
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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 2016

Contents

	Page
Particulars of the Board of Management, Officers and Advisors	3
Report of the Board of Management	5
Independent auditor's report to the members of Look Ahead Care and Support Limited	30
Statements of Comprehensive Income	32
Consolidated Statement of Changes in Reserves	33
Statements of Financial Position	34
Consolidated Statement of Cash Flows	35
Notes to the financial statements	36

LOOK AHEAD CARE AND SUPPORT LIMITED

PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Board of Management

Stephen Alexander (Chairman)

Appointed:
as Board Member: 2010
as Chairman: 2011

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

Moira Sinclair (Deputy Chairman)

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

Chief Executive - *Paul Hamlyn Foundation*
Member of Advisory Council – *British Library*

Jane Hives (Chairman – Performance Review Committee)

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

Chartered Accountant and Consultant
Trustee – *The Pixel Fund*

Julie Jones CBE (Chairman – Customer Services Committee)

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

Trustee – *Sir Simon Milton Foundation*
Non-Executive Director – *Open Door Homes*

Graham Buckland

Appointed: 2014

Managing Director – *Barclays Bank Plc*

Chris Dobson

Appointed: 2014

Director – *Capita Plc*

Sean Duggan

Appointed: 2012

Chief Executive Officer – *Centre for Mental Health*

Chris Richardson

Appointed: 2009
Resigned: 16 June 2015

Partner - *Ernst & Young LLP*

LOOK AHEAD CARE AND SUPPORT LIMITED

PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Chief Executive and Senior Management Team

Chris Hampson
Chief Executive
Appointed: 2015

Lisa Bradley
Executive Director Finance
Appointed: 2011

Pat Long
Executive Director Operations
Appointed: 2011

Claire Luxton
Director Quality, Governance and Performance
Appointed: 2015

Guy Robinson
Operations Director
Appointed: June 2015

Paul Perkin
Operations Director
Appointed: 2013

Darren Palmer
Director of People
Appointed: 2015

Alex Seery
Director of Learning Disabilities
Appointed: January 2016

Solicitors

Devonshires
Salisbury House
London Wall
London
EC2M 5QY

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

External auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Registration details

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

Internal auditors

Beever and Struthers
15 Bunhill Row
London
EC1Y 8LP

Investment managers

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

Registered office

Kings Buildings
16 Smith Square
London
SW1P 3HQ

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Look Ahead Care and Support Limited is registered under the Co-operative and Community Benefit Societies Act and is a Registered Provider under the Housing and Regeneration Act 2008. Look Ahead Developments Limited is a wholly owned subsidiary of Look Ahead Care and Support Limited ('the Association', together 'the Group'). Group Accounts have been prepared for the year ended 31 March 2016 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 2016. The results show total comprehensive income for the year of £6,129,000 (2015: £5,404,000).

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 2016 was £nil (2015: £998). 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

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

needs housing, therefore all existing and new accommodation run by Look Ahead is linked to a care or support package.

Review of the business

Look Ahead is currently repositioning the business so that our future housing, care and support offer is focused on people with much higher support and care needs than we have traditionally provided for in the past. Historically Look Ahead has run preventative support and care services for people with relatively low support needs. This is a strategic shift away from preventative low support services to people who have a statutory right to social care funding packages, from local authorities and the NHS due to the severity of their needs. It is not a radical change of direction but a necessary and natural progression, which builds on our work over many years with these core customer groups providing support. We will continue to provide some lower level preventative support services but only where there is a strong and ongoing commitment by local commissioners to fund these services.

These changes are about us future proofing our accommodation, and acquiring more stable support and care contracts in response to the deep cuts across support and social care budgets. We are aligning our accommodation, support and care offer to future demand, reflecting commissioners increasing focus on funding high end statutory services and cutting back on low support preventative services. The approach positions us well to enable local authority and NHS commissioners to reduce their own costs by moving people out of inappropriate and expensive institutional settings. We are investing in our existing and new property, and developing new services for people coming out of hospitals or registered care to live more independently within the community and closer to families and social networks.

The last 18 months has been a transitional period as we continue to re-position the business and shift our portfolio to more high need statutory services. This will also enable us to improve support and care contract margins and is a central element of our 5 year business plan and growth strategy. Look Ahead will be operating within a highly specialised and niche market that has a significant social and economic return. Our buildings and services will contribute directly to reducing public spending across the health, social care and the criminal justice sectors. It will also lead to improved outcomes around wellbeing and quality of life, and fill a gaping hole in current provision by providing high quality, integrated housing, care and support. Look Ahead will be operating in a vital space at a point when many Housing Associations are exiting the market.

The current transition period will impact some core performance indicators for a time limited period. This will include short periods where voids will increase as we move properties and services from predominantly low support to high support schemes, and old contracts are decommissioned ahead of winning new ones. Following a systematic review of all our social care contracts we have also served notice on contracts which are no longer financially viable.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Look Ahead are well positioned to achieve our business plan and growth targets. For many years now our growth and success has been dependent on operating within a highly competitive support and social care market. The ability to win and retain contracts has helped instil internal discipline, particularly around efficiency and value for money which is central to our success as a social business. If we are not competitive on price and do not deliver subscribed outcomes we will not retain services. Over the last 12 months we have strengthened our internal performance framework, and more recently are looking for new ways to improve long term efficiency. This includes further investment in our central infrastructure and setting up new external benchmarking groups so we can challenge our performance. We are now seeking also to use the new HCA cost benchmarks on Value for Money but stripping out the care and support costs which currently distort our position.

This is the first year in which the financial statements have been prepared under FRS 102, with the prior year also restated. Look Ahead's total comprehensive income for the year of £6.1 million is £0.7 million higher than the previous year and represents a strong financial result in a challenging economic environment.

This financial year Look Ahead has experienced a significant increase in the amount of losses due to decommissioning and public sector budget cuts to our preventative low support services. This has also been exacerbated by low levels of tendering activity for new care and support services following the general election thus generating little opportunity for business growth.

In the year we made an operating deficit of £2.1 million. However this included a cost of £2.7 million associated with the valuation of the present value of our future contributions payable as part of the Social Housing Pension Scheme's deficit recovery agreement. Our operating surplus excluding these costs is £0.6 million. This is lower than the previous year's operating surplus of £1.9 million and reflects the deep cuts to our care and support contracts which also resulted in a lower turnover of £55.0 million, compared to £56.5 million in the prior year.

During the year we made good progress in delivering our asset management strategy which is central to our transition to a high needs care provider and improving our economic and social returns on investment. We completed the refurbishment of a hostel building and 6 other self contained flats in Slough to convert the accommodation to a high support mental health and resettlement service. The building had been decommissioned in the previous year and was no longer in use. This service supports 16 customers and will bring in additional contract income of £0.3 million per annum as well as rental income. In Newham, we have converted a 6 unit block of accommodation to provide a learning disability residential care service which will bring in contract income of circa £0.8 million per annum and we have also refurbished a 10 unit decommissioned building, Ibis House, for Young People Leaving Care with a contract income of £0.2 million. We converted a three bedroom semi-detached house in Slough to provide supported living accommodation to a customer with learning disabilities who had spent many years in a hospital.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

We made gains on the disposal of property of £9.9 million which largely related to the sale of our last remaining hostel building in Bayswater which was decommissioned and no longer fit for purpose. We intend to use this valuable receipt to invest in new property to support our business development strategy going forward.

Our results were affected by a decrease in the fair value of our investment portfolio with Rothschild amounting to £1.9 million. Our surplus funds are invested with Rothschild for the medium to long term to earn a return of RPI +2% over that term. These investments are subject to fluctuations in the market. Although the portfolio decreased in value during the year, since its inception it has earned a return of 14.0%.

Delivering Value for Money

At Look Ahead our customers are central to everything we do. Value for Money means delivering quality services that produce positive outcomes for our customers, through making the best use of our assets and resources (property, people, money, information technology).

Being effective in delivering positive outcomes not only provides value to our customers, but also maximises public benefit to the local community, creating social and environmental benefits. For example, our services:

- make local communities feel safer and reduce policing needs by reducing the number of drug users on the street committing crimes
- reduce re-offending and keep people out of prison
- reduce NHS hospital admissions and medication need, and improve the health and wellbeing of customers and their families
- enable people to leave hospitals and care homes sooner to live more independent lives
- get customers back to work quicker and reduce reliance on benefits
- get young people into education for a brighter and more productive future

It is equally important that we are financially efficient so that we can generate capacity to invest in service innovation and business improvements to increase our effectiveness going forward. Financial efficiency means that we must deliver better quality services and better outcomes for the same cost or less.

The management and monitoring of Value for Money is embedded into Look Ahead's annual planning and regular monitoring processes, as well as across important decision-making and risk management processes. We revised our performance monitoring framework this year to improve accountability and ownership at all levels, from the Board and Performance Review Committee, through SMT and down the operational hierarchy to individual front line staff. The framework focuses on our core business priorities and a suite of high level KPIs is reported to the Board quarterly, with stretch targets being set annually to drive performance improvements.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

The funding and costs of the two parts of our business, social care and housing, are recorded and tracked separately, to aid close scrutiny of the financial and operational performance of each, at different levels of accountability. Budgets and benchmarks for performance monitoring are aggregated from the individual care and support contract and individual property level. All central costs (central housing management, property services teams, finance and HR functions etc.) are apportioned between the two businesses at the lowest level using the key drivers of these costs.

All new business proposals, bids for the delivery of care and support services and all investment proposals are assessed by a Look Ahead Risk Panel, consisting of at least three SMT members. It considers the economic and social value of potential new services, as well as their strategic importance and profitability, assessing value for money.

Value for Money assessment

We have assessed our Value for Money against the five Corporate Priorities underpinning our Business Plan, which were reviewed and updated this year following consultation with customers and staff.

Corporate Priority	Value for Money Assessment	Trend
i. Provide excellent services that deliver positive outcomes for all customers	Good	Improving
ii. Design and deliver innovative services in partnership with our customers	Excellent	Maintaining
iii. Achieve sustainable growth, maximising social and economic returns on investment	Satisfactory	Improving
iv. Recruit, develop and retain a high performing workforce through strong local leadership	Satisfactory	Improving
v. Enhance our financial strength and viability	Good	Improving
Overall Assessment	Good	Improving

Scale: Excellent – Good – Satisfactory – Poor – Very Poor.

Trend: Improving - Maintaining - Deteriorating.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

i. Providing excellent services that deliver positive outcomes for our customers	Good	Improving
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We assess the quality of all of our services at least annually through our robust internal Quality Management System (QMS). QMS mirrors the performance monitoring framework of our care regulator, the Care Quality Commission (CQC) and rates each service 'outstanding', 'good', 'requires improvement' or 'inadequate'. The learning and action plans, prepared for each assessment, are used to drive service improvements across the business. As a result there was a significant increase in the number of services rated as 'outstanding' or 'good' during the year, as demonstrated below and the trend is continuing. We achieved the 75% target in April 2016 and the target has been increased to 80% for 2016-17.

Effectiveness - quality of services delivered to our customers:	Benchmark	Target	2016	2015	2014
% Services rated as 'outstanding' or 'good'	69%	75%	70%	59%	N/A*
No. of services rated "overall" as 'inadequate' by CQC	N/A	0	0	1	N/A**
No. of services with one standard rated as 'inadequate' by CQC	N/A	0	1	4	N/A**
% of new staff attending mandatory training within first 12 weeks	N/A	90%	74%	N/A*	N/A*
% of repairs completed as first time fixes	91%	85%	85%	84%	83%
No. of units without valid CP12 gas safety certificate	N/A	0	2	0	3

* New KPI measure introduced following revision of internal Quality Management System
 ** CQC new grading system implemented in 2014/15

We have one service where a standard is rated as 'inadequate' by CQC. We have completed all the service improvement actions and a recent internal quality audit has rated this service as 'good'. We are therefore confident that a CQC re-inspection will result in a 'good' outcome.

The ambitious target for 90% of new staff to attend 80% of their mandatory training within the first 12 weeks of employment, has proved unachievable given the practical demands of the business. Following further examination, the target going forward has been amended to completing the training within the 6 months' probation period.

There has been a steady improvement year on year in the number of maintenance repairs completed as first time fixes. We reached our target of 85% this year, but more work is needed to reach the benchmark. Gas safety certificates outstanding at the year end were issued in April.

During 2015-16, 1,574 customers moved on from our support in a planned way, 182 more than in the prior year. Of these, 382 (42% of those with an identified support need) went into training, paid work, or participated in work like activities.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

The case study below illustrates how we achieve these outcomes.

Case study – gaining employment

Leo, a customer of one of our complex needs services in north London, identified employment as one of his key goals with his support worker. Interested in using his experiences to work in the social care sector Leo applied to our internal peer support programme to gain skills and practical experience in this field.

Over 10 months he completed a placement at one of our young person’s services where he focused on health and wellbeing activities. He secured funding to set up a small gym within the service, encouraging a group of young people to attend regularly, using this time as an opportunity to discuss with them their aspirations and support engagement.

Over this time Leo also successfully completed a NVQ Level 2 in Health and Social Care. Following the end of his placement Leo secured full time employment in the social care sector and has since moved on to independent living too.

We estimate that the combined saving to the public purse of Leo gaining full time employment and moving to his own accommodation and therefore no longer needing accommodation based support to be £26,198.

ii. Designing and delivering innovative services in partnership with our customers	Excellent	Maintaining
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Look Ahead’s ability to design and deliver services that provide excellent value for money is tested continually in a competitive marketplace, as contracts are tendered and renegotiated by commissioners, with the aim of driving up quality and reducing cost. To maintain our position, we use customers’ insight in shaping our services, contributing to innovation and adding value. In addition, customers gain from their involvement through immediate rewards and longer term benefits, such as the opportunity to move into paid employment. Achievements this year include:

- **Customer Services Committee:** Following a review of the work and performance of the Committee, the Board confirmed its role in identifying and managing key customer risks and providing assurance around the delivery of high quality services. Key projects included co-production strategy, customer expectations and choice and control, as well as policies for ASB, Feedback and Complaints, Food and Nutrition and Safeguarding.
- **Families and Carers’ Forum:** This Forum was launched for those involved with our customers with learning disabilities, as part of our service improvement initiatives. The Forum meets quarterly and has been well attended with contributions being made to the customer welcome pack.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

- **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. Over the last year we have delivered 79 training sessions, a 50% increase on previous years and have also delivered training to external partners, such as police services.
- **Induction and training:** Two days of our mandatory five-day induction programme have been co-produced and are co-delivered by customers.
- **Quality checkers:** We have recruited 18 customers, family members and carers to jointly check the quality of our services with managers.
- **Time credits:** Customers are incentivised to participate through 'Time Credits', which are redeemable at participating retailers. They may be earned through involvement in interview panels, health and safety checks, gardening, supporting their peers and in local co-production of services. Over the last year time credits earned have increased by 43% and spend has increased by 34%.
- **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. As a result, 65% of our peer supporters have remained in the programme for more than three months, a 20% increase on previous years. Peer supporters have opportunities to obtain qualifications, which can lead to paid work.
- **Values and vision:** Through the Customer Services Committee, focus groups and our Family and Carers' Forum, we captured the values that resonated with customers and staff: Excellence, Aspiration, Trust and Partnership.

How our customers view our services is monitored through satisfaction surveys every quarter. We received a record number of 1,950 customer feedback cards in 2015/16, 650 more than last year.

Outcomes we achieved:	Benchmark	Target	2016	2015	2014
Customer satisfaction with overall services	89%	85%	86%	83%	85%
Customer satisfaction with choice and control over their support	N/A	84%	84%	80%	83%
Customer satisfaction with opportunities to get involved	N/A	80%	82%	76%	80%
Customer satisfaction that staff listen, respect and encourage	N/A	87%	87%	85%	86%
Customer satisfaction with where they live	N/A	75%	74%	73%	75%
Customer satisfaction with maintenance service	81%	80%	71%	69%	75%

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Our customer satisfaction levels have improved in the year across all categories and in most cases have met or exceeded targets. Overall, they remain slightly above our target but below Housemark's Survey of Tenants and Residents benchmark, based on the most recent analysis for supported housing providers.

How our initiatives are improving customer satisfaction is clearly demonstrated by the marked rise, from 76% to 82%, in satisfaction levels for opportunities to get involved within the service. This can be attributed to the development of time credits, customer quality checkers and opportunities for involvement in the Customer Service Committee and elsewhere. Services with high levels of satisfaction in this area also scored highly in their internal quality audits for co-production and customer feedback.

Satisfaction with the maintenance service shows a slight improvement, but remains well below target and 10 percentage points lower than the national average. This can be partially linked to our lower than average completion of first time fixes and as part of our continuous improvement plan, we will be conducting an efficiency review of our reactive and void maintenance service, assessing value for money going forward.

The following case studies illustrate how we successfully satisfy customers' needs and produce significant savings to the public purse.

Case study – moving into independent living

Chris is a customer of one of Look Ahead's mental health services in South London. He last lived independently in the early 1990s and had been living in mental health institutions in the intervening years. When we took over the service our staff quickly identified that Chris had the potential to develop his independent living skills. Our staff worked closely with his care coordinator and consultant psychiatrist and began the process of supporting Chris to self-medicate. Within a month he was taking his medication as required and this positive step made moving to independent accommodation a more realistic option.

In addition to his mental health support needs Chris had a number of physical health problems, including double incontinence which required ongoing support. A self directed support package was in place for Chris to assist with his personal care. Throughout the process we worked closely with Chris, the care worker and agency involved to ensure his needs were being met but also balanced in order to promote independence.

Chris' support worker arranged a meeting with the borough's move-on coordinator which all professionals were involved and Chris attended. At this meeting Chris was able to express his views about the type of accommodation he wanted and how he would like his support needs to be met. It was agreed that Chris would be eligible for a fast track service, which gives customers a one off offer of self contained, independent accommodation.

In preparation for Chris' anticipated move, support staff and Chris focused on developing his confidence to attend appointments unaccompanied and to travel to new places independently. He was also supported to begin saving money and prioritise buying furniture and things he may need for his flat. An offer of a flat came through in November 2015 and Chris accepted it on the spot. Over the next few weeks, Chris began the phased move into his accommodation. During this period, staff supported Chris to make the necessary changes to his benefits and set up his utilities and redecorate his flat.

Chris started the new year by moving into independent accommodation for the first time in over 20 years. Chris reports to 'love his flat' and is doing really well. We estimate the combined saving to the public purse of Chris moving to his own accommodation and therefore no longer needing accommodation based support to be £12,012.

Kylie was recently discharged from an in-patient rehabilitation facility in East London and referred to Look Ahead's Crisis House following a suicide attempt and a sectioning under the MHA. Kylie is 28 years old with a history of self-harm, non-compliance with medication and suicide attempts. She has a primary diagnosis of Borderline Personality Disorder and a history of substance misuse.

Our knowledge of Kylie's circumstances meant staff could work quickly and with understanding of her needs. Kylie chose her own Support Worker and together they drafted a risk assessment and support plan for her 3-4 week stay. At first Kylie was hostile and refused to engage but her Support Worker persisted and as the trust in their support relationship built, so did Kylie's engagement in key-working sessions.

Kylie's Support Worker arranged weekly meetings with Kylie's Care Co-ordinator to plan for her discharge home, fed back her progress to the clinical team and advocated successfully on Kylie's behalf for a medication review. Kylie explained that her frequent non-compliance was due to the side effects of her medication. Kylie confided that she still had a large collection of medication at her flat and agreed to let her Support Worker accompany her there to take it to the pharmacy for disposal. While at the flat, Kylie's Support Worker noticed large patches of damp. Kylie told her that this was a long standing issue admitting the damp left her feeling depressed and that the landlord ignored her complaint. Kylie's Support Worker called the landlord and the repairs were completed so that Kylie has been able to return to the flat.

The saving from Kylie moving back home compare to an in-patient admission is £11,594 for each episode.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

iii. Achieving sustainable growth, maximising social and economic returns on investment	Satisfactory	Improving
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The continuing austerity measures and welfare reforms have had a significant impact on all our income streams. The impact of the general election, comprehensive spending review and autumn statement also led to a reduction in tendering activity, which limited opportunities to win new business.

Overall we have experienced a reduction in our social care business of £6.0 million against a target of net new business growth of £2.0 million largely through:

- delivering further efficiency savings on existing contracts to our commissioners, securing the services for a longer term;
- the decommissioning of some non-statutory services;
- the handing back of non-viable contracts following a systematic review of all our social care contracts. Losses have been incurred, in particular, because customers with higher needs than originally specified were being cared for, contributing to high staff turnover and high agency costs. Additionally, Look Ahead implemented the London Living Wage. Where we have been unable to agree an acceptable redesign of the service, or additional funding, we have served notice on commissioners;
- the loss of three services through tendering, where we were unable to compete on price in boroughs which do not recognise the London Living Wage; and
- we secured new profitable services, two through tendering and two outside the tender process.

As a result of the above, income that was not sustainable has been eliminated and resources have been released for alternative deployment. Going forward we are investing in driving business development and marketing activity and we expect to generate less income through tendering. We will be drawing down on our investment portfolio to convert and purchase properties to support the business. In particular, we are developing services for high needs customers, where the social value and social impact is highest, using our property as leverage where appropriate. For example, we have converted 33 units for high needs care services, generating extra annual rental income of circa £0.2 million and additional social care income of £1.5 million per annum. In the future, we plan to implement a systematic process to measure our social impact and the social return on investment that our services achieve.

The following case study illustrates how we deliver a high needs service, using a converted property and its benefit to the customer and the public purse.

Case Study – Moving out of long term residential care

Alan has learning disabilities, mental health needs and a history of, at times, some challenging behaviour. He has spent 12 years in hospital, the last 7 in a high cost secure unit outside London. Look Ahead provided a transition service to Alan and his family, working closely with our NHS and social care colleagues to support his move into supported living in the community. Over 12 weeks staff worked alongside hospital clinicians assessing his needs, learning about his likes, dislikes, routines and critically building the relationship and trust that would prove so vital post-transition.

Alan now receives 24 hour one-to-one support from experienced Look Ahead staff. He has been living in his own three bedroom semi-detached house for a year. Staff have supported him to keep a photo diary of his daily activities including the small but important milestones he is continuing to make as he adapts to independent living.

We estimate the combined saving to the public purse of Alan moving to his own accommodation and therefore no longer needing accommodation based support to be £8,019.

iv. Recruit, develop and retain a high performing workforce through strong leadership	Satisfactory	Improving
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This priority will be delivered through our new Workforce Development Strategy. Areas for improvement were highlighted in the employee engagement survey, undertaken in the first half of the financial year, which showed overall staff engagement at 66% against a target of 76%. Since then, we have revised our Reward Strategy so that we have a financially sustainable approach, which is competitive and maintains our commitment to the London, and National, Living Wage. Other methods of celebrating staff success have also been launched, including recognition awards and informal presentation events. Similarly, we have implemented an improved communications strategy, with staff recently awarding a satisfaction score of 81% for employee communications, compared with only 44% in the engagement survey.

Voluntary staff turnover

We did not meet our voluntary staff turnover target (25%) this year, although the 30% outcome was driven by poor performance in only 10 of our services (excluding these, turnover would reduce to 24%). The poor performance is largely attributable to some mental health services and to the instability created in one London borough by significant efficiency savings on contract renegotiations. In both cases we have put in place improvement plans, although we know from exit interview data that many staff use our

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

mental health services for work experience before taking up posts in the NHS or further training, so we continue to expect higher turnover levels.

Recruitment

In order to improve the efficiency and effectiveness of our recruitment processes, we have implemented a new recruitment tracking system, which will help optimise recruitment channels and techniques. It can be linked directly with social media and job boards, freeing up HR business partners to work on more complex elements of recruitment. We have also developed targeted recruitment campaigns, incorporating skill and behaviour-led assessment centres.

Learning & development

Investments in Learning & Development, which contribute to improved staff performance, include:

- 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, in future, 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;
- The new Operational Induction programme, which combines the statutory requirements of the Care Certificate with our internal induction needs, has been recognised by “Skills for Care” for its innovative approach. It has also contributed to improvements in the quality scores across our services.

v. Enhance our financial strength and viability	Good	Improving
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Our core operating surplus (before past pension deficit cost) for the year of £616,000 (2015: £1,864,000) was particularly depressed by the loss-making contracts that have been handed back to commissioners and the overall reduction in turnover. The results were also affected by other factors as explained overleaf.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

This table summarises key measures of financial efficiency:

Financial efficiency and economy:	Benchmark	Target	2016	2015	2014
Contract income collection %	N/A	90%	90%	94%	95%
Maintenance cost (reactive/voids) per unit	£575	£603	£919	£824	£918
Maintenance cost (planned) per unit	£270	£436	£157	£323	£235
Void %	4.3%	6.0%	7.1%	6.8%	6.6%
Net arrears of current tenants %	3.3%	6.5%	7.8%	6.6%	5.5%
Bad debt %	N/A	4.0%	4.1%	4.0%	3.4%
Agency staff as % of total staff spend (see section iv above)	N/A	5.5%	5.7%	11.0%	8.4%
Voluntary staff turnover	25%	25%	30%	29%	25%
Overheads as % of turnover	11.8%	12.3%	13.9%	13.8%	N/A*

*FRS102 implemented from 2015

Contract income collection

We achieved a contract income collection rate of 90%, which was on target. It is below the previous year's performance (94%), because of trends in contract payment terms that are less advantageous, which was recognised in the lower target.

Housing indicators

All of our property stock is used for supported housing provision. This means that accommodation is provided to customers only for the duration of their need for support, which is often short or medium term. In 2015, Look Ahead re-let 57% of its stock, whereas the average turnover of lettings for other registered providers (RPs) is only 8%. This disparity has a significant effect on key performance indicators, such as costs of maintenance and void levels. We also provide social care services from properties that are owned by other landlords and some of our services do not include the provision of accommodation. In addition, the care and support needs of our customer groups also impact on these performance metrics and others, such as the level of arrears. The benchmarks included above are the averages for all RPs.

Look Ahead is proactively seeking care and support organisations with a similar profile, to form a new benchmarking group. We have joined a group of pan London homelessness providers. The performance of our landlord services, when compared to the other seven homelessness providers, tends to be average for rent collection, arrears and repairs.

Maintenance costs per unit – owned properties

Total maintenance spend per unit is slightly higher than target (£1,076 versus £1,039), but much more was spent reactively and on void properties, than in planned works. This trend follows prior years and has been exacerbated by our poorer voids performance, as explained below. We spend more than the average for other RPs, because our volume of re-lets is seven times greater. Nevertheless, we will be conducting an efficiency review of our reactive and void maintenance service, assessing value for money going forward.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Rent losses

Cumulative rent losses through voids were 7.1%, 1.1% above our target of 6.0%. Two, non-statutory, young people services experienced low levels of referrals during the first half of the year. Voids reached a peak of 8.4% before these services were decommissioned and have driven up the result for the year. Performance has significantly improved in the second half of the year, with void levels in the month of March 2016 dropping to 5.6%.

Our voids efficiency review has resulted in:

- Tighter contractor performance measures, requiring a 50% reduction in time and cost for delivering void maintenance works in the new financial year
- Streamlining internal voids processes to reduce the time a unit is void by 50% in the new financial year
- Improved monitoring of operational and contractor performance through agreed KPIs
- Review of maintenance costs, including void costs, to assess value for money and achieve in-year savings
- a challenging target for void levels in 2016/17 of 5.5%.

Rent arrears and bad debts have also increased and are above target. Rent and service charges in arrears are 1.3% above our target at 7.8%. As expected, the implementation of welfare reform, particularly cuts in housing benefit offices, has had an impact on income collection. We also commissioned an internal audit of our arrears management process, because of the increased risk to income collection. The audit identified that we should strengthen the processes for claiming housing benefit, including better training and tools and make more effective use of the current housing management system.

A cross-functional arrears action group has been set up to deliver the internal audit recommendations. We have set a target for arrears in 2016/17 of just 5.5%, which is 2.3% better than our current performance. It will be challenging because of continuing local authority cuts and new, more stringent, rules for Housing Benefit claims, introduced from April 2016. However we are confident that we can achieve this by implementing the improvement plan and reallocating resources in the income collection team.

Agency staff as a % of total staff spend

We have significantly reduced our reliance on agency staff in the year. Agency staff represented 5.7% of our total staff costs, an improvement on the previous year of 11.0% and just 0.2 percentage points worse than our target. This was achieved by improving our staff engagement and by restructuring some of our loss-making services.

Overheads as a % of turnover

Over the past eight years our overheads have reduced from 17.7% of turnover in 2008 to 13.9% in 2015-16. The reduction in overhead has been achieved by implementing various programmes for delivering efficiencies and improving effectiveness, as well as achieving

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

net new business growth. We did not meet our target for the year because of the fall in turnover reflecting contract losses and additional one-off costs. The latter were incurred in restructuring our HR and Property & Landlord Services teams, as well as additional investment in our communications and marketing team.

To keep a check on our overheads and other costs, we have conducted a number of procurement exercises. In 2015-16, we looked at our energy and mobile telephony services. We achieved cost savings of £73,000 with our new mobile telephony contract, whilst obtaining much improved handset technology. Further exercises are planned during 2016/17 including external audit, printers & photocopiers, fixed telephone lines, network provision, cleaning & gardening, water hygiene and property consultancy.

Investment strategy for improving Value for Money

Look Ahead is very strong financially, having generated substantial reserves through the successful operation of our business. Surpluses have arisen, as this year, from the disposal of our large hostels, which are no longer fit for purpose, and have been decommissioned. We are planning reinvestment of these surpluses, in furthering our social purpose, to maximise social and economic returns within acceptable levels of risk.

The overall aim of our investment strategy is to ensure that Look Ahead returns to growth and improves its long term profitability and value for money. We will be implementing the following key investment priorities:

- i. We are actively seeking small scale acquisitions of social care providers to strengthen our mental health and learning disability portfolios.
- ii. We will continue to adopt a proactive approach to investment in our property assets:
 - We will invest in our own properties to ensure they are fit for purpose, converting them as appropriate to meet the needs of our priority areas for business development. This is where we expect longer term, higher margin contracts where the social and economic returns will be the greatest.
 - Where a property is no longer fit for purpose, we will consider a range of options to maximise the social return or surplus on disposal, including outright sale, stock swaps, or investment in a commercial development with an appropriate partner.
 - We will consider stock swaps with other RPs, or outright purchase where it supports our business development aims and improves our financial returns. This might include the acquisition of surplus sheltered accommodation for conversion to specialist supported housing.
 - We will seek opportunities to use Recycled Capital Grant, in addition our own funds, to invest in our properties where appropriate.
 - We will invest in property expertise to support and deliver our asset management objectives and investment decisions.
 - All property investment proposals must meet a benchmark return of 6.0%, or higher, reflecting the level of risk.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

- iii. We will invest resources in supporting our business development strategy and in innovation:
- We will invest in our central teams to support our ambitions for growth including additional business development, marketing and communications resources.
 - We will invest in developing new and innovative service models and in penetrating additional high end markets.
 - We will invest in research projects that support our business development and increase our profile in the social care and health sectors.
- iv. We will invest resources in improving the efficiency of our services and central teams:
- We will invest in our IT and business systems to improve our infrastructure and ensure they deliver efficiencies. Our two main priorities will be to invest in a new housing management system and an integrated HR/Payroll system.
 - We will invest in our Property & Landlord services team to improve our performance in rent collection and voids management
 - We will invest in a reward strategy that improves staff recruitment and retention and delivers measurable performance improvements.
- v. We will maximise the returns on cash invested with Rothschild within acceptable levels of risk. We have initially set aside £10.0 million (or 20%) of the fund for investment in the business over the next five years. The remainder will continue to be invested with a target of RPI +2% over 5 years with a medium risk profile.

Our KPI targets for 2016/17

We have set both challenging but achievable targets for next year which reflect our aims to improve Value for Money. The main indicators reported to Board are:

Performance Indicator	2015/16 Target	2016/17 Target
% of all services achieving outstanding or good in quality audits	75%	80%
No. of CQC locations rated "overall" as inadequate by CQC	0	0
% of new operational staff who have completed at least 80% of mandatory training within probation	90%	90%
No. of units without a valid Landlord Gas Safety Record	0	0
% rent lost through voids	6%	5.5%
Net rent and service charge arrears of current tenants	6.5%	5.5%

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Performance Indicator	2015/16 Target	2016/17 Target
Gross value of business development	New	£6m
% of contract income retained	New	90%
Surplus	5.3%	1.6%
% of reactive repairs completed within target times	New	85%
% of customers satisfied with Look Ahead overall	85%	87%
Staff leaving voluntarily as % of total number of staff	25%	28%
Agency staff spend as a % of total staffing spend	5.5%	5%

Whilst we have been finalising these financial statements, our regulator, the Homes and Community Agency, has issued a suite of statistics to each Registered Provider (RP), through which it will be monitoring achievement of value for money in the future. These statistics have been calculated on a per unit cost basis, comparing the performance of each RP against the averages achieved by housing associations managing over 1,000 units. However, Look Ahead, as solely a provider of social care services, is in a different business from almost all of these organisations. As a result (and as recognised by the HCA) our performance is not in line with these averages. A comparison of our performance against these averages will be included in a comprehensive report on how Look Ahead's Board obtains assurance that Look Ahead is delivering value for money:

'Delivering Value for Money, Self-Assessment 2016' can be found on our website: www.lookahead.org.uk.

Surpluses and reserves

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

Look Ahead's reserves as at the 31 March 2016 are £71.9 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.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

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 924 Full Time Equivalent posts. We have 240 Personal Support Assistants registered and working within Look Ahead services supporting our strategy for more personalised services and enabling customers to exercise control and choice.

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

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

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

Look Ahead promotes equality and prevents unlawful discrimination through our recruitment and selection practices. Our Recruitment and Selection policy and procedure and Employing People with Disabilities policy sets out our requirements and commitment to equal opportunity recruitment, ensuring that:

- Qualifications and experience set out in the person specification are appropriate for the role
- Adverts state, "Applications from all minority groups are positively welcomed" and feature the two ticks "Positive about Disabled People" logo
- Equal opportunities forms are completed
- All materials are non-discriminatory
- Staff teams are diverse, reflecting customer/community demographics, through local job advertising (e.g. local newspapers) and recruitment.

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

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

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Governance

Look Ahead embraces 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 has established a maximum term of office for its members and officers of six years.

The Board of Management is currently supported by:

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

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

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

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

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

The **Remuneration Committee** establishes and reviews the organisation's Remuneration Policy and reviews the Chief Executive's and Executive Directors' remuneration annually.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

The Committee has met twice in 2015/16 in which it reviewed its terms of reference, the Executive Director 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 Directors 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.

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.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

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 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 five principle risk areas:

Principle Risk 2016/17	Strategic Objective
PR1 Failure to develop innovative services across all our customer groups	SO4 Design and deliver innovative services in partnership with our customers
PR 2 Failure to deliver sustainable growth	SO2: Achieve sustainable growth, maximising social and economic returns on investment
PR 3 Failure to maintain and deliver safe services	SO1: Provide excellent services that deliver positive outcomes for all customers
PR4 Failure to provide strong financial and governance controls	SO3 Enhance our financial strength and viability
PR5 failure to develop an engaged and flexible workforce	SO5 Recruit, develop and retain a high performing workforce through strong local leadership

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.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

- Managing the risk of fraud

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

- Monitoring and corrective action

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

- Information and financial reporting systems

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

- 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.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

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 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 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 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.

LOOK AHEAD CARE AND SUPPORT LIMITED

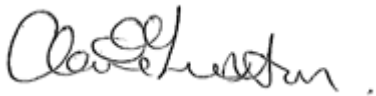
REPORT OF THE BOARD OF MANAGEMENT

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

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

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

By order of the Board of Management



Claire Luxton
Company Secretary
21 June 2016

LOOK AHEAD CARE AND SUPPORT LIMITED

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

We have audited the financial statements of Look Ahead Care and Support Limited for the year ended 31 March 2016 which comprise the consolidated and association statement of comprehensive income, consolidated statement of changes in reserves, the consolidated and association statement of financial position, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the association's members, as a body, in accordance with the Housing and Regeneration Act 2008 and Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the board and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent association's affairs as at 31 March 2016 and of the group's and parent association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

LOOK AHEAD CARE AND SUPPORT LIMITED

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

Matters on which we are required to report by exception

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

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements;
- adequate accounting records have not been kept by the association; or
- a satisfactory system of control has not been maintained over transactions; or
- the association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

**BDO LLP, statutory auditor
London
United Kingdom
21 June 2016**

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

LOOK AHEAD CARE AND SUPPORT LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group 2016	Association 2016	Group 2015 (restated)	Association 2015 (restated)
		£'000	£'000	£'000	£'000
Turnover	5	55,027	55,027	56,531	56,531
Operating expenditure	5	(54,411)	(54,411)	(54,667)	(54,663)
Past pension deficit cost	5	(2,752)	(2,752)	-	-
Operating (deficit) / surplus	5	<u>(2,136)</u>	<u>(2,136)</u>	1,864	1,868
Gain/(loss) on disposal of property, plant and equipment (fixed assets)	23	9,914	9,914	(74)	(74)
Interest receivable		939	939	624	624
Investment charges payable	12	(376)	(376)	(320)	(320)
Interest and financing costs	8	(289)	(289)	(477)	(477)
(Decrease)/increase in fair value of financial instruments	12	(1,923)	(1,923)	3,725	3,725
Increase in valuation of investment properties	12	-	-	108	108
Surplus for the year		<u>6,129</u>	<u>6,129</u>	<u>5,450</u>	<u>5,454</u>
Actuarial loss in respect of pension schemes		-	-	(46)	(46)
Total comprehensive income for the year		<u>6,129</u>	<u>6,129</u>	<u>5,404</u>	<u>5,408</u>

All of Look Ahead's operations are continuing.

LOOK AHEAD CARE AND SUPPORT LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2016**

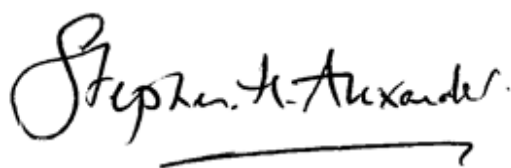
	Note	Unrestricted Reserve	Restricted Reserve	Total
		£'000	£'000	£'000
Balance at 1 April 2014 (as reported)		62,604	162	62,766
Prior period adjustments arising from transition to SORP 2014	25	(2,404)	-	(2,404)
Balance at 1 April 2014 (restated)		<u>60,200</u>	<u>162</u>	<u>60,362</u>
Surplus from statement of comprehensive income for the year ended 31 March 2015		5,327	77	5,404
Balance at 31 March 2015 (restated)		<u>65,527</u>	<u>239</u>	<u>65,766</u>
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>

LOOK AHEAD CARE AND SUPPORT LIMITED

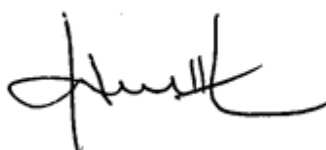
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	Group 2016	Association 2016	Group 2015 (restated)	Association 2015 (restated)
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10	217	217	222	222
Tangible fixed assets	11	120,644	120,644	122,604	122,604
Investments	12	52,243	52,243	51,141	51,141
Total fixed assets		173,104	173,104	173,967	173,967
Current assets					
Trade and other debtors	14	6,550	6,551	4,428	4,429
Cash and cash equivalents		2,727	2,727	5,629	5,629
Total current assets		9,277	9,278	10,057	10,058
Creditors					
Amounts falling due within one year	15	(16,366)	(16,363)	(20,079)	(20,076)
Net current liabilities		(7,089)	(7,085)	(10,022)	(10,018)
Total assets less current liabilities		166,015	166,019	163,945	163,949
Creditors					
Amounts falling due after more than one year	16	94,072	94,072	98,131	98,131
Pension provision	17	48	48	48	48
Total net assets		71,895	71,899	65,766	65,770
Reserves					
Income and expenditure reserve		71,686	71,690	65,527	65,531
Restricted reserve		209	209	239	239
		71,895	71,899	65,766	65,770

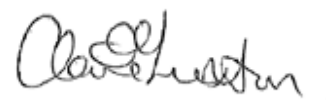
The financial statements on pages 32 to 69 were approved and authorised for issue by the Board of Management on 21 June 2016 and were signed on its behalf by:



Stephen Alexander
Chairman



Jane Hives
Board Member



Claire Luxton
Secretary

LOOK AHEAD CARE AND SUPPORT LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	2016		2015	
	£'000	£'000	£'000	£'000
Net cash generated from operating activities (see Note 1)		(1,777)		3,647
Cash flow from investing activities				
Purchase of fixed assets	(1,605)		(3,508)	
Proceeds from sale of tangible fixed assets	11,545		-	
Purchase of investments	(7,401)		(576)	
Disposal of investments	4,000		-	
Interest received	939		620	
		7,478		(3,464)
Cash flow from financing activities				
Interest paid	(313)		(185)	
Recycled capital grant repaid	(7,944)		(110)	
Housing loans repaid	(346)		(343)	
		(8,603)		(638)
Net change in cash and cash equivalents		(2,902)		(455)
Cash and cash equivalents at beginning of year		5,629		6,084
Cash and cash equivalents at end of year		2,727		5,629
Comprising:				
Cash		774		3,377
Short term deposits		1,953		2,252

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. CASH FLOW FROM OPERATING ACTIVITIES

	£'000's
Surplus for the year	6,129
<i>Adjustments for non-cash items:</i>	
Depreciation of tangible fixed assets	1,965
Amortisation of intangible assets	116
Increase in trade and other debtors	(2,122)
Decrease in trade and other creditors	288
Pension costs less contributions payable	1,968
Carrying amount of tangible fixed assets disposals	(10,845)
<i>Adjustments for investing or financing activities</i>	
Decrease in fair value of investments	1,923
Government grants utilised in the year	(925)
Interest payable	289
Investment charges payable	376
Interest receivable	(939)
Net cash generated from operating activities	<u><u>(1,777)</u></u>

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.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 25 for an explanation of the transition.

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:

Provisions

There are provisions held within the accounts for potential payments for a number of reasons such as restructuring costs and rental payments not made due to lack of invoicing.

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 and charitable donations from individuals, companies and trusts.

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	30 years
Bathroom	30 years
Kitchen	20 years
Roof (depending on type)	15-50 years

Impairment in the value of housing properties is recognised by writing them down to their recoverable amount. The recoverable amount is the higher of a) fair value less cost to sell, including any repayable grant; and b) value in use. Any resulting losses are charged to the statement of comprehensive income in the year in which the impairment is recognised.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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 2015 and 31 March 2016, 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
Office furniture and equipment	between 10% and 20%
Furniture and equipment in projects	between 10% and 50%
White goods	20%
Computer equipment	between 33 ¹ / ₃ % and 50%

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 development 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 or sale.
- b) The intention to complete the software and use or sell it.
- c) The ability to use the software or to sell it.
- d) How the software will generate probable future economic benefits.
- e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- f) The ability to measure reliably the expenditure attributable to the software during its development.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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 5 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 fourth scheme, the London Borough of Tower Hamlets Pension Fund, on 22 May 2014. The final contribution due to the fund as at 31 March 2016 was equal to the liabilities remaining with the fund on cessation (£48,000). The loss on final valuation has been recognised through the Statement of Total Recognised Surpluses for the period.

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

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 2016

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.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 6 months. The provision is measured at the salary cost payable for the period of absence.

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

Value Added Tax

Income from 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 result in a VAT cost on associated expenditure. As only part of its activities is taxable, Look Ahead performs a partial exemption calculation which allows it to recover a proportion of the VAT incurred on its office overheads. The financial statements include only the VAT that is suffered by Look Ahead and not recovered from HM Revenue and Customs. The balance of VAT receivable or payable at the year end is shown as a current asset or liability.

Interest

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

Operating leases

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.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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.

Related party transactions

There have been no related party transactions during the year.

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.

Fair value of alternative investments is measured using a valuation technique.

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 2016

5. LETTINGS AND RELATED INFORMATION

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

	Group 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)

	Group Restated 2015		
	Turnover	Operating Costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Social housing lettings (note 5b)	21,178	(17,743)	3,435
Other social housing activities			
Care & Support contracts	34,643	(36,811)	(2,168)
Past pension deficit costs	-	-	-
Development	-	(20)	(20)
Activities other than social housing activities			
Commercial property	237	(93)	144
Other	473	-	473
Total	56,531	(54,667)	1,864

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5. LETTINGS AND RELATED INFORMATION (continued)

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

	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)

	Association		Restated 2015
	Turnover	Operating Costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Social housing lettings (note 5b)	21,178	(17,743)	3,435
Other social housing activities			
Care & Support contracts	34,643	(36,811)	(2,168)
Past pension deficit costs	-	-	-
Development	-	(16)	(16)
Activities other than social housing activities			
Commercial property	237	(93)	144
Other	473	-	473
Total	56,531	(54,663)	1,868

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5. LETTINGS AND RELATED INFORMATION (continued)

(b) Particulars of income and expenditure from lettings

	Group and Association	
	Supported Housing	
	2016	Restated 2015
	£'000	£'000
Income		
Rent receivable net of identifiable service charges	12,364	12,206
Service charge income	8,274	8,023
Amortised government grants	917	949
Total income from Social Housing lettings	21,555	21,178
Operating Expenditure		
Service charges	6,543	6,390
Management	8,485	7,896
Routine maintenance	1,613	1,429
Major repairs	218	386
Depreciation of properties	946	803
Rent and service charge losses from bad debts	888	839
Total expenditure on Social Housing Lettings	18,693	17,743
Operating surplus on Social Housing Lettings	2,862	3,435

Net rental income includes voids of £798,000 (2015: £779,000): 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 2016

5. LETTINGS AND RELATED INFORMATION (continued)

(c) Accommodation in management

	Group and Association	
	2016	Restated 2015
	Number of Units	Number of Units
Supported housing	2,573	2,477
Registered care homes	74	92
Other	17	13
	<u>2,664</u>	<u>2,582</u>
	Number of customers	Number of customers
Domiciliary and other customers	<u>5,478</u>	<u>5,401</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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 2016		31 March 2015	
	£'000	Number of units	£'000	Number of units
Ability Housing	56	12	56	12
CAYSH	31	7	28	7
East Thames	20	5	20	5
Equinox	-	-	19	10
Family Mosaic	73	15	75	15
Hestia	83	15	72	15
London Cyrenians	188	28	184	28
One Housing	73	21	81	21
Support for Living	37	6	78	6
Turnstone Support	-	-	2	5
Total	561	109	615	124

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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 2016		31 March 2015	
	£'000	Number of units	£'000	Number of units
Amicus Horizon	147	43	140	33
Ashdown Medway Accommodation	-	-	25	17
ASRA	20	7	15	7
Central & Cecil Housing	70	24	52	24
Circle Anglia	-	12	3	12
East Living	-	-	42	18
Family Mosaic	77	20	72	20
Gateway HA	51	10	49	10
Genesis HA	299	77	217	56
Haringey Council	-	-	-	2
Harrow Council	22	15	21	15
Hestia	20	8	21	8
Hexagon	232	42	65	42
Hyde HA	348	100	358	108
London & Quadrant Housing Trust	845	256	876	253
Metropolitan Housing	67	49	2	29
Moat	66	27	76	38
Network Stadium	483	158	247	90
Notting Hill HA	375	66	351	66
NHS Property Services	66	31	577	31
One Housing Group	117	21	96	21
Peabody Trust	321	101	379	101
RB Kensington & Chelsea	72	12	78	12
Salvation Army HA	708	163	695	163
Shepherds Bush HA	39	12	37	12
St Mungo's	567	149	550	149
Theori	56	6	57	6
Town and Country	28	8	24	8
Wandle HA	56	13	56	13
Total	5,152	1,430	5,181	1,364

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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 Management Team was as follows:

	Salaries	Pension	Total	Total
	£'000	contributions	2016	2015
	£'000	£'000	£'000	£'000
Aggregate emoluments paid to Directors (including Chief Executive)	772	43	815	656
Board members	87	-	87	83

The number of Directors included within the Senior Management Team increased in the financial year from 5 FTE to 9 FTE; expanding the experience and expertise of the Management Team.

The amount paid to the highest paid director, excluding pension contributions, was £150,000 (2015: £182,932).

Total expenses of £614 (2015: £nil) were reimbursed to the members of the Board of Management.

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

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

6. DIRECTORS' AND SENIOR STAFF EMOLUMENTS (continued)

	2016 Number	2015 Number
Salary banding for all employees earning over £60,000 (including salaries, bonus and any termination payments):		
£60,000 - £70,000	-	6
£70,001 - £80,000	3	1
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	1
£110,001 - £120,000	2	1
£130,001 - £140,000	1	1
£140,001 - £150,000	1	-
£180,001 - £190,000	-	1
	<u>10</u>	<u>13</u>

7. EMPLOYEE INFORMATION

	Group and Association	
	2016 Number	2015 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	91	78
Housing, support and care staff	833	892
	<u>924</u>	<u>970</u>
The average number of employees (expressed as full time equivalents) employed during the year was:		
	<u>947</u>	<u>973</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

7. EMPLOYEE INFORMATION (continued)

Staff costs for these employees were:

	2016 £'000	Restated 2015 £'000
Wages and salaries	24,966	24,243
Social security costs	2,139	2,066
Other pension costs (see note 17)	3,121	792
Accrued annual leave	(92)	(219)
	<hr/>	<hr/>
	30,134	26,882
Contract staff employed through agencies	1,828	3,292
Personal Support Assistant wages	1,588	1,598
Personal Support Assistant Social Security costs	117	105
Personal Support Assistant pension costs	11	10
	<hr/>	<hr/>
Total staffing costs	33,678	31,887

Included in the amounts above are wages and salaries for Board members amounting to £87,000 (2015: £83,000) and social security costs of £4,000 (2015: £10,000)

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

8. INTEREST AND FINANCING COSTS

	Group and Association	
	2016	2015
	£'000	£'000
On bank and other loans	145	244
Unwinding of the discount factor on past pension deficit contributions (see note 17)	144	233
	<u>289</u>	<u>477</u>

No interest has been capitalised in the year (2015: nil).

9. SURPLUS FOR THE YEAR

	Group	Association	Group	Association
	2016	2016	2015	2015
	£'000	£'000	£'000	£'000
Surplus for the year is stated after charging:				
Amortisation of intangible assets	116	116	109	109
Depreciation of tangible fixed assets	1,965	1,965	1,921	1,921
Auditors' remuneration (excluding VAT):				
In their capacity as auditors	34	34	33	32
In respect of other services	13	13	1	1
Hire of non-plant and machinery assets under operating leases	354	354	398	398

Other services provided by the auditors in 2016 included a review of the transition to FRS102.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10. INTANGIBLE FIXED ASSETS

	2016	Group and Association 2015
	Software	Software
	£'000	£'000
Cost		
At 1 April 2015	766	542
Additions	111	224
At 31 March 2016	877	766
Amortisation		
At 1 April 2015	(544)	(435)
Amortisation charge for the year	(116)	(109)
At 31 March 2016	(660)	(544)
Net book value At 31 March 2016	217	222
At 31 March 2015	222	107

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11. TANGIBLE FIXED ASSETS

(a) Operational housing properties

	Group and Association	
	2016	Restated 2015
	£'000	£'000
Cost		
At 1 April 2015	130,687	130,255
Additions	500	455
Disposals	(1,609)	(23)
At 31 March 2016	129,578	130,687
Depreciation		
At 1 April 2015	(11,827)	(10,778)
Depreciation charge for the year	(1,026)	(1,068)
Disposals	124	19
At 31 March 2016	(12,729)	(11,827)
Impairment		
At 1 April 2015	-	-
Charge for the year	-	-
Disposals	-	-
At 31 March 2016	-	-
Net book value		
At 31 March 2016	116,849	118,860
At 31 March 2015	118,860	119,477

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11. TANGIBLE FIXED ASSETS (continued)

(a) Operational housing properties (continued)

	2016 £'000	Restated 2015 £'000
Housing properties at net book value comprise:		
Freehold	105,295	107,306
Long leaseholds	11,252	11,252
Short leaseholds	302	302
	<u>116,849</u>	<u>118,860</u>

(b) Other tangible assets

	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	<u>1,430</u>	<u>4,851</u>	<u>1,835</u>	<u>8,116</u>
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	<u>(269)</u>	<u>(2,776)</u>	<u>(1,276)</u>	<u>(4,321)</u>
Net book value at 31 March 2016	<u>1,161</u>	<u>2,075</u>	<u>559</u>	<u>3,795</u>
At 31 March 2015	<u>1,114</u>	<u>2,041</u>	<u>589</u>	<u>3,744</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(b) Other tangible assets (continued)

	Office improvement works £'000	Furniture & equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 April 2014	69	3,820	1,512	5,401
Additions	1,181	1,005	646	2,832
Disposals	-	(484)	(620)	(1,104)
At 31 March 2015	1,250	4,341	1,538	7,129
Depreciation				
At 1 April 2014	(12)	(2,261)	(1,299)	(3,572)
Charge for the year	(124)	(462)	(267)	(853)
Disposals	-	423	617	1,040
At 31 March 2015	(136)	(2,300)	(949)	(3,385)
Net book value at 31 March 2015	1,114	2,041	589	3,744
At 31 March 2014	57	1,559	213	1,829

12. INVESTMENTS

(a) Financial Investments

Fair Value	Group and Association	
	2016 £'000	2015 £'000
At 1 April 2015	47,963	43,982
Additions	7,401	576
Disposals	(4,000)	-
Investment charges	(376)	(320)
Unrealised (loss) / gain	(1,923)	3,725
At 31 March 2016	49,065	47,963
Historical cost	45,524	42,123

Fair Value	Group and Association	
	2016 £'000	2015 £'000
Money market	3,742	4,179
Fixed income securities	16,804	16,504
Equities	23,739	21,982
Properties	-	-
Alternative investments	4,780	5,298
At 31 March 2016	49,065	47,963

(b) Investment Property

Fair Value	Group and Association	
	2016 £'000	2015 £'000
At 1 April 2015	3,178	3,070
Additions	-	-
Disposals	-	-
Increase in fair value	-	108
At 31 March 2016	3,178	3,178
Historical cost	3,547	3,547

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

13. INVESTMENT IN SUBSIDIARY

	2016 £	2015 £
Look Ahead Developments Limited	1	1

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

14. TRADE AND OTHER DEBTORS

	Group 2016 £'000	Association 2016 £'000	Group 2015 £'000	Association 2015 £'000
Amounts receivable within one year:				
Gross rental debtors	3,242	3,242	2,537	2,537
Less: provision for bad debts	(1,546)	(1,546)	(1,244)	(1,244)
Net rental debtors	1,696	1,696	1,293	1,293
Trade debtors	4,050	4,050	2,691	2,691
Prepayments and accrued income	722	722	370	370
VAT	61	61	5	3
Other debtors	21	21	69	69
Look Ahead Developments Limited	-	1	-	3
	6,550	6,551	4,428	4,429

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016	Association 2016	Group 2015	Association 2015
	£'000	£'000	£'000	£'000
Housing loans	365	365	346	346
Trade creditors	1,722	1,719	538	536
Defined benefit pension deficit contributions	1,224	1,224	928	928
Social Security	563	563	599	599
Other creditors	3,472	3,472	4,155	4,155
Deferred government grant income	926	926	948	948
Accruals and other deferred income	4,444	4,444	4,621	4,620
Recycled capital grant fund (Note 24)	3,650	3,650	7,944	7,944
	<u>16,366</u>	<u>16,363</u>	<u>20,079</u>	<u>20,076</u>

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

	Group and Association	
	2016 £'000	2015 £'000
Deferred government grant income	77,681	80,527
Housing loans	6,380	6,745
Recycled capital grant fund (Note 24)	1,320	3,843
Defined benefit pension deficit contributions	8,691	7,016
	<u>94,072</u>	<u>98,131</u>

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

Newcastle Building Society	1,876	2,051
Dexia Public Finance Bank	4,589	4,759
Orchardbrook Ltd	280	281
	<u>6,745</u>	<u>7,091</u>

Amounts owed on housing properties repayable:

In one year or less (included in current liabilities)	365	346
Between one and two years	385	365
Between two and five years	1,300	1,226
In five years or more, by instalments	4,695	5,154
	<u>6,745</u>	<u>7,091</u>

Housing loans are secured by specific charges on Look Ahead's housing properties, and are repayable at rates of interest varying between **0.89%** and **11.04%**.

17. PENSION OBLIGATIONS

a) Social Housing Pension Scheme (SHPS)

The company 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 company 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 company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

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

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

17. PENSION OBLIGATIONS (continued)

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)	Period Ending 31 March 2015 (£000s)
Provision at start of period	7,944	8,232
Unwinding of the discount factor (interest expense)	144	234
Deficit contribution paid	(928)	(890)
Remeasurements - impact of any change in assumptions	(59)	368
Remeasurements - amendments to the contribution schedule	2,811	-
Provision at end of period	9,912	7,944

Income and Expenditure impact

	Period Ending 31 March 2016 (£000s)	Period Ending 31 March 2015 (£000s)
Interest expense	144	234
Remeasurements – impact of any change in assumptions	(59)	368
Remeasurements – amendments to the contribution schedule	2,811	-
Costs recognised in income and expenditure account	2,896	602

17. PENSION OBLIGATIONS (continued)

Assumptions

	31 March 2016 % per annum	31 March 2015 % per annum	31 March 2014 % per annum
Rate of discount	2.06	1.92	3.02

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 company and the scheme at each year end period:

Deficit contributions schedule

Year ending	31 March 2016 (£000s)	31 March 2015 (£000s)	31 March 2014 (£000s)
Year 1	1,224	928	890
Year 2	1,273	967	928
Year 3	1,324	1,009	967
Year 4	1,377	1,051	1,009
Year 5	1,179	1,096	1,051
Year 6	966	890	1,096
Year 7	1,001	668	890
Year 8	833	695	668
Year 9	652	518	695
Year 10	672	327	518
Year 11	346	337	327
Year 12	-	174	337
Year 13	-	-	174
Year 14	-	-	-
Year 15	-	-	-
Year 16	-	-	-
Year 17	-	-	-
Year 18	-	-	-
Year 19	-	-	-
Year 20	-	-	-

17. PENSION OBLIGATIONS (continued)

The company 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 company's balance sheet liability.

b) Local Government Pension Schemes

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

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

The charge to the income and expenditure account for the year was £nil (2015: £nil). The net pension liability in respect of the plan is £48,000 (2015: £48,000).

c) NHS Pension Scheme

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

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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.

	2016	Restated
	£	2015
		£
Allotted, issued and fully paid at 1 April 2015	21	19
Issued during the year	-	2
At 31 March 2016	21	21

19. LEGISLATIVE PROVISIONS

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

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 2016, the value of capital expenditure which had been contracted for but not provided for in the financial statements was **£nil**. (2015: £nil).

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

22. FINANCIAL COMMITMENTS

At 31 March 2016, Look Ahead had annual commitments under operating leases as follows:

	Group and Association			
	Land and buildings		Other	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Leases expiring:				
Within one year	-	-	30	4
In two to five years	359	359	15	47

23. SURPLUS ON DISPOSAL OF FIXED ASSETS

	Group and Association	
	2016 £'000	2015 £'000
Net proceeds of sales	11,844	-
Cost of sales	(1,930)	(74)
Net surplus /(deficit) on sales	9,914	(74)

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

24. RECYCLED CAPITAL GRANT FUND

	Group and Association	
	2016 £'000	2015 £'000
At 1 April 2015	11,787	11,838
Addition for the year	1,103	-
Utilised on developments	-	-
Repaid in year	(7,944)	(110)
Interest accrued	24	59
At 31 March 2016	4,970	11,787

RECYCLED CAPITAL GRANT PAYMENTS DUE

	2016 £'000	2015 £'000
Greater London Authority	4,731	11,787
Homes and Communities Agency	239	-
	4,970	11,787

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

25. TRANSITION TO FRS102

The group and association transitioned to FRS 102 and SORP 2014 from previously extant UK GAAP and SORP 2010 at 1 April 2014.

The impact from the transition is as follows:

Reconciliation of reserves at 1 April 2014

	Group £'000	Association £'000
Reserves at 1 April 2014 under previous UK GAAP	62,766	62,766
Investment properties at fair value	(146)	(146)
Government grant: change in policy	6,287	6,287
Holiday pay accrual	(312)	(312)
Pension – unrecognised past service cost	(8,233)	(8,233)
Reserves at 1 April 2014 under FRS 102	60,362	60,362

Restated surplus for the year ended 31 March 2015

	Group £'000	Association £'000
Surplus for the year ended 31 March 2015 under previous UK GAAP	4,374	4,378
Investment properties at fair value	108	108
Government grant: change in policy	413	413
Holiday pay accrual	220	220
Pension – unrecognised past service cost	289	289
Surplus for the year ended 31 March 2015 under FRS 102	5,404	5,408

Investment properties at fair value

Under previous UK GAAP, properties held at depreciated historical cost included properties held for rent and capital appreciation with a cost of £3,070,000. Under FRS 102 these properties are held at fair value. Annual movements on valuation are taken through the Statement of Comprehensive Income.

Government grant: change in policy

Under previous UK GAAP, government grant received in respect of housing assets was deducted from cost before calculating depreciation. Under the accruals method of government grant accounting adopted under FRS 102, grant is amortised over the expected useful economic life of the structure of the building to which it relates.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

As a result of this change, depreciation in the year to 31 March 2015 increased by £535,000, and deferred grant income of £948,000 was recognised in the Statement of Comprehensive Income.

Holiday pay accrual

Under previous UK GAAP, the group accrued for holiday pay where this was expected to be paid as a cash sum where the employee was entitled to carry forward holidays earned indefinitely. However, the Group did not accrue for holiday pay that was earned but the holiday entitlement was expected to be taken in the subsequent financial year.

Under FRS 102, the Group is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the date of the statement of financial position. The impact is to increase holiday pay accrued by £312,000 and £92,000 for the group at 1 April 2014 and 31 March 2015 respectively. The use of provision from 1 April 2014 to 31 March 2015 has been credited to the restated Statement of Comprehensive Income.

Pension – unrecognised past service cost

Under previous UK GAAP, contractually agreed contributions paid to settle past defined benefit pension deficit were expensed in the period in which they were paid. FRS 102 requires that a liability be recognised for all such agreed deficit payments. As a result, an unrecognised past service cost of £8,233,000 was recognised on transition to FRS 102.

The restated Statement of Comprehensive Income for the year ended 31 March 2015 includes a reduction in past pension costs of £890,000, a reduction in the discount rate causing an increase in the provision of £368,000, and a charge relating to the unwinding of the discount on the provision of £233,000.