

Registered number: 03685650

**Broadening Choices for Older People**

Trustees' Report and Financial Statements

For the Year Ended 31 March 2022



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

**Charity Information**

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<b>Trustees</b>	D Sizer (Chair of Board) H Gore (Chief Executive) (appointed 27 June 2022) J Bennett N Bradbury C Cooban (resigned 18 March 2022) K Halliday (resigned 30 November 2022) A Jones (Chair of Audit Committee) G Maidens (resigned 16 June 2021) T Pattni V Pritchard-Wilkes B Toner (resigned 10 June 2022) N Topping (resigned 18 September 2021) E Davies (appointed 23 November 2022) J Lindon-Lewis (appointed 23 November 2022)
<b>Registered number</b>	03685650
<b>Registered office</b>	7-8 Imperial Court 12 Sovereign Road Kings Norton Birmingham B30 3FH
<b>Independent auditors</b>	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH
<b>Bankers</b>	Royal Bank of Scotland plc 57 Calthorpe Road Edgbaston Birmingham B15 1TT  Barclays Bank plc 6th Floor 1 Snowhill Birmingham B4 6GN
<b>Website</b>	<a href="http://www.bcop.org.uk">www.bcop.org.uk</a>
<b>Charity number</b>	1074954
<b>Regulator of social housing registration number</b>	L4218

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

**Contents**

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	Page
<b>Group Strategic Report</b>	<b>1 - 23</b>
<b>Trustees' report</b>	<b>24 - 25</b>
<b>Trustees' responsibilities statement</b>	<b>26</b>
<b>Independent Auditors' Report</b>	<b>27 - 30</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>31</b>
<b>Consolidated Statement of Financial Position</b>	<b>32</b>
<b>Charity Statement of Financial Position</b>	<b>33</b>
<b>Consolidated statement of changes in reserves</b>	<b>34</b>
<b>Charity statement of changes in reserves</b>	<b>35</b>
<b>Consolidated Statement of Cash Flows</b>	<b>36 - 37</b>
<b>Consolidated Analysis of Net Debt</b>	<b>38</b>
<b>Notes to the Financial Statements</b>	<b>39 - 70</b>

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

**Group Strategic Report**  
**For the Year Ended 31 March 2022**

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**Company status and principal activity**

The company is limited by guarantee, 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 16th March 2022. 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 accounts. 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.

## **Covid-19**

As a service we continue to keep robust documentation of Covid-19 outbreaks in the nursing homes and have consistently implemented government guidelines – the latest being while we no longer test staff or residents unless symptomatic, masks must still be worn in registered care settings.

General Managers are expected to manage this infection like any other. Whilst writing this report the incidence and severity of Covid-19 continues to be monitored and we expect an increase in the winter as we do with flu and other conditions. Although we are still required to 'close' homes if we are deemed to be in 'outbreak' (two or more confirmed cases within a 14 day period), we are still able to accept new admissions during this time which means our services' viability is less threatened than in the last two years. We also continue to monitor average cases per 100,000 head of population in our local areas. We have continued to actively encourage staff and residents to take up the opportunity of both the flu and Covid vaccinations, though these are no longer mandatory, in the interests of minimising symptoms and maintaining a resilient workforce.

Our priority was and remains, to keep everyone safe. If a member of staff or resident presents with flu like symptoms, then they are tested for covid. Relatives/visitors no longer have to Covid test prior to visiting the Nursing Homes and we now offer guidance only. All three homes have had their infection control audits by our external partners and each scored over 90%, receiving excellent feedback.

We also continue to carry out our internal Covid infection control audits in line with updated government legislation and are committed to refreshing staff training for Personal Protective Equipment (PPE) donning and doffing, handwashing techniques and more generic infection control awareness, to prevent complacency and 'Covid fatigue' amongst our teams.

Public Health England teams who were supporting the Nursing Homes have now stepped down. The homes are able to order tests independently and the homes continue to have free access to PPE equipment – this is expected to cease in March 2023.

Nursing homes are now expected to manage risk in terms of admissions and discharges if there is an outbreak in the home as long as it is managed safely, such as adopting barrier nursing. A similar process has been implemented in the housing schemes.

The Board continues to endorse the approach, vigilance and hard work undertaken by all front line staff, and acknowledge the continued patience and understanding from residents, families, and supporters throughout the ongoing pandemic.

The Board continued to meet in order to maintain focus on essential operations during the pandemic around key staff changes and are now meeting more regularly on a face-to-face basis. We welcomed the new Chair and CEO and thanked the previous Chair and CEO for their hard work and support to BCOP over the years. We also put in place interim arrangements whilst recruitment was taking place for the permanent CEO role. 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.

## 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, developing new approaches, 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 2021-2022, 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 80% of our turnover and is our key strength in an increasingly challenging and competitive marketplace.

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 2022

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#### Objectives and activities

During 2021-2022 the Board carried forward 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 regular 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 2021-2022, BCOP provided a home to 311 people across our schemes:

	No of units	No of people during year
Nursing homes	130	170
Housing	150	141
<b>Total *</b>	<b>280</b>	<b>311</b>

\* 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 in 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*

The 3 key principles that we believe should underpin auditing in the nursing homes are:

- A focus on residents
- Clear policies and procedures that refer to national standards and best practice
- Continuous improvement

Following the Local Authority Audit in the last quarter, CQC completed a focused inspection virtually, based on the information provided by the Quality Team. We had positive feedback from both inspections with a silver score for Anita Stone Court. We await inspections at our two other Homes.

Systems and processes are in place for quality assurance. We follow good practice in reporting and gathering of information and continue to work with the new commissioning arrangements to expand provision and provide beds for palliative care. Staff also rose to the challenge by undertaking additional training in providing end-of-life care working with the local hospice.

The teams have reviewed their Home Development Plans to ensure they consistently reflect on how we deliver our services to get the best outcomes for our residents.

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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

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**Objectives and activities (continued)**

**Registered Care (continued)**

*Quality (continued)*

Regular Management Support Meetings took place to share and disseminate information, ensuring governance is being adhered to. Focus groups are scheduled to look at the audits in the New Year to action the standards that we have not been able to address in 2022.

The key criteria are:

- Are the service's internal audit plans and schedules being met?
- Do the service audit plans focus on residents' satisfaction?
- Is the service meeting service user requirements and are the fundamental standards being met?
- Where there are problems, are we identifying and addressing the root cause?
- Are audit reports of a good standard?
- Do we give sufficient compliments for good practice?
- Are we identifying opportunities for improvement?

Training and development of teams has been limited due to key vacancies in the Support Office as well as the halting of face-to-face training during the Covid-19 pandemic. This has now left us with a backlog of staff who wish to progress. Priority for our services is RQF (formerly NVQ's) Level 2 qualifications for carers, and the Care Certificate for those who are completely new to a care role. We anticipate that we will then be able to move the focus to people wishing to progress to more senior positions. We also are procuring training for the team at Anita Stone Court to become accredited with the Gold Standards Framework for end-of-life care.

The workforce challenges have continued, and we are using creative methods to recruit including greater use of social media. Whilst we pay our staff above the National Living Wage, we aspire to be a Real Living Wage employer. We are looking to address this in the new financial year (2023-24), to ensure we are properly rewarding our staff as well as becoming a more attractive employer.

Links with colleges and universities for student nurses continue, as we still need to raise awareness with local educational facilities as indicated in the workforce strategy.

All homes have continued to provide good quality support with appropriate staffing numbers for the numbers of residents we have, and we continue to work through any challenges during this period. We continue to be supported externally via the National Care Forum and the Registered Managers Forum.

The Care Quality Commission have implemented their inspection regime via the Direct Monitoring Approach - care home inspections are conducted remotely by teams and information checking - with any concerns triggering a fuller, more detailed inspection. Our homes have not had any triggered, detailed inspections, and have maintained their Good rating with the support of the Director of Operations who has maintained quality assurance processes in the homes, especially when we were without a General Manager at one location. 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 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 capital expenditure was greatly reduced within the year, spending only £27,923 on facilities in our nursing homes given the requirement to limit footfall into the homes and to focus only on emergency or essential actions. This inevitably will result in an increase in spending on capital items in coming years as we address issues which had been postponed.



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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

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**Objectives and activities (continued)**

**Registered Care (continued)**

*Funding*

The group continues to maintain a mixed portfolio between local authority, NHS, and private funding. Nursing homes' income (excluding government grants) assumed a marginal increased proportion of our turnover, from 77% (2020-21) to 78%; whereas social housing and other income accounted for 22% 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. 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 average nursing home occupancy continued to be impacted by Covid-19, dropping to 86% compared to our Budget target of 92%. The position at the end of the year is around 10% below our organisational target of 96-97% in a normal year.

*Staffing*

Staffing represents our most significant cost as a proportion of total expenditure; nursing home employees account for just over 87% of BCOP's total workforce based on the average monthly number of staff. Our payroll costs increased by 2% in the 2021-22 financial year following a general uplift across all pay grades and increased use of agency staff and general workforce pressures in the year due to the impact of Covid, and the National Minimum Wage (NMW). We have continued to implement NMW requirements with targeted increases for hard to fill posts together with a 2% pay increase across the organisation to maintain pay differentials and to keep pace with other providers in the social care sector. As stated, we aim to increase to the living wage in 2023-24.

The focus for the year was to keep 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. This will be followed up in 2022-23. 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 and has now been included in the workforce strategy, along with links with universities to promote careers in nursing roles.

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 and 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 82% for 2021-22 fell short of the target 88%. After a further marketing campaign on our website and through social media, the number of new housing applications received has increased. 9 properties have been re-let since April 2022. Edgcumbe Court maintains a high level of voids in the upper floor flats, as the only access is via external concrete steps, thereby making them unsuitable for any tenants with limited mobility. The Board agreed a 4.1% increase in rent for 2022-23, following Government guidance and regulations for Social Housing.

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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

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**Objectives and activities (continued)**

**Housing (continued)**

A Tenant Satisfaction Survey was conducted in February 2022. Although the number of completed surveys returned was lower than usual at just 16%, 93% of respondents were satisfied with the overall provision of services.

We completed minor scheduled works on voids and invested only in emergency or essential improvements to our properties, with capital expenditure of £29,597. We also received the outcome from the Stock Condition Survey (SCS) to support strategic planning. The SCS identified priority works at Harvey Court and Anita Stone Court housing.

As part of our ongoing process of review, BCOP balances meeting the needs of current tenants with advancing our ambition to prioritise the 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. We said farewell to the CEO who had led the organisation over the last 5 and half years. The Head of Finance stepped up to Interim CEO until the new appointee joined us at the end of June 2022. We also appointed to the new role of Director of Operations in May 2021, driving greater coordination across activities.

**Progress in achieving performance objectives in 2021-2022**

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 (earnings before interest, taxes, depreciation, and amortisation), 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 Director of Operations 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 activity to support our business objectives.
- 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 2022**

**Progress in achieving performance objectives in 2021-2022 (continued)**

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

<b>Our priorities for 2021-2022:</b>	<b>Key objectives</b>	<b>Key achievements:</b>
<b>STRATEGIC PURPOSE</b>		
Ensure viability of good quality services	Minimise incidence and impact of Covid-19 upon services	<ul style="list-style-type: none"> <li>The incidence and severity of Covid-19 has reduced dramatically through effective infection controls and take up of vaccinations.</li> <li>Risk assessments are being conducted and managed in line with guidance and local discretion.</li> </ul>
	Ensure Good ratings from CQC and key stakeholders	<ul style="list-style-type: none"> <li>Care Quality Commission have continued with their suspension of routine care home on-site inspections, instead replacing with their Direct Monitoring Approach – virtually checking in and using external intelligence. All three homes have thus far continued to maintain their Good rating.</li> </ul>
	Implement improvements and best practice knowledge across all services	<ul style="list-style-type: none"> <li>Two inspections were conducted at Anita Stone Court and we were awarded silver by the local authority.</li> </ul>
	Conclude roll-out of digital care system	<ul style="list-style-type: none"> <li>Our E-Plan system – Nourish – is being rolled out more extensively in all our nursing homes.</li> </ul>
	Reduce number of complaints	<ul style="list-style-type: none"> <li>Although complaints have not reduced during the period, we have resolved complaints to residents' satisfaction and also received good feedback from families in relation to home visiting during the pandemic. Further work needs to be done to capture the key themes and analyse trends to make improvements.</li> </ul>
	Improve occupancy rates at schemes	<ul style="list-style-type: none"> <li>Occupancy has improved but not to pre-Covid-19 levels yet. We have been promoting FastTrack assessments for end of life care.</li> <li>Marketing of the homes and housing schemes using social media, local radio and billboards in the local communities is having some impact.</li> </ul>

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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

**Progress in achieving performance objectives in 2021-2022 (continued)**

<b>Our priorities for 2021-2022:</b>	<b>Key objectives</b>	<b>Key achievements:</b>
<b>STRONG SOCIAL BUSINESS</b>		
Ensure business resilience	<p>Financial surplus and performance</p> <p>Regulatory H&amp;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"> <li>Operating surplus reduced by 68% against a static turnover compared to previous year, generating a reduced EBITDA of 5.4%. The position was again assisted by government grants.</li> <li>Repairs activity was largely unchanged from last year.</li> <li>We retained the Cbil Loan and met all loan covenants from bank.</li> <li>Commenced implementation of Board approved three year IT &amp; Digital Strategy.</li> <li>We continued to make maximum use of the Government support through the infection control and workforce grants.</li> <li>We confirmed the direction of travel through a Review Day with the Board.</li> </ul>
<b>STRONG PERFORMANCE</b>		
Improve our ways of working to ensure that we are better able to meet future demands: People at the heart of our service	<p>Improve recruitment and retention with people who share our values</p> <p>Value, develop and recognise staff</p> <p>Roll out of matrix 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>	<ul style="list-style-type: none"> <li>Staff recruitment and retention remain critical to the consistency of service that we offer. Staff turnover was 43.2% for the year, which increased by 25% on the previous year.</li> <li>Of staff who left the organisation, 51% were carers. The national average turnover for frontline care roles is 36% according to Skills for Care. 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.</li> <li>Reducing agency hours as a proportion of the total staff hours continues to be a key priority, and we aim to get this below 7% of total staff costs. This year we have met that target.</li> <li>Launched trustee recruitment campaign to attract new Board Members.</li> <li>We strengthened our profile through integrated marketing and communications.</li> </ul>

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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

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**Financial results**

The consolidated income and expenditure account has recorded an overall **operating** surplus on ordinary activities for the year of **£143,398** (2021 surplus was £451,741). This encompassed:

- Nursing Home **deficit of £133,241** (2021: surplus £95,839)
- Social Housing lettings **surplus of £301,690** (2021: surplus £309,758)
- Donations and Legacies **surplus of £26,912** (2021: surplus £62,748)
- Other activities **deficit of £51,963** (2021: deficit £16,604)

The reduction in operating surplus between 2022 and 2021 is mainly a result of increased staffing costs and operating costs in the nursing homes compared to the previous year. We received government-funded Covid-19 grants of £355,585 in relation to Infection Control, Rapid Testing and Workforce Capacity Funds in the year (2021 - £433,365). The grants continued to provide a means to offset the significant additional costs incurred due to the pandemic.

During the year, the total amount of capital spend was £57,520 given that non-urgent works in both housing and nursing homes were deferred for this year. The availability of the Stock Condition Survey in 2022-23 will support the development of a robust Asset Management Strategy for the incoming year.

**Reserves**

In 2021-22, overall total reserves were increased by £229,341 to £17,431,013 of which restricted reserves were £1,782,947.

The financial results have been impacted by 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 increased 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 we must continue to maximise income by ensuring that our fees are sustainable and, improve cost controls 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 financial position has been supported through a range of Infection Control and related Grants from the Local Authority but these are unlikely to continue so our services must return to a much closer position to that which we were achieving pre Covid-19, with the obvious focus being on occupancy to maintain and increase income.

**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.

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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

**Risks and uncertainties (continued)**

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.

The principal risks to delivering objectives in 2021-2022 included:

Principal risks	Risk appetite	Key controls/ actions
<p><b>Quality of care is impacted negatively.</b></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>	<ul style="list-style-type: none"> <li>▪ Scrutiny and reporting from the Operations Committee.</li> <li>▪ Quality assurance framework supported by appropriate management information with focus on Covid-19 response/ capacity tracker.</li> <li>▪ Staff training in key areas e.g. infection control.</li> <li>▪ Electronic care records, and notifications to CQC.</li> <li>▪ Effective communications with regulators, commissioners, and families.</li> <li>▪ Complaints management.</li> <li>▪ Business Continuity Plans.</li> <li>▪ Whistleblowing policy.</li> </ul>
<p><b>Failure of financial sustainability e.g.</b></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"> <li>▪ the fee income not rising at a rate sufficient to meet the rising costs and standards of social care</li> <li>▪ increasing uncertainties in the commissioning environment with reduced local authority and health budgets</li> <li>▪ exhausting funds for those who pay privately</li> </ul>	<ul style="list-style-type: none"> <li>▪ Scrutiny and reporting by the Audit Committee.</li> <li>▪ Fees are agreed in advance with commissioners or self-funders with fixed payment cycles.</li> <li>▪ Payment of suppliers managed with our payment terms.</li> <li>▪ Improved forecasting to ensure an appropriate cashflow, liquidity and ability to meet borrowing commitments.</li> <li>▪ Close monitoring and reporting on bank covenants against existing loans.</li> <li>▪ 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.</li> </ul>

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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

**Risks and uncertainties (continued)**

<b>Compliance with regulatory and statutory requirements</b>	<p>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.</p>	<ul style="list-style-type: none"> <li>• External assurance ratings, audits and reports through Care Quality Commission and allied bodies.</li> <li>• Policies and procedures which reinforce a culture of compliance.</li> <li>• A Quality Assurance framework which monitors compliance and progress against any Development and Action plans, including Line of Sight and exceptional reporting.</li> <li>• Appropriate level of resource made available for staff training.</li> <li>• Training matrix that is role-and-grade specific.</li> <li>• Safeguarding policy and training.</li> <li>• Use of external compliance expertise/ auditors in HR and Health &amp; Safety, including Fire Risk compliance.</li> </ul>
<b>Failure to attract and retain workforce that embodies our culture &amp; ethos</b>	<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"> <li>• Staffing review and benchmarking against recognised models of care.</li> <li>• Biannual HR reporting on staff metrics.</li> <li>• Clear job descriptions and contracts.</li> <li>• Staff wellbeing surveys and 'check-ins' by senior staff.</li> <li>• Contingent, rapid response planning in place to minimize disruption should critical staff members leave the organisation.</li> <li>• Investment in systems and processes to support operational efficiency e.g. e-care planning.</li> <li>• Monitor sickness absence.</li> <li>• Maintain effective relations with key agency/ recruiters.</li> </ul>
<b>Strategic Risks related to underperforming services</b>	<p>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.</p>	<ul style="list-style-type: none"> <li>• Strategic Risk Register as a standing item on Board and Audit Committee meetings.</li> <li>• Additional controls in place for planning and monitoring agency use.</li> <li>• Closer coordination between the Support Office and the administrative function in the nursing homes.</li> </ul>

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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

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**Risks and uncertainties (continued)**

<b>Operational risks</b>	As a front line 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"><li>• Comprehensive set of policies and procedures that are supported through staff induction and cascaded through staff updates.</li><li>• Review of systems and processes to ensure a satisfactory level of operational efficiency.</li><li>• 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.</li><li>• Business continuity measures in relation to IT critical failure or other forms of business interruption.</li></ul>
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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 proactive 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.

Following three resignations during 2021-22, the Board comprised eight trustees including the Chair at financial year end. Our 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. This will be reinstated in 2023-24 as we have a number of new trustees and face-to-face meetings are widely practised again.

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. Two trustees stood for re-election in the year. The Board and its Committees met virtually during the height of the pandemic, but resumed face-to-face meetings in 2022.

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.



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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

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**Governance and reporting structures (continued)**

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. Work continues to ensure compliance with the National Housing Federation (NHF) Code of Governance, as well as meeting the requirements of the Social Housing White Paper and aiming to have all areas compliant in 2023-24.

**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.

### **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.
- (ii) *Strategy and Delivery*
  - Give specific consideration to carbon neutrality and environmental sustainability.
  - Improve awareness and adherence of corporate trustee obligations.
- (iii) *Board effectiveness*
  - The Chair of the Board is not a member of the committee responsible for audit.
  - 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 New Chair and CEO will review the appraisal process for Chair and Board trustees before it is re-introduced in 2023-24.
- (iv) *Control and Assurance*

The CEO and Director of Operations will review the operational audit process in 2022-23 to ensure it is fit for purpose, as well as revising key policies and procedures which enable staff to report concerns and whistle-blow where necessary. We are committed to having a comprehensive range of tools to ensure concerns or poor practice cannot remain hidden or unreported.

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

### **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 regularly reviews 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 to date 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 Team 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 Charities Act 2011 which defines a charitable purpose, explicitly, as one that falls within 13 descriptions of purposes and is for the public benefit. One of those 13 descriptions is 'The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage'.

BCOP's objectives are to provide good quality support and care 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. The trustees are therefore confident that BCOP meets public benefit requirements with a clear charitable purpose.

Access to all of our care services can be achieved either through self-referral or a government-funded statutory organisation. We promote 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 71% 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 equity 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 pandemic.

BCOP successfully applied for a grant of £10,288 from the Edgbaston Neighbourhood Network Scheme and £800 from the Celebrating Communities Fund. The funds are designed to encourage social interaction for older adults, following the restrictions imposed by the pandemic, with the aim to improve wellbeing and health and help to reduce social isolation.

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

**Group Strategic Report (continued)  
For the Year Ended 31 March 2022**

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**Meeting public benefit (continued)**

The funds have been used to provide a 12 month programme of activities for Edgcumbe Court tenants and over 60's in the local community. The activities are facilitated by Fitniss, a local exercise and wellbeing company who specialise in helping older people stay active. There are a range of activities on offer, including a weekly gentle exercise class, fortnightly massage and relaxation classes, art class and African drumming sessions. We intend to apply for similar funding from the Perry Barr constituency to benefit tenants living in our Handsworth schemes.

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.

**Marketing, fundraising & grant applications**

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.

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

Once again, opportunities for fundraising were severely limited during the current year but we gratefully acknowledge the following grant making Trusts for donations received:

*Nursing Homes*

- £25,000 from Baron Davenport's Charity, November 2021. This grant was awarded to help with general running costs, in light of the increased costs incurred as a result of the Covid-19 pandemic - purchase of PPE, increased agency use, etc.

*Housing & Charitable Services*

- £2,200 from Belsize Trust, July 2021.
- £880 from the Celebrating Communities Fund, November 2021.
- £10,288 from Neighbourhood Network Scheme (NNS) Edgbaston, March 2022. This grant was awarded to enable us to run group activities at Edgcumbe Court, to reduce feelings of loneliness and isolation among tenants as a result of the pandemic lockdowns.

We have not used any commercial participator or professional fundraiser in 2021-2022; 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 2021-2022. 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.

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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

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**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.

**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 accounts. 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	2020	2021	2022	Variation between years 2021 and 2022	Peer group median 2021-22
a. Reinvestment	£17,000	£6,994 Equates to 0.1%	£29,957 Equates to 0.3%	Increased activity in the year due to relaxation of access to properties following the Covid-19 pandemic.	1.9%
b. New Supply (Social and Non Social Housing)	Nil	Nil	Nil	BCOP is not a housing developer.	
c. Gearing (Group)	10.8%	7.8%	7.3%	Marginal reduction of 0.5% no significant variations in component figures.	29.8%

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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

**2. Reporting on Regulatory Metrics (continued)**

RSH Metric name	2020	2021	2022	Variation between years 2021 and 2022	Peer group median 2020-21
d. EBITDA (Group)	8.9%	9.6%	5.4%	Continuing Impact of Covid - reduced occupancy and increased staffing costs.	Not available
e. EBITDA MRI interest cover (Group)	641%	349%	75%	This measure is a key indicator for liquidity and investment capacity. BCOP is not a Housing developer.	369%
f. Headline Social Housing Cost per Unit	£6,032	£5,573	£5,785	Marginal reduction due to reduced repairs activity.	£4,396
g. Operating Margin % (Group)	3.5%	5.9% Housing = 24%	1.9% Housing = 23%	Reduction due to impact of Covid 19 on income and staffing costs. Housing margin in line with peer group.	26%
h. Return on Capital Employed (ROCE) % (Group)	1.2%	1.8%	0.7%	Reduction in operating profit due to impact of Covid-19 on income and staffing costs.	2.9%

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, 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 changes to 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, a "CBIL" loan was approved in 2020, our overall dependency on loan finance was low compared with the peer group median of 29.8% in 2021-22.

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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

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**2. Reporting on Regulatory Metrics (continued)**

**EBITDA (Group):** This relates to the whole group and this showed a reduction due to the continued impact of Covid especially on the Nursing homes (although this was helped in part by the impact of Government grants) and the loss of income from voids. In addition there was higher than anticipated expenditure on agency staff.

**MRI Interest Cover:** Performance has reduced due to the impact of Covid-19 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 1% from the prior year. The annual figure of £6,632 per unit is still high compared with the peer group median of £4,396, 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 were impacted by Covid-19 on both income and staffing costs.

**Operating Margin:** Operating margin held up well in spite of an ageing housing portfolio and was in line with our peer group. However, 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. Most of our schemes were constructed in the 1960s and 1970s and some are reaching the end of their useful existence, with running costs 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, BCOP has a positive housing operating margin of 23% compared with peer group median of also 23% during of the this Covid 19 period. The Board is continuing to explore further options using the housing stock through the extensive Stock Condition Surveys across all our schemes in 2022-23.

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.

**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.

<b>Metric</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Target 2022-23</b>
Quality – services receiving a good CQC rating or above (% beds)	100%	100%	100%
Quality – Number of complaints	Nursing – 2 Housing – 4 (1 not closed by year end)	Nursing 15 Housing -1	Reduce from prior year

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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

**3. VfM and BCOP metrics (continued)**

Metric	2020-21	2021-22	Target 2022-23
Quality – carehome.co.uk scores* (Leading care review site for family and friends. Scores out of 10)	ASC 8.7 NWH 9.2 RHH 9.8	ASC 9.3 NWH 9.8 RHH 9.8  (reviews limited in both years due to homes being in lockdown)	Aim for 9.8 for all services
People – staff turnover %	18.5% (Sector average 28.5%, <i>Skills for Care</i> , 2020/21)	43.2% (Due to VCOD & competition from NHS)	Maintain below 35%
People – staff sickness % of total hours	7.7% (includes Covid-19 related sickness absence)	21%	Maintain below 15%
Occupancy level	Nursing – 85.1% Housing – 81.3%	Nursing – 85.8% Housing – 81.6%	94.2% Nursing 85.2% Housing
Overhead costs as % of turnover (Group)	12.85%	14.84%	Peer median is 17.7%
Support Office costs as % of Turnover (Group)	11.6%	13.2%	Just above target of 13%
Repairs/Maintenance	£153,935	£151,172	Under continuous review based on property assessments and stock condition survey

\* All our homes retain their 'Good' rating for the year.

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

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. Our staff are our greatest asset and as a care provider, 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. 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 have particularly struggled to recruit a stable team within one of the nursing homes; however, this has now been resolved and the service should have some stability, which in turn should improve our turnover rates.



### **3. VfM and BCOP metrics (continued)**

Our workforce strategy continues to build upon good practice 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.

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.

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 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. We contribute to the various forums and work with the NCF to raise the profile of the Not-for-Profit sector.

#### **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 our plans for refresh and growth. An extensive Strategy Review Day took place in early 2022. As we emerge from the pandemic, our focus is on stabilising services. The outcome from the day was to rationalise the portfolio and focus on those areas where we are best positioned to offer front line services.

#### **Going concern assessment**

In order to consider the appropriateness of the going concern basis, the Trustees review the outcomes of budgets, forecasts and other analysis conducted in respect of the last financial year and they consider risks that could give rise to varying levels of financial exposure, if appropriate mitigating actions were not in place. The charity generates most of its income from a sector under extreme pressure; in a report published in October 2022 the Care Quality Commission said that the "health and care system is in gridlock". Since 2020 the evolving nature of pandemic risk and its impact on services has been significant and it continues to affect occupancy rates and workforce recruitment.

The Board approved a budget for 2022-23 and forecasts for 2023-24 based on appropriate assumptions and forecasts around income streams and expenditure levels. In our budget we assumed that occupancy levels in our services return to pre-pandemic levels by 2022-23 year end. Current evidence is that occupancy is improving but not yet at the rate we had hoped to achieve. The two years to 31 March 2024 will be challenging because of the pressures described above but the financial objective is to achieve a breakeven/modest surplus in that period. The charity's operating environment is significantly affected by UK economic and political pressures but the Trustees have concluded that adequate measures are in place to enable the charity to respond to challenges as they arise.

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

**Group Strategic Report (continued)**  
**For the Year Ended 31 March 2022**

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**Going concern assessment (continued)**

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 and that there are no material uncertainties affecting the going assessment. Indicators that the going concern basis remains appropriate for the preparation of these financial statements include the following: a healthy cash at bank position of £2.2m at 31 March 2022 (this includes a "CBIL" loan which was made available in December 2020), completion of post year-end 5-year fixed rate loans from our bankers to refinance the debts due for repayment, continuing prudent cost control measures, and a focus on improving occupancy.

The Board therefore confirms that it considers it appropriate to prepare these financial statements 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.

**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 16 December 2022 and signed on its behalf.



**D Sizer**  
Chair

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

**Trustees' Report  
For the Year Ended 31 March 2022**

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The Trustees present their report and the financial statements for the year ended 31 March 2022.

**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 2022. This report forms the Directors' report for the purposes of the Companies Act 2006.

**Results**

The profit for the year, after taxation, amounted to £196,341 (2021 - £720,538).

**Trustees**

The Trustees, who also form the Board, who served during the year to 31 March 2022 are:

D Sizer (Chair of Board)  
J Bennett  
N Bradbury  
C Cooban (resigned 18 March 2022)  
K Halliday (resigned 30 November 2022)  
A Jones (Chair of Audit Committee)  
G Maidens (resigned 16 June 2021)  
T Pattni  
V Pritchard-Wilkes  
B Toner (resigned 10 June 2022)  
N Topping (resigned 18 September 2021)

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**

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.

Further details of the Trustees' going concern assessment is given in the Group Strategic Report.

**Qualifying third party indemnity provisions**

Professional indemnity insurance is in place for the Trustees.

**Matters covered in the Group 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 2022**

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**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.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The Trustees, having been notified of the cessation of the partnership known as Dains LLP, resolved that Dains Audit Limited be appointed as successor auditor with effect from 1 April 2022. Dains Audit Limited 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 16 December 2022 and signed on its behalf.



**D Sizer**  
Chair

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

**Trustees' Responsibilities Statement  
For the Year Ended 31 March 2022**

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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 surplus or deficit 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 2018 "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 Members of Broadening Choices for Older People**

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**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 2022, 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 2022 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 Members of Broadening Choices for Older People (continued)**

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**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 or 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.

**Independent Auditors' Report to the Members of Broadening Choices for Older People (continued)**

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**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 26, 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 Members of Broadening Choices for Older People (continued)**

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**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**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 Audit Limited**

Statutory Auditor  
Chartered Accountants

Birmingham

16 December 2022

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

**Consolidated Statement of Comprehensive Income**  
**For the Year Ended 31 March 2022**

	Note	2022 £	2021 £
Turnover	4	7,657,243	7,662,848
Operating expenditure	4	(7,513,845)	(7,211,107)
<b>Operating surplus</b>	4,9	<b>143,398</b>	<b>451,741</b>
Fair value movements on investments	18	98,832	314,280
Income from listed investments	6	44,968	41,239
Interest receivable and similar income	7	20	275
Interest payable and similar expenses	8	(90,877)	(86,997)
<b>Surplus for the financial year</b>		<b>196,341</b>	<b>720,538</b>
<b>Other comprehensive income/(expense)</b>			
Actuarial gains/(losses) in respect of defined benefit pension scheme	30	33,000	(469,000)
<b>Other comprehensive income/(expense) for the year</b>		<b>33,000</b>	<b>(469,000)</b>
<b>Total comprehensive income for the year</b>		<b>229,341</b>	<b>251,538</b>

The notes on pages 39 to 70 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 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Housing properties	14	10,051,607	10,151,084
Other tangible assets	17	10,968,286	11,080,038
Investments	18	2,041,073	1,942,241
		<u>23,060,966</u>	<u>23,173,363</u>
<b>Current assets</b>			
Stocks	20	-	27,300
Debtors: amounts falling due within one year	21	199,695	236,107
Cash at bank and in hand	22	2,183,223	2,253,990
		<u>2,382,918</u>	<u>2,517,397</u>
Creditors: amounts falling due within one year	23	(3,962,143)	(1,190,056)
<b>Net current (liabilities)/assets</b>		<u>(1,579,225)</u>	<u>1,327,341</u>
<b>Total assets less current liabilities</b>		<u>21,481,741</u>	<u>24,500,704</u>
Creditors: amounts falling due after more than one year	24	(3,438,728)	(6,555,668)
<b>Net assets excluding pension liability</b>		<u>18,043,013</u>	<u>17,945,036</u>
Defined benefit pension scheme liability	30	(612,000)	(743,364)
<b>Net assets</b>		<u><u>17,431,013</u></u>	<u><u>17,201,672</u></u>
<b>Capital and reserves</b>			
Endowment fund	29	34,329	34,329
Restricted funds	29	1,782,947	1,641,562
Revenue reserve	28	15,613,737	15,525,781
		<u><u>17,431,013</u></u>	<u><u>17,201,672</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 December 2022.



**D Sizer**  
Chair



**H Gore**  
CEO


The notes on pages 39 to 70 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 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Housing properties	14	9,873,010	9,971,725
Other tangible assets	17	10,968,286	11,080,038
Investments	18	2,041,073	1,942,241
		<u>22,882,369</u>	<u>22,994,004</u>
<b>Current assets</b>			
Stocks	20	-	27,300
Debtors: amounts falling due within one year	21	198,251	236,222
Cash at bank and in hand	22	2,179,726	2,250,410
		<u>2,377,977</u>	<u>2,513,932</u>
Creditors: amounts falling due within one year	23	(4,827,362)	(2,030,593)
<b>Net current (liabilities)/assets</b>		<u>(2,449,385)</u>	<u>483,339</u>
<b>Total assets less current liabilities</b>		<u>20,432,984</u>	<u>23,477,343</u>
Creditors: amounts falling due after more than one year	24	(3,324,880)	(6,440,602)
<b>Net assets excluding pension liability</b>		<u>17,108,104</u>	<u>17,036,741</u>
Defined benefit pension scheme liability	30	(612,000)	(743,364)
<b>Net assets</b>		<u><u>16,496,104</u></u>	<u><u>16,293,377</u></u>
<b>Capital and reserves</b>			
Restricted funds	29	742,609	768,823
Revenue reserve		15,753,495	15,524,554
		<u><u>16,496,104</u></u>	<u><u>16,293,377</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 December 2022.

  
**D Sizer**  
Chair

  
**H Gore**  
CEO

The notes on pages 39 to 70 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 2022**

	Endowment Fund £	Restricted Funds £	Revenue Reserve £	Total £
<b>At 1 April 2020</b>	<b>34,329</b>	<b>1,609,539</b>	<b>15,306,266</b>	<b>16,950,134</b>
<b>Comprehensive income for the year</b>				
Surplus for the year	-	-	720,538	720,538
Actuarial loss in respect of defined benefit pension scheme	-	-	(469,000)	(469,000)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>251,538</b>	<b>251,538</b>
Transfers (Note 29)	-	32,023	(32,023)	-
<b>At 1 April 2021</b>	<b>34,329</b>	<b>1,641,562</b>	<b>15,525,781</b>	<b>17,201,672</b>
<b>Comprehensive income for the year</b>				
Surplus for the year	-	-	196,341	196,341
Actuarial gain in respect of defined benefit pension scheme	-	-	33,000	33,000
Transfers (Note 29)	-	141,385	(141,385)	-
<b>At 31 March 2022</b>	<b>34,329</b>	<b>1,782,947</b>	<b>15,613,737</b>	<b>17,431,013</b>

The notes on pages 39 to 70 form part of these financial statements.

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

**Charity statement of changes in reserves**  
**For the Year Ended 31 March 2022**

	Restricted Funds £	Revenue Reserve £	Total £
<b>At 1 April 2020</b>	<b>750,544</b>	<b>15,306,257</b>	<b>16,056,801</b>
<b>Comprehensive income for the year</b>			
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
<b>Total comprehensive income for the year</b>			
Transfers (Note 29)	18,279	(18,279)	-
<b>At 1 April 2021</b>	<b>768,823</b>	<b>15,524,554</b>	<b>16,293,377</b>
<b>Comprehensive income for the year</b>			
Surplus for the year	-	169,727	169,727
Actuarial gain in respect of defined benefit pension scheme	-	33,000	33,000
Transfers (Note 29)	(26,214)	26,214	-
<b>At 31 March 2022</b>	<b>742,609</b>	<b>15,753,495</b>	<b>16,496,104</b>

The notes on pages 39 to 70 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 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Surplus for the financial year	196,341	720,538
<b>Adjustments for:</b>		
Amortisation of deferred capital grant	(32,997)	(35,886)
Depreciation of tangible assets	267,927	279,849
Profit on disposal of tangible assets	(4,178)	-
Interest payable	90,877	86,997
Investment income and interest receivable	(44,988)	(41,514)
Decrease/(increase) in stocks	27,300	(2,954)
Decrease in debtors	36,412	43,136
(Decrease)/increase in creditors	(109,735)	86,060
Fair value movements on investments	(98,832)	(314,280)
Pension contributions paid	(157,000)	(145,000)
Pension scheme costs	44,636	39,000
<b>Net cash generated from operating activities</b>	<u>215,763</u>	<u>715,946</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(57,520)	(22,405)
Sale of tangible assets	5,000	-
Purchase of listed investments	(87,250)	(302,064)
Sale of listed investments	98,732	217,147
Interest received	20	275
Income from listed investments	44,968	41,239
<b>Net cash from/(used in) investing activities</b>	<u>3,950</u>	<u>(65,808)</u>
<b>Cash flows from financing activities</b>		
Net movement on borrowings	(202,121)	781,114
Loan interest paid	(76,877)	(78,997)
<b>Net cash used in financing activities</b>	<u>(278,998)</u>	<u>702,117</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(59,285)</u>	<u>1,352,255</u>
Cash and cash equivalents at beginning of year	2,407,446	1,055,191
<b>Cash and cash equivalents at the end of year</b>	<u><u>2,348,161</u></u>	<u><u>2,407,446</u></u>

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

**Consolidated Statement of Cash Flows (continued)**  
**For the Year Ended 31 March 2022**

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	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>2,183,223</b>	2,253,990
Cash on deposit awaiting investment	<b>164,938</b>	153,456
	<hr/> <b>2,348,161</b> <hr/>	<hr/> 2,407,446 <hr/>



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

**Consolidated Analysis of Net Debt**  
**For the Year Ended 31 March 2022**

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	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	2,253,990	(70,767)	2,183,223
Debt due after 1 year	(3,765,943)	3,083,943	(682,000)
Debt due within 1 year	(146,983)	(2,881,822)	(3,028,805)
	<u>(1,658,936)</u>	<u>131,354</u>	<u>(1,527,582)</u>

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The notes on pages 39 to 70 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 2022**

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**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 2018 "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.

## **2. Accounting policies (continued)**

### **2.3 Going concern**

The Board 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.

Comments regarding the assessment made are given in the group strategic report. In this note the trustees confirm that;

1. the bank loans shown as due for repayment within one year (note 23) have been refinanced since the year end with a new 5-year fixed rate loan facility from the charity's existing bankers;
2. although the 2022-23 financial year will be challenging, there are no material uncertainties that cast significant doubt on the charity's ability to continue as a going concern; and
3. reasonable assumptions have been used in preparing the budget for 2022-23 and the forecast for 2023-24.

### **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, and 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 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.

### **2.6 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.

### **2.7 Interest income**

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

**2. Accounting policies (continued)**

**2.8 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.

**2.9 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.

**2.10 VAT**

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

**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. Accounting policies (continued)**

**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.

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 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.

**2.14 Stocks**

Stocks relate to small tools and are stated at cost.

**2.15 Debtors**

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

**2.16 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.

**2. Accounting policies (continued)**

**2.17 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.

**2.18 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 from group undertakings.

**2.19 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.

**2.20 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.

**2.21 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. Accounting policies (continued)**

**2.22 Employee benefits and pensions**

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

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. 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 11). 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.

**2.23 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.

**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 2022 is set out in Note 30 to the financial statements.

**Economic Life of Assets**

An estimation of the useful economic life of the Group's assets is made by management and disclosed within the Accounting Policies. This impacts the annual charge for the depreciation of these assets. The relevant assets and depreciation are set out in Notes 14 and 17 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 21 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 2022**

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

	Turnover 2022 £	Operating expenditure 2022 £	Operating surplus / (deficit) 2022 £	Turnover 2021 £	Operating expenditure 2021 £	Operating surplus / (deficit) 2021 £
Social housing lettings (see note 5)	1,296,503	(994,813)	301,690	1,281,736	(971,978)	309,758
Non-social housing activities:						
Nursing homes*	5,965,232	(6,098,473)	(133,241)	5,864,562	(5,768,723)	95,839
Donations and legacies	32,674	(5,762)	26,912	68,859	(6,111)	62,748
Other activities	7,249	(59,212)	(51,963)	14,326	(30,930)	(16,604)
<b>Subtotal excluding government grants</b>	<b>7,301,658</b>	<b>(7,158,260)</b>	<b>143,398</b>	<b>7,229,483</b>	<b>(6,777,742)</b>	<b>451,741</b>
Government grants	355,585	(355,585)	-	433,365	(433,365)	-
<b>Total including government grants</b>	<b>7,657,243</b>	<b>(7,513,845)</b>	<b>143,398</b>	<b>7,662,848</b>	<b>(7,211,107)</b>	<b>451,741</b>

\* Included within the deficit of £133,241 for nursing homes is a write back of old credit balances totalling £56,092 (2021 - £Nil). The deficit on nursing homes arises due to the impact of Covid-19 and low occupancy levels.

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 2022**

**5. Particulars of income and expenditure from social housing lettings**

	2022 £	2021 £
<b>Group</b>		
Rent receivable net of identifiable service charges	685,130	678,470
Service charge income	578,376	567,380
<b>Net Rental Income and Turnover from Social Housing Lettings</b>	<b>1,263,506</b>	<b>1,245,850</b>
Amortisation of Government grants	32,997	35,886
<b>Net Income and Turnover from Social Housing Lettings</b>	<b>1,296,503</b>	<b>1,281,736</b>
Management	(430,943)	(403,990)
Services	(254,094)	(278,028)
Routine Maintenance	(182,758)	(153,935)
Depreciation of housing properties	(127,018)	(136,025)
<b>Operating expenditure on social housing lettings</b>	<b>(994,813)</b>	<b>(971,978)</b>
<b>Operating surplus on social housing lettings</b>	<b>301,690</b>	<b>309,758</b>

The void costs for 2022 were £316,480 (2021 - £289,142).

**6. Income from listed investments**

	2022 £	2021 £
Income from listed investments	44,968	41,239

**7. Interest receivable and similar income**

	2022 £	2021 £
Deposit account interest receivable	20	275

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**8. Interest payable and similar expenses**

	2022 £	2021 £
Loan interest payable	76,877	75,687
Financing costs	-	3,310
Net interest expense in respect of defined benefit pension scheme (Note 30)	14,000	8,000
	<u>90,877</u>	<u>86,997</u>

**9. Operating surplus**

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

	2022 £	2021 £
Depreciation of properties	249,676	255,034
Depreciation of other tangible assets	18,251	24,815
Amortisation of government grants	(32,997)	(35,886)
Operating lease charges - other	31,166	23,087
Operating lease charges - land and buildings	75,901	75,775
	<u>75,901</u>	<u>75,775</u>

**10. Auditors' remuneration**

	2022 £	2021 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	19,848	18,900
<b>Fees payable to the Group's auditor in respect of:</b>		
All other services	3,780	3,600

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

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**11. Employees**

Staff costs were as follows:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Wages and salaries	<b>4,438,145</b>	4,436,168
Social security costs	<b>352,891</b>	342,977
Defined contribution pension scheme costs	<b>90,031</b>	139,266
Defined benefit pension scheme - current service cost	<b>40,000</b>	34,000
	<b><u>4,921,067</u></b>	<b><u>4,952,411</u></b>

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

	<b>2022 No.</b>	<b>2021 No.</b>
Support Office	<b>13</b>	15
Nursing Homes	<b>213</b>	216
Repairs and Maintenance	<b>4</b>	4
	<b><u>230</u></b>	<b><u>235</u></b>

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

	<b>2022 No.</b>	<b>2021 No.</b>
Support Office	<b>13</b>	13
Nursing homes	<b>196</b>	181
Repairs and Maintenance	<b>4</b>	4
	<b><u>213</u></b>	<b><u>198</u></b>

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

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**12. 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.

	2022 £	2021 £
<b>Key management remuneration</b>		
Aggregate of emoluments	177,762	164,950
Aggregate of pension contributions	12,150	11,210
	<u>189,912</u>	<u>176,160</u>
	2022 £	2021 £
<b>Highest paid Trustee - Chief Executive</b>		
Aggregate of emoluments	79,845	73,426
Aggregate of pension contributions	9,269	8,522
	<u>89,114</u>	<u>81,948</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 (2021 - £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 is a member of the Social Housing Pension Scheme (2021 - none).

**13. 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 £169,727 (2021 - £705,576).

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**14. Tangible Fixed Assets - Housing Properties**

**Group**

	Freehold Properties £	Leasehold Properties £	Total £
<b>Cost</b>			
At 1 April 2021	11,931,236	1,225,480	13,156,716
Additions	29,597	-	29,597
At 31 March 2022	11,960,833	1,225,480	13,186,313
<b>Amortisation</b>			
At 1 April 2021	2,193,476	812,156	3,005,632
Charge for the year on owned assets	112,046	17,028	129,074
At 31 March 2022	2,305,522	829,184	3,134,706
<b>Net book value</b>			
At 31 March 2022	9,655,311	396,296	10,051,607
At 31 March 2021	9,737,760	413,324	10,151,084

Included in Freehold Properties above is freehold land of £2,350,966 (2021 - £2,350,966) which is not depreciated.

The total capitalised interest in cost of freehold properties is £46,720 (2021 - £46,720). Included within freehold properties are costs incurred of £32,219 (2021 - £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 2022**

**14. Tangible Fixed Assets - Housing Properties (continued)**

**Charity**

	Freehold Properties £	Leasehold Properties £	Total £
<b>Cost</b>			
At 1 April 2021	11,738,933	1,225,480	12,964,413
Additions	29,597	-	29,597
At 31 March 2022	11,768,530	1,225,480	12,994,010
<b>Amortisation</b>			
At 1 April 2021	2,178,785	813,903	2,992,688
Charge for the year	111,284	17,028	128,312
At 31 March 2022	2,290,069	830,931	3,121,000
<b>Net book value</b>			
At 31 March 2022	9,478,461	394,549	9,873,010
At 31 March 2021	9,560,148	411,577	9,971,725

Included in Freehold Properties above is freehold land of £2,230,966 (2021 - £2,230,966) which is not depreciated.

The total capitalised interest in cost of freehold properties is £46,720 (2021 - £46,720). Included within freehold properties are costs incurred of £32,219 (2021 - £32,219) relating to shared ownership properties.

**15. Number of units**

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>Number of units owned and managed</b>				
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
	292	292	292	292

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**16a. Expenditure on works to existing housing properties**

Expenditure on works to existing housing properties include the following:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
Improvement work capitalised	<b>29,597</b>	6,994	<b>29,597</b>	6,994
Amounts charged to Statement of Comprehensive Income	<b>178,194</b>	153,935	<b>178,194</b>	153,935
	<b>207,791</b>	160,929	<b>207,791</b>	160,929

**16b. Social Housing Assistance**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
Capital grants received for social housing assistance	<b>3,432,749</b>	3,432,749	<b>3,294,548</b>	3,294,548



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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**17. Other tangible assets**

**Group**

	Nursing home properties £	Leasehold improvements and office equipment £	Motor vehicles £	Nursing and Sheltered Housing fixtures and equipment £	Total £
<b>Cost</b>					
At 1 April 2021	12,844,709	744,875	102,774	145,204	13,837,562
Additions	27,923	-	-	-	27,923
Disposals	-	-	(9,610)	-	(9,610)
At 31 March 2022	12,872,632	744,875	93,164	145,204	13,855,875
<b>Depreciation</b>					
At 1 April 2021	1,835,669	717,786	100,468	103,601	2,757,524
Charge for the year on owned assets	120,602	9,691	490	8,070	138,853
Disposals	-	-	(8,788)	-	(8,788)
At 31 March 2022	1,956,271	727,477	92,170	111,671	2,887,589
<b>Net book value</b>					
At 31 March 2022	10,916,361	17,398	994	33,533	10,968,286
At 31 March 2021	11,009,040	27,089	2,306	41,603	11,080,038

Included in Nursing home properties above is freehold land of £2,286,640 (2021 - £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 2022**

**17. Other tangible assets (continued)**

**Charity**

	Nursing home properties £	Leasehold improvements and office equipment £	Motor vehicles £	Nursing and Sheltered Housing fixtures and equipment £	Total £
<b>Cost</b>					
At 1 April 2021	12,844,709	394,766	102,774	106,391	13,448,640
Additions	27,923	-	-	-	27,923
Disposals	-	-	(9,610)	-	(9,610)
At 31 March 2022	<u>12,872,632</u>	<u>394,766</u>	<u>93,164</u>	<u>106,391</u>	<u>13,466,953</u>
<b>Depreciation</b>					
At 1 April 2021	1,835,669	367,677	100,468	64,788	2,368,602
Charge for the year on owned assets	120,602	9,691	490	8,070	138,853
Disposals	-	-	(8,788)	-	(8,788)
At 31 March 2022	<u>1,956,271</u>	<u>377,368</u>	<u>92,170</u>	<u>72,858</u>	<u>2,498,667</u>
<b>Net book value</b>					
At 31 March 2022	<u>10,916,361</u>	<u>17,398</u>	<u>994</u>	<u>33,533</u>	<u>10,968,286</u>
At 31 March 2021	<u>11,009,040</u>	<u>27,089</u>	<u>2,306</u>	<u>41,603</u>	<u>11,080,038</u>

Included in Nursing home properties above is freehold land of £2,286,640 (2021 - £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 2022**

**18. Investments - Group and Charity**

	2022 £	2021 £
<b>Listed investments - valuation</b>		
At 1 April	1,788,785	1,389,588
Additions	87,250	302,064
Disposals	(98,732)	(217,147)
Movement in fair value	98,832	314,280
<b>At 31 March</b>	<b>1,876,135</b>	<b>1,788,785</b>
	2022 £	2021 £
<b>Listed investment comprise:</b>		
Fixed interest securities	323,034	344,070
Equities and Alternative Investments	1,553,101	1,444,715
<b>Total</b>	<b>1,876,135</b>	<b>1,788,785</b>
	2022 £	2021 £
<b>Other investments</b>		
Cash on deposit awaiting investment	164,938	153,456
<b>Total Investments</b>	<b>2,041,073</b>	<b>1,942,241</b>
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.		
	2022 £	2021 £
Investments held at fair value - historic cost	1,549,744	1,558,473

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

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**19. Investments - Charity**

**Subsidiary undertakings**

	2022 £	2021 £
<b>Investments in audit exempt subsidiaries comprise:</b>		
BCOP Services Limited - Company No. 06956792	1	1
Emma Ball and Rolason Almshouses - Charity No. 246857	-	-
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. 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 2022**

**20. Stocks**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
Small tools	-	27,300	-	27,300

Stock of £27,300 (2021 - £Nil) has been written off during the year, due to its condition.

**21. Debtors**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
Rent and service charge debtors	129,580	290,330	128,496	289,693
Less: bad debt provision	(7,242)	(131,437)	(7,242)	(131,437)
	<b>122,338</b>	<b>158,893</b>	<b>121,254</b>	<b>158,256</b>
Prepayments and accrued income	77,357	77,214	76,997	77,966
	<b>199,695</b>	<b>236,107</b>	<b>198,251</b>	<b>236,222</b>

**22. Cash at bank and in hand**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
Cash at bank and in hand	2,183,223	2,253,990	2,179,726	2,250,410

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**23. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
Bank loans	<b>3,028,805</b>	146,983	<b>3,028,805</b>	146,983
Trade creditors	<b>184,244</b>	155,793	<b>184,244</b>	155,793
Amounts owed to group undertakings	-	-	<b>868,683</b>	841,755
Other taxation and social security	-	74,758	-	74,758
Accruals and other creditors	<b>710,752</b>	774,047	<b>708,506</b>	774,047
Funds held for third parties	-	133	-	133
Deferred capital grants (Note 26)	<b>38,342</b>	38,342	<b>37,124</b>	37,124
	<b>3,962,143</b>	1,190,056	<b>4,827,362</b>	2,030,593

Details of security for the bank loans are given in Note 24.

**24. Creditors: Amounts falling due after more than one year**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
Bank loans	<b>682,000</b>	3,765,943	<b>682,000</b>	3,765,943
Deferred capital grant (Note 26)	<b>2,756,728</b>	2,789,725	<b>2,642,880</b>	2,674,659
	<b>3,438,728</b>	6,555,668	<b>3,324,880</b>	6,440,602

Included within bank loans is a loan of £884,000 (2021:£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 3.02 per cent per annum above Base Rate.

The other bank loans are secured through fixed and floating charges given by Broadening Choices for Older People on 29 November 2017 and are due to mature on 29 November 2022. The fixed charges are against properties at Robert Harvey House and Anita Stone Court. The fixed rate basis term loan accrues interest at 2.82 per cent and the floating rate basis term loan accrues interest at 1.48 per cent above the Bank of England base rate as at 31 March 2022. The properties are included in Notes 14 and 17 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 2022**

**25. Loans**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
<b>Amounts falling due within one year</b>				
Bank loans	<b>3,028,805</b>	146,983	<b>3,028,805</b>	146,983
<b>Amounts falling due 1-2 years</b>				
Bank loans	<b>186,000</b>	341,548	<b>186,000</b>	341,548
<b>Amounts falling due 2-5 years</b>				
Bank loans	<b>496,000</b>	3,300,395	<b>496,000</b>	3,300,395
<b>Amounts falling due after more than 5 years</b>				
Bank loans	-	124,000	-	124,000
	<b>3,710,805</b>	3,912,926	<b>3,710,805</b>	3,912,926

**26. Deferred Capital Grant**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
As at 1 April	<b>2,828,067</b>	2,863,953	<b>2,711,782</b>	2,746,450
Released in year	<b>(32,997)</b>	(35,886)	<b>(31,778)</b>	(34,668)
<b>At 31 March</b>	<b>2,795,070</b>	2,828,067	<b>2,680,004</b>	2,711,782

The deferred capital grant estimated release is phased as follows:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
For release in less than one year	<b>38,342</b>	38,342	<b>37,124</b>	37,124
For release in more than one year	<b>2,756,728</b>	2,789,725	<b>2,642,880</b>	2,674,659
	<b>2,795,070</b>	2,828,067	<b>2,680,004</b>	2,711,783

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**27. Financial instruments**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
<b>Financial assets</b>				
Debt instruments measured at amortised cost	<b>199,695</b>	263,407	<b>198,251</b>	263,522
Instruments measured at fair value through income and expense	<b>1,876,135</b>	1,788,785	<b>1,876,135</b>	1,788,785
	<u><b>2,075,830</b></u>	<u>2,052,192</u>	<u><b>2,074,386</b></u>	<u>2,052,307</u>
<b>Financial liabilities</b>				
Measured at amortised cost	<b>(4,605,801)</b>	(4,917,657)	<b>(5,479,412)</b>	(5,759,412)

**28. Company status**

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 8 such members at 31 March 2022 (11 at 31 March 2021).



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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**29. Restricted Reserves**

	Opening balance £	Transfers from revenue reserve £	Closing balance £
<b>Group 2022</b>			
Endowment fund	34,329	-	34,329
Other Restricted	1,641,562	141,385	1,782,947
<b>Total</b>	<b>1,675,891</b>	<b>141,385</b>	<b>1,817,276</b>

	Opening balance £	Transfers from revenue reserve £	Closing balance £
<b>Group 2021</b>			
Endowment fund	34,329	-	34,329
Other Restricted	1,609,539	32,023	1,641,562
<b>Total</b>	<b>1,643,868</b>	<b>32,023</b>	<b>1,675,891</b>

	Opening balance £	Transfers from revenue reserve £	Closing balance £
<b>Charity 2022</b>			
Other Restricted	768,823	(26,214)	742,609
<b>Total</b>	<b>768,823</b>	<b>(26,214)</b>	<b>742,609</b>

	Opening balance £	Transfers from revenue reserve £	Closing balance £
<b>Charity 2021</b>			
Other Restricted	750,544	18,279	768,823
<b>Total</b>	<b>750,544</b>	<b>18,279</b>	<b>768,823</b>

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**29. Restricted Reserves (continued)**

Other restricted reserves - 2022 are analysed as follows:

	Opening balance £	Income £	Expenditure £	Transfers to reserves £	Closing Balance £
Robert Harvey Sensory Street	1,100	-	-	-	1,100
Anita Stone Court	7,708	-	-	-	7,708
Rhodes Trust	726,809	15,990	(43,767)	-	699,032
Belsize	31,139	2,200	(437)	-	32,902
Mrs Jolly's	2,067	-	(200)	-	1,867
<b>Charity</b>	<b>768,823</b>	<b>18,190</b>	<b>(44,404)</b>	<b>-</b>	<b>742,609</b>
Pargeter and Wand Trust	303,533	6,678	(3,873)	-	306,338
Emma Ball and Rolason Almshouses	569,206	33,910	(11,320)	142,204	734,000
<b>Group</b>	<b>1,641,562</b>	<b>58,778</b>	<b>(59,597)</b>	<b>142,204</b>	<b>1,782,947</b>

Restricted reserves comprise:

- Robert Harvey House Sensory Street - Income and expenditure restricted to the development of Sensory Street experience.
- Anita Stone Court - Income and expenditure restricted to the development of the Anita Stone development.
- 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.
- Pargeter and Wand Trust - 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.
- Emma Ball and Rolason Almshouses - an almshouse charity providing six almshouse residences, and a restricted fund to update and maintain the scheme, and support individual almspeople.

The transfer from unrestricted reserves to Emma Ball and Rolason Almshouses restricted reserves reflected above arose from a reconciliation of amounts shown in the subsidiary financial statements.

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**29. 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 Jolly's	2,067	-	-	2,067
<b>Charity</b>	<b>750,544</b>	<b>18,379</b>	<b>(100)</b>	<b>768,823</b>
Pargeter and Wand Trust	301,523	6,783	(4,773)	303,533
Emma Ball and Rolason Almshouses	557,472	25,173	(13,439)	569,206
<b>Group</b>	<b>1,609,539</b>	<b>50,335</b>	<b>(18,312)</b>	<b>1,641,562</b>

**30. 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 Group and are administered separately from the assets of the Defined Benefit Schemes.

The pension charge represents contributions payable by the Group to the funds during the year and amounted to £90,000 (2021 - £139,000).

**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 completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man-standing arrangement'. Therefore the Charity 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 is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2022.

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

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

Pension contributions totalling £39,000 were due to the fund as at 31 March 2022 (2021 - £36,000).

30. Pension commitments (continued)

Reconciliation of present value of plan liabilities:

	2022 £000	2021 £000
At the beginning of the year	4,493	3,893
Current service cost	40	34
Administrative expenses	5	5
Interest cost	94	93
Member contributions	11	12
Benefits paid	(140)	(153)
Actuarial losses/(gains) due to scheme experience	177	(187)
Actuarial (gains)/losses due to changes in demographic assumptions	(77)	18
Actuarial (gains)/losses due to changes in financial assumptions	(298)	778
<b>At the end of the year</b>	<b>4,305</b>	<b>4,493</b>

Reconciliation of present value of plan assets:

	2022 £000	2021 £000
At the beginning of the year	3,750	3,521
Interest income	80	85
Experience on plan assets (excluding amounts included in interest income) - (loss)/gain	(165)	140
Employer contributions	157	145
Member contributions	11	12
Benefits paid	(140)	(153)
<b>At the end of the year</b>	<b>3,693</b>	<b>3,750</b>

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**30. Pension commitments (continued)**

**Composition of plan assets:**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Global Equity	708	598
Absolute Return	148	207
Distressed Opportunities	132	108
Credit Relative Value	123	118
Alternative Risk Premia	122	141
Emerging Markets Debt	107	151
Risk Sharing	122	137
Insurance-Linked Securities	86	90
Property	100	78
Infrastructure	263	250
Private Debt	95	89
Opportunistic Illiquid Credit	124	95
High Yield	32	112
Opportunistic Credit	13	103
Cash	13	-
Corporate Bond Fund	246	222
Liquid Credit	-	45
Long Lease Property	95	74
Secured Income	138	156
Liability Driven Investment	1,030	953
Currency Hedging	(14)	-
Net Current Assets	10	23
<b>Total plan assets</b>	<b>3,693</b>	<b>3,750</b>
	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Defined benefit pension scheme liability</b>		
Fair value of plan assets	3,693	3,750
Present value of plan liabilities	(4,305)	(4,493)
<b>Net pension scheme liability</b>	<b>(612)</b>	<b>(743)</b>

### 30. Pension commitments (continued)

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

	2022 £000	2021 £000
Current service cost	40	34
Net interest expense	14	8
Administrative expenses	5	5
<b>Defined benefit costs recognised in SOCI</b>	<b>59</b>	<b>47</b>

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

	2022 £	2021 £
Experience on plan assets (excluding amounts included in interest income) - (losses)/gains	(165)	140
Actuarial (losses)/gains due to scheme experience	(177)	187
Actuarial gains/(losses) due to changes in demographic assumptions	77	(18)
Actuarial gains/(losses) due to changes in financial assumptions	298	(778)
<b>Gains/(losses) recognised in OCI</b>	<b>33</b>	<b>(469)</b>

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**30. Pension commitments (continued)**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Discount rate	<b>2.79</b>	2.12
Future salary increases	<b>4.23</b>	3.84
Inflation (RPI)	<b>3.66</b>	3.31
Inflation (CPI)	<b>3.23</b>	2.84
Mortality rates		
- for a male aged 65 now	<b>21.1 years</b>	21.6 years
- at 65 for a male aged 45 now	<b>22.4 years</b>	22.9 years
- for a female aged 65 now	<b>23.7 years</b>	23.5 years
- at 65 for a female member aged 45 now	<b>25.2 years</b>	25.1 years

**31. Commitments under operating leases**

At 31 March 2022 the Group and the Charity had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group</b>	<b>Group</b>	<b>Charity</b>	<b>Charity</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Not later than 1 year	<b>73,500</b>	83,069	<b>73,500</b>	83,069
Later than 1 year and not later than 5 years	<b>12,682</b>	45,963	<b>12,682</b>	45,963
	<b>86,182</b>	129,032	<b>86,182</b>	129,032

**32. Other financial commitments**

At 31 March 2022 the Group and Charity have planned, but not contracted for, capital works totalling £66,500 (2021 - £123,200) which are not provided for in these financial statements.



**33. Related party transactions**

**Group and Charity**

The Charity had two Board members who acted 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 £4,740 (2021 - £5,171). At the year end £142,965 (2021 - £114,700) was owed to Wiggin Cottage Homes. During the year, interest of £2,523 (2021 - £Nil) was paid on this loan.

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 £868,683 (2021 - £841,755).

