
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Look Ahead Care and Support Limited
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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 2017

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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
Retired as Board Member and
Chairman: 28 June 2017

Chairman – *Dairy Crest Group plc*
Partner – *OpCapita LLP*

Moira Sinclair (Deputy Chairman)

Appointed:
as Board Member: 2008
as Deputy Chairman: 2013
Retired as Board Member and Deputy
Chairman: 28 June 2017

Chief Executive - *Paul Hamlyn Foundation*
Chairman – *East London Dance*
Independent Committee Member – *Arts Impact
Fund*

**Jane Hives (Chairman – Performance
Review Committee)**

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

Chartered Accountant and Consultant
Volunteer Treasurer – *The Pixel Fund*

**Julie Jones CBE (Chairman –
Customer Services Committee)**

Appointed:
as Board Member: 2012
as Chairman of the Customer Services
Committee: 2012
as Chairman of the Board: 28 June
2017

Trustee – *Sir Simon Milton Foundation*
Non-Executive Director – *Open Door Homes*
Co-Chair – *ADASS Association*

Graham Buckland

Appointed: 2014

Non Executive Director – *AIB Group (UK) plc*

Chris Dobson

Appointed: 2014

Director – *EY LLP*

Sean Duggan

Appointed: 2012

Chief Executive Officer – *Mental Health Network,
NHS Confederation*

Robert Drummond

Co-opted: 22 February 2017
Appointed: 28 June 2017

Chairman – *Guys & St Thomas' Enterprises Ltd*

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PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Chief Executive and Senior Leadership Team

Chris Hampson

Chief Executive
Appointed: 2015

Lisa Bradley

Chief Financial Officer
Appointed: 2011

Guy Robinson

Director of Housing & Support
Appointed: 2015

Alex Seery

Director of Care
Appointed: 2016

Julie Blair

Director of People
Appointed: November 2016

Irmani Smallwood

Director of Business Development & Innovation
Appointed: November 2016

Darren Palmer

Director of People
Resigned: June 2016

Paul Perkin

Director of Operations
Resigned: October 2016

Patricia Long

Executive Director of Operations
Resigned: December 2016

Claire Luxton

Director Quality, Governance and Performance
Resigned: May 2017

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PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Solicitors

Devonshires
Salisbury House
London Wall
London
EC2M 5QY

External auditors

RSM UK LLP
Marlborough House
Victoria Road South
Chelmsford
Essex
CM1 1LN

Internal auditors

Beever and Struthers
15 Bunhill Row
London
EC1Y 8LP

Registered office

Kings Buildings
16 Smith Square
London
SW1P 3HQ

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Registration details

Homes and Communities Agency
Registration Number: LH0013
Co-operative and Community Benefit
Societies Act Number: 21004R

Investment managers

**Rothschild Wealth Management (UK)
Limited**
New Court
St Swithin's Lane
London
EC4N 8AL

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 2017 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 2017. The results show total comprehensive income for the year of £4,272,000 (2016: £6,129,000).

Financial strategy

Look Ahead's mission is "working with people to make choices, achieve goals and take control of their lives through high quality care, support and housing." 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 2017 was £nil (2016: £nil). 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. We are required to prepare consolidated financial statements.

Principal activities

Look Ahead is a niche housing association specialising in the provision of supported housing and social care services for very vulnerable people within the community. Our core purpose is to work in partnership with local authorities and the NHS to provide an integrated housing, support and care service across our four core client groups; mental health, learning disabilities, young people and rough sleepers. We do not provide general needs housing, therefore all existing and new accommodation run by Look Ahead is linked to a care or support package.

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Review of the business

During the year, Look Ahead continued on its journey toward repositioning the business so that our housing, care and support offer is focused on people with much higher support and care needs. Following a period in which we sustained losses across our non-statutory social care business due to decommissioning and public sector budget cuts to our lower needs services, this year we have delivered a return to growth. Overall we secured £6.9 million of new social care business, half of which was developed and designed with commissioners to provide tailored services which met specific client needs. This is a great result in an economic environment which remains very challenging.

Despite securing this new social care business, Look Ahead's turnover for the year of £52.9 million is £2.2 million lower than the previous year. This reflects the full year impact of the previous year's contract losses amounting to £6.0 million through cuts and decommissioning. The new social care business, the majority of which was secured in the latter half of this year, has gone some way to offset these losses but its most significant impact is reflected in our projections for growth next financial year which shows an increase in turnover of £3.4 million.

In the year we made an operating surplus of £0.4 million. The previous year's results showed an operating deficit of £2.1 million, however this included a cost of £2.7 million associated with the Social Housing Pension Scheme's deficit recovery agreement. Excluding this exceptional item, our operating surplus for the year has dropped marginally by £0.2 million year on year, reflecting the cuts to our care and support contracts mentioned earlier.

During the year we continued the implementation of our investment and asset management strategies, improving the economic and social returns on our property assets. We completed the refurbishment of a building in Southwark which converted a decommissioned foyer (formerly 88 bedsits) into 44 self contained flats for temporary accommodation and 14 self contained flats for a new mental health service. This service supports customers with complex mental health needs stepping down from residential care services and will bring in additional contract income of £0.4 million per annum in addition to the rental income. We also completed the refurbishment of a decommissioned building in Ealing to provide a service for young care leavers with high support needs in West London.

We made gains on the disposal of property of £0.2 million which largely related to the sale of stock to another registered provider. This ensured that the properties were retained as social housing stock following the decommissioning of the care and support services.

Overall our total comprehensive income for the year was £4.3 million. This result was affected by an increase in the fair value of our investment portfolio with Rothschild amounting to £3.2 million. Our surplus funds are invested with Rothschild for the medium to long term to earn a return of RPI +2% over that period.

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Delivering Value for Money

As one of the largest specialist providers of supported housing in the country, value for money runs through everything we do at Look Ahead. We manage over 2,300 support housing properties and deliver excellent services which provide positive outcomes for our customers. Over half of our income comes from delivering commissioned housing related support and we are continually market tested in a highly competitive environment. Being cost effective is central to how we operate as a social business, and is essential to us winning and retaining contracts.

Our organisational mission is to work with people to make choices, achieve goals and take control of their lives through high quality care, support and housing and we do this by working with both NHS and local authority partners to deliver integrated health, social care and housing services. We support thousands of people each year to bring about positive changes in their lives, by creating tailor-made plans for each individual which promote their independence and self-reliance and enable them to achieve their goals. Working across London and the South East our services support people with a diverse range of needs including Mental Health; Learning Disabilities; Young People and Care Leavers; Homelessness and Complex Needs.

Providing innovative service models that improve the lives of our customers, whilst meeting commissioner demands for high quality at reasonable cost is an essential part of our business model. As the owner of over 1,200 properties we are continually evaluating how to make the best use of these assets and in the last 2 years we have invested £1.3 million in redeveloping buildings for new customer groups. During the year this approach has seen us implement new care leaver services using redesigned buildings in Newham and Ealing, and turning a de-commissioned young people's foyer into a mental health service for high needs residents from Lambeth.

We continue to work in a highly challenging environment with both local authority and health commissioners facing difficult budgetary decisions. Services like those that we deliver at Nimrod House and Tabard Court enable people to move out of expensive institutional settings to live much more independently in the community and closer to families and social networks. This side of our business is becoming increasingly important as we develop services and adapt buildings to meet the needs of individuals with much higher support needs than we did in the past.

The external climate remains uncertain and this year we saw the Government announce there will be a new funding arrangement for supported housing which will start in April 2018 and in addition the Government confirmed that a 1% rent reduction would be implemented in 2017. We have modelled the potential impact on our services and whilst it will adversely affect us, we believe we have a sustainable business model which can absorb the likely changes.

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Look Ahead constantly looks to improve and we have initiated a transformation programme which will ensure the organisation has the right infrastructure and strategies in place to ensure our future sustainability and the appropriate resources to deliver them. During 2016/17 we re-configured our senior management team and reviewed our governance arrangements, and have introduced new structures which will devolve accountability throughout the organisation and improve oversight of corporate work programmes. We will build upon this next year by implementing new housing and people management systems, enhancing our performance and quality management systems and developing a new customer strategy which will set out our customer offer.

2016/17 Value for Money Highlights

- Won £6.9m of new business & retained 100% of contracts retendered
- Rent loss from voids down from 7.1% to 6.3%
- Invested in the redevelopment of buildings in Newham and Ealing
- Brought a decommissioned foyer back into full occupancy in Southwark
- Agency staff costs more than halved delivering a £827k saving
- 90% of services rated as good or outstanding for quality, up from 70%
- No services rated overall as “inadequate” by CQC
- Awarded silver for investors in people in recognition of our investment in our staff

Value for Money assessment

Each year we assess our value for money against the five Corporate Priorities underpinning our Business Plan. During 2016/17 we made significant progress in delivering our business development plans and in embedding our workforce strategy, and consequently we have given a higher value for money rating than last year for the two associated corporate priorities.

Corporate Priority	VFM assessment	Trend
Providing excellent services that deliver positive outcomes for our customers	Good	Improving
Designing and delivering innovative services in partnership with our customers	Excellent	Maintaining
Achieving sustainable growth, maximising social and economic returns on investment	Good	Improving
Recruit, develop and retain a high performing workforce through strong leadership	Good	Improving
Enhance our financial strength and viability	Good	Maintaining
Overall Assessment	Good	Improving

VFM assessment: Excellent – Good – Satisfactory – Poor – Very Poor.

Trend: Improving – Maintaining – Deteriorating.

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i. Providing excellent services that deliver positive outcomes for our customers

At the end of 2016/17, 90% of our services were rated as either outstanding or good through our internal audit system. This is a 20 percentage point increase on last year and well above our target of 80%. It continues the steady upward trend we have witnessed since we introduced our internal quality management system (QMS) four years ago and demonstrates its success.

Quality is essential to value for money for Look Ahead in that it is one of the main things that our services are assessed on by commissioners both in tenders and in contract monitoring. Each service is assessed at least annually using our QMS and improvement plans are monitored quarterly and progress reported to our SMT. Every year we revise our QMS to ensure it remains robust and incorporates learning from the latest round of audits. We continually look for improvement and next year our scoring system will become more challenging in order to achieve this.

A number of our services are regulated by the Care Quality Commission (CQC) and our QMS uses the CQC approach to assess all of our services. All of our CQC registered services are rated as good with five inspections completed in 2016/17. This provides external validation of the effectiveness of our approach to quality assurance.

The table below shows our performance against target and benchmarks (where available) for the key metrics the Board have decided are the most important in determining how effective Look Ahead's services are:

Effectiveness - quality of services delivered to our customers	Benchmark	Target	2015	2016	2017
% Services rated as 'outstanding' or 'good'	NA	80%	59%	70%	90%
No. of services rated "overall" as 'inadequate' by CQC	NA	0	1	0	0
% of new staff attending mandatory training within probation	NA	90%	NA	74%	87%
% of repairs completed to target	NA	85%	NA	NA	94%
No. of units without a valid Landlords Gas Safety Certificate	0	0	0	2	0

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Look Ahead supports customers with a wide range of support needs and each customer has an individualised support plan which sets out what they want to achieve in order to live more independently.

During 2016/17 when our customers moved on from our support

- 1,495 had moved on from our support in a planned way
- 328 took part in training
- 212 participated in work and 142 were in work when they left our support
- 757 had maximised their income by claiming the right benefits & reducing debts
- 890 were managing their mental health well
- 910 were managing their physical health well
- 365 had reduced their substance misuse

The case studies below illustrate how we achieve these outcomes.

Tower Hamlets Community Intervention Service (CIS) provides structured support for up to 212 individuals living in Tower Hamlets. The support is short-term (up to seven and a half months) and focuses on providing support interventions to people with medium to high unmet needs. The service supports individuals to avoid crisis, achieve greater stability and link into appropriate local services.

The service processes around 120 referrals every quarter and accepts referrals from a wide range of sources. This includes the local authority, hospitals, probation, domestic abuse services, social services, housing associations and self-referrals.

Recently staff members have been working closely with the Metropolitan Police to find out more about the issues affecting individuals involved in street-based prostitution. They accompanied police on night time patrols with the aim of building stronger links and facilitating increased referrals. It enables staff to engage with individuals who may typically be too chaotic and hard to reach and also provides a unique insight into the risks and vulnerabilities of some of the individuals we support.

Recent **service outcomes** (over a three-month period include):

Reducing referrals into secondary care

- **25 people** were supported to avoid street homelessness or a return to rough sleeping.
- **35 people** were supported to effectively manage a mental health crisis.
- **43 people** avoided extreme financial hardship as a result of support provided by the team.

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Mary Jones Court is a supported living service in Tower Hamlets for adults with low to medium level learning disabilities and autism. Customers may have additional support needs including mental health and substance misuse. Individuals may also require support around physical health, mobility or medication needs.

The service accommodates up to 20 customers in self-contained accommodation, and has a number of units that have been purposefully adapted for customers with mobility issues. The staff team is available 24 hours a day and customers typically move on after two years.

The service focusses on progression for individuals who may be stepping down from residential care, or higher support accommodation placements. Support is focused on equipping people with the skills and confidence to adapt to independent living and understand the rights and responsibilities of managing a tenancy.

Recent **service outcomes** include:

- **85% customers** are in education, training, volunteering or work. **25% customers** are in paid employment.
- **50% customers** regularly attend digital workshops led by support staff in our IT suite, improving their digital literacy and inclusion. One customer has gone on to study a foundation level IT course at a local college as a result of their involvement.
- **A customer** at Mary Jones Court has been trained through our Peer Support Programme. He now volunteers eight hours a week supporting customers at our Amy Garvey House service in Kensington and Chelsea.

ii. Designing and delivering innovative services in partnership with our customers

We work in partnership with commissioners and customers to develop new ways of working which are more efficient and deliver better outcomes to customers than existing approaches. Services like the Lambeth and Southwark Medication Support demonstrate how Look Ahead works collaboratively to provide community based solutions which improve the quality of life of customers whilst saving money.

Medication support service

In partnership with local Clinical Commissioning Groups (CCGs), Look Ahead delivers medication support services across Southwark and Lambeth. The CQC registered services provide intensive, flexible reablement support over 12 weeks, offering medication delivery, observation and/or administration within people's own homes between 9am-9pm. This enables customers to take medication at a time which suits their lifestyle (e.g. medication which induces drowsiness can be taken in the evening rather than the daytime, which enables them to stay in work).

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Our staff teams work closely with the Home Treatment Teams to ensure secure collection and storage of medication, personalised phased self-management programmes for individuals and enhanced medication awareness for customers through one-to-one support. Joint working with our clinical partners also means the service can offer a rapid identification and intervention system, enabling support to be stepped up when required.

Recent **service outcomes** include:

Reducing referrals into secondary care

Only one of the sixteen individuals accessing the medication support service has been readmitted to hospital.

Positive user experience

- **86% of customers** rated the service as 'excellent' or 'good'.
- **100% of customers** would recommend the service to a friend or family member in a similar situation

We have a well established approach to **co-producing services** and this year saw the latest example of this with the Lifeskills Programme, which we have implemented in our care leavers services, whilst flagship programmes like Peer Support and Experts by Experience continued to thrive.

Young Peoples' Lifeskills Programme

Co-developed by staff and customers, our Lifeskills Programme has been designed to encourage independence, confidence and resilience. It aims to give young people the life skills they need to live independently when they leave us. Mapped to the government's care leavers strategy, it focuses on building practical skills and confidence in the different areas professionals look at when assessing a young people's ability to live independently.

Customers are supported to 'learn, do, reflect' as they work through 54 different modules increasing in difficulty as they progress to bronze, silver and gold certification. Customers can rate their own progress and evidence their achievements with both Look Ahead staff and their Leaving Care Team.

Peer Circles Programme

This is a customised client centred project delivered with St Giles Trust and partner organisations including ourselves. It is funded by the Big Lottery Fund and European Social Fund through the Building Better Opportunities Fund. It provides support and activities for people with complex needs and severe and multiple disadvantages which results in them having improved employability.

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Experts by Experience Programme

Customers use their life experience to co-create and deliver, with staff, training on key issues, such as mental health and substance misuse awareness. The programme delivers on 11 subjects, with 3 new subjects in development. Over this year we have delivered 79 training sessions, a 50% increase on previous years and have also delivered training to external partners, such as Police Now, St Barnabas and Evolve.

Peer Support Programme

We have increased the training and supervision of peer supporters who, based on their own experience, help other customers in achieving aspirations, wellbeing and community inclusion.

- There are currently 20 trained peer support volunteers (PSVs) who are supporting over 90 customers
- 5% of our peer supporters have remained in the programme for more than three months, a 20% increase on previous years.

This year we also reviewed how our **Customer Services Committee (CSC)** works, our customer voice at Board level, and our new approach will be less formal and focus on overseeing specific projects of most relevance to customers, as well as scrutinising that customers across the organisation can play an active role in influencing service design and delivery.

Quality checkers

This year our team of customers audited 33 quality audits.

Customer Satisfaction

Overall satisfaction has remained at 86% for the year although we have slightly improved our ratings across the other five areas. In particular, satisfaction with repairs and with opportunities to get involved have improved significantly over the last two years.

Customer Satisfaction with:	Benchmark	Target	2015	2016	2017
Overall service provided by Look Ahead	89%	87%	83%	86%	86%
Choice and control over their support	NA	85%	80%	84%	85%
Opportunities to get involved	83%	83%	76%	82%	83%
Staff listening, respecting and encouraging	NA	88%	85%	87%	88%
Where they live	91%	75%	73%	74%	77%
Maintenance	77%	72%	69%	71%	74%

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Next year we will be changing the way we measure customer satisfaction and will be working with customers to design an annual survey which will provide more in-depth information, including perceptions of value for money.

iii. Achieving sustainable growth, maximising social and economic returns on investment

Overall we delivered £6.9 million of new social care business against a target of £6.0 million. Half of this was through developing business with commissioners whereby we were able to design tailored services which met specific client needs. A good example being our new care leavers' service in Newham where placements are commissioned on a "spot purchase" basis by local different authorities thus providing them with flexibility and value for money in that they only commission what they need. For Look Ahead the ability to accept placements from different boroughs ensures the service is fully utilised.

The other half of new business was won through competitive tendering and we had a successful year in that we retained all those existing re-tendered contracts we bid for, as well as winning new services. Those services we retained following tendering largely retained their value with a net 0.2% reduction overall. In addition a number of new services are located outside London which is a key strand of our business development strategy to ensure the long term sustainability of the business.

Among the new services developed or won this year are:

- Milton Keynes Young People – a high value contract in the home counties
- Barnet, Enfield and Haringey Recovery Homes – a CCG commissioned service which expands our crisis and recovery offer and provides entry into 3 new London boroughs
- Kent Domestic Abuse service – a service which expands our offer on domestic abuse and is built on a partnership approach which includes us sub-contracting the independent domestic violence advocate (IDVA) service to Choices, a local specialist provider, thus helping to sustain a vibrant local voluntary sector
- Bracknell Learning Disabilities – a service developed with commissioners to transition people from residential schools into the community
- HAWK service in Croydon – a foundation trust commissioned service to work with patients in hospital to actively tackle delayed transfer of care

At the same time the financial pressures on the NHS and local authorities mean they are constantly re-evaluating the services which they are able to commission and we have seen £1.6m of contracts de-commissioned so that our net new business growth for the year was £5.3m.

We recognise this challenge and in any one year expect a third of our services to be subject to review. We are constantly re-evaluating our services and work collaboratively with commissioners to deliver further efficiency savings on existing contracts, which will enable us to secure the services for a longer term.

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As planned, we invested in resources aimed at driving business development and marketing activity. This has already produced great results. In line with our business development strategy, we have made excellent progress in developing new business outside the tendering process. Half of our new business was secured by developing a customer offer with commissioners to meet a specific client need. This contract income is often more secure, longer term and improves our future margins.

We also invested in converting properties to support the business development strategy. We have converted properties such as Ibis and Minster House for care leavers and Nimrod House for learning disability customers. The services we have designed in these properties are for customers with high support needs, where the social value and social impact is greater.

Nimrod House, Newham

In 2016, we developed our Nimrod House service in response to the government's Transforming Care programme, providing bespoke support for individuals with complex learning disabilities, high support needs and challenging behaviour.

This specialist service focusses on supporting individuals to live safely within the community, rather than in secure settings.

The 24-hour service offers accommodation-based care and support for up to five people in self-contained flats. It provides a unique combination of registered care and supported living services to ensure flexibility in tenure and the level of required care.

Individuals are supported by a highly trained staff team, who provide a combination of flexible 1:1 or 2:1 support during waking hours, as required. Referrals are agreed with local authorities and bespoke support packages set up for individuals, dependent on their requirements.

Our model includes staged, transitional support designed to support a more gradual move into the community and is delivered in close partnership with clinicians, commissioners, carers and families.

Riz, Nimrod House

We are experienced in developing support packages and property offers personalised to the needs of single individuals.

Riz, 36 has lived at Nimrod House since April 2016. Before coming to Look Ahead, Riz had lived in secure units since he was 18 years old. This is the first time he has lived independently.

He has his own one bedroom flat which he has been involved in furnishing and decorating.

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The accommodation has been tailored to meet Riz's specific needs; it includes appropriate furniture and assistive technology to minimise risk and ensure safety whilst also promoting independence.

Through support from a dedicated specialist support team, introduction of a structured routine and close partnership working with Riz's family and Newham's multi-disciplinary team, he has made significant progress.

A year into his stay at Nimrod House, Riz is now:

- using public transport, buses and the underground to travel around London, supported by staff.
- seeing his family far more regularly – he is now able to visit his family and spend time with them independently at their home every Sunday. Before, he typically only saw them once a month.
- cleaning his flat independently, preparing his own breakfast and hot drinks safely and doing his laundry every week with minimal support. Previously all of these things were done for him.
- more physically active – he has joined the local leisure centre, swims regularly and has started riding a bike again, something he had not done since he was a child.
- enjoying a higher quality of life – he does his weekly shop with staff every Monday, DJs at a local Friday night disco and is supported to manage his finances.

The cost of Riz's placement at Nimrod House is 17% cheaper than the cost of an alternative high secure hospital placement.

(based on NHS National Schedule of Reference Costs - year 2014/15)

Ibis House, Newham

Looked after children service

Ibis House in Newham is a 24-hour accommodation-based support service specifically designed for young people leaving care, providing high quality self-contained flats for 15 customers. It can accept referrals from other local authorities which is of particular value to Leaving Care Teams who may lack this type of specialist provision in their own locality. Currently customers at Ibis House come from six different London boroughs.

Customers receive a support package of between five and ten hours of support each week from a highly skilled team of on-site specialist support staff. Support focuses on building strong, positive relationships and establishing independent living skills.

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Amber, Ibis House

Amber was placed into care at a young age due to difficulties at home: her mother had mental health needs and she had experience of domestic abuse.

Amber first came to Ibis House after several placement breakdowns. When she first arrived she had difficulty respecting staff members, and her behaviour was very challenging. Over the last few months this has significantly improved due to:

- The staff team's consistent approach which included setting and communicating clear expectations about acceptable behaviours, tolerances and consequences.
- Flexibility in how staff worked with Amber when she initially didn't want to engage showing persistence and commitment in how they worked with her and offering her choices.
- Having a Mental Health Specialist Support Worker on-site as part of the staff team who was able to look at the reasons behind Amber's behaviour and support other staff on how best to work with her.

As a result, Amber's behaviour is continuing to improve; she responds more appropriately when she is unhappy and she has successfully maintained her placement. She is now more focused on her future and is taking steps to work towards her career aspirations.

iv. Recruit, develop and retain a high performing workforce through strong leadership

In 2015/16 we implemented many of the key elements of our Workforce Development Strategy including a new Reward Strategy with a commitment to both London and National Living Wages, and formal staff recognition awards. These initiatives were embedded during this year and there has been a particular focus on staff recruitment and retention.

Recruitment and Retention

We reduced our voluntary staff turnover from 30% to 27% this year, yet we recognise it remains slightly higher than the average for the care sector in London of 23% and retaining good staff is critical for us in terms of both value for money and customer satisfaction.

We have a young workforce compared to similar organisations, with 19% of our workforce under 24 and only 25% over 45, compared to 12% and 50% in the sector as a whole and whilst this brings many benefits it also create challenges in that younger workers tend to move jobs more frequently.

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We have been reviewing how we recruit new staff and at the end of 2016/17 we rolled out four assessment centres and these will be a core component of the future model. These will reduce the number of recruitment campaigns and ensure we have a consistent approach to new appointments.

To further reduce staff turnover we plan to:

- Implement a people section for the tender process when submitting bids for schemes to ensure the risks around working environments is properly assessed.
- Introduce recruitment campaigns to appeal to a wider variety of applicants including older workers and parents
- Develop a career development plan for all newly employed support workers to be reviewed at 3, 6 and 12 months.
- Develop a more blended workforce by regularly rotating experienced members of staff to different services for periods of three to six months.
- Piloting of a troubleshooting team made-up of experienced members of staff. The purpose of the troubleshooting team will be to assist in any services that may be experiencing a high amount of turnover or management issues, and attempt to create a more stable environment amongst the workforce.

Learning & Development

Look Ahead has a comprehensive learning and development programme, which ensures our staff have the right skills to deliver support and care to a wide range of customers. This year we have delivered the following:

Leadership and Management Development

Our refocused management development programme has been accredited by the Institute of Leadership and Management (ILM). The programme supports movement through career pathways at Look Ahead, with modules covering both practical and theoretical learning for our future leaders. We are aiming for up to 80% of leadership roles to be filled by internal appointments and have also reviewed our succession planning activities to identify potential and devise appropriate development opportunities. Since the launch of the programme 14 people have been promoted.

Internal Training Academy

We have created an Internal Training Academy which will capture and develop the knowledge and experience of staff across the organisation by developing them as qualified trainers. As part of the Academy staff will attend an accredited (Institute of Leadership and Management) Train the Trainer course, gain experience in training, group facilitation and public speaking, sharing knowledge with other staff to better serve our customers and receive coaching and feedback.

LOOK AHEAD CARE AND SUPPORT LIMITED

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Apprentices Programme

Look Ahead's Apprentice Programme provides an opportunity for apprentices to gain experience in the workplace, develop knowledge and skills and undertake a Level 2 Health and Social Care qualification through Westminster Kingsway College (WKC). Three of the last five apprentices have gained permanent employment with Look Ahead, and this year we have taken on 15 Apprentices who are currently half way through their programme.

Investors in People Silver

In December we gained this prestigious award which only 6% of organisations obtain. With regard to people the assessor fed back that we are a people focused organisation which is evident at all levels, the internal promotion programme is excellent, that there is true commitment to equality and diversity and training is highly valued.

v. Enhance our financial strength and viability

Financial efficiency and economy:	Bench -mark	Target	2015	2016	2017
Contract income collection	NA	90%	94%	90%	92%
Maintenance cost (reactive/voids) per unit	£735	£903	£824	£919	£883
Maintenance cost (planned) per unit	£785	£436	£323	£157	£439
Void %	6.0%	5.5%	6.8%	7.1%	6.3%
Net arrears of current tenants	5.0%	5.5%	6.6%	7.8%	6.9%
Bad debt %	NA	4.0%	4.0%	4.1%	5.1%
Agency staff as % of total staff spend (see section iv above)	NA	5.0%	11.0%	5.7%	2.5%
Voluntary staff turnover	22%	28%	29%	30%	27%
Overheads as % of turnover	12.2%	14.7%	13.8%	13.9%	14.6%

Operating surplus

Look Ahead's operating surplus, including net investment income and interest payable, but before a provision for a bonus payment to staff for 2016/17 was £0.8 million (1.6% of turnover), which was in line with the forecast but £0.6 million lower than the original budget of £1.4 million. After taking into account a provision of £0.3 million for Look Ahead's bonus incentive scheme the total surplus is £0.5 million.

These results reflect another very challenging year for Look Ahead and the supported housing sector as a whole. Although we had a great result this year with regard to delivering new business growth, the beginning of the year was very slow with regard to tendering as Commissioners awaited the results of the Brexit vote. This meant most of this

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new business started late in the financial year and this adversely impacted on our achievement of the 'in-year' new business target, the impact on surplus being £0.2 million. The largest single item affecting our surplus results for the year was the decision by one local authority to change their mind with regard to leasing and utilising our decommissioned property at Gateway. This decision was outside our control and the subsequent delays caused in securing a new agreement with another authority and completing the refurbishment works resulted in a reduction in surplus of £0.6 million compared to our original budget. Overall, if the lease for Gateway had gone ahead as originally planned we would have met our target surplus.

Our contract income collection improved to 92% from 90% last year and was also better than target. This is a great result when considering that many of our commissioners have moved to payment terms in arrears.

Housing indicators

Look Ahead is unusual among housing associations in that nearly all our own stock is used for supported housing and we manage almost as many properties again for other landlords. This reflects the nature of our business where many support contracts are delivered within the premises of other providers.

We face a particular challenge when it comes to managing voids as our commissioners expect most of our customers to move on within 2 years, and this year 36% of our own units and 58% of the managed units became void. This compares to an average of 8% for other housing associations. Also many of our customers are younger than those of other organisations which often means higher arrears and lower satisfaction ratings when compared to older residents.

Maintenance costs per unit – owned properties

The average spend per property on reactive and void repairs was slightly lower than last year at £883 per unit but we increased our average spend on planned works to £439 so that the relative spend was approximately 2:1 this year compared to 6:1 in 2015/16.

Our Housemark benchmarking showed that with reactive maintenance, our costs are at the lower end, but the picture with voids is complicated in that we spend significantly less per re-let than the other providers but due to the high number of voids we have, the average cost per unit is high. The benchmarking shows that we spent the 3rd lowest amount per property on reactive repairs and the 9th lowest on planned and cyclical work among our peer group in 2015/16. This is not surprising given we are doing significantly more work to each property on voids than other organisations.

This year we have taken a number of steps to control void costs, especially by introducing a new voids standard which tightened the criteria for re-decorations and clearances and as a result the average cost per voids reduced by a quarter over the year.

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Rent losses

Cumulative rent losses through voids were 6.3%, this was an improvement on 2015/16 although 0.8 percentage points above our target of 5.5%. We took on a homeless service in April 2016 where a third of the units were void and it took a few months to let all the units. Performance improved in the second half of the year and we have seen some marked improvements in void management with the average time voids are with maintenance falling from over 30 days in April to 18 days by March and an increasing number of our longer term voids being let each month.

A high proportion of our long term voids are due to problems getting suitable referrals or delays with other landlords completing repairs. These tend to be concentrated in a small number of services and we are in constant discussions with commissioners and landlords to address these issues.

Rent and service charge arrears improved by almost one percentage point from 2015/16, and there has been a particular focus on ensuring new customers have housing benefit in place to prevent arrears from escalating. We introduced a new income collection toolkit to support staff to manage arrears and bespoke training for managers of supported housing services. The welfare reform programme impacts significantly on Look Ahead as most of our customers receive some form of state benefits. An increasing number of our customers began to receive universal credit last year and we are learning from this and adapting our approach accordingly.

We have begun the implementation of a new housing management system which will be launched in early 2018. As part of this process we are reviewing all our housing management process and we expect this to deliver significant efficiencies. The new IT system will significantly improve our ability to improve management of arrears cases and we will be reviewing how our resources are used, with the likelihood of introducing specialist housing posts in some services.

Agency staff

For the second year running we significantly reduced our reliance on agency staff across the organisation, making a saving of £981k. We reduced agency costs as a proportion of total operational staff costs to 2.5%.

Overheads as a % of turnover

Overheads of 14.6% of turnover were slightly better than the target of 14.7%. Overheads included one-off restructure costs following a reorganisation of the Senior Leadership Team. Excluding these costs overheads would have been 14.3%. Year on year, overhead costs have remained relatively static but have increased as a % of turnover from 13.9% in 2015/16, reflecting the lower level of turnover.

LOOK AHEAD CARE AND SUPPORT LIMITED

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Investment strategy for improving value for money

In February 2016 Look Ahead's Board approved an investment strategy to ensure the long term sustainability of our business in order to deliver our social purpose. During 2016/17 we made progress in implementing that strategy:

We are actively seeking small scale acquisitions of social care providers to strengthen our mental health and learning disability portfolios

- During the year we were invited to tender for three acquisition opportunities and we were shortlisted for two, one of which we are still currently engaged with.
- We have engaged with Corporate Finance teams in external audit organisations, promoting our business development and acquisition strategies to ensure we are considered for further opportunities.
- We have commissioned some research to identify merger opportunities in the not-for-profit sector.

We will continue to adopt a proactive approach to investment in our property assets

- During 2016/17 we undertook a review of all our long term void properties and brought 150 units back into use and sold another 21 to another registered provider.
- Many of the properties which have been brought back into use have been reconfigured so they can be used for more complex support services including the Gateway mental health service and care leavers services at Ibis and Minster House. All these services provide solutions for commissioners which they can buy on a flexible basis.
- Next year we are planning to invest in three development schemes which will improve both our economic and social returns:
 - Development of 9 market rent units at Coulsdon Lodge to improve our longer term margins
 - Redevelopment of Princess Beatrice House, converting 70 bedspaces into 38 self contained units suitable for customers with more complex needs
 - Refurbishment of Holly House for 35 units for Young People.
- We have applied and secured investment partner status with the GLA which will enable us to raise grant funding for future supported housing schemes.
- Look Ahead's financial plan also includes the speculative acquisition and grant funding for 40 Residential Care units and 67 Supported Housing units over the next five years to support our Business Development aspirations.

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We will invest resources in supporting our business development strategy and in innovation

- This year we appointed a Head of Innovation who is taking forward work to analyse customer journey and to digitise our support planning to better capture outcomes and improve customer service.
- We have developed our communications with a new internal communications manager and published a series of marketing materials setting out our service offer.
- We continued to develop our market analysis to better understand needs coming through and being able to develop innovative solutions like the Medication Support Service.
- We commissioned a research piece on our forensic mental health service which has demonstrated cost savings of up to 50% on existing service models and enabled people to return to the community for first time.

We will invest resources in improving the efficiency of our services and central teams

- We procured new IT systems for housing management and HR, payroll and learning and development and have begun implementing them. Both will go live in 2017/18. We are also upgrading the infrastructure to support these and other systems.
- We implemented our reward strategy to recognise the contribution of our staff in delivering our organisational goals.
- We have piloted service based income collection officers to maximise income and reduce arrears

We will maximise the returns on cash invested with Rothschild within acceptable levels of risk.

- During the year we achieved net investment income of £0.4 million which was £0.2 million above our target.
- During the year Look Ahead's investment portfolio achieved a return of 7.6% which was 2.5 percentage points above target, generating an unrealised gain in the year of £3.2 million.

'Delivering Value for Money, Self-Assessment 2017' can be found on our website: www.lookahead.org.uk.

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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.

Look Ahead's reserves as at the 31 March 2017 are £76.2 million of which £0.2 million are restricted reserves.

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 for the medium term with some funds earmarked to invest in our business development strategy.

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 893 Full Time Equivalent posts. We have 185 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.

We guarantee that all employees working within our services, in any of the 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.

We have made progress with our Workforce Development Strategy including:

- Improved recruitment processes with an assessment centre approach.
- A thorough understanding of staff turnover at Look Ahead and an improvement action plan working in partnership with the Operations team.
- Award winning learning and development team with an innovative approach.
- Improved capability in the HR team leading to a reduction in casework, proactive HR support, a focus on organisational design and development of our employer brand.

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We are currently developing a refreshed People Strategy to follow on from the Workforce Development Strategy and Reward Strategy to including the following themes:

- A Safe Working Culture
- Recruitment and Talent Management
- Reward and Retention
- Engagement and Digital
- Diversity, Inclusion and Wellbeing

We have recently been awarded the IIP (Investors in People) Silver standard under the new assessment framework. As part of our 3 year People Strategy we will work towards achieving the Gold standard.

We have completed an audit of all employee right to work checks, references, contracts and DBS checks ensuring a focus on compliance across Look Ahead.

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. We have positive relationships with UNISON.

Governance

Look Ahead has adopted and fully complies with the principles set out in the National Housing Federation's Code of Governance (2015). The Board of Management is non-executive in its membership and is responsible for Look Ahead's overall direction and strategy. 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 governance practice. The Board members usually serve a six year term in office, but can service a further term, up to a maximum of nine years.

The Board of Management is currently supported by:

- Performance Review Committee
- Customer Services Committee
- Urgency Committee

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- Remuneration Committee
- Nomination 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 has met twice in 2016/17 in which it reviewed its terms of reference, the Executive Directors' and Directors' performance bonus payment scheme and the SHPS pension scheme following an actuarial review.

The Remuneration Committee has responsibility for setting the remuneration for the Chief Executive, Executive Director and Directors including pension rights and any compensation payments. In carrying out this responsibility the committee aims to ensure that Look Ahead's reward strategy is competitively positioned in the market to enable it to attract, recruit and retain the talent it needs at all levels in the business.

Look Ahead operates a non contractual and discretionary Performance Related Bonus Scheme for Executive Directors and Directors. At the end of the financial year the remuneration committee determined by reference to organisational and personal targets set for Look Ahead and its Executive Directors and Directors, whether or not a bonus pool should be paid. Details of the Chief Executive's remuneration and the total emoluments paid to the Executive Directors and Directors are shown in note 6 to the financial statements.

The **Nomination Committee** is responsible for reviewing the size and composition of the Board, giving consideration to succession planning and nominate for approval the board candidates to fill Board vacancies as they arise.

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Merger code

In March 2016 the Board agreed to adopt the NHF's voluntary code for mergers, group structures and partnerships (the Code). In adopting the Code we can demonstrate how we have acted to meet a number of good governance requirements, such as:

1. Considering how we are placed to meet long-term objectives
2. How we conduct our decision-making processes around potential partnership, group structure and relationships
3. Demonstrating compliance with the regulatory standards and value for money
4. Demonstrating transparency and accountability for our beneficiaries around informed decision making on the delivery of our purpose.

The Board has also agreed an Acquisitions Strategy which is supported by the Code. The overall aim of this strategy is to deliver growth in Look Ahead's social care business and to achieve added value either through financial synergies and/or the addition of strategic assets such as property, talent, expertise, technology, intellectual property and new innovative social care service models. This therefore supports Look Ahead's overall corporate and financial objectives.

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 or 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 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

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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.

In February 2016 we presented a revised risk management strategy to the Board. We have reviewed the risk management framework to ensure it is appropriate, robust and prudent. We recognise that risk is an inherent part of the delivery of our services so we have revised the strategy to clarify Look Ahead's approach to risk management throughout the organisation. We have identified four principal risk areas:

Principal Risk 2016/17	Strategic Objective
PR01 Maintaining a competitive advantage	SO4 Design and deliver innovative services in partnership with our customers
PR02 Raising Look Ahead's profile and brand	SO2: Achieve sustainable growth, maximising social and economic returns on investment
PR03 Improving financial performance	SO3 Enhance our financial strength and viability
PR04 Ensuring our customers and staff are safe	SO1: Provide excellent services that deliver positive outcomes for all customers

We have identified the key controls to manage these risks and the action required to meet any gaps in control. The register is monitored quarterly by the Performance Review Committee and reported to the Board.

- 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.

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- 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.

- Control environment and control procedures

The Board retains responsibility for a defined range of issues covering strategic, operational, and financial and compliance issues including the 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 interest.

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 the organisation meets the requirements and expected standards of the governance and financial viability standard and takes all reasonable steps to ensure it is compliant with the law.

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.

Appointment of auditors

A resolution to re-appoint RSM UK Audit 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

LOOK AHEAD CARE AND SUPPORT LIMITED

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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
- 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 the Group 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.

The Board members who held office at the date of the approval of the Report of the Board of Management confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are not aware; and that each Board member has taken all steps that he or she ought to have taken as a Board member to make himself or herself aware of any relevant audit information and to establish that the Group'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
28 June 2017

LOOK AHEAD CARE AND SUPPORT LIMITED

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

Opinion on financial statements

We have audited the financial statements of Look Ahead Care and Support Limited for the year ended 31 March 2017 on pages 34 to 69. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's and Group's affairs as at 31 March 2017 and of their income and expenditure for the year then ended; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of the Board and auditor

As explained more fully in the Statement of the Board of Management's Responsibilities set out on page 30-31, the Board 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

LOOK AHEAD CARE AND SUPPORT LIMITED

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

This report is made solely to the Association's members as a body, in accordance with Part 7 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.

**RSM UK AUDIT LLP
Statutory Auditor
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford CM1 1LN**

Date:

LOOK AHEAD CARE AND SUPPORT LIMITED

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	Group 2017	Association 2017	Group 2016	Association 2016
		£'000	£'000	£'000	£'000
Turnover	5	52,852	52,852	55,027	55,027
Operating expenditure	5	(52,470)	(52,470)	(54,411)	(54,411)
Past pension deficit cost	5	-	-	(2,752)	(2,752)
Operating surplus / (deficit)	5	<u>382</u>	<u>382</u>	<u>(2,136)</u>	<u>(2,136)</u>
Gain on disposal of property, plant and equipment (fixed assets)	23	244	244	9,914	9,914
Interest receivable		7	7	38	38
Investment income receivable	12	739	739	901	901
Investment charges payable	12	(308)	(308)	(376)	(376)
Interest and financing costs	8	(335)	(335)	(289)	(289)
Increase /(decrease) in fair value of financial investments	12	3,215	3,215	(1,923)	(1,923)
Increase in valuation of investment properties	12	328	328	-	-
Total surplus and comprehensive income for the year		<u>4,272</u>	<u>4,272</u>	<u>6,129</u>	<u>6,129</u>

All of Look Ahead's operations are continuing.

LOOK AHEAD CARE AND SUPPORT LIMITED

STATEMENTS OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2017

Group

	Unrestricted Reserve	Restricted Reserve	Total
	£'000	£'000	£'000
Balance at 31 March 2015	65,527	239	65,766
Surplus from statement of comprehensive income for the year ended 31 March 2016	6,159	(30)	6,129
Balance at 31 March 2016	<u>71,686</u>	<u>209</u>	<u>71,895</u>
Surplus from statement of comprehensive income for the year ended 31 March 2017	4,274	(2)	4,272
Balance at 31 March 2017	<u>75,960</u>	<u>207</u>	<u>76,167</u>

Association

	Unrestricted Reserve	Restricted Reserve	Total
	£'000	£'000	£'000
Balance at 31 March 2015	65,528	239	65,767
Surplus from statement of comprehensive income for the year ended 31 March 2016	6,159	(30)	6,129
Balance at 31 March 2016	<u>71,687</u>	<u>209</u>	<u>71,896</u>
Surplus from statement of comprehensive income for the year ended 31 March 2017	4,274	(2)	4,272
Balance at 31 March 2017	<u>75,961</u>	<u>207</u>	<u>76,168</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	Group 2017	Association 2017	Group 2016	Association 2016
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10	441	441	217	217
Tangible fixed assets	11	117,369	117,369	120,644	120,644
Investments	12	52,517	52,517	52,243	52,243
Total fixed assets		170,327	170,327	173,104	173,104
Current assets					
Trade and other debtors	14	6,790	6,791	6,550	6,551
Cash and cash equivalents		1,886	1,886	2,727	2,727
Total current assets		8,676	8,677	9,277	9,278
Creditors					
Amounts falling due within one year	15	(14,354)	(14,354)	(16,366)	(16,366)
Net current liabilities		(5,678)	(5,677)	(7,089)	(7,088)
Total assets less current liabilities		164,649	164,650	166,015	166,016
Creditors					
Amounts falling due after more than one year	16	88,482	88,482	94,072	94,072
Pension provision	17	-	-	48	48
Total net assets		76,167	76,171	71,895	71,896
Reserves					
Income and expenditure reserve		75,960	75,961	71,686	71,687
Restricted reserve		207	207	209	209
		76,167	76,168	71,895	71,896

The financial statements on pages 34 to 69 were approved and authorised for issue by the Board of Management on 28 June 2017 and were signed on its behalf by:

Stephen Alexander
Chairman

Jane Hives
Board Member

Claire Luxton
Secretary

LOOK AHEAD CARE AND SUPPORT LIMITED

CONSOLIDATED AND ASSOCIATION STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	2017		2016	
	£'000	£'000	£'000	£'000
Net cash generated from operating activities (see Note 1)		933		(1,777)
Cash flow from investing activities				
Purchase of fixed assets	(2,833)		(1,605)	
Proceeds from sale of fixed assets	1,478		11,545	
Purchase of investments	(739)		(7,401)	
Disposal of investments	3,700		4,000	
Interest received	746		939	
		2,352		7,478
Cash flow from financing activities				
Interest paid	(98)		(313)	
Recycled capital grant repaid	(3,663)		(7,944)	
Housing loans repaid	(365)		(346)	
		(4,126)		(8,603)
Net change in cash and cash equivalents		(841)		(2,902)
Cash and cash equivalents at beginning of year		2,727		5,629
Cash and cash equivalents at end of year		1,886		2,727
Comprising:				
Cash		1,879		774
Short term deposits		7		1,953
		1,886		2,727

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£'000's	£'000's
Surplus for the year	4,272	6,129
<i>Adjustments for non-cash items:</i>		
Depreciation of tangible fixed assets	2,015	1,965
Amortisation of intangible fixed assets	143	116
Decrease in trade and other debtors	(240)	(2,122)
Increase in trade and other creditors	773	288
Pension costs less contributions payable	(995)	1,968
Carrying amount of tangible fixed assets disposals	(479)	(10,845)
<i>Adjustments for investing or financing activities</i>		
Increase in fair value of investments	(3,543)	1,923
Government grants amortised in the year	(910)	(925)
Interest payable	335	289
Investment charges payable	308	376
Interest receivable	(746)	(939)
Net cash generated from operating activities	933	(1,777)

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including FRS 102 (the Financial Reporting Standard applicable in the UK and Republic of Ireland), and with the Housing SORP 2014 (Statement of Recommended Practice for registered social housing providers). They also comply with the Accounting Direction for Private Registered Providers of Social Housing 2015. The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Homes and Communities Agency as a Community Benefit Society. It is a public benefit entity.

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 consolidated 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 consolidation and individual entity.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Liabilities

There are liabilities held within the accounts for potential payments for a number of reasons such as rental payments not made due to lack of invoicing and disputed invoiced amounts, which are accrued appropriate to the perceived liability.

Bad debt provision

The bad debt provision is based on 100% of former tenant and 5% of current tenant rent arrears. We deem this as reasonable however if rental debtors continue to rise consideration will be made for reviewing this policy.

Depreciation and amortisation

With the introduction of FRS 102, grants are being amortised over the life of the structure. The cost is depreciated over the useful life of the individual components. The useful lives are in line with the prior year and are deemed reasonable.

4. PRINCIPAL ACCOUNTING POLICIES

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; management fees in respect of accommodation that Look Ahead manages on behalf of other social landlords and charitable donations from individuals, companies and trusts. Income is recognised as it becomes receivable.

Categorisation of properties

Properties held for social benefit, principally the provision of social housing, care and support, and properties such as offices used in the administration of those activities, are classified as Property, Plant and Equipment (fixed assets). These are referred to below as operational housing properties.

Properties held to earn commercial rentals or for capital appreciation are classified as investment properties.

Operational housing properties

Operational housing properties are stated at cost less accumulated depreciation and impairment losses (see below). The cost of properties is their purchase price, together with incidental costs of acquisition including interest payable, and any subsequent improvements.

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. There was no interest capitalised during the year.

Depreciation is calculated on the cost of properties and their major components 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	100 years
Bathroom	20 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 a) fair value less cost to sell, including any repayable grant; and b) value in use. Any resulting losses are charged

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

to the statement of comprehensive income in the year in which the impairment is recognised.

At each reporting date, management assesses whether an indicator of impairment exists at the level of each cash generating unit, the smallest identifiable group of assets that generates cash inflows that are largely independent from the cash inflows from other assets. For the years ending 31 March 2016 and 31 March 2017, management considered that the appropriate cash generating unit was the Scheme, an internally defined grouping of typically co-located assets on which development and acquisition decisions and management reporting are based.

The indicators of impairment considered to ascertain any impairment are whether:

- properties in management are in a good state of repair
- properties are currently in a rolling cyclical maintenance programme and individual components are continually assessed and the stock condition database updated accordingly
- the stock is in good condition and all urgent, emergency and routine works are carried out promptly
- properties meet the Decent Homes Standard.
- there is a current operating deficit or net cash outflow from operating activities.
- there is an expectation of future operating losses or negative cashflows from operating activities.
- there is an increase in void levels that is not expected to reverse.
- there are any social, demographic or environmental changes which result in the value of housing properties having declined significantly.
- there are any significant adverse changes in the statutory or regulatory environment which result in the value of housing properties having declined significantly.

Where an indicator of impairment exists, value in use is first estimated using discounted expected future cash flows from the cash generating unit. If this estimate is below carrying amount, value in use in respect of assets held for service potential (VIU-SP) is determined by estimating the lower of the cost of constructing an equivalent asset or acquiring an equivalent asset on the open market.

Investment properties

Investment properties are accounted for at fair value through income and expenditure. Valuations are conducted annually by independent Royal Institute of Chartered Surveyors (RICS)-registered valuers in accordance with RICS Valuation - Professional Standards.

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
--------------------------	---------------------------

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Office furniture and equipment	between 10% and 20%
Furniture and equipment in projects	between 10% and 50%
White goods	20%
Computer equipment	between 10% and 50%

Government grants

Government grants include Social Housing Grant and comprise grants received from the Homes and Communities Agency, local authorities, devolved government agencies, health authorities, and other public bodies. Government grants are initially measured at fair value.

Grants relating to assets are recognised in income over the expected useful life of the housing property structure to which they relate.

Grants relating to revenue are recognised in income on a systematic basis over the period in which the costs for which the grant is intended to compensate are incurred.

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 grants

Other grants are recognised to the extent that any performance-related conditions imposed on the recipient have been met. A grant that does not impose specified performance-related conditions is recognised as revenue when grant proceeds are received or receivable.

Sale of property, plant and equipment

In the event of an asset sale, net surplus or deficit is taken to be sale proceeds less costs of sale. On disposal of an asset for which government grant was received and which there is an obligation to repay, a liability is included in the Statement of Financial Position. The portion of grant which had been amortised prior to disposal is deducted from the surplus on disposal in the Statement of Comprehensive Income.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Software configuration costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- a) The technical feasibility of completing the software so that it will be available for use.
- b) The intention to complete the software and use.
- c) The ability to use the software.
- d) How the software will generate probable future economic benefits.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

- e) The availability of adequate technical, financial and other resources to complete the development and to use the software.
- f) The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Purchased and internally developed software: between 3 and 7 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

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.

Stocks

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

Pension costs

Look Ahead participates in two Social Housing Pension Schemes (SHPS) available to permanent employees. 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 third scheme, the London Borough of Tower Hamlets Pension Fund, on 22 May 2014. The final contribution due to the fund of £48,000 was paid during the financial year.

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 because the scheme is a multi-employer scheme.

Look Ahead makes contractually agreed contributions to The Pensions Trust in order to reduce its estimated share of the defined benefit scheme deficit. The present value of the contributions is recognised as a liability in the Statement of Financial Position. Periodic amendments to the agreement and changes in the discount rate are recognised in operating expenditure. Unwinding of the discount in respect of the liability is recognised as a finance cost in the period in which it arises.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Further assumptions regarding the SHPS pension scheme can be found in note 17 of the accounts.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Value Added Tax

Income from a 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 results 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 receivable or payable at the year end is shown as a current asset or liability.

Interest

Interest charged on 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

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

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.

Financial investments

Financial investments comprise quoted equity; money market instruments; fixed income securities; and alternative investments including unquoted equity instruments.

These investments are managed on a fair value basis in accordance with Look Ahead's investment policy. Accordingly, changes in fair value are recognised in profit or loss in the Statement of Comprehensive Income.

Financial instruments

Look Ahead's loans are treated as basic financial instruments and therefore the carrying value is measured at amortised cost.

Other financial instruments such as debtors, cash and creditors are accounted for at transaction price/cost less any impairment.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

5. LETTINGS AND RELATED INFORMATION

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

Group and Association 2017			
	Turnover	Operating Costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Social housing lettings (note 5b)	22,030	(21,427)	603
Other social housing activities			
Care & Support contracts	30,400	(30,981)	(581)
Past pension deficit costs	-	-	-
Development	-	-	-
Activities other than social housing activities			
Commercial property	410	(62)	348
Other	12	-	12
Total	52,852	(52,470)	382

Group and Association 2016			
	Turnover	Operating Costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Social housing lettings (note 5b)	21,555	(18,693)	2,862
Other social housing activities			
Care & Support contracts	33,035	(35,649)	(2,614)
Past pension deficit costs	-	(2,752)	(2,752)
Development	-	4	4
Activities other than social housing activities			
Commercial property	184	(73)	111
Other	253	-	253
Total	55,027	(57,163)	(2,136)

5. LETTINGS AND RELATED INFORMATION (continued)

(b) Particulars of income and expenditure from lettings

	Group and Association Supported Housing	
	2017	2016
	£'000	£'000
Income		
Rent receivable net of identifiable service charges	12,498	12,364
Service charge income	8,637	8,274
Amortised government grants	895	917
Total income from Social Housing lettings	22,030	21,555
Operating Expenditure		
Service charges	7,596	6,543
Management	9,402	8,485
Routine maintenance	1,879	1,613
Major repairs	437	218
Depreciation of properties	992	946
Rent and service charge losses from bad debts	1,121	888
Total expenditure on Social Housing Lettings	21,427	18,693
Operating surplus on Social Housing Lettings	603	2,862

Net rental income includes voids of £770,000 (2016: £798,000): 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 2017

5. LETTINGS AND RELATED INFORMATION (continued)

(c) Accommodation in management

	Group and Association	
	2017	2016 (restated)
	Number of Units	Number of Units
Supported housing	2,289	2,460
Registered care homes	63	69
	<u>2,352</u>	<u>2,529</u>
	Number of customers	Number of customers
Domiciliary and other customers	<u>3,653</u>	<u>5,478</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

5. 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 2017		31 March 2016	
	£'000	Number of units	£'000	Number of units
Ability Housing	66	21	56	12
CAYSH	33	7	31	7
East Thames	-	-	20	5
Family Mosaic	-	-	73	15
Hestia	87	15	83	15
London Cyrenians	190	28	188	28
One Housing	65	21	73	21
Outlook Care Ltd	20	5	-	-
Support for Living	117	6	37	6
Swan Housing Association	71	15	-	-
Total	649	118	561	109

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

5. 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 2017		31 March 2016	
	£'000	Number of units	£'000	Number of units
Amicus Horizon	143	39	147	43
ASRA	20	6	20	7
BPHA	8	10	-	-
Central & Cecil Housing	71	24	70	24
Circle Anglia	-	-	-	12
Downshire Homes	16	11	-	-
Family Mosaic	80	20	77	20
Gateway HA	51	9	51	10
Genesis HA	353	88	299	77
Guinness Partnership	14	16	-	-
Harrow Council	-	-	22	15
Hestia	-	-	20	8
Hexagon	169	51	232	42
Hyde HA	333	69	348	100
London & Quadrant Housing Trust	700	167	845	256
Metropolitan Housing	78	20	67	49
Milton Keynes Council	12	16	-	-
Moat	72	27	66	27
Network Stadium	391	149	483	158
Notting Hill HA	377	66	375	66
NHS Property Services	57	15	66	31
One Housing Group	104	21	117	21
Orbit Housing	5	16	-	-
Peabody Trust	380	101	321	101
RB Kensington & Chelsea	-	-	72	12
Richmond Fellowship	23	15	-	-
Salvation Army HA	1,100	242	708	163
Shepherds Bush HA	47	12	39	12
St Mungo's	538	149	567	149
Theori	-	-	56	6
Town & Country	27	7	28	8
Wandle	-	-	56	13
Total	5,169	1,366	5,152	1,430

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

5. 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.

6. DIRECTORS' AND SENIOR STAFF EMOLUMENTS

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

	Salaries	Pension	Total	Total
	£'000	contributions	2017	2016
	£'000	£'000	£'000	£'000
Aggregate emoluments paid to Directors (including Chief Executive)	965	46	1,011	815
Board members	88	-	88	87

Included in the emoluments paid to Directors are aggregate redundancy payments amounting to £60,000 (2016: £24,000).

The amount paid to the highest paid director, excluding pension contributions was £173,392 (2016: £150,000). The Chief Executive was not the highest paid director due to payments made to another Director during the year in lieu of notice on termination of employment.

Total expenses of £775 (2016: £614) were reimbursed to the members of the Board of Management.

The Chief Executive is an ordinary member of the standard Look Ahead defined benefit pension scheme. No special terms apply.

The emoluments and social security costs of Key Management are as follows:

	2017	2016
	£'000	£'000
Total	1,164	1,102
Number of individuals	17	18

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

6. DIRECTORS' AND SENIOR STAFF EMOLUMENTS (continued)

The emoluments (excluding pension contributions) of Board Members and their meeting attendance are as follows

Board member	Position	2017		2016	
		£000's	Attendance at Board meetings	£000's	Attendance at Board meetings
Stephen Alexander	Chairman	20.0	6/6	17.0	6/6
Moira Sinclair	Deputy Chairman	12.5	3/6	12.5	6/6
Jane Hives	PRC Chairman	12.5	6/6	12.5	6/6
Julie Jones	CSC Chairman	12.5	6/6	12.5	5/6
Sean Duggan	RemCom Chairman	10.0	6/6	10.0	5/6
Graham Buckland	Board Member	10.0	6/6	10.0	5/6
Chris Dobson	Board Member	10.0	5/6	10.0	6/6
Robert Drummond (joined March 2017)	Board Member	0.0	1/1	-	-
Christopher Richardson (resigned June 2015)	Board Member	-	-	2.5	2/2

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	Number	Number
Salary banding for all employees earning over £60,000 (including salaries, bonus, any termination payments and pensions):		
£60,000 - £70,000	5	-
£70,001 - £80,000	1	3
£80,001 - £90,000	3	1
£90,001 - £100,000	2	2
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	1
£130,001 - £140,000	-	1
£140,001 - £150,000	-	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-
£170,001 - £180,000	1	-
	15	10

7. EMPLOYEE INFORMATION

	Group and Association	
	2017	2016
	Number	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	73	91
Housing, support and care staff	820	833
	893	924
The average number of employees (expressed as full time equivalents) employed during the year was:	880	947

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Staff costs for these employees were:

	2017 £'000	2016 £'000
Wages and salaries	22,674	24,876
Social security costs	2,014	2,139
Other pension costs (see note 17)	362	3,121
	<hr/>	<hr/>
	25,050	30,134
Contract staff employed through agencies	847	1,828
Personal Support Assistant wages	1,613	1,588
Personal Support Assistant Social Security costs	104	117
Personal Support Assistant pension costs	15	11
	<hr/>	<hr/>
Total staffing costs	27,629	33,678

Included in the amounts above are wages and salaries for Board members amounting to £87,500 (2016: £87,000) and social security costs of £4,200 (2016: £4,000)

8. INTEREST AND FINANCING COSTS

	Group and Association	
	2017 £'000	2016 £'000
On bank and other loans	106	145
Unwinding of the discount factor on past pension deficit contributions (see note 17)	229	144
	<hr/>	<hr/>
	335	289

No interest has been capitalised in the year (2016: nil).

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

9. SURPLUS FOR THE YEAR

	Group 2017	Association 2017	Group 2016	Association 2016
	£'000	£'000	£'000	£'000
Surplus for the year is stated after charging:				
Amortisation of intangible assets	143	143	116	116
Depreciation of tangible fixed assets	2,018	2,018	1,965	1,965
Auditor's remuneration (excluding VAT):				
In their capacity as auditors	36	36	34	34
In respect of other services	-	-	13	13
Hire of non-plant and machinery assets under operating leases	413	413	354	354

10. INTANGIBLE FIXED ASSETS

	2017	Group and Association 2016
	Software	Software
	£'000	£'000
Cost		
At 1 April 2016	877	766
Additions	367	111
At 31 March 2017	1,244	877
Amortisation		
At 1 April 2016	(660)	(544)
Amortisation charge for the year	(143)	(116)
At 31 March 2017	(803)	(660)
Net book value At 31 March 2017	441	217
At 31 March 2016	217	222

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

11. TANGIBLE FIXED ASSETS

(a) Operational housing properties

	Group and Association	
	2017	2016
	£'000	£'000
Cost		
At 1 April 2016	129,578	130,687
Additions - existing properties	1,087	218
Additions - components	432	282
Disposals	(3,950)	(1,609)
At 31 March 2017	127,147	129,578
Depreciation		
At 1 April 2016	(12,729)	(11,827)
Depreciation charge for the year	(1,033)	(1,026)
Disposals	268	124
At 31 March 2017	(13,494)	(12,729)
Impairment		
At 1 April 2016	-	-
Charge for the year	-	-
Disposals	-	-
At 31 March 2017	-	-
Net book value		
At 31 March 2017	113,653	116,849
At 31 March 2016	116,849	118,860

There were no assets under construction at the time of preparation of these statements or throughout the year

The total amount expended on existing properties in the year was £2,316,000 (2016: £2,331,000)

The total book value of properties secured against the loan portfolio of £6,381,000 (note 16) is £10,029,003.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

11. TANGIBLE FIXED ASSETS (continued)

(a) Operational housing properties (continued)

	2017 £'000	2016 (Restated) £'000
Housing properties at net book value comprise:		
Freehold	106,110	106,995
Long leaseholds	7,236	9,552
Short leaseholds	307	302
	<u>113,653</u>	<u>116,849</u>

The 2016 figures have been restated due to misclassification of a property.

(b) Other tangible assets

	Office improvement works £'000	Furniture & equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 April 2016	1,430	4,851	1,835	8,116
Additions	-	866	81	947
Disposals	-	(152)	-	(152)
At 31 March 2017	<u>1,430</u>	<u>5,565</u>	<u>1,916</u>	<u>8,911</u>
Depreciation				
At 1 April 2016	(269)	(2,776)	(1,276)	(4,321)
Charge for the year	(156)	(573)	(253)	(982)
Disposals	-	108	-	108
At 31 March 2017	<u>(425)</u>	<u>(3,241)</u>	<u>(1,529)</u>	<u>(5,195)</u>
Net book value at 31 March 2017	<u>1,005</u>	<u>2,324</u>	<u>387</u>	<u>3,716</u>
At 31 March 2016	<u>1,161</u>	<u>2,075</u>	<u>559</u>	<u>3,795</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(b) Other tangible assets (continued)

	Office improvement works £'000	Furniture & equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 April 2015	1,250	4,341	1,538	7,129
Additions	180	516	298	994
Disposals	-	(6)	(1)	(7)
At 31 March 2016	1,430	4,851	1,835	8,116
Depreciation				
At 1 April 2015	(136)	(2,300)	(949)	(3,385)
Charge for the year	(133)	(479)	(327)	(939)
Disposals	-	3	-	3
At 31 March 2016	(269)	(2,776)	(1,276)	(4,321)
Net book value at 31 March 2016	1,161	2,075	559	3,795
At 31 March 2015	1,114	2,041	589	3,744

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

12. INVESTMENTS

(a) Financial Investments

Fair Value	Group and Association	
	2017 £'000	2016 £'000
At 1 April 2016	49,065	47,963
Additions	739	7,401
Disposals	(3,700)	(4,000)
Investment charges	(308)	(376)
Unrealised gain / (loss)	3,215	(1,923)
At 31 March 2017	49,011	49,065
Historical cost	42,563	45,524

Fair Value	Group and Association	
	2017 £'000	2016 £'000
Money market	17,820	3,742
Fixed income securities	9,060	16,804
Equities	18,325	23,739
Properties	-	-
Alternative investments	3,806	4,780
At 31 March 2017	49,011	49,065

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

(b) Investment Property

Fair Value	Group and Association	
	2017 £'000	2016 £'000
At 1 April 2016	3,178	3,178
Additions	-	-
Disposals	-	-
Increase in fair value	328	-
At 31 March 2017	3,506	3,178
Historical cost	3,547	3,547

The 2017 valuation was performed by Jones Lang Lasalle Limited in accordance with RICS valuation – professional standards 2014 on the basis of fair value.

13. INVESTMENT IN SUBSIDIARY

	2017 £	2016 £
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, there were no construction services provided by Look Ahead Developments Limited to Look Ahead Care And Support Limited.

All Look Ahead Developments Limited directors are employed by Look Ahead Care and Support and are paid for their services as employees of Look Ahead Care and Support.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

14. TRADE AND OTHER DEBTORS

	Group	Association	Group	Association
	2017	2017	2016	2016
	£'000	£'000	£'000	£'000
Amounts receivable within one year:				
Gross rental debtors	3,776	3,776	3,242	3,242
Less: provision for bad debts	(2,283)	(2,283)	(1,546)	(1,546)
Net rental debtors	1,493	1,493	1,696	1,696
Trade debtors	3,609	3,609	4,050	4,050
Prepayments and accrued income	1,546	1,546	722	722
VAT	118	118	61	61
Other debtors	24	24	21	21
Look Ahead Developments Limited	-	1	-	1
	6,790	6,791	6,550	6,551

Included in the Group and Association figures above are £6,067k of assets at amortised cost (2015-16: £5,974k). Included in the association figures above is £1 of assets measured at cost less impairment (2015-16: £1). There are no assets measured at fair value through profit or loss, except for the investments disclosed in Note 12a.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Association	Group	Association
	2017	2017	2016	2016
	£'000	£'000	£'000	£'000
Housing loans	386	386	365	365
Trade creditors	3,411	3,411	1,722	1,722
Defined benefit pension deficit contributions	1,273	1,273	1,224	1,224
Social Security	581	581	563	563
Other creditors	2,661	2,661	3,472	3,472
Deferred government grant (Note 25)	894	894	926	926
Accruals and other deferred income	4,321	4,321	4,444	4,444
Recycled capital grant fund (Note 24)	827	827	3,650	3,650
	14,354	14,354	16,366	16,366

Included in the Group and Association figures above are £12,314k of liabilities at amortised cost (2015-16: £14,505). There are no liabilities measured at fair value through profit or loss.

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

	Group and Association	
	2017	2016
	£'000	£'000
Deferred government grant (Note 25)	74,202	77,681
Housing loans	5,995	6,380
Recycled capital grant fund (Note 24)	638	1,320
Defined benefit pension deficit contributions	7,647	8,691
	<u>88,482</u>	<u>94,072</u>

Included in the Group and Association figures above are £80,835k of liabilities at amortised cost (2015-16: £85,381). There are no liabilities measured at fair value through profit or loss.

Housing loans consist of the following:**Lender**

Newcastle Building Society	1,700	1,876
Dexia Public Finance Bank	4,403	4,589
Orchardbrook Ltd	278	280
	<u>6,381</u>	<u>6,745</u>

Amounts owed on housing properties repayable:

In one year or less (included in current liabilities)	386	365
Between one and two years	408	385
Between two and five years	1,362	1,300
In five years or more, by instalment	4,225	4,695
	<u>6,381</u>	<u>6,745</u>

The total book value of properties secured against the loan portfolio is £10,029,003 (Note 11a)

Loans are repayable at rates of interest varying between **0.65%** and **11.04%**.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

17. PENSION OBLIGATIONS

a) Social Housing Pension Scheme (SHPS)

The association participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the association to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

Tier 1 From 1 April 2016 to 30 September 2020:	£40.6m per annum (payable monthly and increasing by 4.7% each year on 1 st April)
Tier 2 From 1 April 2016 to 30 September 2023:	£28.6m per annum (payable monthly and increasing by 4.7% each year on 1 st April)
Tier 3 From 1 April 2016 to 30 September 2026:	£32.7m per annum (payable monthly and increasing by 3.0% each year on 1 st April)
Tier 4 From 1 April 2016 to 30 September 2026:	£31.7m per annum (payable monthly and increasing by 3.0% each year on 1 st April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

17. PENSION OBLIGATIONS (continued)

Where the scheme is in deficit and where the association has agreed to a deficit funding arrangement, the association recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

		Period Ending 31 March 2016 (£000s)
Provision at start of period	9,912	7,944
Unwinding of the discount factor (interest expense)	188	144
Deficit contribution paid	(1,224)	(928)
Remeasurements - impact of any change in assumptions	44	(59)
Remeasurements - amendments to the contribution schedule	-	2,811
Provision at end of period	8,920	9,912

INCOME AND EXPENDITURE IMPACT

	Period Ending	Period Ending 31 March 2016 (£000s)
Interest expense	188	144
Remeasurements – impact of any change in assumptions	44	(59)
Remeasurements –amendments to the contribution schedule	-	2,811
Costs recognised in income and expenditure account	233	2,896

The financial statements include employer contributions to the Defined Benefit scheme of £110k (2016: £93k) and Defined Contribution contributions of £252k (2016: £218k).

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

17. PENSION OBLIGATIONS (continued)

ASSUMPTIONS

	31 March 2017 % per annum	31 March 2016 % per annum	31 March 2015 % per annum
Rate of discount	1.93	2.06	1.92

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the association and the scheme at each year end period:

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 March 2017 (£000s)	31 March 2016 (£000s)	31 March 2015 (£000s)
Year 1	1,273	1,224	928
Year 2	1,324	1,273	967
Year 3	1,377	1,324	1,009
Year 4	1,179	1,377	1,051
Year 5	966	1,179	1,096
Year 6	1,001	966	890
Year 7	833	1,001	668
Year 8	652	833	695
Year 9	672	652	518
Year 10	346	672	327
Year 11	-	346	337
Year 12	-	-	174
Year 13	-	-	-

The association must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the association's balance sheet liability.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

b) Local Government Pension Schemes

During the year, a payment of £48,000 was made to London Borough of Tower Hamlets. This payment represents the cessation of the pension liability related to the Local Government Pension Scheme. The valuation represented the final contribution payable represented the actuarial valuation as at the 31 March 2015. No further liability exists

The charge to the income and expenditure account for the year was £nil (2016: £nil). The net pension liability in respect of the plan is £nil (2016: £48,000).

18. 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.

	2017 £	2016 £
Allotted, issued and fully paid at 1 April 2016	21	21
Issued during the year	-	-
At 31 March 2017	21	21

19. LEGISLATIVE PROVISIONS

Look Ahead Care and Support Limited is incorporated under the Co-operative and Community Benefit Societies Act 2014. Look Ahead Care and Support Limited is required by statute to prepare consolidated accounts including its wholly owned subsidiary, Look Ahead Developments Limited.

20. TAXATION

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

21. CAPITAL COMMITMENTS

At 31 March 2017, the value of capital expenditure which had been contracted for but not provided for in the financial statements was **£nil**. (2016: £nil).

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

22. FINANCIAL COMMITMENTS

At 31 March 2017, Look Ahead had contractual commitments under operating leases that were not provided for in the financial statements, as follows:

	Group and Association			
	Land and buildings		Other	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
	696	1,055	10	44
Financial commitments payable:				
	£'000	£'000	£'000	£'000
Between one and two years	326	359	3	30
Between two and five years	370	697	7	14
More than 5 year	-	-	-	-
	<u>696</u>	<u>1,055</u>	<u>10</u>	<u>44</u>

23. SURPLUS ON DISPOSAL OF FIXED ASSETS

	Group and Association	
	2017 £'000	2016 £'000
Net proceeds of sales	4,490	11,844
Cost of sales	(4,246)	(1,930)
Net surplus on sales	<u>244</u>	<u>9,914</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

24. RECYCLED CAPITAL GRANT FUND

	Group and Association	
	2017 £'000	2016 £'000
At 1 April 2016	4,970	11,787
Addition for the year	138	1,103
Utilised on developments	-	-
Repaid in year	(3,663)	(7,944)
Interest accrued	20	24
At 31 March 2017	1,465	4,970

RECYCLED CAPITAL GRANT PAYMENTS DUE

	2017 £'000	2016 £'000
Greater London Authority	1,157	4,731
Homes and Communities Agency	308	239
	1,465	4,970

Amounts of capital grant repayable:

In one year or less (included in current liabilities)	827	3,650
Between one and two years	-	823
Between two and three years	638	497
	1,465	4,970

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

25. DEFERRED GOVERNMENT GRANT

	Grant at cost	Amortisation	Total Net Grant
	£'000	£'000	£'000
At 1 April 2016	92,586	(13,979)	78,607
Grants received in year	-	-	-
Transfer to other RSL	(3,012)	518	(2,494)
Grant recycled on disposal	(138)	31	(107)
Amortisation	-	(910)	(910)
At 31 March 2017	89,436	(14,340)	75,096