

# **BELONG LIMITED**

Registered Society Number 27346R

## **GROUP ANNUAL REPORT**

**AND**

## **FINANCIAL STATEMENTS**

**For the Year Ended  
31 March 2022**

**BELONG LIMITED**

**BELONG LIMITED**

**GROUP FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**BOARD REPORT  
YEAR ENDED 31 MARCH 2022**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Structure and Management**

The Board members of Belong Limited present their Annual Report for the year ended 31 March 2022 under the Co-Operative and Communities Benefit Societies Act 2014, including the Board Report and the Strategic Report, together with the audited financial statements for the year. Belong is a Registered Society (Number 27346R) with charitable status. The governing document enables a Unitary Board structure and permits the remuneration of Non-Executive Board members. The Board may consist of up to 14 members, with no more than one third of Board members being Executive Board members. Non-Executive Board members are elected by members at the Annual General Meeting. The Board meets up to 12 times a year and the effectiveness of the Board is reviewed annually. The Audit Committee of the Board meets four times a year and the Remuneration Committee meets at least once a year. Non-Executive Board members' remuneration is paid at a level based on amounts paid by Registered Social Landlords. This remuneration policy and levels are reviewed by an external consultant every three years. Operational management is delegated to the Chief Executive and the Executive Directors. The role and responsibilities of the Board are set out in the document 'Your Guide to Being a Board Member'.

**Recruitment, Selection and Induction of Board Members**

The Society aims to reach as wide a pool of potential Board members as possible in order to achieve a Board that properly reflects the diversity of the population the organisation serves. The Board advertises in local and national media. The recruitment and selection of Non-Executive Board members is delegated to a working party of the Board who prepare a person specification based on the current skill mix and perceived future needs of the Board. Applicants are scored against these requirements in order to create a short list of applicants to be interviewed by a panel comprising at least three Board members, including an Executive Director, who report their recommendations to the Board. Care is taken in this process to ensure applicants are assessed in a fair and transparent way that tries to ensure applicants, particularly those from diverse backgrounds, are not disadvantaged by the process. All new Board members are provided with a programme of induction in order for them to learn about their role and how the Group is managed.

**Statement of Board Responsibilities**

The Board members are responsible for preparing the Strategic Report, the Board report and the financial statements in accordance with applicable law and regulations. In preparing those financial statements the Board has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Society will continue in operation).

Insofar as each of the Board members of the Society, at the date of approval of this report, is aware there is no relevant audit information (information needed by the Society's auditors in connection with preparing the audit report) of which the Society's auditors are unaware. Each Board member has taken all the steps that they should have taken as a Board member in order to make themselves aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

The Board members have overall responsibility for ensuring that the Society has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Society and enable them to ensure that the financial statements comply with the Co-Operative and Communities Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence taking reasonable steps for the detection and prevention of fraud and other irregularities.

The Board confirms that they have applied the main principles and complied with the relevant provisions set out in the new Charity Governance Code published in July 2017. The Code can be found at: <https://www.charitygovernancecode.org/>.

### **Key Management Remuneration**

The key management personnel of the Group comprised the Executive Directors (the Chief Executive, Deputy Chief Executive, the Chief Finance Officer and the Chief Operating Officer). The remuneration of key management personnel is set by the Board on the recommendation of the Remuneration Committee using benchmarks from social care organisations, the NHS and the charity and welfare and commercial sectors. The total employee benefits of the key management personnel were £443,000 (2021: £503,000).

### **Employees**

It is the policy of the Society to ensure that continued employment is offered to employees who become temporarily or permanently disabled. Furthermore, it is the policy of the Society to ensure that people with disabilities are treated fairly. They are encouraged and supported to join, remain and progress within the Society, whilst recognising the special importance of health and safety in their employment. It is also the policy of the Society to keep employees informed on matters affecting their interests through normal management channels and due consideration is also given to their interests in the management decision making process.

### **OBJECTIVES, ACTIVITIES AND PUBLIC BENEFIT**

Belong Limited's objects are to carry on any charitable purpose for the benefit of the community and in particular to provide accommodation, care, support and associated facilities, amenities and services for persons who by reason of age, illness, disability (including physical, mental and/or learning disability), poverty or social and economic circumstances are in need thereof.

Belong aims to provide high quality, person centred care for older people. In furtherance of its objectives, Belong provides quality care, accommodation and ancillary services to older people, in particular supporting people living with dementia. The Group's goal is to create vibrant village communities enabling older people to live the lives they choose by providing the best services by the best people in the best communities.

The Belong villages provide a range of care, housing and support options for older people, as well as extensive amenities in the village centre including a bistro, hair salon, exercise studio and function rooms. Belong specialises in supporting people with dementia and 24-hour care is provided in extended family sized households, with modern open plan layouts specially designed around the needs of people living with dementia. Belong also provides a home care service within the extended community around most of our villages. All employees working in Belong villages are trained in dementia awareness.

The Board members consider that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to Public Benefit guidance published by the Commission, including the guidance on public benefit and fee charging. Fees and rents are set at a level to cover costs and meet financial covenants. Any surpluses are reinvested to subsidise improved services for older people. Care fees are benchmarked against nationally published sector figures and other providers operating locally to our villages. Belong at Home fees are benchmarked against the UK Homecare Association's minimum price for homecare. Access to people in poverty is provided by making facilities available to residents funded by their Local Authority or Clinical Commissioning Groups at subsidised rates. This is assisted by negotiations with Local Authorities and Clinical Commissioning Groups to ensure their contributions to residents' fees provide full cost recovery and by supporting residents to claim all benefits to which they are entitled.

### **STRATEGIC REPORT**

#### **COVID-19 Pandemic**

In common with all social care providers, Belong has continued to be affected by the COVID-19 pandemic through 2021/22. We have seen restrictions reduce to some extent in the latter part of the year and have begun to welcome some of our customers back to the Belong village communities through the Experience Day service. We hope to continue to welcome more community visitors over the next year.

Extensive measures to mitigate risks to the wellbeing of residents and colleagues have been taken over the year and remain closely monitored. While we have sadly lost one resident to COVID-19 this year, this is a significant reduction in comparison to 2020/21.

At the end of March Belong had a household occupancy of 94.3% across all villages. This has since increased further to 95.5% towards the end of June.

The Board recognises that the impact of the pandemic will remain for some time and a key focus of the next year and beyond will continue to be the organisation's COVID-19 recovery plan.

#### **Achievements and Performance**

All of Belong's regulated services are overall rated as "Good" or "Outstanding" by the Care Quality Commission. During the year, there were no routine inspections of our regulated services by the Care Quality Commission.

## BELONG LIMITED

However, as part of the Care Quality Commissions new monitoring approach there was a review of data or focussed visit carried out for each of our regulated services.

During the year Belong had a strategic review by Investors in People ahead of a full review in 2023. Belong continues to hold Gold accreditation status. Belong and Liverpool contemporary arts centre, Bluecoat, were awarded the 'Creative Arts Award' at the 3rd Sector Care Awards 2022'. For the fifth consecutive year Belong was named in the 'Top 20 Home Care Groups 2022' in the annual Homecare.co.uk awards. Belong was awarded 'Best Care Provision' in the Health Investor Senior Housing Awards 2021. At the Great North West Care Awards 2021 Belong were recognised with the 'Workplace Development Award', 'Social Care Covid Hero Award' and 'Housing with Care Award'.

The Chair of Belong's board was awarded the 'Social Care Chairperson of the Year (North West) Award' at the CEO Monthly's Chairperson Awards 2021.

Belong issued its fourth Social Impact report providing further insight into the successes of the organisation in September 2021. The 2021/22 Social Impact report will be issued later in the year.

The key objectives for 2021/22 were:

- to increase occupancy;
- to continue the organisation's COVID-19 recovery plan;
- to complete the development of both Belong Birkdale and Belong Chester and prepare for the villages to open in 2022;
- to reduce expenditure on agency staff;
- to grow the number of community based customers;
- to progress with the development of Belong Wirral.

At the end of March 2022 there were 466 occupied household rooms (2020/21: 448). Occupancy within Belong households is discussed in detail within the Financial Review 2021/22 section below.

The development of Belong Chester has progressed over the year and the village is due to open in July 2022.

Belong Birkdale is expected to open in 2023/24. Construction at the site has recommenced.

Expenditure on agency staffing increased in 2021/22 to £1.8m (2020/21: £1.0m). This represented an increase in agency staffing shifts to 13,400 in the year (2020/21: 7,500). The increase in agency staffing hours corresponded to the increase in one to one services provided in the year. The cost of the additional agency staffing was offset by increased income received for these services.

During 2021/22, Belong supported 760 household residents and 186 apartment tenants in seven villages. The organisation is also a registered domiciliary care provider and can support people in their own home, through its Belong at Home service. During 2021/22, Belong at Home provided about 57,000 hours of support (2020/21: 59,000) to 276 customers, with turnover of £1.6m (2020/21: £1.6m). Belong's alternative to day care, through its Experience Day service to community customers, was recommenced during the year. There were 262 Experience Days provided to 27 customers during the year and we hope to expand this to more customers in 2022/23.

During the year work has been ongoing in relation to the site at Belong Wirral.

The key objectives for 2022/23 are:

- to increase occupancy;
- to continue the organisation's COVID-19 recovery plan;
- to complete the development of Belong Chester and for the village to open in 2022;
- to progress the construction of Belong Birkdale ahead of the village opening in late 2023;
- to increase the number of staff employed and reduce expenditure on agency staff;
- to grow the number of community based customers;
- to progress with the development of Belong Wirral.

### Financial Review 2021/22

The Financial Statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) which was effective from 1 January 2015, including the Charities Statement of Recommended Practice applicable to charities preparing accounts in accordance with FRS102.

## BELONG LIMITED

The Group has a net income of £1.3m for the year (2020/21: £0.4m) which has been significantly affected by the COVID-19 pandemic. The financial impact in 2021/22 is a reduction in net income of over £1.8m after government assistance has been taken into account. The main impacts have been through reduced household occupancy and ancillary services which have predominantly had to remain closed.

Occupancy in Belong households increased in every village over the year. Occupancy was 92.9% for the year in 2021/22 (2020/21: 85.4%). The proportion of self-funding residents at the end of the year is 65.0% (2021: 62.5%). Average fee rates increased from £1,149 per week to £1,196 per week over the year. The particular challenges experienced reflected that of the wider sector, with difficulties in recruitment being the most demanding.

The net income of £1.3m for the year and the actuarial gains in the Local Government Pension schemes of £2.3m for the Group (2020/21: £1.1m loss) have increased the Group reserves to a surplus of £33.8m (2021: £30.2m). The Group pension deficits decreased to £5.1m (2021: £8.0m) and the employer's contribution to the Local Government Pension Schemes is currently set at levels to achieve a funding level of 100% over a 10 year period.

The Society had no fundraising activities requiring disclosure under S162A of the Charities Act.

### Streamlined Energy and Carbon Reporting

Belong has reviewed its Greenhouse Gas emissions data for the reference period 1 January 2021 to 31 December 2021. The organisation engaged an independent verifier to prepare the emissions data and they have confirmed the reporting as accurate.

Lighting upgrades continued to be completed in the year as planned. Further efficiency works are planned for this year.

	2022	2021
UK energy use – GWh's	10.2	10.4
Associated Greenhouse gas emissions – tonnes CO <sub>2</sub> equivalent		
- purchased electricity	688	742
- combustion of gas	1,230	1,262
- fuel purchased for transport	80	80
Intensity ratio - emissions per million pounds of turnover	56.52	65.74

UK energy use covers the heating, lighting and other energy requirements within the properties.

The information has been collated in line with the methodology set out in the GHG Reporting Protocol Corporate Standard.

### Principal Risks and Uncertainties

Belong has undertaken a review of its business processes and attempted to identify the major business risks to which it is exposed. It is satisfied that systems and strategies are in place to mitigate these risks. Identification and review of business risks remains an on-going management process. The key risks and uncertainties facing the Group are:

- reduced occupancy;
- reduced fee levels;
- reduced income from ancillary services;
- increases in expenditure as a result of rising inflation;
- increases in development costs;
- the volatility of the pension deficit and the risk of triggering a deficit payment.

Risks and uncertainties related to further instances of pandemic are inherent in those risks and uncertainties listed above.

### Reserves Policy

The total Group reserves held as at 31 March 2022 were £33.8m (2021: £30.2m). This includes £662,000 of restricted reserves (2021: £617,000) in relation to community fee balances collected from apartment tenants and held for future major repairs. Therefore, as at 31 March 2022, unrestricted reserves held on the balance sheet were £33.2m (2021: £29.6m).

In line with the organisation's strategy to create village communities enabling older people to live the lives they choose, Belong aims for unrestricted funds to be held mainly as fixed assets for charitable use.

## BELONG LIMITED

In setting the annual budget, the Board ensures there is sufficient working capital to support operations, sufficient borrowings to fund development plans and that debt covenants are met. The financial impact, of the key risk areas, is considered as part of the budgetary and risk management processes.

Belong recognises its major source of income is from care fees and is, therefore, vulnerable to an unforeseen decline in occupancy.

Belong's policy is for available reserves (effectively the Free Reserves) to be sufficient to cover the impact of key risks and commitments on continuing operations. Available reserves are defined as being general reserves excluding assets used in the course of business for charitable purposes, debt thereon, development contract commitments and Local Government Pension Scheme deficits. On this basis, the target level of available reserves should be around £5.4m.

Available reserves are currently minus £0.2m; however it is anticipated from financial forecasts that the shortfall of £5.6m can be covered within the 2022/23 budget period, with actions able to be taken if required. Available reserves aim to exceed key risks within four years.

### **Plans for Future Periods**

Belong's strategy is to create vibrant village communities enabling older people to live the lives they choose by providing the best services by the best people in the best communities. The continued development of Belong villages aims to fulfil this strategy.

### **AUDITORS**

Crowe U.K. LLP have expressed their willingness to continue in office and a resolution to reappointment them will be proposed at the Annual General Meeting.

Our thanks go to all staff for their commitment and achievements and to the Board for their dedication, enthusiasm and hard work.

This Annual Report was approved by the Board Members on 20 July 2022, including approving the Strategic Report contained therein and is signed as authorised on its behalf by:



**Nicola Brooks**  
Chair  
20 July 2022



SUMMARY OF INFORMATION

1. **The Board Members**

**Non-Executives**

Nicola Brooks BA Hons, FCIPD	Chair
Robert Armstrong BSc (Open)	Vice Chair
Anthony Bristlin MBA, FCA, FCMA	
Andrea Campbell MA	
Mike Cooney BA, MBA, DMS, CQSW (retired 15 September 2021)	
Alison Harrison MA (Oxon) (appointed 15 September 2021)	
Anne Higgins DMS, Dip COT	
John Roddy ACIB (retired 15 September 2021)	
John Rogers BSc Hons (appointed 15 September 2021)	
Kate Russell BA Hons, PG Dip (Law), PG Dip (Legal Practice)	
Clive Unitt FCA (retired 15 September 2021)	

**Executives**

Tracey Stakes BSc, FCA, BFP, DipChA, MBA	Chief Executive (retired 31 January 2022)
Tracy Paine RN, MA, MSc, Churchill Fellow	Deputy Chief Executive & Development Director (retired 31 August 2021)
Chris Hughes MBA, FCCA, BA Hons	Chief Finance Officer and Secretary Interim Joint Chief Executive (appointed 1 January 2022)
Stacey McCann RN, MSc	Chief Operating Officer Interim Joint Chief Executive (appointed 1 January 2022)

2. **Bankers**

Virgin Money  
48 to 50 Market Street  
Manchester  
M1 1PW

3. **Statutory Auditor**

Crowe U.K. LLP  
Statutory Auditor  
3rd Floor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

4. **Registered Office**

Pepper House  
Market Street  
Nantwich  
Cheshire  
CW5 5DQ

Telephone: 01270 613500  
Fax: 01270 628127  
Websites: belong.org.uk

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELONG LIMITED

### Opinion

We have audited the financial statements of Belong Limited ('the Society') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including 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 the parent Society's affairs as at 31 March 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's 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 Society's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The Board are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefits Societies Act 2014 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the annual report; or
- sufficient and proper accounting records have not been kept by the parent Society; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the Board**

As explained more fully in the Board's responsibilities statement set out on page 1, the Board 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 Board 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 Board are responsible for assessing the group and the parent Society'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 Board either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below

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 auditor's report.

#### *Extent to which the audit was considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Society and group operates, firstly focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Co-operative and Community Benefit Societies Act 2014 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

Secondly, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Society's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were CQC Regulations for service providers and managers.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence, if any.

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We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, performing cut-off testing for income, reviewing the recognition criteria for new sources of income such as grants, reviewing regulatory correspondence with the Charity Commission and CQC and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Crowe U.K. LLP*

**Crowe U.K. LLP**  
Statutory Auditor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

Date: 20 July 2022

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted Funds £'000s	Restricted Funds £'000s	Total Funds 2022 £'000s	Total Funds 2021 £'000
<b>Income:</b>					
Donations	2	10	-	10	6
Charitable activities	3	33,801	944	34,745	31,648
Other trading activities	4	16	-	16	8
Investment income	5	13	-	13	8
<b>Total</b>		<b>33,840</b>	<b>944</b>	<b>34,784</b>	<b>31,670</b>
<b>Expenditure:</b>					
Charitable activities	6	32,603	899	33,502	31,192
Other expenditure	8	3	-	3	74
<b>Total</b>		<b>32,606</b>	<b>899</b>	<b>33,505</b>	<b>31,266</b>
<b>Net Income</b>		<b>1,234</b>	<b>45</b>	<b>1,279</b>	<b>404</b>
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes		2,305	-	2,305	(1,136)
<b>Net movement in funds</b>		<b>3,539</b>	<b>45</b>	<b>3,584</b>	<b>(732)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		29,622	617	30,239	30,971
<b>Total funds carried forward</b>		<b>33,161</b>	<b>662</b>	<b>33,823</b>	<b>30,239</b>

All of the above transactions relate to continuing operations.

The notes on pages 13 to 30 form part of the financial statements.

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**BALANCE SHEET  
AS AT 31 MARCH 2022**

	Note	GROUP		BELONG	
		2022 £'000s	2021 £'000s	2022 £'000s	2021 £'000s
<b>Fixed Assets</b>					
Tangible assets	11	91,604	82,943	92,882	83,582
<b>Current Assets</b>					
Stocks	12	140	202	140	202
Debtors	13	4,488	3,800	4,535	3,800
Cash at bank and in hand		5,366	14,570	4,815	14,499
		<u>9,994</u>	<u>18,572</u>	<u>9,490</u>	<u>18,501</u>
<b>Creditors:</b> amounts falling due within one year	14	(13,329)	(13,016)	(14,309)	(14,046)
<b>Net Current Assets</b>		<b><u>(3,335)</u></b>	<b><u>5,556</u></b>	<b><u>(4,819)</u></b>	<b><u>4,455</u></b>
Total Assets Less Current Liabilities		88,269	88,499	88,063	88,037
<b>Creditors:</b> Amounts falling due after more than one year	15	(49,323)	(50,307)	(49,170)	(50,307)
<b>Net assets excluding pension liabilities</b>		<b><u>38,946</u></b>	<b><u>38,192</u></b>	<b><u>38,893</u></b>	<b><u>37,730</u></b>
Defined benefit pension scheme liabilities	28	(5,123)	(7,953)	(4,280)	(5,948)
<b>Net assets including pension liabilities</b>	19	<b><u>33,823</u></b>	<b><u>30,239</u></b>	<b><u>34,613</u></b>	<b><u>31,782</u></b>
<b>Financed by:</b>					
Unrestricted reserves	18	33,161	29,622	33,951	31,165
Restricted reserves	18	662	617	662	617
		<b><u>33,823</u></b>	<b><u>30,239</u></b>	<b><u>34,613</u></b>	<b><u>31,782</u></b>

The notes on pages 13 to 30 form part of these financial statements.

The financial statements were approved by the Board on 20 July 2022 and are signed on its behalf by:



**Nicola Brooks**  
Chair



**Robert Armstrong**  
Vice Chair



**Chris Hughes**  
Secretary

BELONG LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022**

		<b>GROUP</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>£'000s</b>	<b>£'000s</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	5,107	4,203
<b>Cash flows from investing activities</b>			
Net cash (used in) investing activities	20	(12,964)	(8,314)
<b>Cash flows from financing activities</b>			
Net cash (used in) / provided by financing activities	20	(1,347)	3,398
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(9,204)</b>	<b>(713)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>14,570</b>	<b>15,283</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	21	<b>5,366</b>	<b>14,570</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**1 ACCOUNTING POLICIES**

**(a) Basis of preparation of the Financial Statements**

Belong Limited is a Society registered in England under the Co-operative and Communities Benefit Societies Act 2014 (number 27346R) with charitable status. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Belong Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**(b) Going Concern**

The Board prepare annual budgets and forecasts in order to ensure that they have sufficient facilities in place and that they comply with the terms and conditions of their funding providers. In addition, the Board in formulating its plan and strategy for the future development of the organisation has considered a period beyond that for which formal budgets and forecasts are prepared.

Having regard to the above, the Board have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group continues to adopt the going concern basis in preparing its consolidated financial statements.

**(c) Basis of Consolidation**

The Group financial statements incorporate the audited financial statements of Belong Limited and all of its subsidiary undertakings.

**(d) Critical accounting judgements and 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 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 addressed below.

**Provisions**

Provision is made for asset retirement obligations, dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

**Defined benefit pension scheme (note 28)**

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

**(e) Income**

Income is recognised when the organisation has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income is classified under the following headings within the SOFA:

- Donations include the monies donated and any associated gift aid.
- Charitable activities relate to those activities undertaken for the charitable purposes of the organisation. Activities are categorised as 'Care Services provided in Villages',



## BELONG LIMITED

'Apartment income', 'Care Services provided in customers homes', 'Grants Received' and 'Ancillary Services' which consists of activity in the Villages Bistro, Salon, Gym, Venue and Laundry.

- Other trading activities include monies raised through fundraising events.
- Investment income consists of interest received for monies held on deposit.

### (f) **Donated goods, facilities and services**

Donated goods, facilities and services are recognised when the organisation has entitlement to the expected economic benefits that flow from the donation, it is probable that the economic benefit will be received and the value of the donated item can be measured reliably. Donated goods are measured at their fair value.

### (g) **Fund accounting**

Unrestricted funds are available to spend on activities that further the purposes of the organisation. Designated funds are unrestricted funds that which the organisation has decided at their discretion to set aside to use for a specific purpose. Restricted community fee reserve relates to monies received in advance of maintenance and major repairs to Apartment buildings.

### (h) **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Cost of raising funds comprises the costs of fundraising events held in the Villages. This includes an element of staff time in addition to goods and services.
- Expenditure on charitable activities includes the costs incurred in relation to the charitable activities of the organisation.
- Other expenditure represents those items of expenditure not being applicable to any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### (i) **Fixed Assets**

#### **Equipment**

All items with an individual value in excess of £250 and a useful life of at least 3 years are capitalised.

#### **Works to Existing Villages**

The Society capitalises expenditure incurred on the villages which increases their net income stream. An increase in the income stream may arise through increased revenue, a reduction in future maintenance costs or a significant extension of the life of the village.

#### **Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition or construction of fixed assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are expensed in the period in which they are incurred.

### (j) **Depreciation**

Depreciation is charged to write-off the cost of fixed assets over their useful working lives and is calculated on a straight line basis over the periods set out as follows:

Freehold Property	50 years
Leasehold Property	over the life of the lease
Leasehold Improvements	shorter of the life of the lease or 5 to 20 years
Furniture, Fittings and Fixtures	5 to 10 years
Computers, Plant and Equipment	3 to 20 years

Land and assets in the course of construction are not depreciated.

**(k) Impairment of assets**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the financial statements.

Where a fixed asset is primarily held for its service potential to beneficiaries, it would be inappropriate to measure value in use by reference to its cash flow. In such circumstances, it is more appropriate to regard value in use as the present value of the asset's service potential rather than the present value of its cash flow. Value in use measured on the basis of an asset's service potential will have particular relevance for specialist assets such as care villages. The market value of a village may not reflect the cost that the Society avoids by using that asset in providing services.

**(l) Leases**

**Operating**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account on a straight line basis over the life of the lease term.

**Finance**

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the income and expenditure account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

**(m) Stocks**

The value of stocks is stated at the lower of cost and net realisable value.

**(n) Financial instruments**

**(i) Financial assets**

Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the SOFA.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present

## BELONG LIMITED

value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Apartment creditors are obligations to repurchase the apartments under a sale and repurchase agreement. Apartment creditors are classified as current liabilities and are recognised at transaction price.

Derivatives, including interest rate swaps, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the SOFA, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### **(o) Pension Costs**

The Society operates defined contribution and defined benefit pension schemes for employees.

The costs of the defined benefit contribution arrangements are charged to the SOFA as incurred.

The defined benefit arrangements represent two funded schemes where the assets are held separately from those of the Society in trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to the SOFA are the current service costs and the costs of scheme benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the SOFA and comprises the interest cost on the defined benefit obligation 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 obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses

### **(p) Corporation Tax**

The Society has been granted exemption from Corporation Tax under the Income and Corporation Taxes Act 2007.

**2 INCOME FROM DONATIONS**

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Donations	10	6

**3 INCOME FROM CHARITABLE ACTIVITIES**

	<b>GROUP</b>		
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>
	<b>£000s</b>	<b>£'000s</b>	<b>£'000s</b>
Care services provided in Villages	30,102	-	30,102
Apartment income	907	944	1,851
Ancillary services	154	-	154
Care services provided in customer homes	1,439	-	1,439
	<u>32,602</u>	944	<u>33,546</u>
Grants received:			
Infection Control Fund	784	-	784
Other Grants	313	-	313
Donated Personal Protective Equipment	102	-	102
	<u>1,199</u>	-	<u>1,199</u>
	<u>33,801</u>	944	<u>34,745</u>

	<b>GROUP</b>		
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>£000s</b>	<b>£'000s</b>	<b>£'000s</b>
Care services provided in Villages	25,889	-	25,889
Apartment income	981	914	1,895
Ancillary services	257	-	257
Care services provided in customer homes	1,522	-	1,522
	<u>28,649</u>	914	<u>29,563</u>
Grants received:			
Social Care Action Plan	300	-	300
Infection Control Fund	964	-	964
Other Grants	696	-	696
Donated Personal Protective Equipment	125	-	125
	<u>2,085</u>	-	<u>2,085</u>
	<u>30,734</u>	914	<u>31,648</u>

The value of donated personal protective equipment is stated at the replacement cost.

**4 INCOME FROM OTHER TRADING ACTIVITIES**

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Fundraising	16	8

**5 INVESTMENT INCOME**

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Interest	13	8

**6 SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FROM CHARITABLE ACTIVITIES**

	Care provided in Villages	Apartment	Ancillary services	Care provided in customers' homes	2022
	£'000s	£'000s	£'000s	£'000s	£'000s
Income	31,064	1,851	263	1,567	34,745
Expenditure:					
Depreciation	1,356	640	69	2	2,067
Interest Payable (note 10)	1,670	284	80	10	2,044
Support and Governance (note 7)	3,410	188	28	433	4,059
Activities undertaken directly	22,494	951	502	1,385	25,332
	28,930	2,063	679	1,830	33,502
Net surplus/(loss)	2,134	(212)	(416)	(263)	1,243
	Care provided in Villages	Apartment	Ancillary services	Care provided in customers' homes	2021
	£'000s	£'000s	£'000s	£'000s	£'000s
Income	27,648	1,895	514	1,591	31,648
Expenditure:					
Depreciation	1,412	669	71	2	2,154
Interest Payable (note 10)	1,636	266	77	11	1,990
Support and Governance (note 7)	3,075	198	26	392	3,691
Activities undertaken directly	20,717	836	352	1,452	23,357
	26,840	1,969	526	1,857	31,192
Net surplus/(loss)	808	(74)	(12)	(266)	456

**7. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	GROUP	
	2022	2021
	£'000s	£'000s
Support staff costs	2,861	2,608
Premises costs	155	154
Other support costs	661	599
Governance costs	382	330
	4,059	3,691

Support and Governance costs are apportioned to charitable activities in proportion to income earned from those activities.

Audit fees charged for the year totals £29,580 (2021: £28,140).

**8. OTHER EXPENDITURE**

	GROUP	
	2022	2021
	£'000s	£'000s
Loss on disposal of Fixed Assets	3	74

**9 STAFF COSTS, DIRECTOR REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL**

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Wages and salaries	18,314	17,469
National Insurance costs	1,242	1,130
Other pension costs		
Paid to defined contribution schemes	505	488
Defined benefit costs	182	199
	20,243	19,286

The average number of staff employed by the Group during the year was 1,129 (2021: 1,123). These were made up of 707 Care Staff, 140 Administration Staff and 282 Housekeeping and Other Staff.

Staff paid in excess of £60,000 per annum are summarised as follows:

	<b>Number of employees as at 31 March 2022</b>
£60,001 - £70,000	8
£70,001 - £80,000	1
£80,001 - £90,000	-
£90,001 - £100,000	-
£100,001 - £110,000	2
£110,001 - £120,000	1
£120,0001 - £130,000	-
	12
	<b>Number of employees as at 31 March 2021</b>
£60,001 - £70,000	8
£70,001 - £80,000	-
£80,001 - £90,000	2
£90,001 - £100,000	1
£100,001 - £110,000	-
£110,001 - £120,000	-
£120,0001 - £130,000	1
	12

The governing document of the organisation provides for remuneration and expenses to be paid to Non-Executive Directors.

At the end of the year there were eight Non-Executive Directors. The Chair of the Board receives remuneration of £14,000 per annum, Vice Chair £9,000 per annum, Chair of the Audit Committee £8,000, five Non-Executive Directors receive £7,000 per annum. In addition to the remuneration paid to Non-Executive Directors, travelling and other necessary expenses of £1,000 (2021: £Nil) were reimbursed by the Society to the Non-Executive Directors.

The key management personnel of the Group comprise the Chief Executive, Deputy Chief Executive, Chief Finance Officer and Chief Operating Officer. The total employee benefits of the key management personnel were £443,000 (2021: £503,000).

**10 INTEREST PAYABLE**

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Interest payable in respect of:		
Retail Charity Bonds	810	754
Bank loan	54	52
Net interest on pension scheme liabilities	149	161
Finance charges payable under finance leases	1,031	1,023
	2,044	1,990

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**11 FIXED ASSETS**

**GROUP**

	Freehold Property	Land	Assets in Course of Construction	Leasehold Property	Furniture & Office Equipment	Plant & Equipment	Totals
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>COST</b>							
As at 1 April 2021	46,679	11,197	17,644	15,312	2,837	2,362	96,031
Additions during the year	128	58	9,668	-	566	662	11,082
Disposals during the year	-	(354)	-	-	-	-	(354)
As at 31 March 2022	46,807	10,901	27,312	15,312	3,403	3,024	106,759
<b>DEPRECIATION</b>							
As at 1 April 2021	6,399	-	-	4,083	1,550	1,056	13,088
Charge for the year	1,024	-	-	460	281	302	2,067
Eliminated on disposals	-	-	-	-	-	-	-
As at March 31 2022	7,423	-	-	4,543	1,831	1,358	15,155
<b>NET BOOK VALUE</b>							
As at 1 April 2021	40,280	11,197	17,644	11,229	1,287	1,306	82,943
As at 31 March 2022	39,384	10,901	27,312	10,769	1,572	1,666	91,604

Included above are assets acquired under finance leases with net book values as follows:

As at 1 April 2021	11,058
As at 31 March 2022	10,622

Depreciation charged for the year on assets purchased under finance leases totals £436,000 (2021: £432,000). Capitalised interest included in additions during the year totals £855,000 (2021: £855,000). Interest was incurred at 4.5% interest rate.

**BELONG**

	Freehold Property	Land	Assets in Course of Construction	Leasehold Property	Furniture & Office Equipment	Plant & Equipment	Totals
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>COST</b>							
As at 1 April 2021	49,011	11,299	17,197	15,312	2,837	2,363	98,019
Additions during the year	128	60	10,330	-	566	662	11,746
Disposals during the year	-	(356)	-	-	-	-	(356)
As at 31 March 2022	49,139	11,003	27,527	15,312	3,403	3,025	109,409
<b>DEPRECIATION</b>							
As at 1 April 2021	7,748	-	-	4,083	1,550	1,056	14,437
Charge for the year	1,047	-	-	460	281	302	2,090
Eliminated on disposals	-	-	-	-	-	-	-
As at March 31 2022	8,795	-	-	4,543	1,831	1,358	16,527
<b>NET BOOK VALUE</b>							
As at 1 April 2021	41,263	11,299	17,197	11,229	1,287	1,307	83,582
As at 31 March 2022	40,344	11,003	27,527	10,769	1,572	1,667	92,882

Included above are assets required under finance leases with net book values as follows:

As at 1 April 2021	11,058
As at 31 March 2022	10,622

Depreciation charged for the year on assets purchased under finance leases totals £436,000 (2021: £432,000). Capitalised interest included in additions during the year totals £855,000 (2021: £855,000). Interest was incurred at 4.5% interest rate.

**12 STOCK**

	GROUP		BELONG	
	2022	2021	2022	2021
	£'000s	£'000s	£'000s	£'000s
Consumable stocks	140	202	140	202

Consumable stocks comprise food, cleaning materials and medical supplies.

**13 DEBTORS**

	GROUP		BELONG	
	2022	2021	2022	2021
	£'000s	£'000s	£'000s	£'000s
Amounts due from Group undertakings	-	-	196	113
Trade debtors	3,699	2,795	3,699	2,795
Other debtors	149	151	-	38
Pre-payments and accrued income	640	854	640	854
	<u>4,488</u>	<u>3,800</u>	<u>4,535</u>	<u>3,800</u>

Trade debtors are stated after provisions for impairment of £190,000 (2021: £134,000).

**14 CREDITORS** : Amounts falling due within one year:

	GROUP		BELONG	
	2022	2021	2022	2021
	£'000s	£'000s	£'000s	£'000s
Amounts due to Group undertakings	-	-	1,861	2,015
Bank loan	-	158	-	158
Trade creditors	1,014	625	828	570
Other taxation and Social Security payable	640	526	639	525
Other creditors	6,886	7,102	6,717	7,086
Accruals and deferred income	4,573	4,400	4,048	3,487
Finance lease obligations	216	205	216	205
	<u>13,329</u>	<u>13,016</u>	<u>14,309</u>	<u>14,046</u>

Other creditors include obligations for apartments under a sale and repurchase agreement across all villages.

**15 CREDITORS**: Amounts falling due after more than one year:

	GROUP		BELONG	
	2022	2021	2022	2021
	£'000s	£'000s	£'000s	£'000s
Bonds				
Retail Charity Bonds	37,000	37,000	37,000	37,000
Capitalised arrangement costs	(442)	(442)	(442)	(442)
Amortisation of capitalised costs	179	124	179	124
	<u>36,737</u>	<u>36,682</u>	<u>36,737</u>	<u>36,682</u>
- Due between one and two years	-	-	-	-
- Due between two and five years	36,737	-	36,737	-
- Due after more than five years	-	36,682	-	36,682
	<u>36,737</u>	<u>36,682</u>	<u>36,737</u>	<u>36,682</u>
Bank loan – Resilience and Recovery Loan Fund				
- Due between one and two years	-	767	-	767
- Due between two and five years	-	575	-	575
- Due after more than five years	-	-	-	-
	<u>-</u>	<u>1,342</u>	<u>-</u>	<u>1,342</u>
Bank Loan – Charity Bank	250	-	250	-
Capitalised arrangement costs	(40)	-	(40)	-
Amortisation of capitalised costs	10	-	10	-
	<u>220</u>	<u>-</u>	<u>220</u>	<u>-</u>
- Due between one and two years	2	-	2	-
- Due between two and five years	23	-	23	-
- Due after more than five years	195	-	195	-
	<u>220</u>	<u>-</u>	<u>220</u>	<u>-</u>



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Finance lease obligations				
- Due between one and two years	227	216	227	216
- Due between two and five years	751	715	751	715
- Due after more than five years	11,235	11,352	11,235	11,352
	<u>12,213</u>	<u>12,283</u>	<u>12,213</u>	<u>12,283</u>
Other	153	-	-	-
	<u>49,323</u>	<u>50,307</u>	<u>49,170</u>	<u>50,307</u>

On 20 June 2018 Belong issued a bond for an initial £35m through Retail Charity Bonds plc, with a further £15m of retained bonds available to be issued at a later date. The bond was issued at a fixed interest rate of 4.5% for a period of 8 years. The arrangement costs of the issue of the bond have been capitalised and are to be amortised over the term of the bond.

On 16 November 2020 Belong issued £2m of the retained bonds with the same interest rate and expected maturity date as the original bond issue.

On 15 December 2020 Belong arranged a bank loan for £1.5m under the Resilience and Recovery Loan Fund with a term of 3 years and this was repaid on 27 December 2021.

On 7 January 2021 Belong arranged a loan facility with Charity Bank for £4m with a term of 5 years and repayments calculated over 25 years. Interest is charged at 2.65% above Bank of England base rate. The loan is secured on the value of Belong Crewe freehold which is owned by Belong Limited. On 22 November 2021 Belong utilised £250,000 of the loan facility.

## 16 FINANCIAL INSTRUMENTS

Financial assets measured at amortised cost:

	GROUP		BELONG	
	2022	2021	2022	2021
	£'000s	£'000s	£'000s	£'000s
Trade debtors	3,699	2,795	3,699	2,795
Other debtors	150	151	-	38
Amounts due from Group undertakings	-	-	196	113
	<u>3,849</u>	<u>2,946</u>	<u>3,895</u>	<u>2,946</u>

	GROUP		BELONG	
	2022	2021	2022	2021
	£'000s	£'000s	£'000s	£'000s
Financial liabilities measured at amortised cost:				
Retail Charity Bonds	36,737	36,682	36,737	36,682
Bank Loan	220	1,500	220	1,500
Amounts due to Group undertakings	-	-	1,861	2,015
Trade creditors	1,014	625	828	570
Other creditors	6,886	7,102	6,717	7,086
Accruals and deferred income	4,573	4,352	4,048	3,458
Finance lease obligations	12,429	12,488	12,429	12,488
	<u>61,859</u>	<u>62,749</u>	<u>62,840</u>	<u>63,799</u>

## 17 SHARE CAPITAL

	GROUP		BELONG	
	2022	2021	2022	2021
	£'s	£'s	£'s	£'s
Allotted, called up and fully paid ordinary shares	20	20	20	20

18 CHARITABLE RESERVES

GROUP

	Balance 1 April 2021 £'000s	Incoming resources £'000s	Resources expended £'000s	Gains £'000s	Balance 31 March 2022 £'000s
General reserve	29,598	33,779	(32,561)	2,305	33,121
Designated villages' reserve	24	61	(45)	-	40
	29,622	33,840	(32,606)	2,305	33,161
Restricted community fee reserve	617	944	(899)	-	662
<b>Total</b>	<b>30,239</b>	<b>34,784</b>	<b>(33,505)</b>	<b>2,305</b>	<b>33,823</b>

BELONG

	Balance 1 April 2021 £'000s	Incoming resources £'000s	Resources expended £'000s	Gains £'000s	Balance 31 March 2022 £'000s
General reserve	31,141	33,962	(32,449)	1,257	33,911
Designated villages' reserve	24	61	(45)	-	40
	31,165	34,023	(32,494)	1,257	33,951
Restricted community fee reserve	617	944	(899)	-	662
<b>Total</b>	<b>31,782</b>	<b>34,967</b>	<b>(33,393)</b>	<b>1,257</b>	<b>34,613</b>

GROUP

	Balance 1 April 2020 £'000s	Incoming resources £'000s	Resources expended £'000s	Losses £'000s	Balance 31 March 2021 £'000s
General reserve	30,406	30,707	(30,379)	(1,136)	29,598
Designated villages' reserve	17	49	(42)	-	24
	30,423	30,756	(30,421)	(1,136)	29,622
Restricted community fee reserve	548	914	(845)	-	617
<b>Total</b>	<b>30,971</b>	<b>31,670</b>	<b>(31,266)</b>	<b>(1,136)</b>	<b>30,239</b>

BELONG

	Balance 1 April 2020 £'000s	Incoming resources £'000s	Resources expended £'000s	Losses £'000s	Balance 31 March 2021 £'000s
General reserve	31,846	30,781	(30,302)	(1,184)	31,141
Designated villages' reserve	17	49	(42)	-	24
	31,863	30,830	(30,344)	(1,184)	31,165
Restricted community fee reserve	548	914	(845)	-	617
<b>Total</b>	<b>32,411</b>	<b>31,744</b>	<b>(31,189)</b>	<b>(1,184)</b>	<b>31,782</b>

General reserve is the 'free reserves' after allowing for all restricted and designated reserves.

Restricted community fee reserve is monies received in advance of expenditure on maintenance and major repairs of apartment buildings.

Designated villages' reserves are monies donated and fundraised for the benefit of the residents.

**19 ANALYSIS OF NET ASSETS BETWEEN RESERVES**

Reserve balances at 31 March 2022 are represented by:

	Unrestricted general reserve £'000s	Unrestricted designated village £'000s	Restricted community fee reserve £'000s	Total reserves £'000s
Tangible fixed assets	91,604	-	-	91,604
Current assets	9,293	40	662	9,995
Current liabilities	(13,330)	-	-	(13,330)
Non-current liabilities	(49,323)	-	-	(49,323)
Pension scheme liability	(5,123)	-	-	(5,123)
<b>Total net assets</b>	<b>33,121</b>	<b>40</b>	<b>662</b>	<b>33,823</b>

Reserve balances at 31 March 2021 are represented by:

	Unrestricted general reserve £'000s	Unrestricted designated village £'000s	Restricted community fee reserve £'000s	Total reserves £'000s
Tangible fixed assets	82,943	-	-	82,943
Current assets	17,931	24	617	18,572
Current liabilities	(13,016)	-	-	(13,016)
Non-current liabilities	(50,307)	-	-	(50,307)
Pension scheme liability	(7,953)	-	-	(7,953)
<b>Total net assets</b>	<b>29,598</b>	<b>24</b>	<b>617</b>	<b>30,239</b>

**20 GROSS CASH FLOWS**

	GROUP	
	2022 £'000s	2021 £'000s
Cash flows from investing activities		
Interest received	13	8
Bank loan and overdraft interest paid	(864)	(806)
Finance charges payable under finance leases	(1,031)	(1,023)
Payments to acquire tangible fixed assets	(11,082)	(6,493)
	<u>(12,964)</u>	<u>(8,314)</u>
Cash flows from financing activities		
Finance lease repayments	(59)	(53)
Cash inflows from net borrowing	(1,288)	3,451
	<u>(1,347)</u>	<u>3,398</u>

**21 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 April 2021 £'000s	Cash flows £'000s	Other Charges £'000s	At 31 March 2022 £'000s
Cash in hand at bank	14,570	(9,204)	-	5,366
	<u>14,570</u>	<u>(9,204)</u>	<u>-</u>	<u>5,366</u>
Bank loans	(1,500)	1,288	(8)	(220)
Retail Charity Bonds	(36,682)	-	(55)	(36,737)
Finance leases	(12,488)	59	-	(12,429)
Changes in debt	<u>(50,670)</u>	<u>1,347</u>	<u>(63)</u>	<u>(49,386)</u>
Changes in net debt	<u>(36,100)</u>	<u>(7,857)</u>	<u>(63)</u>	<u>(44,020)</u>

**22 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES**

	<b>GROUP</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Net movement in funds	3,584	(732)
Pension costs	(674)	(682)
Depreciation	2,067	2,154
Amortisation of capitalised costs	63	48
(Gains) / Losses on defined benefit pension schemes	(2,305)	1,136
Disposal of fixed assets	354	74
Interest receivable	(13)	(8)
Interest payable	2,044	1,990
Increase in bad debt provision	56	36
Decrease / (Increase) in stock	62	(126)
(Increase) / Decrease in debtors	(744)	(344)
Increase / (Decrease) in creditors	613	657
<b>Net cash provided by operating activities</b>	<b>5,107</b>	<b>4,203</b>

**23 COMMITMENT TO CAPITAL EXPENDITURE**

At the balance sheet date, the Society had the following commitments to Capital expenditure not provided for in these financial statements:

	<b>GROUP</b>		<b>BELONG</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Contracted	413	7,258	422	7,476
Authorised but not contracted	15,030	8,888	15,424	9,029

**24 OPERATING LEASES**

At 31 March 2022 the total Group and Society's future minimum lease payments under non-cancellable operating leases were:

	<b>GROUP</b>		<b>BELONG</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
	<b>Land &amp; Buildings</b>	<b>Land &amp; Buildings</b>	<b>Land &amp; Buildings</b>	<b>Land &amp; Buildings</b>
Amounts due within one year	42	25	42	25
Amounts due between one and five years	151	-	151	-
Amounts due after five years	-	-	-	-

**25 RELATED PARTY TRANSACTIONS**

The Belong Life Assurance Scheme is open to all permanent employees between the ages of 16 and 75 and not members of the Local Government Superannuation Scheme. Belong Limited is a Corporate Trustee of the scheme. Belong Limited appoints 2 Non-Executive Directors and 3 members of the Senior Management Team as representatives of the Corporate Trustee.

There was one transaction in the year (2021: 4) for a total amount of £13,000 (2021: £73,000). At the year end £Nil was still outstanding (2021: £Nil).

**26 SUBSIDIARY UNDERTAKINGS**

The Group financial statements include Borough Care Services Limited a wholly controlled subsidiary incorporated in the United Kingdom (company number 02603702). The principal activity of the subsidiary charity is the provision of residential accommodation, care and services for the elderly. A second 100% subsidiary, Belong (Construction) Limited, was incorporated on 16 October 2006 in the United Kingdom (company number 05968656). The principal activity of Belong (Construction) Limited is to design and build care facilities for the holding company. There are also three wholly controlled subsidiaries, Belong Villages Limited, Belong at Home Limited and CLS (Wigan) Limited, all of which are currently dormant.

**BELONG LIMITED**

<b>Subsidiary</b>	<b>Net Assets £'000s</b>	<b>Income £'000s</b>	<b>Expenditure £'000s</b>	<b>Surplus £'000s</b>
Borough Care Services Limited	997	42	961	1,003
Belong (Construction) Limited	-	9,427	(9,427)	-
Belong Villages Limited	-	-	-	-
Belong at Home Limited	-	-	-	-
CLS (Wigan) Limited	-	-	-	-

**27 POST BALANCE SHEET EVENT**

On 5 April 2022 Belong entered into a pre-construction services agreement and enabling works contract with Caddick Construction (NW) Limited in relation to the development of the Belong Wirral Village. The total value of the contract is £240,000.

On 17 June 2022 practical completion was achieved on the construction work for Belong Chester. The village opened to its first residents on 18 July 2022.

**28 PENSIONS**

**a. Defined Contribution Scheme**

Employees who are not members of the Local Government Pension Scheme are eligible to be part of a stakeholder friendly defined contribution scheme or National Employment Savings Trust scheme. The assets of these schemes are held separately from those of the organisation in independently administered funds.

The amounts payable by the Society to the fund were:

	<b>GROUP</b>		<b>BELONG</b>	
	<b>2022 £'000s</b>	<b>2021 £'000s</b>	<b>2022 £'000s</b>	<b>2021 £'000s</b>
Total paid to the funds	505	488	505	488
Contributions payable to the funds at the year end and included in creditors	37	35	37	35

**b. Defined Benefit Schemes –  
Cheshire Pension Fund and Greater Manchester Pension Fund**

The Society is an “Admitted Body” to the Cheshire Pension Fund. A number of the Society’s eligible employees are members of that scheme. The subsidiary company, Borough Care Services Limited, is an “Admitted Body” to the Greater Manchester Pension Fund. A number of the company’s eligible employees are members of that scheme. The Cheshire Pension Fund and Greater Manchester Pension Fund are part of the Local Government Pension Scheme, a defined benefit statutory scheme. The Funds are administered by Cheshire County Council and Tameside Metropolitan Borough respectively in accordance with the Local Government Pension Scheme Regulations 1997 as amended.

The Schemes are closed schemes and therefore under the projected unit method the current service cost will increase as the members of the scheme approach retirement.

The Funds’ assets and liabilities are assessed by the Funds’ Independent Actuary every three years with the latest actuarial valuation taking place at 31 March 2019.

The amounts payable by the Society to the fund were:

	<b>GROUP</b>		<b>BELONG</b>	
	<b>2022 £'000s</b>	<b>2021 £'000s</b>	<b>2022 £'000s</b>	<b>2021 £'000s</b>
Total paid to the funds	707	720	543	543

**BELONG LIMITED**

The agreed employer's contribution rate for the Cheshire Pension fund for 2022/23 is 39.8% plus a deficit payment of £525,000. The agreed employer's contribution rate for the Greater Manchester Pension Fund for 2022/23 is 34.8% plus a deficit payment of £154,000.

The Group expects to make total contributions into the Funds of £709,000 during the next 12 months

**CHESHIRE PENSION FUND**

**The amounts recognised in the balance sheet are as follows:**

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Fair value of employer assets	11,498	10,898
Present value of funded obligations	(15,778)	(16,846)
<b>Net pension liability</b>	<b>(4,280)</b>	<b>(5,948)</b>

**The amounts recognised in the Statement of Financial Activities are as follows:**

	<b>Year to</b>	<b>Year to</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Current service cost	(21)	(16)
Interest on Employer Assets	211	221
Interest on Pension Scheme Liabilities	(322)	(334)
	<b>(132)</b>	<b>(129)</b>

**Amounts recognised in other recognised gains/(losses):**

	<b>Year to</b>	<b>Year to</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Actual return less expected return on pension scheme assets	546	1,179
Experience (losses)/gains arising from scheme liabilities	(38)	204
Changes in financial assumptions underlying the present value of the scheme liabilities	643	(2,337)
Changes in demographic assumptions underlying the present value of the scheme liabilities	106	(230)
<b>Actuarial gain/(loss) in pension plan</b>	<b>1,257</b>	<b>(1,184)</b>

**Changes in the present value of the defined benefit obligation are as follows:**

	<b>Year to</b>	<b>Year to</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Opening defined benefit obligation	<b>16,846</b>	<b>14,871</b>
Current Service Cost	21	16
Interest Cost	322	334
Contributions by members	3	3
Remeasurement	(711)	2,363
Estimated benefits paid	(703)	(741)
<b>Closing defined benefit obligation</b>	<b>15,778</b>	<b>16,846</b>

**Changes in the fair value of fund assets are as follows:**

	<b>Year to</b>	<b>Year to</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Opening fair value of employer assets	<b>10,898</b>	<b>9,693</b>
Interest income	211	221
Contributions by members	3	3
Contributions by the employer	543	543
Remeasurement	546	1,179
Benefits paid	(703)	(741)
<b>Closing fair value of employer assets</b>	<b>11,498</b>	<b>10,898</b>

**BELONG LIMITED**

The major categories of fund assets are as follows:

	<b>Assets at 31 March 2022 £'000s</b>	<b>Assets at 31 March 2021 £'000s</b>
Equities	4,254	4,250
Bonds	5,174	4,795
Property	1,380	1,308
Cash	690	545
<b>Total</b>	<b>11,498</b>	<b>10,898</b>

The principal assumptions at the balance sheet date are:

	<b>31 March 2022 % per annum</b>	<b>31 March 2021 % per annum</b>
Inflation rate	3.30%	2.85%
Future salary increase rate	4.00%	3.55%
Future pension increase rate	3.30%	2.85%
Expected return on assets	2.70%	1.95%
Discount rate	2.70%	1.95%

**Sensitivity analysis**

**Change in assumptions at 31 March 2022**

	<b>Approximate %</b>	<b>Approximate Amount £'000s</b>
0.1% decrease in Real Discount Rate	1%	206
1 year increase in member life expectancy	4%	631
0.1% increase in Salary Increase Rate	0%	1
0.1% in the Pension Increase Rate	1%	204

**Mortality**

The current mortality assumptions include sufficient allowance for the future improvements in mortality rates. The assessed life expectations on retirement age 65 are:

	<b>Males</b>	<b>Females</b>
Retiring today	21.2	23.8
Retiring in 20 years	22.1	25.5

**GREATER MANCHESTER PENSION FUND**

The amounts recognised in the balance sheet are as follows:

	<b>31 March 2022 £'000s</b>	<b>31 March 2021 £'000s</b>
Fair value of employer assets	8,765	8,274
Present value of funded obligations	(9,608)	(10,279)
<b>Net pension liability</b>	<b>(843)</b>	<b>(2,005)</b>

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>Year to 31 March 2022 £'000s</b>	<b>Year to 31 March 2021 £'000s</b>
Current service cost	(12)	(22)
<b>Total gain included in operating surplus (A)</b>	<b>(12)</b>	<b>(22)</b>
Interest on Employer Assets	158	158
Interest on Pension Scheme Liabilities	(196)	(206)
<b>Net Return included with interest payable (B)</b>	<b>(38)</b>	<b>(48)</b>
	<b>(50)</b>	<b>(70)</b>

**BELONG LIMITED**

**Amounts recognised in Other recognised (losses)/gains:**

	<b>Year to 31 March 2022 £'000s</b>	<b>Year to 31 March 2021 £'000s</b>
Actual return less expected return on pension scheme assets	635	1,374
Experienced (losses) and gains arising on scheme liabilities	(23)	123
Changes in assumptions underlying the present value of the scheme liabilities	436	(1,449)
<b>Actuarial gain in pension plan</b>	<b>1,048</b>	<b>48</b>

**Changes in present value of the defined benefit obligation are as follows:**

	<b>Year to 31 March 2022 £'000s</b>	<b>Year to 31 March 2021 £'000s</b>
Opening defined benefit obligation	<b>10,279</b>	<b>9,197</b>
Current service cost	12	22
Interest cost	196	206
Contributions by members	2	6
Remeasurement	(413)	1,326
Estimated benefits paid	(468)	(478)
<b>Closing defined benefit obligation</b>	<b>9,608</b>	<b>10,279</b>

**Changes in the fair value of fund assets are as follows:**

	<b>Year to 31 March 2022 £'000s</b>	<b>Year to 31 March 2021 £'000s</b>
Opening fair value of employer assets	<b>8,274</b>	<b>7,037</b>
Interest income	158	158
Contributions by members	2	6
Contributions by employer	164	177
Remeasurement	635	1,374
Benefits paid	(468)	(478)
Closing fair value of employer assets	<b>8,765</b>	<b>8,274</b>

**The major categories of fund assets are as follows:**

	<b>Year to 31 March 2022 £'000s</b>	<b>Year to 31 March 2021 £'000s</b>
Equities	6,048	5,957
Bonds	1,139	993
Property	701	579
Cash	877	745
<b>Total</b>	<b>8,765</b>	<b>8,274</b>



The principal assumptions of the balance sheet data:

	Year to 31 March 2022 % per annum	Year to 31 March 2021 % per annum
Inflation rate	3.30%	2.85%
Future salary increase rate	4.05%	3.60%
Future pension increase rate	3.30%	2.85%
Expected return on assets	2.70%	1.95%
Discount rate	2.70%	1.95%

**Sensitivity analysis**

**Change in assumptions at 31 March 2022**

	Approximate %	Approximate Amount £'000s
0.1% decrease in real discount rate	1%	119
1 year increase in member life expectancy	4%	384
0.1% increase in salary increase rate	0%	2
0.1% increase in the pension increase rate	1%	115

**Mortality**

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assured life expectations on retirement age 65 are:

	Males Years	Females Years
Retiring today	20.3	23.2
Retiring in 20 years	21.6	25.1