group	1,562,456	61,449	(14,366)	1,609,539

**Broadening Choices for Older People
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2021**

29. Pension commitments

The Charity participates in one defined contribution and two defined benefit schemes under the Social Housing Pension Scheme ("SHPS") that are managed by The Pensions Trust.

Defined Contribution Scheme

The assets of this scheme are held separately from those of the Charity and are administered separately from the assets of the Defined Benefit Scheme.

Defined Benefit Schemes

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1.522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive.

Similarly, actuarial valuations of the scheme were carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

The assets of both Defined Benefit Schemes are held separately from those of the Charity and are administered separately from each other and the assets of the Defined Contribution Scheme.

The pension charge represents contributions payable by the Charity to the funds during the year and amounted to £139k (2020 - £137k).

Pension contributions totalling £36.0k were due to the fund as at 31 March 2021 (2020 - £28.8k)

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

29. Pension commitments (continued)

	2021	2020
	£000	£000
Reconciliation of present value of plan liabilities		
At the beginning of the year	3,893	4,435
Current service cost	34	46
Administrative expenses	5	6
Interest cost	93	99
Member contributions	12	16
Benefits paid	(153)	(162)
Actuarial gains due to scheme experience	(187)	(71)
Actuarial losses/(gains) due to changes in demographic assumptions	18	(43)
Actuarial losses/(gains) due to changes in financial assumptions	778	(433)
At the end of the year	4,493	3,893

Reconciliation of present value of plan assets:

	2021	2020
	£000	£000
At the beginning of the year	3,521	3,436
Interest income	85	78
Experience on plan assets (excluding amounts included in interest income)		
- gain/(loss)	140	(19)
Employer contributions	145	172
Member contributions	12	16
Benefits paid	(153)	(162)
At the end of the year	3,750	3,521

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

29. Pension commitments (continued)

Composition of plan assets:

	2021	2020
	£000	£000
Global Equity	598	515
Absolute Return	207	183
Distressed Opportunities	108	68
Credit Relative Value	118	97
Alternative Risk Premia	141	246
Fund of Hedge Funds	-	2
Emerging Markets Debt	151	107
Risk Sharing	137	119
Insurance-Linked Securities	90	108
Property	78	78
Infrastructure	250	262
Private Debt	89	71
Opportunistic Illiquid Credit	95	85
High Yield	112	-
Opportunistic Credit	103	-
Corporate Bond Fund	222	201
Liquid Credit	45	1
Long Lease Property	74	61
Secured Income	156	134
Liability Driven Investment	953	1,168
Net Current Assets	23	15
Total plan assets	3,750	3,521

	2021	2020
	£000	£000
Defined benefit pension scheme liability		
Fair value of plan assets	3,750	3,521
Present value of plan liabilities	(4,493)	(3,893)
Net pension scheme liability	(743)	(372)

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

29. Pension commitments (continued)

The amounts recognised in the Consolidated Statement of Comprehensive Income (SoCI) were as follows:

	2021	2020
	£000	£000
Current service cost	34	46
Net interest expense	8	21
Administrative expenses	5	6
Defined benefit costs recognised in SOCI	47	73

The amounts recognised in Other Comprehensive Income (OCI) were as follows:

	2021	2020
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	140	(19)
Actuarial gains due to scheme experience	187	71
Actuarial (losses)/gains due to changes in demographic assumptions	(18)	43
Actuarial (losses)/gains due to changes in financial assumptions	(778)	433
Total amount recognised in OCI - (loss)/gain	(469)	528

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

29. Pension commitments (continued)

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2021	2020
	%	%
Discount rate	2.12	2.41
Future salary increases	3.84	2.68
Inflation (RPI)	3.31	2.68
Inflation (CPI)	2.84	1.68
Mortality rates		
- for a male aged 65 now	21.6 years	21.5 years
- at 65 for a male aged 45 now	22.9 years	22.9 years
- for a female aged 65 now	23.5 years	23.3 years
- at 65 for a female member aged 45 now	25.1 years	24.5 years

30. Commitments under operating leases

At 31 March 2021 the Group and the Charity had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	83,069	86,638	83,069	86,638
Later than 1 year and not later than 5 years	45,963	87,204	45,963	87,204
	129,032	173,842	129,032	173,842

31. Other financial commitments

At 31 March 2021 the Group and Charity have planned, but not contracted for, capital works totalling £123,200 (2020 - £167,700) which are not provided for in these financial statements.

Broadening Choices for Older People
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2021

32. Related party transactions

Group and Charity

The company has two Board members who act as Trustees to the charity Wiggin Cottage Homes for which the Charity acts as the managing agent. The management fee charged in the year was £5,171 (2020 - £5,171). At the year end £114,700 (2020 - £130,169) was owed to Wiggin Cottage Homes.

The Charity pools surplus funds with its subsidiaries to easily manage the Group's investment portfolio. Interest is charged on the loans at the Group's deposit rate. At the year end the Charity has balances due to subsidiaries of £965,091 (2020 - £827,645).