
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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**A charitable housing association,
registered under the Co-operative and
Community Benefit Societies Act 2014: No.
21004R.
Registered with the Homes and
Communities Agency: No. LH0013.**

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 2015

Contents

	Page
Particulars of the Board of Management, Officers and Advisors	3
Report of the Board of Management	5
Independent auditor's report to the members of Look Ahead Care and Support Limited	23
Income and expenditure accounts for the year ended 31 March 2015	25
Balance sheets as at 31 March 2015	27
Consolidated cash flow statement for the year ended 31 March 2015	28
Notes to the financial statements for the year ended 31 March 2015	29

LOOK AHEAD CARE AND SUPPORT LIMITED

PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Board of Management

Stephen Alexander (Chairman)

Appointed:
as Board Member: 2010
as Chairman: 2011

Chairman – *Immediate Media Company Ltd*
Chairman – *Dairy Crest Group plc*
Chairman – *Rhubarb Food Design Ltd*
Operating Partner – *OpCapita LLP*

Moira Sinclair (Deputy Chairman)

Appointed:
as Board Member: 2008
as Deputy Chairman: 2013

Director - *Paul Hamlyn Association*
Chair - *East London Dance*

Jane Hives (Chairman – Performance Review Committee)

Appointed:
as Board Member: 2012
as Chairman of the Performance Review Committee: 2012

Chartered Accountant and Consultant
Trustee – *The Pixel Fund*

Julie Jones CBE (Chairman – Customer Services Committee)

Appointed:
as Board Member: 2012
as Chairman of the Customer Services Committee: 2012

Trustee – *Sir Simon Milton Foundation*
Vice Chair of Council –
Institute of Education, University of London
Co-chair – *ADASS Associates*
Fellowship Committee Member – *City and Guilds*
Safeguarding Advisory Panel Member –
Church of England

Graham Buckland

Appointed: 17 June 2014

Managing Director - *Barclays*

Chris Dobson

Appointed: 17 June 2014

Director - *Capita*

Sean Duggan

Appointed: 2012

Chief Executive Officer – *Centre for Mental Health*

Richard Pratt

Appointed: 2008
Resigned: 17 June 2014

Financial Services Regulatory Consultant

Chris Richardson

Appointed: 2009

Partner - *Ernst & Young LLP*

Victoria Stark CBE

Appointed: 2012
Resigned: 19 January 2015

Chief Executive – *Look Ahead Care and Support Ltd*
to 19 January 2015

LOOK AHEAD CARE AND SUPPORT LIMITED

PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Chief Executive and Senior Management Team

Chris Hampson

Chief Executive

Appointed: 19 January 2015

Victoria Stark CBE

Chief Executive

Appointed: 1981

Resigned: 19 January 2015

Lisa Bradley

Executive Director Finance

Appointed: 2011

Pat Long

Executive Director Operations

Appointed: 2011

Paul Perkin

Operations Director

Appointed: June 2013

Solicitors

Devonshires

Salisbury House

London Wall

London

EC2M 5QY

Bankers

Barclays Bank PLC

1 Churchill Place

London

E14 5HP

External auditors

BDO LLP

55 Baker Street

London

W1U 7EU

Registration details

Homes and Communities Agency

Registration Number: LH0013

Co-operative and Community Benefit

Societies Act Number: 21004R

Internal auditors

Beever and Struthers

15 Bunhill Row

London

EC1Y 8LP

Investment managers

Rothschild Wealth Management (UK) Limited

New Court

St Swithin's Lane

London

EC4N 8AL

Registered office

Kings Buildings

16 Smith Square

London

SW1P 3HQ

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Look Ahead Care and Support Limited is registered under the Co-operative and Community Benefit Societies Act and is a Registered Provider under the Housing and Regeneration Act 2008. Look Ahead Developments Limited is a wholly owned subsidiary of Look Ahead Care and Support Limited ('the Association', together 'the Group'). Group Accounts have been prepared for the year ended 31 March 2015 under the requirements of the Co-operative and Community Benefit Societies Act.

Results for the year

The Board of Management has pleasure in presenting its report and financial statements for the group for the year ended 31 March 2015. The results show an unrestricted surplus for the year of £618,000 (2014: £2,387,000).

Financial strategy

Look Ahead's mission is "to enable those with particular needs to live ordinary lives within the community" and our ability to deliver this is dependent on our continued long term financial strength and viability. We aim to deploy Look Ahead's financial strength, its asset base and income streams, to grow our services and transform the lives of increasing numbers of vulnerable people. This is achieved by pursuing a strategy for sustainable and managed growth and at the same time driving an agenda for improving efficiency across our services and central support functions thus achieving value for money. We re-invest any surplus funds in improving front line services and promoting customer choice and independence through personalised services.

Look Ahead Developments Limited

Look Ahead Developments was incorporated in February 2008 and provides construction, design and build services to Look Ahead Care and Support. Look Ahead Developments' turnover for the year to 31 March 2015 was £998 (2014: £56,693). Since its incorporation Look Ahead Developments has entered into design and build contracts with Look Ahead Care and Support for the redevelopment of two major sites in East London and in Westminster. The last project was completed in February 2013 and there have been no further development projects since then.

Principal activities

Look Ahead works in partnership with over 30 local authorities and health trusts to provide care, support and housing for those who are vulnerable, socially excluded and in need of support.

With a customer led, person centred approach, Look Ahead provides support to people with learning disabilities, people with mental ill health, those with complex needs, young people and homeless people. Our service models include accommodation based support and care, floating support and outreach services. In addition to these models we provide

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

added value, social inclusion opportunities including employment and training initiatives, work placements and health and wellbeing projects.

Look Ahead's property stock is designed to meet the needs of its customers. A proactive approach to asset management ensures that stock continues to meet those needs. We provide a range of supported housing, which is largely self-contained, as well as some smaller hostels and foyers. A wide range of support and social care services are also delivered on an outreach basis to people living independently in their own homes.

Review of the business

Look Ahead continue to operate in a very challenging economic environment. Our care and support services are entirely funded by social care, supporting people and health care budgets and these public sector budgets have been drastically cut over the last five years. We anticipate further significant cuts over the next five year term of the newly elected government. Despite this challenging environment we have achieved growth in turnover year on year of circa £2.9 million or 5.6% this year. This level of growth is the lowest level we have seen for some time and largely relates to an increase in our landlord services business rather than our social care contract business. Our contract growth during the year was impacted by very low levels of tendering opportunities, particularly in the run up to local elections and the general election and at the same time we have experienced another year where a significant proportion of the tendering activity involved our existing services.

The low level of growth has inevitably impacted on our surplus results for the year. Our surplus of £0.6 million was 1.1 % of turnover which was £1.8 million lower than the previous year. Other factors also adversely affected our surplus result. During the year we experienced an increase in our rent losses. The level of voids in our managed properties increased due to a lack of referrals into some of our low support services and we also experienced an increase in our rent arrears as a result of the impact of welfare reforms. Finally we also incurred significant levels of agency staff costs in two of our more complex Learning Disability services. This was in part due to staff recruitment and retention issues in one particular borough. Several programmes of work are being implemented to address these areas of operational and financial performance.

During the year we used some of our cash reserves to remodel another two of our buildings in Tower Hamlets, delivering 21 self contained flats as well as communal and office space for a high support complex care service. This new service offers 11 high support units and 10 step down units which enables us to provide a move-on pathway for customers by adjusting their support levels until they are ready to make the transition to living independently in the community. The service is thus generating a significant reduction to the public purse as well as generating social returns.

During the year the Board approved three important strategies which will ensure that Look Ahead continues to deliver value for money and achieve growth, enabling more customers to access our care and support services and live more independent lives. These strategies include the Business Development Strategy, Workforce Development Strategy and IT Strategy.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Look Ahead has continued to demonstrate its commitment to promoting customer choice and independence through personalised, co-produced services. This year Look Ahead took part in a pilot project called 'Toward Recovery' which was a project to deliver ten 'recovery' focused open learning sessions in Tower Hamlets. The sessions were open to anybody living and working in Tower Hamlets with mental health issues. The aim was to support a move away from a purely medical model of recovery to an educational one, where people gain the skills, knowledge and tools to better manage their conditions and live a fulfilling life. The pilot was based on the Recovery College model, which to date has only been delivered by Mental Health Trusts. Crucial to the success of the model was having co-production at its heart. All ten sessions were co-designed and co-delivered jointly by experts by experience and experts by profession, and this diversity of experience was also to be found in the staff team, the steering group and the 20+ volunteers. The pilot was funded by Tower Hamlets CCG to test an innovative model – we found that the co-produced and educational approach to recovery had a powerful impact on people, which was different from other forms of support on offer. Participants were asked for feedback. Just one of the many positive comments was: "What I've gained here, I haven't gained in the NHS for 20 years".

Future developments

In the first half of the year we will be developing and implementing a new three year asset management strategy. This will include a continuation of our existing and very successful approach to maximising the social and economic return on our property assets but will also explore new opportunities to expand our property asset base to support future growth in our care and support business.

We will be focussed on implementing the key actions identified in our new strategies for business development, workforce development and IT. These strategies will ensure Look Ahead continues to meet its overall mission ensuring that we: develop new, innovative care and support services that deliver value for money to commissioners in existing and new markets; drive continuous improvement in service quality and standards; attract and retain key talent and implement economic and effective business systems which deliver efficiencies across the organisation.

We will continue to invest the funds generated by our investment portfolio to extend the valuable work we do with our customers in our co-production and our experts by experience programmes.

Delivering value for money

Look Ahead exists to enable those with particular needs to live ordinary lives within the community. We aim to provide safe, high quality social care, support and housing services by designing and delivering personalised, co-produced services based on the principles of choice and recovery.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

For Look Ahead, Value for Money (VFM) means making the best use of our property assets and other resources available to us to deliver the highest standard of services and achieve the best outcomes for our customers in London and the South East.

Achieving Value for Money is absolutely integral to the success of our business and is therefore central to our corporate strategy, our business plan and our financial and asset management strategies.

Look Ahead's business plan is underpinned by a comprehensive set of strategies and objectives that aim to deliver better value for money for our stakeholders.

These strategies have been approved by our Board and include:

- Corporate Strategy - to enable those with particular needs to live ordinary lives within the community
- Business Development - we will achieve sustainable and managed business growth by retaining strategically important contracts whilst developing and marketing new innovative, high value service models that maximise social and economic returns for our commissioners and deliver the best service outcomes for our customers in London and the South East
- Asset Management Strategy - to ensure that our existing properties support the growth and strength of the overall social care business
- Financial Strategy - to deploy Look Ahead's financial strength, its asset base and income streams, to grow our services and support even greater numbers of people to achieve their goals and move forward with their lives

These strategies inform our objectives and key priorities for the year which are focussed on the continuous improvement of service delivery to our customers whilst utilising our assets and resources in the most efficient and effective way.

Economy – how we increased the resources available to us

The table overleaf summarises the key results that show how we have increased the resources available to Look Ahead.

Economy - how we increased the resources available to us:		Target	2015	2014	2013
Social Care	Net new business growth	£2.0m	£0.7m	£1.7m	£2.7m
& Support	Annual care and support contract income	£35.0m	£34.6m	£34.5m	£31.8m
Services	Net investment income (target from 2014/15)	£200k	£257k	£46k	£137k
Overall	Surplus achieved	£1.9m	£0.6m	£2.4m	£11.4m
	Investment return (since inception)	12.39%	16.87%	7.19%	n/a

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

A key indicator of delivering value for money has been our success in winning new business where the winner is determined on an optimal mix of price and quality. In 2014/15 we secured contracts for 10 new services amounting to £4.2 million per annum, which were awarded to us after rigorous and very competitive tendering processes. Our overall net position however, after taking into account contract reductions and losses over the past 12 months shows net growth of just £0.7 million per annum. This was below our target of £2.0 million and lower than previous year's levels. There are several factors that have impacted on our net growth this year:

- In the first half of the year there was a significant drop in the volume of tender opportunities for the provision of new care and support services across London in the run up to the local elections.
- We also experienced another year where a large amount of the tendering was in response to bids for our existing services in Tower Hamlets, our single largest area of operation. We were successful in retaining all of our contracts in that borough.
- We responded to the budget challenges faced by our Commissioners and delivered value for money savings to them for some of our existing services. This helped secure the services longer term future in a continuing environment of severe public sector spending cuts.
- Our last remaining large hostel building in Westminster was decommissioned as the property was no longer fit for purpose.
- We did not retain one of our largest Learning Disability services. Although the quality of our bid was very high we could not compete on price in a borough which does not adopt the London Living Wage. Look Ahead is proud to be a London Living Wage employer and therefore there will be some boroughs where we will find it very difficult to compete on price and secure new business.

During 2014/15 we presented to our Board Look Ahead's brand new business development strategy which sets out specific actions to address the risks of securing sustainable and managed growth into the future, in an environment of very challenging public sector spending cuts. This was approved by our Board in March 2015. We will be implementing the strategy and action plan in 2015/16.

As well as new business growth we target a sustainable level of surplus, which is currently set at 3.5% of turnover. We include this indicator as we need to maintain our long term financial strength and revenue surpluses. The level of surplus is set at a modest level to ensure that, after allowing for risk, as much of the income as possible is reinvested in the work of Look Ahead.

In 2014/15 our surplus was £0.6 million which was lower than our target of £1.9 million and lower than the previous years. The lower surplus reflects the lower levels of growth and the loss of our Learning Disability and Westminster hostel services mentioned earlier. This highlights why achieving growth is important to Look Ahead. Growth enables more customers to access and benefit from the innovative, high quality services that Look Ahead provides but it also generates surpluses which can be reinvested in continuous service improvement. Our surplus results were also affected by larger levels of rent losses due to higher numbers of void properties and higher rent arrears. This is explained in more detail later on in this report. We also incurred significant levels of agency staff costs in two of our more complex Learning Disability services. This was in part due to staff recruitment

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

and retention issues in one particular borough. We have now developed a new Workforce Development Strategy which seeks to address the issues of recruitment and retention in some of these complex high care services. And finally, we incurred additional costs in 2014/15 during our move to a new Head Office. Look Ahead relocated its head office following the expiry of our office lease at Derry Street. The new offices in Westminster had to be refurbished to meet our requirements which meant there was a three month period when Look Ahead incurred the costs of the office lease at Derry Street as well as the new office lease in Westminster.

Since inception on 5 January 2012 our investment portfolio, managed by Rothschild, has earned a very good return of 16.87%. This performance is significantly above our target of 12.39%. Our investment strategy aims to achieve a return of RPI +2% over 5 years with a medium risk profile. This ensures this valuable asset, previously held as property assets is safeguarded and grows. In 2014/15, the investment portfolio also generated investment income net of investment charges amounting to £257,000. This was above our target of £200,000. We utilise this income to fund innovation and have applied them in 2014/15 to extend the valuable work we do with our customers in our co-production and our experts by experience programmes.

Maximising the social and economic return on our property assets

In 2014/15 we made progress in line with our asset management strategy as follows:

- We completed the redevelopment of two of our existing properties in Tower Hamlets. These were previously used as low care supported housing. The properties now provide 21 self contained units as well as communal and office space for a high support complex care service. The new service offers 11 high support and 10 step down units which enables us to provide a move-on pathway for customers by adjusting their support levels until they are ready to make the transition to living in the community with visiting support. The service brought in additional contract funding of £0.4 million per annum and is already delivering significant savings to the public purse as demonstrated by the case study described below.

MM is a 54 year old woman with a diagnosis of Schizoaffective disorder. She was convicted of a serious crime which resulted in her being placed under a Section 37/41 of the Mental Care Act. She spent several years as an inpatient in forensic units and was eventually moved into residential care in 2010 in an out of borough location at a cost to the borough of approximately £1,000 per week.

At the time the offence was committed it was thought that residential care was likely to be the only option for MM in the long term as this provided the 24 hour monitoring, care and support that she required to minimise the risk of her re-offending. Following assessments however it was decided to offer her a self-contained flat within Look Ahead's High Support Complex Care Service at a cost of £323 per week, a saving to commissioners of nearly £700 per week.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

MM adjusted quickly to her new environment and soon began to appreciate the independence that living in her own flat offered whilst still receiving the emotional and practical care and support that she required, particularly in the evenings when MM feels most vulnerable. MM has lived in the service since October 2014 and along with her family, clinical support team and commissioners we have seen her grow in confidence and independence at a pace which suits her without compromising the identified risks to others.

- In partnership with Slough Borough Council we have reutilised some of our property stock in the borough previously providing low support accommodation, to provide accommodation based services for customers with significant learning disabilities or mental health support needs, who have moved from more costly placements.
- We are in the advance stages of finalising the service model and proposals to Slough Borough Council to convert our decommissioned hostel building into accommodation for a high support forensic service.
- We have revised our plans for the use of a 6 unit block of accommodation in Tower Hamlets. Our initial plan was to provide a learning disability step down service which would enable customers to move on from our high support service at Mary Jones Court. Tower Hamlets are now considering proposals for a Learning Disability residential care service in this property.
- We have revised our plans for using Ibis House. Our initial plan was to provide a high support mental health service. We are now working with our partners at Newham Children Services to develop a service for teenage parents.
- We decanted and decommissioned our last remaining hostel building in Westminster ready for its disposal in April 2015. The building was at the very end of its useful life and no longer fit for purpose.
- We agreed the sale of our properties in Elmbridge to other registered providers, Paragon and Transform. These properties no longer supported Look Ahead's social care business.

Efficiency – how well we utilised our resources

The table below summarises the key results that show how well we have utilised the resources available to Look Ahead.

Efficiency - how well we utilised our resources:		Target	2015	2014	2013
Social Care & Support Services	Services with utilisation below 90%	10%	25%	20%	12%
	Services with staffing levels below 90%	10%	5%	7%	8%
	Contract income collection %	90%	94%	95%	95%
Landlord Services	Maintenance cost (reactive/voids) per unit	£701	£824	£918	£892
	Maintenance cost (planned) per unit	£443	£323	£235	£317
	Percentage of first time fixes	85%	84%	83%	82%
	Void %	5.0%	6.8%	6.6%	4.8%
	Net arrears of current tenants	5.5%	6.6%	5.5%	5.1%
	Bad debt %	3.0%	4.0%	3.4%	3.6%
Overall	Overheads as % of turnover	12.4%	14.0%	13.2%	13.7%

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Service utilisation has decreased again this year with 25% of services below 90% utilisation. Some of this is attributable to the turnover of customers in our services as we successfully move them on to independent living. We also continue to experience lower levels of referrals to some of our services, reflecting the challenging budget environment our commissioners face as some local authorities decide to reduce or decommission services. This is more evident in our 'non statutory' services where low levels of support are provided and we expect this trend to continue. We continue to work closely with the commissioners concerned to ensure any blockages in the referrals processes are addressed at the earliest opportunity as well as investigating the possibility of any alternative referral routes or in some cases alternative service provision.

Only 5% of our services had staffing levels that fell below 90%. This is better than our target of 10% and an improvement on the previous year.

We achieved a contract income collection rate of 94% which was better than our target but just below the previous year's performance of 95%. This continues to be a good result, given the increasing trend towards contract payment terms of monthly in arrears or payment by results. This is usually non-negotiable.

The reactive maintenance costs for our own properties have decreased by 10.0% to £824 per unit in the year, however this is higher than our target of £701 per unit. During the year we tendered our responsive repairs, void, planned and cyclical maintenance services and appointed three contractors across three separate geographical areas. These contractors offered the best value for money in terms of price and quality of service. The reduction in cost year on year is in part due to the new maintenance contracts. We have missed our target due to the higher turnover of property due to shorter stays of residents. This results in a higher volume of void maintenance costs. High turnover is a demonstration of success of support offered, and is encouraged by Commissioners who receive greater value for money on their contract income if they can increase the number of referrals over the period of the contracts. We have incurred 37% more costs on planned maintenance activities reflecting the increased level of cyclical works required in the year.

Void losses in 2014/15 were 6.8% of rents and service charges which was slightly higher than the previous year but much higher than our target of 5.0%. We have seen a gradual increase in the level of voids over the past few years which has largely been driven by the lower levels of referrals into some of our 'non-statutory' low support services. High voids in a service can be an indication that the service is no longer strategically relevant and is likely to be cut or decommissioned following further public sector spending cuts. To address these issues we proactively approach commissioners with other creative proposals for utilising our buildings for higher support needs. This is an important and effective strand of our asset management strategy although it can take several months, and sometimes longer for the proposals to be approved and implemented.

Rent arrears of 6.6% and bad debts of 4% have also increased and are above target. The introduction of welfare reforms has had an impact on our ability to collect rent on time, particularly for those customers that rely on Housing Benefit. The new assessment process for securing Housing Benefit coupled with the cut back to staffing in local Housing Benefit offices have led to delays in payments. To address this we have implemented a new team structure which focuses resources in our Landlord Services team in training our

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

support staff and improving the support to our customers so they can manage effectively the impact of the welfare reforms.

One of the most important indicators of efficiency for our business is the simple ratio between central overhead costs and turnover. Over the past six years we have seen our overheads reduce from 17.7% of turnover in 2008/09 to 14.0% of turnover in 2014/15. The reduction in overhead has been achieved by implementing various programmes for delivering efficiencies and improving effectiveness as well as achieving net new business growth. In 2014/15 our overheads did increase compared to the previous year and were also above target. This reflected the additional one-off costs we incurred as a result of the head office move as well as some restructure costs. In 2014/15 we restructured our senior operations and property services teams which freed up funds to invest in a new business partnering model across our HR and Finance functions. The business partner models will improve the technical support provided to our operational and head office teams and will be fully implemented in 2015/16. We also developed a new IT strategy which was approved by the Board in December 2014. This will deliver much needed improvements to our business systems which will also deliver ongoing efficiencies and improvement to our services.

In 2014/15 we concluded procurement exercises for our maintenance and concierge services. We regularly conduct procurement exercises for the largest areas of our expenditure to ensure that we are obtaining the best value for money available in the marketplace in terms of service and product quality as well as price. For example, the new contract for our concierge services realised cost savings of £35,000 or 4.5% and provided improved contract monitoring.

Effectiveness – what we achieved with our resources

The table below summarises the key results that show what we have achieved with the resources available to Look Ahead.

Effectiveness - what outcomes we achieved:		Target	2015	2014	2013
Social Care & Support Services	Customer satisfaction with choice and control over their support	85%	80%	83%	85%
	Customer opportunities to get involved	80%	76%	80%	81%
	% of customers moved on	66%	62%	63%	63%
Landlord Services	Customer satisfaction with home environment and local area	80%	73%	75%	76%
	Customer satisfaction with maintenance service	80%	69%	75%	78%
Overall	Customer satisfaction with overall services	90%	83%	85%	95%

Our commissioners endorse Look Ahead's quality of service by benchmarking and then selecting Look Ahead as their preferred provider. However an important indicator of whether we are actually achieving the required outcomes for our customers post contract award is the level of customer satisfaction.

In 2012 our Customer Services Committee agreed a set of customer expectations that they would expect our services to meet which led us to change our customer satisfaction

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

survey. This revised survey has now been in place for two years. We also use a longer version of the survey for our CQC registered services. All of our customer satisfaction surveys are also available in easy read versions and online Survey Monkey.

In 2014/15, 83% of customers were satisfied with the overall service we delivered and only 4% were dissatisfied. It is disappointing that overall customer satisfaction has decreased marginally although it has remained consistent throughout the year. Customer satisfaction with our maintenance service continues to be the area of service delivery that customers are least satisfied with. We believe this may be in part due to the disruption caused by the appointment and implementation of new maintenance contractors in September following the recent procurement process. We will continue to monitor this closely through our contract monitoring process and will report back regularly to Look Ahead's Customer Services Committee.

Our customers consistently rate us highly for the quality of customer service and for the amount of choice and control they have over their support.

We have generally had a good response rate for our current survey over the last two years and our findings have been remarkably consistent. To avoid complacency, in 2015/16 we will be working with our Customer Services Committee to develop a new approach to customer feedback. We will be reviewing both what we ask and how we do this in order to both provide us with fresh insight and to improve response rates where they have been low. Our recent trial of on-line surveys went well and we will use the expertise of our customer quality checkers to capture qualitative feedback about our services.

Look Ahead is committed to customer involvement and we encourage customers to participate in both the running of their services and volunteering in the wider community as part of promoting recovery. We are active participants in the 'Time Credits' scheme which acts as an incentive for service-users to participate. At our New Kent Road service for example, customers helping with an established programme of involvement activities ranging from regular movie and karaoke nights to assisting with recruitment of staff, can earn 'Time Credits' which are redeemable at participating retailers, with the most popular proving to be attending matches at Millwall Football Club.

In 2014/15, 2,665 of our customers moved on from our support with just under two thirds of these being in a planned way which is largely in line with 2013/14.

714 customers who moved on from our services achieved a positive outcome in relation to employment, education and training. This is 65% of all those who had an identified support need and 27% of all customers who moved on.

Almost a quarter of our services are regulated by the Care Quality Commission (CQC). These are services where we provide some degree of personal care to some customers. CQC routinely inspect these services to assess how well we are meeting their standards of care and the results are published. This is an important external measure of the quality of our services and we compare how we are doing to CQC's national results.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Out of the 18 registered locations which have ever been inspected, 12 are compliant or Good, two are rated as requiring improvement (Clarence Road and Alison House) and four are waiting for draft inspection reports following inspections in December 2014 and January 2015 (Haringey Respite, Haringey Respite Outreach, Kingsbridge Road Short Breaks and Piper House). A further eight locations have either never been CQC inspected, or are in the process of registering. Where CQC have found a service to need improvement we have immediately either addressed the issues or developed a plan to do so.

The following case study is just one example of many in which our supported housing services have achieved a positive contribution to health, social care and public health outcomes as well as significant savings to the public purse:

After completing the redevelopment of a property in Tower Hamlets in 2014 to deliver 19 self contained units as well as communal and office space, Look Ahead opened a 24 hour high support recovery service for forensic customers with the aim of improving customer outcomes. Most of the customers previously resided in out-of-borough placements and since opening the service we have saved the Local Authority over £304,000 in the first year as well as improving the outcomes for the customers.

DM is a 40 year old male with a primary diagnosis of schizoaffective disorder with an underlying antisocial personality disorder. He has an extensive history of poly-substance misuse and alcohol dependency. DM has over 87 criminal convictions; his index offence was 'wounding with intent to commit grievous bodily harm' (GBH). DM moved to our service in March 2014 from an out of borough residential placement which cost the Local Authority over £1,000 per week. DM is now completely abstinent from alcohol and all illicit substances and with the right care and support at our service, he has completed two NVQ qualifications in catering and hospitality, and mechanics at Hackney Community College. Having been under the Probation Service himself for many years, he is now working for the Probation Service as a volunteer peer mentor supporting other young men who are struggling to get off the cycle of criminal behaviour - because he has done so well Probation are now funding a vocational qualification for DM to become an accredited mentor.

Look Ahead's future plans for improving value for money

Continuing to deliver value for money to our customers and commissioners

Look Ahead's Business Plan 2015 was approved by the Board in March and clearly sets out Look Ahead's Corporate Strategy and Financial Strategy including our continued aim to improve value for money. The main areas we will be focussing on this year are as follows:

- We will continue to deliver net contract growth by submitting bids for new services which offer the best value for money to our commissioners. Our five year financial

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

projections show our intention to achieve a net contract growth of £2 million per annum.

- Look Ahead's new business development strategy was approved by the Board in March 2015. It identifies Look Ahead's key priorities for achieving future growth. This year we will be implementing some of the actions required to deliver these priorities.
- We will be reviewing and developing our asset management strategy to ensure it effectively supports the achievement of our key priorities identified in our business development strategy.
- In 2014/15 we implemented the London Living Wage and National Living wage and we will continue to adopt this approach to ensure all of our staff can achieve a decent standard of living. In addition to this we will be implementing other initiatives to achieve the goals set out in our workforce development strategy. This strategy, approved by the Board in February 2015 aims to improve recruitment, retention and the key skills of our staff which will ensure that we can continue to deliver high quality, safe services.
- We will continue to invest the funds generated by our investment portfolio in customer-led initiatives to improve our services and customer outcomes. We have increased the target funds from £200,000 to £250,000.
- We will implement some of the key actions identified in our IT strategy, including the upgrade or replacement of our housing management system and the implementation of access to WIFI for our customers. These activities will enable our social care and landlord businesses to improve customer outcomes and at the same time deliver efficiencies.
- We will be working with our Customer Services Committee to develop a new approach to customer feedback and we will use the expertise of our customer quality checkers to capture qualitative feedback about our services.
- We will work with our new maintenance contractors to improve service levels and levels of customer satisfaction.
- We will contain the level of overhead costs by delivering efficiencies and growth. Our financial projections show year on year improvements in our overhead rates with an overall aim to achieve a rate of 10% of turnover by 2020 which is the widely accepted benchmark for care and support contracts.

Improving the social and economic return on our property assets

As mentioned above, we will be reviewing and developing a new asset management strategy to support Look Ahead's overall aim to achieve sustainable and managed growth. In addition to finalising our plans in Slough, Tower Hamlets, Newham and Elmbridge as set out on page 11, we will be pressing forward the following initiatives in 2015/16 as part of our current asset management strategy to increase the social and economic return of our property assets:

- We will continue to use our existing property portfolio as leverage to secure higher value social care services.
- In Barking & Dagenham, we are working with the commissioners to develop three new services in one of our large buildings. The building is currently used to provide

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

a low support service to young families and is due to be decommissioned in September.

- We are continuing to explore options to use our property stock in Ealing to deliver high value care services.
- We will complete the sale of our last remaining large hostel building in Bayswater.
- We will be completing the sale of a care home in Surrey.

Improving our performance monitoring

In 2015/16 we are rolling out across the organisation an improved performance monitoring framework which will enable us to quickly disseminate and cascade business critical performance information down the organisation to improve accountability and ownership at all tiers. The framework focuses on our core business objectives and is closely tied in to the recently approved Business and Workforce Development Strategies which are central to our future success.

A more detailed report on how Look Ahead's Board obtains assurance that Look Ahead is delivering value for money is on our website: www.lookahead.org.uk

Surpluses and reserves

The generation of a sustainable level of surpluses is a key element of Look Ahead's financial strategy, intended to maintain long term financial stability for the organisation, to meet the gearing and interest cover covenants of lenders and to cover unforeseen events.

Reserves are internally generated resources which are reinvested in our support services and assets, in particular our portfolio of housing stock which requires regular investment. More recently we have generated some one-off exceptional surpluses arising from the sale of our large hostels. The majority of the surpluses arising from these property sales have been invested with our Investment Managers, Rothschild.

Creditors

Look Ahead aims to pay its suppliers according to their terms of business.

Employees

At year end, Look Ahead's total full and part-time staffing complement stood at 970 Full Time Equivalent posts. The past year saw 61 employees transferred to Look Ahead under the Transfer of Undertakings (Protection of Employment) Regulations 2006, following successful new business wins. We have 240 Personal Support Assistants registered and working within Look Ahead services supporting our strategy for more personalised services and enabling customers to exercise control and choice.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

We now guarantee that all employees working within our services, in any of the 32 London Boroughs, will be paid the London Living Wage rate of pay as a minimum. This is independently reviewed on an annual basis and for those employees working outside of the London boroughs, we guarantee paying the National Living Wage rate of pay.

Our Workforce Development Strategy was approved by the Board and sets out four principle areas of future focus including:-

- Recruitment
- Staff retention
- Learning & development
- Improving HR capability

New employee forums have been created and will continue to operate throughout 2015/16. These forums give employees the opportunity to air concerns and voice opinions on a variety of topics including business strategy, future training and development needs, reward and recognition and the performance of central services.

The Joint Negotiating and Consultative Committee continue to provide the formal mechanism for consultation between Look Ahead and our recognised trade union, Unison, and relationships remain positive.

The safety, health, and living and working environments of our customers and staff are of prime importance to the organisation. Policies and procedures are regularly updated via staff consultation at the Health and Safety Forum and good practice is reinforced. Emergency planning, both centrally and locally, ensures that Look Ahead is prepared and able to deal with emergencies, whether of short or long duration.

Governance

Look Ahead embraces the principles set out in the National Housing Federation's Code of Governance (2015). The Board of Management is predominantly non-executive in its membership and is responsible for Look Ahead's overall direction and strategy. The former Chief Executive joined the Board in November 2012 and resigned in January 2015 when she stepped down from her office; her successor is not currently a member of the Board of Management. The members of the Board of Management are listed on page 3. Each of the non-executive members is allocated one share for voting purposes but this does not entitle the member to a beneficial interest in Look Ahead.

Operational responsibility is delegated to the Chief Executive and Senior Management Team. The Chief Executive advises the Board on strategic issues. The Chief Executive, Executive Directors and Directors are listed on page 4. They have no beneficial interest in Look Ahead's share capital.

Board members are elected for a three year term at the Annual General Meeting, one third retiring by rotation each year. The Board reviews its operation and performance annually. It identifies the skills it requires in order to fulfil its function and recruits new members as required. This year we have continued the process of Board renewal as required by best

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

governance practice. The Board has established a maximum term of office for its members and officers of six years.

The Board of Management is currently supported by:

- Performance Review Committee
- Customer Services Committee
- Urgency Committee
- Remuneration Committee

Members of these Committees are selected from the Board of Management, with the exception of the Customer Services Committee whose membership comprises up to 20 current Look Ahead customers and up to three Board members, one of whom is appointed as Chairman.

The **Performance Review Committee** is responsible for internal and external audit issues, risk management, setting and reviewing key performance indicators, and monitoring Look Ahead's operational and financial performance.

The **Customer Services Committee** is a formally constituted committee of Look Ahead's Board of Management. Its purpose is to provide a high level customer voice within the organisation, to optimise opportunities for customers across the organisation to play an active role in influencing service design and delivery and to feedback on quality, performance and outcomes information, contributing to continuous service improvement.

The **Urgency Committee** has full delegated authority to act on behalf of the Board for all urgent issues.

The **Remuneration Committee** establishes and reviews the organisation's Remuneration Policy, and reviews the Chief Executive's and Executive Directors' remuneration annually. The Committee takes advice from an independent external consultant. Details of the Chief Executive's remuneration and the total emoluments paid to the Executive Directors and Directors are shown in note 3 to the financial statements.

Internal controls assurance

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The Board recognises that no system of internal control can provide absolute assurance of elimination of risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved and that the Association complies with applicable laws and regulations and with regulatory standards and internal policies with respect to the conduct of the business. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which is embedded across all of Look Ahead's activities. This approach includes

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

the regular evaluation of the nature and extent of risks to which the Association is exposed and is consistent with the principles of good governance outlined in the NHF's Code of Governance (2015).

The Board delegates the monitoring of risk management and internal control to the Performance Review Committee (PRC). The terms of reference and standing orders for the PRC and the delegated authorities contain the following elements:

- Identification and evaluation of key risks

The PRC considers and recommends the organisation's business risk map and controls to the Board, and considers the annual review of key risks and the methods to be used for managing them. The Chief Executive implements the risk management decisions of the Board, including the allocation of responsibility for risks to individual members of staff and the maintenance of an effective system of internal control. As part of overall risk management the PRC oversees Look Ahead's plans for continuity of service in the event of a major emergency.

- Managing the risk of fraud

The Board has a strategy and a policy on reporting loss, theft and fraud covering the prevention, detection and reporting of fraud and the recovery of assets. A register of all incidents of fraud and attempted fraud detected is maintained and appropriate follow up action is taken to strengthen internal controls.

- Monitoring and corrective action

The PRC meets four times a year and has responsibility for monitoring the effectiveness of the system of internal controls on an ongoing basis. It receives reports and, where appropriate, makes recommendations to the Board, on internal controls, internal and external audit, accounts and financial compliance, performance and quality, probity, continuous improvement and regulatory compliance. This includes a rigorous procedure for ensuring that corrective action is taken in relation to significant control issues, particularly those with a material impact on the financial statements.

- Information and financial reporting systems

The Board approves the annual budget and any subsequent re-forecasts to that budget each year. It also reviews and approves the long term financial forecasts contained in the business plan. The PRC receives quarterly reports on progress against budget as well as 12 month cash flow forecasts. It uses these reports to monitor financial performance during the year. The PRC and Board also regularly review key operational performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

- Control environment and control procedures

The Board retains responsibility for a defined range of issues covering strategic, operational, and financial and compliance issues including treasury strategy and new investment projects. The Board has adopted, and disseminated to all employees, the National Housing Federation's Code of Governance 2015. This sets out the Association's policies with regard to quality, integrity and ethics of its employees. It is supported by a framework of policies and procedures with which employees must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection. All employees and Board members also make an annual declaration of interests.

The Board has received the Chief Executive's annual reports, has conducted its review of the effectiveness of the system of internal control and has noted any changes needed to maintain the effectiveness of the risk management and control process.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Association. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

Reappointment of auditors

A resolution to re-appoint BDO LLP as our external auditors will be proposed at the next Annual General Meeting.

Statement of Board of Management's responsibilities

The Board of Management are responsible for preparing the Board of Management's report and the financial statements in accordance with applicable law and regulations.

Law applicable to Registered Societies under the Co-operative and Community Benefit Societies Act 2014 and registered social housing providers in England require the Board of Management to prepare financial statements for each financial year. Under that law, the Board of Management have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements the board is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Observe the methods and principles in the Housing SORP; and

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- so far as that director is aware, there is no relevant audit information of which the association's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the association's auditors in connection with preparing their report and to establish that the association's auditors are aware of that information.

The Association is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

By order of the Board of Management



Claire Luxton
Company Secretary
16 June 2015

LOOK AHEAD CARE AND SUPPORT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOK AHEAD CARE AND SUPPORT LIMITED

We have audited the financial statements of Look Ahead Care and Support Limited for the year ended 31 March 2015 which comprise the consolidated and association income and expenditure accounts, the consolidated and association balance sheets, the consolidated statement of total recognised surpluses and deficits, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the association's members, as a body, in accordance with the Housing and Regeneration Act 2008 and Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members 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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the board and auditors

As explained more fully in the statement of board member responsibilities, the board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent association's affairs as at 31 March 2015 and of the group's and parent association'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 Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012.


LOOK AHEAD CARE AND SUPPORT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOK AHEAD CARE AND SUPPORT LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the parent association, or returns adequate for our audit have not been received from branches not visited by us; or
- a satisfactory system of control has not been maintained over transactions; or
- the parent association 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.



*BDO LLP, statutory auditor
London
United Kingdom
16 June 2015*

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

LOOK AHEAD CARE AND SUPPORT LIMITED

INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

	Note	Group 2015 £'000	Association 2015 £'000	Group 2014 £'000	Association 2014 £'000
Turnover	2	55,505	55,505	52,564	52,564
Operating costs	2	(54,874)	(54,870)	(50,131)	(50,131)
Operating surplus	2	<u>631</u>	<u>635</u>	<u>2,433</u>	<u>2,433</u>
(Deficit) / surplus on disposal of fixed assets	19	(74)	(74)	201	201
Interest receivable and similar income		625	625	365	365
Investment charges payable	7	(320)	(320)	(280)	(280)
Interest payable and similar charges	5	(244)	(244)	(332)	(332)
Surplus for the year		<u>618</u>	<u>622</u>	<u>2,387</u>	<u>2,387</u>
Retained revenue surplus for the year		<u>618</u>	<u>622</u>	<u>2,387</u>	<u>2,387</u>

All of Look Ahead's operations are continuing.

LOOK AHEAD CARE AND SUPPORT LIMITED

STATEMENT OF TOTAL RECOGNISED SURPLUSES FOR THE YEAR ENDED 31 MARCH 2015

	Note	Group 2015	Association 2015	Group 2014	Association 2014
		£'000	£'000	£'000	£'000
Surplus for the year		618	622	2,387	2,387
Actuarial (loss) / gain on Local Government Pension Schemes		(46)	(46)	33	33
Unrealised gain/(loss) on Investment	7	3,725	3,725	(655)	(655)
Unrestricted surplus for the year		4,297	4,301	1,765	1,765
Restricted surplus for the year		77	77	36	36
Total recognised surplus relating to the year		4,374	4,378	1,801	1,801

RECONCILIATION OF MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 MARCH 2015

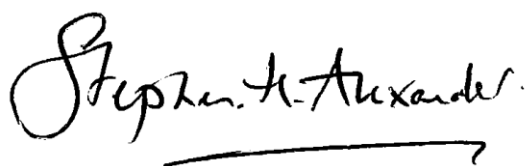
	Group 2015	Association 2015	Group 2014	Association 2014
	£'000	£'000	£'000	£'000
Total recognised surplus relating to the year	4,374	4,378	1,801	1,801
Opening total funds	62,766	62,766	60,965	60,965
Closing total funds	67,140	67,144	62,766	62,766

LOOK AHEAD CARE AND SUPPORT LIMITED

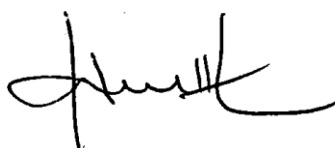
BALANCE SHEETS AS AT 31 MARCH 2015

	Note	Group 2015	Association 2015	Group 2014	Association 2014
		£'000	£'000	£'000	£'000
Fixed assets					
Housing properties	7	128,738	128,738	128,820	128,820
Less: Social Housing Grant	7	(93,226)	(93,226)	(93,226)	(93,226)
Other public grants	7	(1,611)	(1,611)	(1,611)	(1,611)
		<u>33,901</u>	<u>33,901</u>	<u>33,983</u>	<u>33,983</u>
Investments	7	47,963	47,963	43,982	43,982
Other tangible assets	7	3,966	3,966	1,939	1,939
		<u>85,830</u>	<u>85,830</u>	<u>79,904</u>	<u>79,904</u>
Current assets					
Debtors	9	4,428	4,429	4,572	4,612
Cash at bank and in hand		3,377	3,377	1,334	1,297
Short term deposits		2,252	2,252	4,750	4,750
		<u>10,057</u>	<u>10,058</u>	<u>10,656</u>	<u>10,659</u>
Net current (liabilities) / assets					
		<u>(8,054)</u>	<u>(8,050)</u>	<u>92</u>	<u>92</u>
Total assets less current liabilities					
		<u>77,776</u>	<u>77,780</u>	<u>79,996</u>	<u>79,996</u>
Creditors					
Amounts falling due within one year	10	(18,111)	(18,108)	(10,564)	(10,567)
Net pension liability					
	12	48	48	2	2
Capital and reserves					
Restricted reserves	16	239	239	162	162
Revenue reserve	16	66,901	66,905	62,604	62,604
		<u>67,140</u>	<u>67,144</u>	<u>62,766</u>	<u>62,766</u>
		<u>77,776</u>	<u>77,780</u>	<u>79,996</u>	<u>79,996</u>

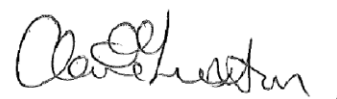
The financial statements on pages 25 to 60 were approved and authorised for issue by the Board of Management on 16 June 2015 and were signed on its behalf by:



Stephen Alexander
Chairman



Jane Hives
Board Member



Claire Luxton
Secretary

LOOK AHEAD CARE AND SUPPORT LIMITED

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
31 MARCH 2015**

	Note	2015		2014	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	21(a)		3,647		3,468
Returns on investments and servicing of finance					
Interest received		620		362	
Interest paid		(185)		(274)	
			435		88
Capital expenditure					
Acquisition and construction of housing properties		(455)		(687)	
Proceeds of sale from fixed assets		-		446	
Purchase of other tangible fixed assets		(3,053)		(981)	
Purchase of Investments		(576)		(3,825)	
			(4,084)		(5,047)
Financing					
Recycled capital grant repaid		(110)		-	
Housing loans repaid		(343)		(270)	
			(453)		(270)
Decrease in cash	21(b)		(455)		(1,761)

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable financial reporting standards in the United Kingdom, and with the Statement of Recommended Practice (SORP) 'Accounting by registered social housing providers Update 2010'. They also comply with the Accounting Direction for Private Registered Providers of Social Housing 2012. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting with the exception of investments, which are accounted for at valuation.

Basis of consolidation

The Group financial statements consolidate Look Ahead Care and Support Limited (the Association) and its wholly owned subsidiary Look Ahead Developments Limited. Unless otherwise stated, the notes to the financial statements relate both to the Group and the Association entity. The Group Accounts have been prepared under the requirements of the Co-operative and Community Benefit Societies Act.

Turnover

Turnover represents contract income from local authorities and health authorities, fees and revenue based grants receivable from local authorities, health authorities, the Homes and Communities and other agencies, rent and service charge income receivable and charitable donations from individuals, companies and trusts.

Housing properties

Housing properties are stated at cost less depreciation except where their value to the business has been impaired such that it is lower than net book value. The cost of properties is their purchase price, together with incidental costs of acquisition including interest payable, and any subsequent improvements.

Depreciation is calculated on the cost of properties and their major components net of capital grants and is charged on a straight-line basis over their expected useful economic lives as shown below. Freehold land is not depreciated.

Structure - Supported Housing	100 years
Structure - Registered Care Homes	100 years
Structure - Hostels	30 years
Bathroom	30 years
Kitchen	20 years
Roof (depending on type)	15-50 years

Impairment in the value of housing properties is recognised by writing them down to their recoverable amount. The recoverable amount is the higher of open market value with vacant possession and value in use. Any resulting losses are charged to the

1. PRINCIPAL ACCOUNTING POLICIES (continued)

income and expenditure account in the year in which the impairment is recognised.

Other tangible fixed assets and depreciation

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic lives of the assets. The principal annual rates used are:

Office improvement works	Remaining length of lease
Office furniture and equipment	between 10% and 20%
Furniture and equipment in projects	between 10% and 50%
White goods	20%
Computer equipment	between 33 ¹ / ₃ % and 50%

Social Housing Grant

Where developments have been financed wholly or partly by Social Housing Grant the cost of those developments has been reduced by the amount of the grant receivable. The amount of the grants receivable is shown separately on the balance sheet.

Social Housing Grant received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

Social Housing Grant on sold property is usually transferred to the Recycled Capital Grant Fund for future use; it may nevertheless become repayable if it is not reused within 3 years. The amount repayable would be restricted to the net proceeds of sale, where appropriate.

Other public grants

Other public grants include grants from local authorities and other public bodies. Where developments have been financed wholly or partly by other public grants, the costs of these developments have been reduced by the amount of grant receivable on these properties. The amount of the grants receivable is shown separately on the balance sheet. Grants in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

Capitalisation of development overheads

Directly attributable development administration costs are capitalised. These include the labour costs of employees arising directly from the construction or acquisition of the property, and the incremental costs that would have been avoided only if the property had not been constructed or acquired.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Stocks

Consumable stocks are expensed in the period in which they are purchased.

Sale of Fixed Assets

In the event of a sale of a property, the net surplus or deficit is taken to be sale proceeds less costs of sale. Any Social Housing Grant related to the property is recycled. Any Surplus arising from the sale is recognised on the face of the Income and Expenditure in the period of sale.

Pension costs

Look Ahead participates in three multi-employer defined benefit schemes: two Social Housing Pension Schemes (SHPS) available to permanent employees; and the NHS Pension Scheme for staff who transferred in 2013 under TUPE in respect of a former NHS learning disability scheme in Kensington and Chelsea. Since 1 April 2011 membership of the defined benefit schemes have closed to new members and Look Ahead now offers the SHPS defined contribution scheme to all new staff.

Look Ahead ceased to be an employing authority in a fourth scheme, the London Borough of Tower Hamlets Pension Fund, on 22 May 2014. The final contribution due to the fund as at 31 March 2015 was equal to the liabilities remaining with the fund on cessation (£48,000). The loss on final valuation has been recognised through the Statement of Total Recognised Surpluses for the period.

The Social Housing Pension Scheme defined benefit schemes are operated by the Pensions Trust. Contributions to these pension schemes are calculated as a percentage of pensionable salaries of the employees, determined in accordance with actuarial advice plus past deficit contributions. It is not possible to separately determine the proportion of the total pension scheme's assets and liabilities that are attributable to Look Ahead. The cost of providing retirement pensions and related benefits is charged, therefore, to the income and expenditure account on the basis of contributions paid to the scheme.

For the NHS Pension Scheme, contributions are calculated as a percentage of salaries and enhanced payments of the employees, determined by the NHS Pension Scheme. It is not possible to separately determine the proportion of the total pension scheme's assets and liabilities that are attributable to Look Ahead. The cost of providing retirement pensions and related benefits is charged, therefore, to the income and expenditure account on the basis of contributions paid to the scheme.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when Look Ahead has a present legal or constructive obligation as a result of a past event, and it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A provision is made for rental and service charge income arrears and is calculated as 5 % of current tenant debit balances and 100% of former tenant debit balances.

Value Added Tax

Income from Look Ahead's large central London hostel is subject to VAT, which in turn entitles it to recover VAT incurred on related expenditure from HM Revenue and Customs. All other main income streams are exempt from or outside the scope of VAT, which result in a VAT cost on associated expenditure. As only part of its activities is taxable, Look Ahead performs a partial exemption calculation which allows it to recover a proportion of the VAT incurred on its office overheads. The financial statements include only the VAT that is suffered by Look Ahead and not recovered from HM Revenue and Customs. The balance of VAT payable at the year end is shown as a current liability.

Interest

Interest charged on index linked loans reflects the effective annual cost of financing those loans. Interest payable relating to the construction of housing properties is capitalised by applying Look Ahead's cost of borrowing to expenditure during the construction of the property up to the date of practical completion.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Agency managed accommodation

Where accommodation is managed for Look Ahead by a specialist agency and all, or substantially all, the economic risks and benefits are carried by Look Ahead, all income and expenditure relating to that scheme is included in the income and expenditure account. Where the economic risks and benefits are transferred to the agency, only that income and expenditure which relates directly to Look Ahead is included.

Related party transactions

There have been no related party transactions during the year.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Investments

Listed Investments are stated at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Total Recognised Surpluses. The unlisted investment in the trading subsidiary is stated at cost.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2. LETTINGS AND RELATED INFORMATION

(a) Particulars of turnover, operating costs and operating surplus

	Group 2015		
	Turnover	Operating Costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Income and expenditure from lettings (note 2b)	20,229	(17,305)	2,924
Other income and expenditure			
Care & Support contracts	34,643	(37,457)	(2,814)
Development	-	(21)	(21)
Non-social housing activities			
Commercial property	237	(91)	146
Other	396	-	396
Total	55,505	(54,874)	631

	Group 2014		
	Turnover	Operating Costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Income and expenditure from lettings (note 2b)	17,674	(15,453)	2,221
Other income and expenditure			
Care & Support contracts	34,462	(34,489)	(27)
Development	-	(31)	(31)
Non-social housing activities			
Commercial property	204	(158)	46
Other	224	-	224
Total	52,564	(50,131)	2,433

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2. LETTINGS AND RELATED INFORMATION (continued)

(a) Particulars of turnover, operating costs and operating surplus (continued)

	Association 2015		
	Turnover	Operating Costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Income and expenditure from lettings (note 2b)	20,229	(17,305)	2,924
Other income and expenditure			
Care & Support contracts	34,643	(37,457)	(2,814)
Development	-	(17)	(17)
Non-social housing activities			
Commercial property	237	(91)	146
Other	396	-	396
Total	55,505	(54,870)	635

	Association 2014		
	Turnover	Operating Costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Income and expenditure from lettings (note 2b)	17,674	(15,453)	2,221
Other income and expenditure			
Care & Support contracts	34,462	(34,489)	(27)
Development	-	(31)	(31)
Non-social housing activities			
Commercial property	204	(158)	46
Other	224	-	224
Total	52,564	(50,131)	2,433

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2. LETTINGS AND RELATED INFORMATION (continued)

(b) Particulars of income and expenditure from lettings

	Group and Association	
	Supported Housing	
	2015	2014
	£'000	£'000
Income from lettings		
Rent receivable net of voids	12,206	11,042
Service income	8,023	6,632
Total income from lettings	<u>20,229</u>	<u>17,674</u>
Expenditure on letting activities		
Services	6,390	5,322
Management	7,870	7,120
Maintenance	1,429	1,676
Major repairs	386	252
Depreciation of properties	391	444
Rent and service charge losses from bad debts	839	639
Total expenditure on lettings	<u>17,305</u>	<u>15,453</u>
Operating surplus on letting activities	<u>2,924</u>	<u>2,221</u>

Net rental income includes voids of £779,000 (2014: £688,000): this is rent lost through dwellings being vacant.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2. LETTINGS AND RELATED INFORMATION (continued)

(c) Accommodation in management

	Group and Association	
	2015	2014
	Number of Units	Number of Units
Supported housing	2,477	2,436
Registered care homes	92	92
Other	13	13
	<u>2,582</u>	<u>2,541</u>
	Number of customers	Number of customers (restated)
Domiciliary and other customers	<u>5,401</u>	<u>5,086</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2. LETTINGS AND RELATED INFORMATION (continued)

(d) Agency managed accommodation

The following organisations manage accommodation on behalf of Look Ahead. Their results have not been included within these financial statements.

Managing body	Group and Association			
	Net Income Receivable			
	31 March 2015		31 March 2014	
	£'000	Number of units	£'000	Number of units
Ability Housing	56	12	56	12
CAYSH	28	7	34	7
East Thames	20	5	11	5
Equinox	19	10	52	10
Family Mosaic	75	15	70	15
Hestia	72	15	-	-
London Cyrenians	184	28	140	28
One Housing	81	21	85	21
Refuge	-	-	77	15
Support for Living	78	6	78	6
Turnstone Support	2	5	9	5
Total	615	124	612	124

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2. LETTINGS AND RELATED INFORMATION (continued)

(e) Services provided in accommodation owned by RSLs and other public bodies

Registered Provider	Group and Association			
	Income payable by Look Ahead Care and Support			
	31 March 2015		31 March 2014	
	£'000	Number of units	£'000	Number of units
Amicus Horizon	140	33	125	33
Ashdown Medway Accommodation	25	17	77	17
ASRA	15	7	-	-
Central & Cecil Housing	52	24	68	24
Circle Anglia	3	12	-	14
East Living	42	18	69	18
Family Mosaic	72	20	56	20
Gateway HA	49	10	31	7
Genesis HA	217	56	184	52
Greenwich Council	-	-	28	8
Haringey Council	-	2	1	2
Harrow Council	21	15	-	-
Hestia	21	8	18	8
Hexagon	65	42	56	42
Hillingdon Council	-	-	-	33
Hyde HA	358	108	346	108
London & Quadrant Housing Trust	876	253	812	261
Metropolitan Housing	2	29	-	-
MHS Homes	-	-	15	5
Moat	76	38	83	38
Network Stadium	247	90	200	81
Notting Hill HA	351	66	347	66
NHS Property Services	577	31	-	15
One Housing Group	96	21	81	12
Peabody Trust	379	101	207	66
RB Kensington & Chelsea	78	12	50	28
Salvation Army HA	695	163	273	163
Shepherds Bush HA	37	12	55	12
St Mungo's	550	149	350	100
Theori	57	6	52	6
Town and Country	24	8	15	8
Wandle HA	56	13	50	13
Total	5,181	1,364	3,649	1,260

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2. LETTINGS AND RELATED INFORMATION (continued)

The information above relates to accommodation owned by other registered social landlords (RSLs) and public bodies. Look Ahead Care and Support either provide a housing management and support service in these units or deliver a support or social care service in properties owned by these organisations.

3. DIRECTORS' AND SENIOR STAFF EMOLUMENTS

The remuneration paid to members of the Board of Management, the Chief Executive and the Senior Management Team was as follows:

	Salaries	Pension	Total	Total
	£'000	contributions	2015	2014
	£'000	£'000	£'000	£'000
Aggregate emoluments paid to Directors (including Chief Executive)	632	24	656	649
Board members	83	-	83	58

The amount paid to the highest paid director, excluding pension contributions, was £182,932 (2014: £172,640).

The amount paid to the highest paid director, including pension contributions, was £182,932 (2014: £189,233)

Total expenses of £nil (2014: £nil) were reimbursed to the members of the Board of Management.

The Chief Executive and salaried Directors are entitled to ordinary membership of Look Ahead's pension scheme. No special terms or funded individual pension arrangements apply to these posts.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

3. DIRECTORS' AND SENIOR STAFF EMOLUMENTS (continued)

	2015 Number	2014 Number
Salary banding for all employees earning over £60,000 (including salaries, bonus and any termination payments):		
£60,000 - £70,000	6	5
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£130,001 - £140,000	1	1
£170,001 - £180,000	-	1
£180,001 - £190,000	1	-
	<u>13</u>	<u>11</u>

4. EMPLOYEE INFORMATION

	Group and Association	
	2015 Number	2014 Number
The number of people, including the Chief Executive and the Directors, employed at the year end expressed as full time equivalents was:		
Office staff	78	79
Housing, support and care staff	892	896
	<u>970</u>	<u>975</u>
The average number of employees (expressed as full time equivalents) employed during the year was:		
	<u>973</u>	<u>957</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

4. EMPLOYEE INFORMATION (continued)

Staff costs for these employees were:	2015	2014
	£'000	£'000
Wages and salaries	24,243	24,461
Social security costs	2,066	2,026
Other pension costs (see note 12)	1,314	1,286
	27,623	27,773
Contract staff employed through agencies	3,292	2,331
Personal Support Assistant costs	1,713	1,528
Total staffing costs	32,628	31,632

Included in the amounts above are wages and salaries for Board members amounting to £83,000 (2014: £58,000) and social security costs of £10,000 (2014: £3,000)

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Group and Association	
	2015	2014
	£'000	£'000
On bank and other loans	244	332

6. SURPLUS FOR THE YEAR

	Group	Association	Group	Association
	2015	2015	2014	2014
	£'000	£'000	£'000	£'000
Surplus for the year is stated after charging:				
Depreciation of fixed assets	1,495	1,495	1,152	1,152
Auditors' remuneration (excluding VAT):				
In their capacity as auditors	33	32	32	31
In respect of other services	1	1	1	1
Hire of non-plant and machinery assets under operating leases	398	398	90	90

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

7. TANGIBLE FIXED ASSETS

(a) Housing properties

	Group and Association
	Completed housing properties
	£'000
Cost	
At 1 April 2014	133,767
Schemes completed	-
Additions	455
Disposals	(23)
	<hr/>
At 31 March 2015	134,199
Depreciation	
At 1 April 2014	(4,927)
Depreciation charge for the year	(533)
Disposals	19
	<hr/>
At 31 March 2015	(5,441)
Impairment	
At 1 April 2014	(20)
Charge for the year	-
Disposals	-
	<hr/>
At 31 March 2015	(20)
Net cost	
At 31 March 2015	128,738
	<hr/>
At 31 March 2014	128,820
	<hr/>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

7. TANGIBLE FIXED ASSETS (continued)

(a) Housing properties (continued)

	Group and Association Completed housing properties	
	£'000	
Social Housing Grant		
At 1 April 2014	93,226	
At 31 March 2015	93,226	
Other Public Grants		
At 1 April 2014	1,611	
At 31 March 2015	1,611	
Total Grants	94,837	
Net book value at 31 March 2015	33,901	
At 31 March 2014	33,983	
	2015	2014
	£'000	£'000
Housing properties at net cost comprise:		
Freehold	117,185	117,252
Long leaseholds	11,252	11,261
Short leaseholds	301	307
	128,738	128,820

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

7. TANGIBLE FIXED ASSETS (continued)

(b) Other tangible assets

	Office improvement works £'000	Furniture & equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 April 2014	69	3,820	2,057	5,946
Additions	1,181	1,005	867	3,053
Disposals	-	(484)	(620)	(1,104)
At 31 March 2015	1,250	4,341	2,304	7,895
Depreciation				
At 1 April 2014	(12)	(2,261)	(1,734)	(4,007)
Charge for the year	(124)	(462)	(376)	(962)
Disposals	-	423	617	1,040
At 31 March 2015	(136)	(2,300)	(1,493)	(3,929)
Net book value at 31 March 2015	1,114	2,041	811	3,966
At 31 March 2014	57	1,559	323	1,939

(c) Social Housing Grant

	2015 £'000	2014 £'000
SHG deducted from the cost of housing properties	93,226	93,226
Add: cumulative amount credited to income and expenditure account	3,824	3,824
Total SHG received to date	97,050	97,050

The cumulative amount of SHG credited to the income and expenditure account includes **£nil** (2014: £nil) to cover administrative and other internally generated costs incurred in the year.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

7. TANGIBLE FIXED ASSETS (continued)

(d) Fixed Asset Investments

	Group and Association	
Market Value	2015 £'000	2014 £'000
At 1 April 2014	43,982	41,092
Additions	576	3,825
Investment charges	(320)	(280)
Unrealised gain / (loss)	3,725	(655)
At 31 March 2015	47,963	43,982
Historical cost	42,123	41,547

	Group and Association	
Market Value	2015 £'000	2014 £'000
Money market	4,179	7,786
Fixed income securities	16,504	10,332
Equities	21,982	20,332
Properties	-	-
Alternative investments	5,298	5,532
At 31 March 2015	47,963	43,982

8. INVESTMENT IN SUBSIDIARY

	2015 £	2014 £
Look Ahead Developments Limited	1	1

Look Ahead Care And Support Limited owns 100% of the share capital of Look Ahead Developments Limited. The subsidiary was incorporated in England as a trading company on 12 February 2008 to provide construction, design and build services. During the year, Look Ahead Developments Limited provided construction services to Look Ahead Care And Support Limited.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

9. DEBTORS

	Group 2015 £'000	Association 2015 £'000	Group 2014 £'000	Association 2014 £'000
Amounts receivable within one year:				
Gross rental debtors	2,537	2,537	2,162	2,162
Less: provision for bad debts	(1,244)	(1,244)	(842)	(842)
Net rental debtors	1,293	1,293	1,320	1,320
Trade debtors	2,691	2,691	2,761	2,744
Prepayments and accrued income	370	370	436	436
VAT	5	3	-	-
Other debtors	69	69	55	35
Look Ahead Developments Limited	-	3	-	77
	4,428	4,429	4,572	4,612

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2015 £'000	Association 2015 £'000	Group 2014 £'000	Association 2014 £'000
Housing loans	346	346	291	291
Trade creditors	1,137	1,135	561	560
VAT	-	-	23	23
Other creditors	4,155	4,155	4,102	4,102
Accruals and deferred income	4,529	4,528	3,835	3,785
Recycled capital grant fund (note 20)	7,944	7,944	1,752	1,752
Look Ahead Developments Limited	-	-	-	54
	18,111	18,108	10,564	10,567

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group and Association	
	2015 £'000	2014 £'000
Housing loans	6,745	7,142
Recycled capital grant fund (Note 20)	3,843	10,086
	<u>10,588</u>	<u>17,228</u>
Housing loans consist of the following:		
Lender		
Newcastle Building Society	2,051	2,237
Dexia Public Finance Bank	4,759	4,914
Orchardbrook Ltd	281	283
	<u>7,091</u>	<u>7,434</u>
Amounts owed on housing properties repayable:		
In one year or less (included in current liabilities)	346	291
Between one and two years	365	313
Between two and five years	1,226	1,096
In five years or more, by instalments	5,154	5,734
	<u>7,091</u>	<u>7,434</u>

Housing loans are secured by specific charges on Look Ahead's housing properties, and are repayable at rates of interest varying between **0.85%** and **11.04%**.

12. PENSION OBLIGATIONS

a) Social Housing Pension Scheme (SHPS)

Look Ahead Care and Support participates in the Social Housing Pension Scheme (the Scheme). The Scheme is funded and is contracted-out of the State Pension scheme.

The Scheme is a multi-employer defined benefit scheme. Employer participation in the Scheme is subject to adherence with the employer responsibilities and obligations as set out in the 'SHPS House Policies and Rules Employer Guide'.

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 31 March 2007. From April 2007 three defined benefit structures have been available, namely:

Final salary with a 1/60th accrual rate.

Final salary with a 1/70th accrual rate.

Career average revalued earnings (CARE) with a 1/60th accrual rate.

From April 2010 a further two defined benefit structures have been available, namely:

Final salary with a 1/80th accrual rate.

Career average revalued earnings (CARE) with a 1/80th accrual rate.

A defined contribution benefit structure was made available from 1 October 2010.

A Career average revalued earnings (CARE) structure with a 1/120th accrual rate was made available from 1 April 2013. This structure is contracted-in to the State Second Pension scheme.

An employer can elect to operate different benefit structures for their active members and their new entrants. An employer can operate one open defined benefit structure plus CARE 1/120th, plus the defined contribution benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Look Ahead has operated the final salary with a 1/60th accrual rate benefit structure for active members as at 31 March 2007 and the final salary with a 1/70th accrual rate benefit structure for new entrants from 1 April 2007. Active members as at 31 March 2007 could also opt in to the final salary with a 1/70th accrual rate benefit structure from 1 April 2007. The 1/60th scheme was closed to new members as of 31 March 2007.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate. From 1 April 2010 the requirement for employers to pay at least 50% of the total contribution rate no longer applies.

12. PENSION OBLIGATIONS (continued)

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Look Ahead paid contributions at the rate of 1% to 19.8% member contributions varied between 1% and 13.6%.

As at the balance sheet date there were 907 active members of the Scheme employed by Look Ahead. The annual pensionable payroll in respect of these members was £18.7m. Look Ahead continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67.0%.

The Scheme Actuary is currently finalising the 2014 valuation but key provisional results have been confirmed. As at 30 September 2014, the market value of the Scheme's assets was £3,123 million. There was a shortfall of assets compared with the value of liabilities of £1,323 million, equivalent to a past service funding level of 70%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

Valuation Discount Rates:		% p.a.
Pre-Retirement		7.0
Non Pensioner Post Retirement		4.2
Pensioner Post Retirement		4.2
Pensionable Earnings Growth		2.5 per annum for 3 years, then 4.4
Price Inflation (RPI)		2.9
Pension Increases:		
Pre 88 GMP		0.0
Post 88 GMP		2.0
Excess Over GMP		2.4

Expenses for death-in-service insurance, administration and Pension Protection Fund (PPF) levy are included in the contribution rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

12. PENSION OBLIGATIONS (continued)

The valuation was carried out using the following demographic assumptions:

Mortality pre-retirement – 41% SAPS S1 Male / Female All Pensioners (amounts), Year of Birth, CMI_2009 projections with long term improvement rates of 1.5% p.a. for Males and 1.25% p.a. for Females.

Mortality post retirement – 97% SAPS S1 Male / Female All Pensioners (amounts), Year of Birth, CMI_2009 projections with long term improvement rates of 1.5% p.a. for Males and 1.25% p.a. for Females.

The long-term joint contribution rates required from April 2013 from employers and members to meet the cost of future benefit accrual were assessed at:

Benefit Structure	Long-term Joint Contribution Rate (% of pensionable salaries)
Final salary with a 1/60th accrual rate	19.4
Final salary with a 1/70th accrual rate	16.9
Career average revalued earnings (CARE) with a 1/60th accrual rate	18.1
Final salary with a 1/80th accrual rate	14.8
Career average revalued earnings (CARE) with a 1/80th accrual rate	14.0
Career average revalued earnings (CARE) with a 1/120th accrual rate	9.7

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a Recovery Plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the actuarial valuation it was agreed that the shortfall of £1,035 million would be dealt with by the payment of deficit contributions as shown in the table below:

From 1 April 2013 to 30 September 2020	A cash amount(*) equivalent to 7.5% of members' earnings per annum (payable monthly and increasing by 4.7% per annum each 1 April)
From 1 October 2020 to 30 September 2023	A cash amount(*) equivalent to 3.1% of members' earnings per annum (payable monthly and increasing by 4.7% per annum each 1 April)
From 1 April 2013 to 30 September 2026	£30,640,000 per annum (payable monthly and increasing by 3% per annum each 1 April; first increase on 1 April 2014)

12. PENSION OBLIGATIONS (continued)

(*) The contributions of 7.5% will be expressed in nominal pound terms (for each employer), increasing each year in line with the earnings growth assumption used in the 30 September 2008 valuation (i.e. 4.7% per annum). The contributions of 3.1% will be calculated by proportioning the nominal pound payment at the time of the change. Earnings at 30 September 2008 (for each Employer) will be used as the reference point for calculating these contributions.

These deficit contributions are in addition to the long-term joint contribution rates as set out in paragraph 15 above.

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate).

Employers that have closed the defined benefit section of the Scheme to new entrants are required to pay an additional employer contribution loading of 2.5% to reflect the higher costs of a closed arrangement.

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into the Scheme.

New employers that do not transfer any past service liabilities to the Scheme pay contributions at the ongoing future service contribution rate. This rate is reviewed at each valuation and new employers joining the Scheme between valuations up until 1 April 2010 do not contribute towards the deficit until two valuations have been completed after their date of joining. New employers joining the Scheme after 1 April 2010 will be liable for past service deficit contributions from the valuation following joining. Contribution rates are changed on the 1 April that falls 18 months after the valuation date.

A copy of the Recovery Plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to The Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or Recovery Plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Scheme liabilities and hence impact on the Recovery Plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the Recovery Plan).

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

12. PENSION OBLIGATIONS (continued)

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

b) Local Government Pension Schemes

Until 22 May 2014 the Group participated in one Local Government Pension Scheme, a defined benefit statutory scheme administered by the London Borough of Tower Hamlets. All scheme assets are held in separate funds administered by the Trustees of the scheme; the latest formal valuation was completed as at 31 March 2013.

The final contribution due to the fund as at 31 March 2015 was equal to the actuarial valuation of the liabilities remaining with the fund on cessation (£48,000). The loss on final valuation has been recognised through the Statement of Total Recognised Surpluses for the period.

The charge to the income and expenditure account for the year was £nil (2014: £13,000). The net pension liability in respect of the plan is £48,000 (2014: £2,000).

c) NHS Pension Scheme

Look Ahead Care and Support also contributes to the NHS Pension scheme in respect of staff employed at one former NHS Learning Disabilities service. For the NHS Pension Scheme, contributions are calculated as a percentage of salaries and enhanced payments of the employees, determined by the NHS Pension Scheme. It is not possible to separately determine the proportion of the total pension scheme's assets and liabilities that are attributable to Look Ahead. The cost of providing retirement pensions and related benefits is charged, therefore, to the income and expenditure account on the basis of contributions paid to the scheme.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

13. CALLED-UP SHARE CAPITAL

Each of the Association's members holds one share of £1 in Look Ahead Care and Support Limited. These shares carry no dividend rights and are redeemable on cessation of membership, if the member so chooses. Each member has the right to vote at members' meetings, but no rights to dividends or distributions upon winding up. All members of the Board of Management are members of Look Ahead.

	2015 £	2014 £
Allotted, issued and fully paid at 1 April 2014	20	20
Issued during the year	2	-
At 31 March 2015	<u>22</u>	<u>20</u>

14. LEGISLATIVE PROVISIONS

Look Ahead Care and Support Limited is incorporated under the Co-operative and Community Benefit Societies Act 2014.

15. TAXATION

Look Ahead Care and Support Limited is a charitable social landlord and is not subject to Corporation Tax.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

16. MOVEMENTS IN RESERVES - GROUP

	Restricted reserves	Revenue reserve	Total
	£'000	£'000	£'000
At 1 April 2014	162	62,604	62,766
Surplus for the year	77	618	695
Actuarial loss on pension scheme	-	(46)	(46)
Unrealised gain on investments	-	3,725	3,725
At 31 March 2015	239	66,901	67,140

The Group revenue reserve at 31 March 2015 includes a loss for the year of £3,579 (2014: nil) and accumulated deficit of £3,580 (2014: nil) in respect of Look Ahead Developments Limited.

At 31 March 2015, the revenue reserve included a **£48,000** defined benefit pensions liability (2014: **£2,000** liability) arising from Look Ahead's participation in one Local Government Pension Scheme (refer to note 12(b)).

The revenue reserves reflect the Group's accumulated accounting surpluses. These reserves are internally generated resources which are reinvested in our support services and assets, in particular our portfolio of housing stock which requires regular investment.

Restricted reserves relate to fundraising income which is yet to be expended.

17. CAPITAL COMMITMENTS

At 31 March 2015, the value of capital expenditure which had been contracted for but not provided for in the financial statements was **£nil**. (2014: £nil).

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

18. FINANCIAL COMMITMENTS

At 31 March 2015, Look Ahead had annual commitments under operating leases as follows:

	Group and Association			
	Land and buildings		Other	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Leases expiring:				
Within one year	-	151	4	46
In two to five years	359	66	47	62

19. SURPLUS ON DISPOSAL OF FIXED ASSETS

	Group and Association	
	2015 £'000	2014 £'000
Net proceeds of sales	-	446
Cost of sales	(74)	(245)
Net (deficit) / surplus on sales	(74)	201

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

20. RECYCLED CAPITAL GRANT FUND

	Group and Association	
	2015 £'000	2014 £'000
At 1 April 2014	11,838	11,570
Addition for the year	-	210
Utilised on developments	-	-
Repaid in year	(110)	-
Interest accrued	59	58
At 31 March 2015	11,787	11,838

RECYCLED CAPITAL GRANT PAYMENTS DUE

	2015 £'000	2014 £'000
Greater London Authority	11,787	11,728
Homes and Communities Agency	-	110
	11,787	11,838

21. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of operating surplus to net cash flow from operating activities

	2015	2014
	£'000	£'000
Group operating surplus	708	2,469
Depreciation	1,495	1,152
Pensions operating charge	-	13
Pension contributions	-	(10)
Decrease / (increase) in debtors	144	(1,147)
Increase in creditors	1,300	991
Total	3,647	3,468

The group operating surplus consists of an unrestricted surplus of £631,000 (2014: £2,433,000) plus a restricted surplus of £77,000 (2014: £36,000).

(b) Reconciliation of net cash flow to movement in net funds

	2015	2014
	£'000	£'000
Decrease in cash in the period	(455)	(1,761)
Cash inflow from change in debt finance	394	2
Change in net debt	(61)	(1,759)
Net debt at 1 April 2014	(13,188)	(11,429)
Net debt at 31 March 2015	(13,249)	(13,188)

(c) Analysis of changes in net funds

	At 1 April 2014	Cash flows	At 31 March 2015
	£'000	£'000	£'000
Liquid resources:			
Cash in hand and at bank	6,084	(455)	5,629
Debt due within 1 year	(2,044)	(6,246)	(8,290)
Debt due after 1 year	(17,228)	6,640	(10,588)
Total	(13,188)	(61)	(13,249)

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

22. EVENTS AFTER THE BALANCE SHEET DATE

On 7 April 2015 Look Ahead completed the sale of a large hostel property at 30-31 Leinster Square, London. This transaction is not included in the financial statements for the year ended 31 March 2015, in which the property is held at cost less grant and depreciation.

The details of the transaction were as follows:

	£'000
Cost	675
Accumulated depreciation	(18)
	<hr/>
Depreciated cost	657
Net sales proceeds	10,534
Total surplus on disposal	<u>9,877</u>