



REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.

www.lookahead.org.uk

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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LOOK AHEAD CARE AND SUPPORT LIMITED

PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Board of Management

Julie Jones CBE (Chairman)

Appointed:
as Board Member: 2012
as Chairman of the Board: 2017

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

Jane Hives (Chairman – Audit & Risk Committee)

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

Volunteer Treasurer – *The Pixel Fund*

Graham Buckland - (Chairman – Investment & Treasury Committee)

Appointed:
as Board member: 2014
as Chairman of Investment & Treasury Committee: 2018

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

Chris Dobson

Appointed: 2014

Associate Partner – *EY LLP*

Sean Duggan – (Chairman – Remuneration Committee)

Appointed:
as Board Member 2012
as Chairman of the Remuneration Committee: 2015

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

Tom Dacey – (Chairman – Blythson Board)

Appointed:
as Board Member 2018
as Chairman of Blythson Board 2019

Former Chief Executive – *Southern Housing Gro*
Chair – *MP Living*
Board member – *Aldwyck Housing Group (resign December 2019)*

Richard Jones CBE

Appointed: 2018

Chair - *Shared Lives Plus*
Non Executive Director - *Anchor Trust*
Chair - *Syncora*
Trustee - *Action on Hearing Loss*
Associate Member of *ADASS*

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PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Board of Management (continued)

Sharon Slotnick
Appointed: 2018

Magistrate
Case Manager, the Legal Aid Agency
Independent Visitor, The Office of the Public
Guardian

Ellie Edwards-Scott
Appointed: 2018

Digital Consultant and founding partner of The
Advisory Collective

Kevin Gould
Appointed: February 2020

Non-Executive Director, Queen Victoria Hospital
NHS Foundation Trust
Independent Governor, Staffordshire University
Independent Audit Committee member, Grand
Union Housing Group
Panel member, Judicial Appointments Commissi

Stephen Firn
Co-opted: June 2020

**Non-Executive Director/Deputy Chair, Surrey
and Borders Partnership NHS Foundation tru
Programme Advisor, NHS-Led Provider
Collaborative Programme, NHS
England/Improvement**

Chief Executive and Senior Leadership Team

Chris Hampson
Chief Executive Officer
Appointed: 2015

Tahseen Sherwani
Chief Financial Officer
Appointed: 2018
Resigned: January 2020

Guy Robinson
Executive Director of Housing &
Support
Appointed: 2015

Alex Seery
Executive Director of Care
Appointed: 2016

Julie Blair
Executive Director of Corporate
Services
Appointed: 2016

Irmani Smallwood
Director of Business Development & Innovation
Appointed: 2016

Samantha Stewart

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PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Executive Director of Finance
Appointed interim: November 2019
Appointed: August 2020

Solicitors

Devonshires
Salisbury House
London Wall
London
EC2M 5QY

External auditors

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

Internal auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Registered office

Kings Buildings
16 Smith Square
London
SW1P 3HQ

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Registration details

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

Investment managers

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

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PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Introduction from Chair

I am pleased to introduce Look Ahead's financial statements for 2020. We hope the statements and accompanying report provides you with a valuable insight into Look Ahead's performance and the impact the organisation has had over the last twelve months.

I also wanted to take the opportunity to publicly acknowledge the efforts of the Look Ahead team during the Covid-19 pandemic. The efforts and dedication of all staff – whether this be senior leaders, those working in central support functions and of course those working directly on the frontline in our care and support services – have been remarkable. It has clearly been a challenging and uncertain time but the Look Ahead team have risen to many challenges this pandemic has brought, with skill, compassion and positivity. On behalf of the Board of Management and the customers we serve, thank you.

Julie Jones CBE
Chair

Report of the Board of Management

Look Ahead Care and Support Limited ("Look Ahead") 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, Larch Residential Services Limited and Blythson Limited are wholly owned subsidiaries of Look Ahead Care and Support Limited ('the Association', together 'the Group'). Group Accounts have been prepared for the year ended 31 March 2020 under the requirements of the Co-operative and Community Benefit Societies Act.

Principal activities

Look Ahead is a specialist housing association providing supported housing and social care services to vulnerable people within the community. Our core purpose is to work in partnership with the NHS and local authorities to provide an integrated housing, support and care service across our four core client groups; mental health, learning disabilities, young people and rough sleepers. All existing and new accommodation operated by Look Ahead is predominantly linked to a care or support package.

Our 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 are pursuing a strategy of sustainable and managed growth through investing in property and small specialised support businesses. We are constantly driving an agenda for improving efficiency across our services and central support functions to achieve Value for Money and to improve our financial strength.

Look Ahead has four specialisms, which differs from most care providers. We work with some of the most vulnerable people in society, where a Look Ahead service may be their

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last option. This niche business model brings different challenges to those faced by general needs Housing Associations. We manage as many units on behalf of other landlords as we do our own. These management agreements come with tight allowances, which often mean that margins are very low. Due to the nature of the support provided, the average length of stay is two years, creating higher void rates; we re-let over 40% of our stock each year. We are proud to operate in this way, supporting some of the most hard to reach people in our society, giving them opportunities to achieve their goals that might not have been possible otherwise.

Look Ahead Developments Limited was incorporated in February 2008 and provides construction, design and build services to Look Ahead Care and Support. There is one active project at the planning phase in Caterham, Surrey.

Larch Residential Services Limited was incorporated in October 2018 and is a small provider of private residential lettings. It currently has 12 properties in its portfolio. Profits generated in this subsidiary will be donated to the Association through the gift aid scheme.

All the shares of Blythson Limited were acquired in October 2019, making it a wholly owned subsidiary. It is based in Kent and provides residential care and supported living services to 40 people with learning disabilities from its own 13 properties and also in customers' homes. It has four residential services and a supported living service that are registered with the Care Quality Commission (CQC). The four properties are all rated as Good and the supported living service is rated as Outstanding by the CQC.

Covid-19 response

When Covid-19 was declared a global pandemic by the World Health Organisation in mid March the impact on businesses across the world was uncertain. For Look Ahead our primary concern as a care, support and housing provider was the safety and wellbeing of our customers and staff. As frontline key workers, the majority of our staff had to continue to go to their normal workplace to provide valuable support to some of the most vulnerable in our society. Since March, we have adapted the provision of care to meet the latest Government guidance to ensure the safety of staff and customers.

At the peak of the UK lockdown, over 20% of our workforce was shielding or self isolating. Despite this all of our customers continued to get the level of support they needed. Business continuity plans are an embedded, ongoing exercise for Look Ahead and proved critical to ensure that our operations and head office function could continue to operate throughout this uncertain time.

The lockdown brought new opportunities for Look Ahead; we were proud to partner with the Greater London Authority to open two of the Hotel Hostels to house people who are street homeless. Contracts that we expected to be decommissioned at the end of 2019/20 continued into the new financial year, improving turnover and surplus for quarter one of 2020/21.

As a large proportion of the contracts we deliver are for statutory services with funding from Local Government or Public Health, we do not have the same uncertainty over future

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income streams as some other sectors. In June we reviewed our long term business plan in light of known and potential Covid-19 impacts and revised assumptions where appropriate. The updated plan anticipates that there should not be a significant financial impact on turnover or surplus over the next five years.

The value of the investment portfolio reduced by 13% at the end of March (Note 12) as the pandemic impacted financial markets. In April and May the value returned, but this remained a major concern as our growth strategy is predicated on using up to £20 million of these funds for the acquisition of additional properties and small specialised businesses to improve overall financial performance of the Group. As the biggest financial risk identified, we performed a stress test exercise to see the impact on the business plan if there was a significant, irrecoverable reduction in value of the investment portfolio.

The scenarios we used were extreme, but they demonstrated the risk to the organisation of not being able to invest in growth. As a result we calculated our capital requirements for the next 24 months and have begun to disinvest these funds from the portfolio into a 'Government Liquidity Fund', which is designed to protect them from market fluctuations and from negative bank interest rates. Since the year end we have also secured approval of a £15 million borrowing facility, in line with our growth and treasury strategy.

Whilst there continue to be uncertainties, we remain confident in our business plan. We have returned to normal staffing levels, our current of personal protective equipment are sufficient and we have ring-fenced a proportion of our investment portfolio and secured funding to allow us to continue to grow.

Group results for the year

The Board of Management has pleasure in presenting its report and Group financial statements for the year ended 31 March 2020. The results for the year show a strong performance in operating surplus of £1,990,000, which is an improvement of £837,000 on the 2019 performance of £1,153,000. Of this, £460,000 relates to profits earned by Blythson Limited since its acquisition on 1st October 2019. Operating surplus for the Association improved to £1,524,000 from the 2019 surplus of £1,157,000 reflecting a focus on efficiency, whilst continuing to deliver high quality services. Total retained surplus for the Group has decreased to £1,269,000 (2019: £3,824,000) notably as a result of a decrease in the value of our investment portfolio due to the financial markets' reaction to Covid-19. The portfolio has since recovered this deficit and more. The retained surplus was also reduced by abortive development costs and asset write-offs of £0.6 million. The abortive development costs relate to the initial site survey works and design for a project that proved financially unviable at this time.

Review of the business

The Group delivered improved financial results in 2019/20 for the fourth consecutive year. Top line income grew to £69.0 million from £60.2 million in the previous year, whilst our operating surplus in 2019/20 at £2.0 million compared favourably with £1.2 million in the previous year. This improved result is after incurring additional expenditure related to Covid-19 in March, including relief cover and payments for untaken annual leave.

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The results reflect the strategy to improve margins through cost control, generating proportionately more income from customers who are higher on the acuity scale and using our property assets to maximise financial returns. In the year we handed back contracts that were financially unviable after attempts to increase funding were unsuccessful; this is always a last resort but all contracts must be financially viable in their own right.

Group financial performance has been strengthened by the acquisition of Blythson Limited. The business was identified as a good fit for the Group because of its property asset base, high quality care provision, alignment with Look Ahead's values and geographical presence. The acquisition followed the completion of a thorough due diligence process.

This purchase is reflective of our acquisition strategy that was approved by Board three years ago to improve the financial performance of the Group by redeploying part of our investment portfolio to purchase asset backed businesses that provide high quality care. We are currently in the middle of the due diligence process for the acquisition of another small care provider that meets the same criteria as Blythson.

Since becoming part of the Group, Blythson has purchased a further property that will be used for a supported living service for four customers with learning disabilities who have a high level of need. When investing in property or businesses we expect a return on investment of 20% and all purchases must align with Look Ahead's core business strategy in terms of client group and geography.

The strategies outlined above will improve the financial margins and cashflow of the Group, so that investment in its assets and people is self-financing, as reflected in the positive EBITDA, after major repairs are included (EBITDA MRI), achieved in 2019/20. Our five year business plan anticipates that EBITDA MRI will remain positive, even after making allowances for the potential impact of Covid-19 and increases in repairs following expected changes in building and safety regulations. Look Ahead is in a strong position with its financial resources and available credit facilities to pursue its growth strategy throughout an economic downturn.

After several years of heavy investment in new IT and key business systems, 2019/20 was a year of consolidation as we fully embedded systems and completed the training of all staff to ensure the effective and proficient use of key business systems. The benefits of the business transformation programme were evident as we were able to quickly adapt to the lockdown imposed by the Government in March 2020. All 113 head office staff were able to work from home immediately, without loss of productivity.

During 2019/20 Look Ahead retained its V1/G1 status, the highest rating awarded by the Regulator of Social Housing.

Growth Highlights

The Group turnover increased by £8.8 million from the previous financial year, £2.2 million of which was generated by Blythson Limited since its acquisition in October 2019.

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Blythson adds annual turnover in excess of £4.5m. Blythson continues to have its own business strategies and will look to grow its business through admittance on the Kent Personal Behavioural Support Framework. It has its own developed suite of KPIs and quality assurance system.

Look Ahead's turnover increased by £6.5 million year on year, largely as a result of the full year impact of new contracts that were awarded in 2018/19, as well as some in year growth. It was also able to retain three existing contracts that expired, securing new three year contracts on all.

The snap general election in 2019/20 meant that for the Association there were fewer tender opportunities than would be expected normally. The approach to tender opportunities is targeted; we will only bid when a contract is financially viable, is in one of our four core client groups and is geographically aligned with the rest of our contract portfolio. We won £2.4 million of new business, about half of our gross growth target.

In what continues to be a challenging sector, we had £0.6 million of lower level support contracts decommissioned in the year, as commissioning authorities look to rebalance resources to higher need and statutory services.

In line with the Association's Asset Management Strategy, we redevelop properties where services have been decommissioned, to bring them back into use for a support contract and maximise financial returns. In 2019/20 we redeveloped 14 units for use for care leaver schemes. These schemes allow young people to live semi-independently whilst receiving the support that they need and developing lifeskills.

In the year the Association supported over 6,400 customers and over 1,100 customers moved on from our support in a planned way. Just over 10% of our customers are funded through spot contracts. These allow greater flexibility than traditional block contracts and all are open to out of borough referrals, demonstrating partnership working with commissioning authorities and providing wider access to invaluable support. The business plan sees an increase in the number of spot contracts in Look Ahead over the next five years, reducing reliance on the churn of block contracts awarded through competitive tender opportunities. These spot contracts, due to the statutory nature of the service provision, achieve better margins than lower level block contracts.

The remainder of this commentary provides further detail on the results of the social housing, care and support activities of the Association.

Commitment to improved outcomes and quality

Look Ahead supports customers from four main client groups with a wide range of support needs; each customer has an individualised support plan which sets out what they want to achieve in order to live more independently. In the financial year, we achieved positive outcomes against our customer KPIs, improving slightly against all:

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Customers who...	2018/19	2019/20	Movement
took part in training	292	298	6
participated in work	243	255	12
were in work when they left our support	172	182	10
had maximised their income by claiming the right benefits & reducing debts	571	591	20
successfully managed physical health	580	633	53
successfully managed mental health	557	584	27
found settled accommodation	629	764	135
established contact with friends/family	185	304	119

Look Ahead prides itself on delivering high quality services and as a result invests in its own Quality and Assurance system. This system is based around a CQC inspection. For the last consecutive three years we have seen an improvement in the number of services that are rated as good or outstanding by our internal team. These results mirror those from external audits performed by the CQC. The table below shows our performance against target for the key metrics that our Board have decided are the most important in determining how effective Look Ahead's services are:

Effectiveness – quality of services delivered to our customers	Target	2018	2019	2020
% Services rated as 'outstanding' or 'good' by our internal quality system	85%	83%	85%	90%
% Services rated as 'outstanding' or 'good' by CQC	100%	89%	100%	100%
No. of services rated "overall" as 'inadequate' by CQC	0	0	0	0

Over the past 12 months we have trained 42 Peer Support Volunteers (PSV), of which 21 were successfully placed in our support services. PSVs are current or former Look Ahead customers who have lived experience. Supporting existing customers facilitates gaining valuable expertise, helping them to move on to paid employment. In the 12 months in question 26 peer support volunteers moved on to employment with Look Ahead or higher education.

We delayed the 2019/20 customer satisfaction survey due to Covid-19. We have now sent the survey to all customers including our unsupported customers for the first time.

Our service delivering support for vulnerable customers at Tower Hamlets Crisis House won the Care and Support Team of the Year category at the 2019 Housing Heroes Awards.

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Investment in our people and property assets

We have continued to focus on effective staff recruitment, internal development and succession planning. For 2019/20 we have reviewed our reward strategy to address key issues identified from exit interviews and staff feedback. Our reward strategy continues to include paying National Living Wage and London Living Wage, despite annual increments of 2.9% and 3.4% respectively, as well as formal staff recognition awards and initiatives. We believe paying Living Wage has contributed to a reduction to 28% in voluntary staff turnover (2018/19 - 29% and London benchmark data - 30%). Retaining and developing valuable members of staff is crucial to our future success and for high quality service delivery.

We are committed to investing in our staff and we increased the availability of training in the year, especially by moving courses online, which improved efficiency. The average cost of training per individual increased slightly to £297 from £295 in 2018/19. Online training has enabled staff to access all mandatory courses during the Covid-19 lockdown.

At the end of the year we have 60 people studying with the Institute of Leadership & Management (ILM) programme. During the year we have had 59 employees graduate from the programme. The programme supports movement through career pathways at Look Ahead, with modules covering both practical and theoretical learning for our future leaders. There were 22 internal promotions as a result.

We continue to invest in our property assets, ensuring that we maximise financial return whilst fulfilling our social purpose. In the year we invested £1.0 million to redevelop existing sites, £1.2 million on component replacement and £0.4 million on furniture and white goods.

Driving improved financial performance

A key corporate priority for Look Ahead is that we remain financially strong, enabling investment in our services, properties and people. The following table depicts key performance data for 2019/20:

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Financial efficiency and economy:	2020	2019	2018
Contract income collection	90%	91%	91%
Void %	7.9%	5.3%	7.0%
Net arrears of current tenants	8.4%	8.9%	8.9%
Bad debt %	3.9%	3.3%	3.9%
Agency staff as % of total staff spend	3.2%	3.2%	3.4%
Voluntary staff turnover	28%	29%	27%
Overheads as % of turnover	15.3%	15.5%	15.6%
% of reactive repairs completed within target times	84%	79%	87%

Contract income collection reduced slightly when compared with the previous year due to the impact of Covid-19. Cash collection in March is historically strong, but we received less than we would expect in 2020 as local authorities adapted to home working. This is a short term reduction in cash collection and is not seen as an indicator of bad debt.

Voids performance was above target and was initially affected by processing issues at the beginning of the financial year. These were subsequently corrected, but once the possible effects of Covid-19 became clearer, we worked collaboratively with commissioning authorities to hold voids in some homelessness services to assist with social distancing and minimise the risk of spreading the disease. There were also referral issues in some services because of Covid-19 risks. Both restrictions were temporary measures whilst the UK was in lockdown, with voids returning to normal levels as the lockdown was eased.

In 2019/20 we relet 1,146 units of the 2,500 supported housing units we manage. This is 46% turnover compared with about 8% expected of general needs properties.

	2019/20			2018/19		
	Owned	Managed	Total	Owned	Managed	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Rent & Service Charge income	10,618	16,017	26,635	9,915	14,118	24,033
Voids	703	1,384	2,086	425	859	1,284
Voids %	6.6%	8.6%	7.9%	4.3%	6.1%	5.3%

Cash collection on rental income streams improved when compared to last year, with net arrears showing year on year improvements. This improvement is due to investment in the new housing management system and better reporting capability. Bad debt performance

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worsened slightly, due to lower receipts in March, because of the Covid-19 lockdown. The complex nature of our customer group and the number of relets we experience both mean that arrears at Look Ahead are higher than would be expected of a general needs housing association. Most of our tenants claim housing benefit, which changes as they go in and out of paid employment.

	2019/20			2018/19		
	Owned	Managed	Total	Owned	Managed	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Rent & Service Charge income	10,618	16,017	26,635	9,915	14,118	24,033
Bad debts	316	608	924	256	530	786
Bad debts %	3.0%	3.8%	3.5%	2.6%	3.8%	3.3%

Agency staff as a percentage of all staff costs stayed the same as the previous financial year. We were slightly outside of our target, but this was attributable to a small number of services that are predominantly outside of London where recruitment presents a greater challenge. Agency spend of 3.2% of total salary costs puts Look Ahead as one of the sector's best performers.

Overheads at 15.3% of turnover demonstrate another year of improvement, decreasing by 0.2% from the previous year. Whilst our aim is to bring overheads down further, we are still investing in central functions to be able to support our future growth ambition. In the year we strengthened the operational senior management tier to facilitate growth and build an operational Group structure.

The percentage of reactive repairs completed within target times improved in 2019/20 by 5% from the previous financial year to 84%. Contractor management was strengthened in the year, with improved partnership working. We look to continue on this trajectory and achieve our target in the coming financial year.

Look Ahead's operating surplus was £1.5 million (2.2% of turnover) for the year, a healthy improvement on the £1.2 million in 2018/19, reflecting not only a successful year with regard to additional income but also in the operational and central efficiencies achieved.

We saw a sizeable reduction in the deficit generated from our support services, with operating losses at 1.9% (£776,000) in 2019/20 as against a loss of 3.3% (£1,169,000) the previous year. This was achieved largely through operational staff salary efficiencies. Financial performance in our landlord business stayed broadly the same.

Social Housing Operating Margin						
	2019/20			2018/19		
	£000s	£000s	£000s	£000s	£000s	£000s
	Owned	Managed	Total	Owned	Managed	Total
Turnover	11,844	14,645	26,498	12,055	11,728	23,637
Surplus	2,930	(1,089)	1,841	2,902	(1,215)	1,779

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Operating Surplus %	24.74%	(7.4%)	7.0%	24.1%	(10.2%)	7.5%
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Delivering Value for Money

For Look Ahead, Value for Money means delivering services that are efficient, effective and economical. Our support services are regularly assessed as providing value for money in a highly competitive tender environment, indeed we compete against providers from both the private and non-profit sectors.

Look Ahead remains unique in that almost all of our stock is used for supported housing; this often makes us an extreme outlier compared to the sector median. As an organisation we focus on improving our own results year on year and to continue to provide value for money services.

Almost 60% of our income comes from delivering commissioned care and support services; 68% of this contract income has been awarded through the aforementioned tender process and our contract retention rates are extremely high, consistently being over 90%. Operating margins in our specialist care and support sector sit well below those of general needs housing providers.

The table below shows the metrics that were introduced by the Regulator of Social Housing in April 2018. These metrics will be used to assess the financial health of all organisations across the sector.

		Sector Median 2018/19	2019/20	2018/19
1	Reinvestment	6.2%	1.5%	4.4%
2	New Supply Delivered – social housing units	1.5%	0.0%	0.0%
3	Gearing	43.4%	8.2%	6.0%
4	Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %	184%	220%	(355%)
5	Headline social housing cost per unit	£3,690	£22,900	£23,440
6	Operating Margin – Social housing lettings only	29.2%	6.9%	7.7%
7	Operating Margin – Overall	25.8%	2.3%	1.9%
8	Return on capital employed (ROCE)	3.8%	0.9%	0.6%

Reinvestment

Capital expenditure includes redeveloping existing assets, component replacement and meeting our compliance requirements. Lower reinvestment was required this year as

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expenditure in prior years was significant and several projects had been completed. Previously expenditure had been focused on, in particular, bringing housing properties back into use where services had been decommissioned and fire prevention with a commitment to protecting our customers and keep them safe.

Look Ahead has not built new social housing units in the recent past, but plans to add to its asset base through purchasing properties on the open market. Where it is financially viable to do so, social housing grant will be sought for the partial funding of such properties. The purchasing and redevelopment of property assets is subject to financial modelling, with all commitments needing to meet the hurdle rates set out by the Board.

Gearing

The level of gearing increased in 2019/20 to 8.2% from 6.0% in 2018/19. A new facility was taken out in the year to fund 50% of the cost of acquiring Blythson Limited, the balance being met by the sale of investments. This is in line with Look Ahead's growth strategy to use the investment portfolio alongside debt facilities to improve financial performance.

As Look Ahead does very little development and has historically received large levels of housing grant, its gearing levels are lower than a general needs housing association. However, gearing will continue to increase in the future as further housing properties and small care and support businesses are purchased. It is planned to use up to £20 million of the investment portfolio in funding these acquisitions, together with an equal amount of debt finance.

EBITDA MRI – Interest cover

The improvement in operating surplus and lower reinvestment have both contributed to a positive EBITDA MRI in 2019/20. Whilst reinvestment will vary from year to year, it is anticipated that this trend will continue through profit improvement initiatives.

Social Housing costs per unit

Our social housing costs per unit sit well above the sector median. Almost two-thirds of our costs are directly related to support services provided by our front-line staff which do not exist within general needs housing associations. There is also not a direct correlation between the number of units we manage and the number of customers that we support, because we support some customers in their own homes. Of our 1,020 staff, 86% are engaged in front line social care with very little housing activity.

As a supported housing provider, we deliver far more services to our customers than general needs housing associations including paying for utilities and providing furniture, as well as incurring higher volumes of voids due to the nature of the services. With an average length of tenancy of two years, the cost of routine maintenance is increased in line with the frequency of void maintenance.

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We provide care and support services from as many units owned by other landlords as we do from units that we own. Under many housing management agreements, the management fee payable to the head landlord represents most of the rent receivable by Look Ahead. As a result, management costs are increased significantly and margins are reduced.

Total housing related costs per unit have reduced by 13% from 2018/19, due to the fall in reinvestment, but support and other costs have increased by 8%. This trend is expected to continue as we move to support more customers with increasingly acute needs, who require greater staff presence, sometimes as many as three staff to one customer.

Whilst our social housing unit cost is a far outlier compared with other Housing Associations, it is an important measure of delivering value for money in our services. We strive for year on year efficiencies and improvements in how we benchmark our performance against other supported housing providers.

Social Housing cost per unit						
	2019/20 Owned	2019/20 Managed	2019/20 Total	2018/19 Owned	2018/19 Managed	2018/19 Total
Total units	1,243	1,257	2,500	1,234	1,142	2,376
Cost per unit	Owned	Managed	Average per unit	Owned	Managed	Average per unit
Service charges	2,583	5,154	3,876	2,853	4,936	3,854
Management	1,957	6,388	4,185	1,851	6,060	3,874
Routine maintenance	1,244	482	861	1,329	530	945
Major repairs	35	2	18	122	23	74
Capitalised major repairs	1,388	37	709	4,463	143	2,386
Total cost before support costs	7,207	12,063	9,648	10,617	11,692	11,133
Support & other costs			13,252			12,306
Total social housing cost including support per unit			22,900			23,440

Return on Capital Employed (ROCE)

ROCE increased from 0.6% to 0.9% in the year. Our returns reflect that, although Look Ahead has a large asset base, there are low operating margins within the care and support sector versus general needs housing providers. Given Look Ahead's strategy to

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

generate higher surplus levels through a mixture of acquisitions and redevelopment opportunities, we expect our ROCE to improve over the next five years.

Our Value for Money metrics illustrate Look Ahead's niche positioning amongst Housing Associations. We continue to work closely with other similar providers to develop additional metrics and scorecard data that will bring more context and clarity to our stakeholders. For key housing indicators we are engaged with Housemark and Acuity, on our staffing KPIs we refer to peer group and sector specific data and finally for the quality of our services we have detailed inspections from the CQC.

Group surpluses and reserves

Look Ahead's reserves as at the 31 March 2020 are £81.5 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. We have generated some one-off exceptional surpluses in the past arising from the sale of large hostel buildings. The majority of the surpluses arising from these property sales have been invested with our Investment Managers at Rothschild for the medium term with some funds earmarked to invest in our business development strategy including the acquisition of property and small businesses. This year we have invested £5.0 million of the portfolio in the acquisition of Blythson Limited.

In the year there has been a change in the financial assumptions for the Social Housing Pension Scheme (SHPS) multi employer Defined Benefit scheme. This is explained more fully in Note 18 and for Look Ahead has meant a decrease in liability of £7.5 million, which has increased reserves by the same amount.

The investment portfolio reduced in value in March as a result of the impact on the financial markets of Covid-19, this led to an unrealised loss of £1.4 million, which reduced reserves by the same amount. Since March the portfolio has recovered and is performing above pre-March levels.

Group employees

At year end, Look Ahead's total full and part-time staffing complement stood at 1,171 Full Time Equivalent posts. We have 317 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 review our talent maps twice a year; running an annual Institute of Leadership and Management Course means approximately 40% of open management positions are filled through internal staff promotion.

LOOK AHEAD CARE AND SUPPORT LIMITED

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We have rolled out Lone Working technology and External Support and Advice Line (ESAL) which provides counselling and personal support service for staff across the organisation.

We continue to work on our Inclusion Agenda and have made progress with reducing our Gender Pay Gap. We have signed up to the Inclusive Employers standards to help form our future focus. We continue to have positive relationships with UNISON and work with staff on our culture and engagement around the organisation.

Governance

Look Ahead has adopted and fully complies with, the principles set out in the National Housing Federation's Code of Governance (2015). The Board of Management is made up of ten Non-Executive Members and the Chief Executive Officer 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 Officer and Senior Leadership Team. The Chief Executive Officer advises the Board on strategic issues. The Chief Executive Officer and Senior Leadership Team are listed on page 4. They have no beneficial interest in Look Ahead's share capital.

Board members are elected for a three year term at the Annual General Meeting, one third retiring by rotation each year. The Board reviews its operation and performance annually. It identifies the skills it requires in order to fulfil its function and recruits new members as required. This year we have continued the process of Board renewal as required by best governance practice. The Board members usually serve a six year term in office, but can serve a further term, up to a maximum of nine years.

The Board of Management is currently supported by:

- Audit and Risk Committee
- Investment and Treasury Committee
- Urgency Committee
- Remuneration Committee
- Nomination Committee
- Acquisition Panel
- Tenant and Landlord Panel

Members of these Committees are selected from the Board of Management.

The **Audit and Risk 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 **Investment and Treasury Committee** is responsible for reviewing all aspects of Look Ahead's Treasury Management activities including investment, reserves and cash

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

management, debt and property development. The committee makes recommendations to the Board of Management.

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 Officer's and Senior Leadership Team remuneration annually. The Committee has met twice in 2019/20 in which it reviewed the Executive Director and Directors' salaries and benefits and the performance bonus payment scheme

The Remuneration Committee has responsibility for setting the remuneration for the Chief Executive Officer and Executive 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. 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 Officer's remuneration and the total emoluments paid to the Executive Directors and Directors are shown in note 6 to the financial statements.

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

The **Acquisition Panel** is responsible for monitoring due diligence for any acquisitions of privately held businesses. The panel will meet as appropriate. It will look at the risks associated with an acquisition and will make a recommendation to Board as to whether or not to pursue an acquisition

The **Tenant and Landlord Panel** was set up in 2019/20 and comprises customers and Board members and is attended by Senior Executives. The panel met three times in the year addressing topics such as service charges, compliance and maintenance and complaints.

The **Subsidiaries Board** are drawn from Group Board Members, the Chief Executive Officer and Members of the Senior Leadership Team.

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

LOOK AHEAD CARE AND SUPPORT LIMITED

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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 strategy, therefore, supports Look Ahead's overall corporate and financial objectives.

Internal controls assurance

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

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which is embedded across all of Look Ahead's activities. This approach includes 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 Audit and Risk Committee (ARC). The terms of reference and standing orders for the ARC and the delegated authorities contain the following elements:

◆ Identification and evaluation of key risks

ARC considers and recommends the organisation's Corporate Risk Register 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 Officer 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 ARC oversees Look Ahead's plans for continuity of service in the event of a major emergency.

◆ Managing the risk of fraud

LOOK AHEAD CARE AND SUPPORT LIMITED

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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**

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

The Board has received the Chief Executive Officer's annual report, 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 it has carried out a review of its compliance with the NHF Code of Governance (2015) and it is fully compliant with the Code.

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

Appointment of auditors

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

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

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
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in these statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association and Group will continue in business.

The Board of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and the Group and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private registered Providers. They are also responsible for safeguarding the assets of the Association and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

By order of the Board of Management.



Claire Luxton
Company Secretary

9 September 2020

LOOK AHEAD CARE AND SUPPORT LIMITED

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

Opinion

We have audited the financial statements of Look Ahead Care and Support (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2020 which comprise the Statements of Comprehensive Income, Statement of changes in Reserves and Statements of Financial Position, Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 March 2020 and of the income and expenditure of the Group and the income and expenditure of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, 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 2019.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

LOOK AHEAD CARE AND SUPPORT LIMITED

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 24, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the group or the Association or to cease operations, or have no realistic alternative but to do so.

LOOK AHEAD CARE AND SUPPORT LIMITED

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report.

The engagement partner on the audit resulting in the independent auditors' report is Andrew Monteith.

Use of our report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Marlborough House,
Victoria Road South,
Chelmsford,
Essex,
CM1 1LN

ⁱⁿ
30 September 2020

LOOK AHEAD CARE AND SUPPORT LIMITED

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Group 2020	Association 2020	Group 2019	Association 2019
		£'000	£'000	£'000	£'000
Turnover	5	69,022	66,749	60,245	60,236
Operating expenditure	5	(67,032)	(65,225)	(59,092)	(59,079)
Operating surplus	5	<u>1,990</u>	<u>1,524</u>	<u>1,153</u>	<u>1,157</u>
Loss on disposal of property, plant and equipment (fixed assets)	24	(128)	(128)	(105)	(105)
Exceptional items	9	(470)	(470)	-	-
Interest receivable		33	33	26	26
Investment income receivable		475	475	482	482
Investment charges payable	12	(307)	(307)	(301)	(301)
Interest and financing costs	8	(519)	(519)	(411)	(411)
Amortisation of goodwill	10	(244)	-	-	-
(Decrease)/increase in fair value of financial investments	12	(1,394)	(1,394)	1,498	1,498
Increase in valuation of investment properties	12	1,833	1,833	1,482	1,482
Total surplus for the year		<u>1,269</u>	<u>1,047</u>	<u>3,824</u>	<u>3,828</u>
Initial recognition of the defined benefit pension scheme	18	-	-	(4,965)	(4,965)
Actuarial gains/(losses) in respect of pension schemes	18	7,500	7,500	(3,037)	(3,037)
Total comprehensive income for the year		<u>8,769</u>	<u>8,547</u>	<u>(4,178)</u>	<u>(4,174)</u>

All of Look Ahead's operations are continuing.

LOOK AHEAD CARE AND SUPPORT LIMITED

**CONSOLIDATED STATEMENTS OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2020**

	Unrestricted Reserve	Restricted Reserve	Total
	£'000	£'000	£'000
Balance at 31 March 2018	<u>76,690</u>	<u>180</u>	<u>76,870</u>
Initial recognition of Defined Benefit Pension Scheme	(4,965)	-	(4,965)
Actuarial losses	(3,037)	-	(3,037)
Surplus/(deficit) from statement of comprehensive income for the year ended 31 March 2019	3,843	(19)	3,824
Balance at 31 March 2019	<u>72,531</u>	<u>161</u>	<u>72,692</u>
Actuarial gains	7,500	-	7,500
Surplus/(deficit) from statement of comprehensive income for the year ended 31 March 2020	1,277	(8)	1,269
Balance at 31 March 2020	<u>81,308</u>	<u>153</u>	<u>81,461</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

ASSOCIATION STATEMENTS OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2020

	Unrestricted Reserve	Restricted Reserve	Total
	£'000	£'000	£'000
Balance at 31 March 2018	<u>76,691</u>	<u>180</u>	<u>76,871</u>
Initial recognition of Defined Benefit Pension Scheme	(4,965)	-	(4,965)
Actuarial losses	(3,037)	-	(3,037)
Surplus/(deficit) from statement of comprehensive income for the year ended 31 March 2019	3,847	(19)	3,828
Balance at 31 March 2019	<u>72,536</u>	<u>161</u>	<u>72,697</u>
Actuarial gains	7,500	-	7,500
Surplus/(deficit) from statement of comprehensive income for the year ended 31 March 2020	1,055	(8)	1,047
Balance at 31 March 2020	<u>81,091</u>	<u>153</u>	<u>81,244</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	Group 2020	Association 2020	Group 2019	Association 2019
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10	6,093	1,462	1,682	1,682
Tangible fixed assets	11	127,005	121,296	121,958	121,960
Investments	12, 14	44,514	53,473	48,457	48,457
Total fixed assets		177,612	176,231	172,097	172,099
Current assets					
Trade and other debtors	15	7,991	9,575	6,890	6,906
Cash and cash equivalents		3,139	2,460	1,544	1,502
Total current assets		11,130	12,035	8,434	8,408
Creditors					
Amounts falling due within one year	16	(24,492)	(24,233)	(15,548)	(15,519)
Net current liabilities		(13,362)	(12,198)	(7,114)	(7,111)
Total assets less current liabilities		164,250	164,033	164,983	164,988
Creditors					
Amounts falling due after more than one year	17	(76,427)	(76,427)	(77,416)	(77,416)
Defined Benefit Pension Scheme	18	(6,362)	(6,362)	(14,875)	(14,875)
Total net assets		81,461	81,244	72,692	72,697
Reserves					
Income and expenditure reserve		81,308	81,091	72,531	72,536
Restricted reserve		153	153	161	161
		81,461	81,244	72,692	72,697

The financial statements on pages 28 to 75 were approved and authorised for issue by the Board of Management on 9 September 2020 and were signed on its behalf by:


Julie Jones
 Chairman


Jane Hives
 Board Member


Claire Luxton
 Secretary

LOOK AHEAD CARE AND SUPPORT LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020		2019	
	£'000	£'000	£'000	£'000
Net cash generated from operating activities (Note 1)		3,544		4,858
Cash flow from investing activities				
Acquisition of subsidiary, net of working capital acquired	(10,241)		-	
Purchase of fixed assets	(2,713)		(7,267)	
Proceeds from sale of fixed assets	1		-	
Purchase of investments	(468)		(1,232)	
Disposal of investments	5,029		2,500	
Interest received	33		26	
		(8,359)		(5,973)
Cash flow from financing activities				
Interest paid	(179)		(88)	
Recycled capital grant repaid	-		-	
Amounts drawn down from revolving credit facility	7,000		-	
Housing loans repaid	(411)		(408)	
		6,410		(496)
Net change in cash and cash equivalents		1,595		(1,611)
Cash and cash equivalents at beginning of year		1,544		3,155
Cash and cash equivalents at end of year		3,139		1,544
Comprising:				
Cash		1,832		251
Short term deposits		1,307		1,293
		3,139		1,544

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. CASH FLOW FROM OPERATING ACTIVITIES	2020	2019
	£'000	£'000
Surplus for the year	1,269	3,824
<i>Adjustments for non-cash items:</i>		
Depreciation of tangible fixed assets	2,404	2,214
Amortisation of intangible fixed assets	479	121
(Decrease) in trade and other debtors	(1,101)	(250)
Increase in trade and other creditors	1,718	2,900
Pension costs less contributions payable	(1,346)	(1,096)
Carrying amount of tangible fixed assets disposals	130	102
<i>Adjustments for investing or financing activities</i>		
Decrease / (increase) in fair value of investments	1,394	(1,498)
(Increase) in valuation of investment properties	(1,833)	(1,482)
Government grants amortised in the year	(888)	(888)
Government grants received in the year	525	225
Interest payable	519	411
Investment charges payable	307	301
Interest receivable	(33)	(26)
Net cash generated from operating activities	3,544	4,858

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 2019. The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with Homes England as a Community Benefit Society. It is a public benefit entity.

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate those of Look Ahead Care and Support Limited (the Association) and all of its subsidiaries Look Ahead Developments Limited, Larch Residential Services Limited and Blythson Limited (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2020.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

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:

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.

Impairment

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties and goodwill) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the association estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the income and expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

4. PRINCIPAL ACCOUNTING POLICIES

Going Concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. The positive impact of the Government's announcements reverting to rent increases from April 2020 has been reflected in the Group's business plan. The plan has also been revised to reflect the potential impact of the current pandemic. This includes the possible increase in rent arrears and bad debts, lost income through voids and an increase in salary inflation. The plan shows that liquidity remains strong. The net current liability position has been taken into account when reaching this conclusion. There is considerable headroom with none of the loan covenants forecast to be breached. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Turnover

Turnover represents contract income from local authorities and health authorities; fees and revenue based grants receivable from local authorities, health authorities, Homes England and other agencies; rent and service charge income receivable; management fees in respect of accommodation that Look Ahead manages on behalf of other social landlords and charitable donations from individuals, companies and trusts. Income is recognised as it becomes receivable.

Categorisation of properties

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

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

Operational housing properties

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

Interest payable relating to the construction of housing properties is capitalised by applying Look Ahead's cost of borrowing to expenditure during the construction of the property up to the date of practical completion. No interest was 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
Bathroom	20 years
Kitchen	20 years
Roof (depending on type)	15-50 years
Fire remedial works	10 years
Boilers and heating	10 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 2019 and 31 March 2020, 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 the 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 and acquiring an equivalent asset on the open market.

Investment properties

Investment properties are accounted for at fair value and changes in value are taken annually to the Statement of Comprehensive Income. Fair value is determined by independent valuers registered with Royal Institute of Chartered Surveyors (RICS), 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%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Intangible assets

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

- a) The technical feasibility of completing the software so that it will be available for use.
- b) The intention to complete the software and use it.
- c) The ability to use the software.
- 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 the software.
- f) The ability to measure reliably the expenditure attributable to the software during its development.

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

Purchased and internally developed software: between 3 and 7 years

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 Care and Support Limited 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.

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. From 31 March 2020, the liability per member organisation has been calculated and this is reflected in our Statement of Financial Position.

Further assumptions regarding the SHPS pension scheme can be found in note 18 of the Financial Statements.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 finance cost in Statement of Comprehensive Income in the period it arises.

Value Added Tax

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

Interest

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

Operating leases

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

The aggregate benefits of lease incentives are recognised as a reduction in the rent expense over the lease term on a straight line basis.

Agency managed accommodation

Where accommodation is managed for Look Ahead Care and Support Limited by a specialist agency but all, or substantially all, of the economic risks and benefits remain with Look Ahead, all income and expenditure relating to that scheme is included in the Statement of Comprehensive Income. Where the economic risks and benefits are

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

transferred to the agency, only that income and expenditure which relates directly to Look Ahead is included.

Financial investments

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

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

Financial instruments

Look Ahead Care and Support Limited'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 or at cost less any impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. LETTINGS AND RELATED INFORMATION (continued)

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

	Group 2019		
	Turnover	Operating Costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Social housing lettings (note 5b)	24,769	(22,871)	1,898
Other social housing activities			
Care & Support contracts	34,939	(36,108)	(1,169)
Activities other than social housing activities			
Commercial property	472	(113)	359
Other	65	-	65
Total	60,245	(59,092)	1,153
			Association 2019
	Turnover	Operating Costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Social housing lettings (note 5b)	24,769	(22,871)	1,898
Other social housing activities			
Care & Support contracts	34,939	(36,108)	(1,169)
Activities other than social housing activities			
Commercial property	463	(100)	363
Other	65	-	65
Total	60,236	(59,079)	1,157

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. LETTINGS AND RELATED INFORMATION (continued)

(b) Particulars of income and expenditure from lettings

	Group and Association Supported Housing	
	2020	2019
	£'000	£'000
Income		
Rent receivable net of identifiable service charges	13,113	12,780
Service charge income	12,512	11,116
Amortised government grants	873	873
Total income from Social Housing lettings	<u>26,498</u>	<u>24,769</u>
Operating Expenditure		
Service charges	9,690	9,160
Management	10,462	9,205
Routine maintenance	2,152	2,245
Major repairs not capitalised	45	176
Depreciation of properties	1,384	1,295
Rent and service charge losses from bad debts	924	790
Total expenditure on Social Housing Lettings	<u>24,657</u>	<u>22,871</u>
Operating surplus on Social Housing Lettings	<u>1,841</u>	<u>1,898</u>

Net rental income is shown after deducting voids of £944,000 (2019: £594,000): 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 2020

5. LETTINGS AND RELATED INFORMATION (continued)

(c) Accommodation in management

	Group	
	2020	2019
	Number of Units	Number of Units
Supported housing	2,404	2,288
Registered care homes	83	34
	2,487	2,322
	Number of customers	Number of customers
Domiciliary and other customers at year end	3,148	3,293
	Association	
	2020	2019
	Number of Units	Number of Units
Supported housing	2,376	2,288
Registered care homes	71	34
	2,447	2,322
	Number of customers	Number of customers
Domiciliary and other customers at year end	3,111	3,293

5. LETTINGS AND RELATED INFORMATION (continued)

(d) Agency managed accommodation

The following organisations manage accommodation on behalf of Look Ahead. Only the net income receivable on these properties and any outgoings specifically borne by Look Ahead are included in these statements.

Managing body	Group and Association			
	Net Income Receivable			
	31 March 2020		31 March 2019	
	£'000	Number of units	£'000	Number of units
Housing Options Service, Westminster City Council	582	44	581	44
London Cyrenians	188	28	186	28
Swan Housing Association	68	15	77	15
Ability Housing	58	12	56	12
Single Homeless Project (SHP)	52	9	51	9
CAYSH	33	7	32	7
Depaul UK	31	7	32	7
Outlook Care Ltd	20	5	20	5
Certitude Support	(19)	6	78	6
Total	1,013	133	1,113	133

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. LETTINGS AND RELATED INFORMATION (continued)

(e) Services provided in accommodation owned by others

Registered Provider	Group and Association			
	Income payable by Look Ahead Care and Support			
	31 March 2020		31 March 2019	
	£'000	Number of units	£'000	Number of units
Notting Hill Genesis	777	173	604	134
London & Quadrant Trust	666	180	706	180
Salvation Army HA	538	124	540	124
St Mungos	426	125	494	139
Peabody Trust	341	130	440	121
Network Stadium	336	122	267	90
Shepherds Bush HA	325	57	313	57
Hyde HA	199	79	164	43
One Housing Group	199	39	121	21
Downshire Homes	137	12	134	12
PA Housing	135	28	125	29
Optivo	113	34	116	34
Clarion Housing	103	28	41	7
Orbit Housing	95	16	13	16
Moat	84	34	82	34
Hexagon	83	51	187	51
Central & Cecil Housing	78	24	75	24
Metropolitan Housing	78	25	129	30
NHS Property Services	66	15	66	15
Milton Keynes Council	64	20	63	20
LB Bexley	60	29	-	-
Gateway HA	49	9	50	10
Jenkins and Pain	47	10	-	-
Guinness Partnership	43	16	44	16
Home Group Limited	41	15	-	-
Catalyst Housing Limited	34	9	-	-
LB Hounslow	29	11	47	11
LB Richmond	26	12	17	12
Town and Country	25	7	27	7
Croydon Churches HA	24	6	-	-
Harrow Council	21	15	23	15
BPHA	-	-	36	10
Total	5,242	1,455	4,924	1,262

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. LETTINGS AND RELATED INFORMATION (continued)

The information above relates to accommodation owned by other registered social providers (RPs), public bodies and others. 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. BOARD MEMBERS' AND SENIOR STAFF EMOLUMENTS

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

	£'000	£'000	£'000	£'000
Aggregate emoluments paid to Directors (including Chief Executive Officer)	829	34	863	756
Board members	107	-	107	103

The amount paid to the highest paid director, excluding pension contributions, was £185,652 (2019: £160,500).

Total expenses of £4,580 (2019: £2,373) were incurred on behalf of members of the Board of Management.

The emoluments and social security costs of Board of Management and Senior Leadership Team are as follows:

	2020 £'000	2019 £'000
Total	1,077	951
Number of individuals	16	16

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. DIRECTORS' AND SENIOR STAFF EMOLUMENTS (continued)

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

Board member	Position	2020		2019	
		£000's	Attendance at Board meetings	£000's	Attendance at Board meetings
Julie Jones	Chairman	20.0	7/7	20.0	6/6
Jane Hives	ARC Chairman	12.5	6/7	12.5	6/6
Sean Duggan	RemCom Chairman	10.0	5/7	10.0	6/6
Graham Buckland	ITC Chairman	12.5	6/7	12.5	5/6
Chris Dobson	Board Member	10.0	4/7	10.0	4/6
Tom Dacey	Chairman of Blythson Board	11.3	7/7	13.4	6/6
Richard Jones	Board Member	10.0	6/7	10.0	6/6
Sharon Slotnick	Board Member	10.0	7/7	5.0	3/4
Elesia-Gail Edwards-Scott	Board Member	10.0	6/7	5.0	2/4
Robert Drummond (resigned August 2018)	Board Member	-	-	4.2	2/2
Kevin Gould (appointed February 2020)	Board Member	1.2	2/2	-	-

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. DIRECTORS' AND SENIOR STAFF EMOLUMENTS (continued)

	2020 Number	2019 Number
Salary banding for all employees earning over £60,000 (including salaries, bonus, any termination payments and pensions):		
£60,000 - £70,000	11	7
£70,001 - £80,000	5	2
£80,001 - £90,000	1	2
£90,001 - £100,000	2	2
£100,001 - £110,000	-	2
£110,001 - £120,000	2	2
£120,001 - £130,000	3	-
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1
£150,001 - £160,000	-	-
£160,001 - £170,000	-	1
£170,001 - £180,000	-	-
£180,001 - £190,000	1	-
	26	19

7. EMPLOYEE INFORMATION

	2020 Number	2019 Number
The number of people, including the Chief Executive Officer and the Directors, employed at the year end expressed as full time equivalents was:		
Office staff	109	101
Housing, support and care staff	1,064	828
	1,171	929
The average number of employees (expressed as full time equivalents) employed during the year was:		
	1,139	939

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. EMPLOYEE INFORMATION (continued)

Staff costs for these employees were:

	2020 £'000	Group 2019 £'000
Wages and salaries	29,749	25,578
Social security costs	2,618	2,327
Other pension costs	982	635
	<u>33,349</u>	<u>28,540</u>
Contract staff employed through agencies	1,237	1,174
Personal Support Assistant wages	3,073	2,470
Personal Support Assistant Social Security costs	232	201
Personal Support Assistant pension costs	76	41
	<u>37,967</u>	<u>32,426</u>

Total staffing costs

	Association	
	2020 Number	2019 Number

The number of people, including the Chief Executive Officer and the Directors, employed at the year end expressed as full time equivalents was:

Office staff	108	101
Housing, support and care staff	946	828
	<u>1,054</u>	<u>929</u>

The average number of employees (expressed as full time equivalents) employed during the year was:

	<u>1,020</u>	<u>939</u>
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LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. EMPLOYEE INFORMATION (continued)

Staff costs for these employees were:

	2020 £'000	Association 2019 £'000
Wages and salaries	28,222	25,578
Social security costs	2,605	2,327
Other pension costs	954	635
	<u>31,781</u>	<u>28,540</u>
Contract staff employed through agencies	1,237	1,174
Personal Support Assistant wages	3,073	2,470
Personal Support Assistant Social Security costs	232	201
Personal Support Assistant pension costs	76	41
	<u>36,399</u>	<u>32,426</u>
Total staffing costs	36,399	32,426

Included in the group and association amounts above are wages and salaries for Board members amounting to £107,450 (2019: £102,600) and social security costs of £3,900 (2019: £4,000).

8. INTEREST AND FINANCING COSTS

	Group and Association	
	2020 £'000	2019 £'000
On bank and other loans	186	95
Social Housing Pension Scheme defined benefit scheme pension charge	333	316
	<u>519</u>	<u>411</u>

No interest has been capitalised in the year (2019: £NIL).

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

9. SURPLUS FOR THE YEAR

	Group 2020	Association 2020	Group 2019	Association 2019
	£'000	£'000	£'000	£'000
Surplus for the year is stated after charging:				
Amortisation of intangible assets	479	235	121	121
Depreciation of tangible fixed assets	2,404	2,346	2,214	2,214
Auditor's remuneration (excluding VAT):				
In their capacity as auditors	48	36	35	33
In respect of other services	19	19	-	-
Hire of non-plant and machinery assets under operating leases	437	437	392	392
Exceptional items	470	470	-	-

Exceptional items relate to the cost of aborted development works.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

10. INTANGIBLE FIXED ASSETS

	2020	2020	2020	Group 2019
	Goodwill £'000	Software £'000	Total £'000	Total £'000
Cost				
At 1 April 2019	-	1,930	1,930	1,243
Additions	4,875	15	4,890	771
Disposals	-	(1)	(1)	(84)
At 31 March 2020	4,875	1,944	6,819	1,930
Amortisation				
At 1 April 2019	-	(248)	(248)	(208)
Amortisation charge for the year	(244)	(235)	(479)	(121)
Eliminated on disposals	-	1	1	81
At 31 March 2020	(244)	(482)	(726)	(248)
Net book value At 31 March 2020	4,631	1,462	6,093	1,682
At 31 March 2019	-	1,682	1,682	1,035

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

10. INTANGIBLE FIXED ASSETS (continued)

	2020	Association 2019
	Software £'000	Software £'000
Cost		
At 1 April 2019	1,930	1,243
Additions	15	771
Disposals	(1)	(84)
At 31 March 2020	1,944	1,930
Amortisation		
At 1 April 2019	(248)	(208)
Amortisation charge for the year	(235)	(121)
Eliminated on disposals	1	81
At 31 March 2020	(482)	(248)
Net book value At 31 March 2020	1,462	1,682
At 31 March 2019	1,682	1,035

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. TANGIBLE FIXED ASSETS

(a) Operational housing properties

	Group	Association	Group	Association
	2020	2020	2019	2019
	£'000		£'000	
Cost				
At 1 April 2019	134,058	134,060	129,076	129,076
Additions - existing properties	2,157	1,772	5,607	5,609
Additions through business combinations	5,220	-		
Transfer from investment properties	-	-	405	405
Transfer to investment properties	(533)	(533)	(599)	(599)
Transfer between asset codes	-	-	(102)	(102)
Disposals	(4)	(4)	(329)	(329)
At 31 March 2020	140,898	135,295	134,058	134,060
Depreciation				
At 1 April 2019	(15,610)	(15,610)	(14,600)	(14,600)
Depreciation charge for the year	(1,459)	(1,425)	(1,337)	(1,337)
Transfer to investment properties	47	47		
Disposals	1	1	327	327
At 31 March 2020	(17,021)	(16,987)	(15,610)	(15,610)
Net book value				
At 31 March 2020	123,877	118,308	118,448	118,450
At 31 March 2019	118,448	118,450	114,476	114,476

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. TANGIBLE FIXED ASSETS (continued)

(a) Operational housing properties (continued)

The total amount expended on existing properties in the year was £2,157,000 (2019: £5,607,000).

The total book value of properties secured against the housing loan portfolio of £7,156,000 (note 16) is £8,767,000.

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
Housing properties at net book value comprise:				
Freehold	110,326	104,757	106,088	106,088
Long leaseholds	13,277	13,277	12,081	12,083
Short leaseholds	274	274	279	279
	<u>123,877</u>	<u>118,308</u>	<u>118,448</u>	<u>118,450</u>

(b) Other tangible assets

	Office improve- ments £'000	Furniture & equipment £'000	Computer equipment £'000	Group Total £'000
Cost				
At 1 April 2019	1,424	6,317	1,038	8,779
Additions	-	407	134	541
Acquisitions through business combinations	-	146	-	146
Disposals	-	(460)	(96)	(556)
At 31 March 2020	<u>1,424</u>	<u>6,410</u>	<u>1,076</u>	<u>8,910</u>
Depreciation				
At 1 April 2019	(713)	(4,014)	(542)	(5,269)
Charge for the year	(144)	(546)	(254)	(944)
Disposals	-	347	84	431
At 31 March 2020	<u>(857)</u>	<u>(4,213)</u>	<u>(712)</u>	<u>(5,782)</u>
Net book value at 31 March 2020	<u>567</u>	<u>2,197</u>	<u>364</u>	<u>3,128</u>
At 31 March 2019	<u>711</u>	<u>2,303</u>	<u>496</u>	<u>3,510</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. TANGIBLE FIXED ASSETS (continued)

(b) Other tangible assets (continued)

	Association			
	Office improvement works £'000	Furniture & equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 April 2019	1,424	6,317	1,038	8,779
Additions	-	390	134	524
Disposals	-	(460)	(96)	(556)
At 31 March 2020	1,424	6,247	1,076	8,747
Depreciation				
At 1 April 2019	(713)	(4,014)	(542)	(5,269)
Charge for the year	(144)	(523)	(254)	(921)
Disposals	-	347	84	431
At 31 March 2020	(857)	(4,190)	(712)	(5,759)
Net book value at 31 March 2020	567	2,057	364	2,988
At 31 March 2019	711	2,303	496	3,510

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

12. INVESTMENTS

(a) Financial Investments

Fair Value	Group and Association	
	2020 £'000	2019 £'000
At 1 April 2019	43,346	43,417
Additions	468	1,232
Disposals	(5,029)	(2,500)
Investment charges	(307)	(301)
Unrealised (loss) / gain	(1,394)	1,498
At 31 March 2020	37,084	43,346
Historical cost	34,784	38,508

Fair Value	Group and Association	
	2020 £'000	2019 £'000
Money market	2,549	10,491
Fixed income securities	8,607	8,601
Equities	21,507	21,332
Properties	3,654	2,864
Alternative investments	767	58
At 31 March 2020	37,084	43,346

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(b) Investment Property

Fair Value	Group and Association	
	2020 £'000	2019 £'000
At 1 April 2019	5,111	3,506
Additions transferred from social housing properties	486	528
Transfer to social housing	-	(405)
Increase in fair value	1,833	1,482
At 31 March 2020	7,430	5,111

The 2020 valuation was performed by Jones Lang Lasalle Limited in accordance with RICS valuation – professional standards 2014 on the basis of fair value.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

13. ACQUISITIONS

On 1 October 2019, Looks Ahead Care And Support Limited acquired 100% of the issued share capital of Blythson Limited. Blythson Limited is incorporated in England and provides residential care activities for customers with learning disabilities. The cost of the acquisition comprised cash consideration of £8,602,000. Acquisition costs were £357,000.

Consolidated turnover and consolidated surplus include turnover of £2,227,000 and surplus of £460,000 contributed by Blythson Limited between the date of its acquisition and 31 March 2020. The surplus of Blythson Limited will be gift aided to Look Ahead Care and Support Limited.

The goodwill arising on acquisition of £4,875,000 is considered to have a useful life of 10 years.

Blythson Limited has been consolidated using the acquisition method of accounting. At 1 October 2019 ('the acquisition date') the assets and liabilities of Blythson Limited were consolidated at their fair values to the group, as set out below.

	Initial book value £'000	Fair value adjustment £'000	Fair value at date of acquisition £'000
Tangible fixed assets	3,300	2,066	5,366
Trade debtors and prepayments	353	-	353
Cash at bank and in hand	197	-	197
Total assets	3,850	2,066	5,916
Bank loans	(1,488)	-	(1,488)
Trade and other creditors	(344)	-	(344)
Total liabilities	(1,832)	-	(1,832)
Net Assets	2,018	2,066	4,084
Goodwill			4,875
Total consideration			8,959
Satisfied by:			
Cash			8,602
Acquisition costs			357
			8,959

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

14. INVESTMENT IN SUBSIDIARIES

	2020 £000	2019 £000
Look Ahead Developments Limited	-	-
Larch Residential Services Limited	-	-
Blythson Limited	8,959	-
	<u>8,959</u>	<u>-</u>

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.

Look Ahead Care And Support Limited owns 100% of the share capital of Larch Residential Services Limited. The subsidiary was incorporated in England as a trading company on 5 October 2018 to provide renting and operating of Housing Association real estate services.

Look Ahead Care And Support Limited owns 100% of the share capital of Blythson Limited. The subsidiary was incorporated in England as a trading company on 25 July 1994 to provide residential care activities for customers with learning disabilities.

All the directors of these subsidiaries are employed by Look Ahead Care and Support and are paid for their services as employees of Look Ahead Care and Support.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

15. TRADE AND OTHER DEBTORS

	Group 2020 £'000	Association 2020 £'000	Group 2019 £'000	Association 2019 £'000
Amounts receivable within one year:				
Gross rental debtors	4,502	4,484	4,956	4,954
Less: provision for bad debts	(2,833)	(2,833)	(3,477)	(3,477)
Net rental debtors	1,669	1,651	1,479	1,477
Trade debtors	5,021	4,757	4,001	4,001
Prepayments and accrued income	965	889	1,118	1,116
VAT	-	-	20	-
Other debtors	336	335	272	270
Look Ahead Developments Limited	-	-	-	41
Larch Residential Services Limited	-	67	-	1
Blythson Limited	-	1,876	-	-
	7,991	9,575	6,890	6,906

Included in the Group figures above are assets of £7,026k at amortised cost (2019: £6,305k). Included in the Association figures above are assets of £6,743k at amortised cost (2019: £6,344k). Included in the Association figures are assets of £1,943k measured at cost less impairment (2019: £2). No assets have been measured at fair value through the Statement of Comprehensive Income, except for the investments disclosed in Notes 12a and 12b.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020	Association 2020	Group 2019	Association 2019
	£'000	£'000	£'000	£'000
Housing loans	2,460	2,460	434	434
Other loans	5,023	5,023	-	-
Trade creditors	1,798	1,782	1,750	1,727
Social Security	716	664	639	639
VAT	92	43	-	-
Other creditors	2,315	2,181	2,021	2,021
Look Ahead Developments Limited	-	61	-	-
Deferred government grant (Note 26)	888	888	888	888
Accruals and other deferred income	9,763	9,694	8,552	8,546
Recycled capital grant fund (Note 25)	1,437	1,437	1,264	1,264
	<u>24,492</u>	<u>24,233</u>	<u>15,548</u>	<u>15,519</u>

Included in the Group figures above are liabilities of £13,022k at amortised cost (2019: £15,467k). Included in the Association figures above are liabilities of £12,883k at amortised cost (2019: £15,441k). There are no liabilities measured at fair value through the Statement of Comprehensive Income.

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

	Group and Association	
	2020 £'000	2019 £'000
Deferred government grant (Note 25)	71,731	72,094
Housing loans	4,696	5,156
Recycled capital grant fund (Note 24)	-	166
	<u>76,427</u>	<u>77,416</u>

Included in the Group and Association figures above are liabilities of £71,731k at amortised cost (2019: £72,260k). There are no liabilities measured at fair value through the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR
(continued)**Housing loans consist of the following:****Lender**

Newcastle Building Society	1,164	1,346
Dexia Public Finance Bank	5,722	3,970
Orchardbrook Ltd	270	274
	<u>7,156</u>	<u>5,590</u>

Amounts owed on housing properties repayable:

In one year or less (included in current liabilities)	2,460	434
Between one and two years	488	459
Between two and five years	1,670	1,564
In five years or more, by instalment	2,538	3,133
	<u>7,156</u>	<u>5,590</u>

The total book value of properties secured against the housing loan portfolio is £8,767,000 (Note 11a).

Housing loans carry a weighted average interest rate of 1.7% (2019: 1.4%)

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

Rothschilds	5,023	-
	<u>5,023</u>	<u>-</u>

Amounts owed on housing properties repayable:

In one year or less (included in current liabilities)	5,023	-
	<u>5,023</u>	<u>-</u>

The other loans are secured against the investment portfolio (Note 12).

18. PENSION OBLIGATIONS

Social Housing Pension Scheme (SHPS)

The group participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026. 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. For financial years ending on or before 28 February 2019, it was not possible for Look Ahead to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore Look Ahead had accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable Look Ahead to account for the Scheme as a defined benefit scheme. For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive. The liabilities are compared, at the relevant accounting date, with Look Ahead's fair share of the Scheme's total assets to calculate Look Ahead's net deficit or surplus. Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive.

**PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE
OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)**

	2020 £'000	2019 £'000
Fair value of plan assets	44,386	43,009
Present value of defined benefit obligation	50,748	57,884
Deficit in plan	(6,362)	(14,875)
Defined benefit liability to be recognised	(6,362)	(14,875)

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

There has been no impact of the asset ceiling during the year.

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2020 £'000
Defined benefit obligation at start of period	57,884
Current service cost	203
Expenses	54
Interest expense	1,349
Contributions by plan participants	10
Actuarial gains due to scheme experience	(161)
Actuarial gains losses due to changes in demographic assumptions	(489)
Actuarial gains due to changes in financial assumptions	(7,155)
Benefits paid and expenses	(947)
Defined benefit obligation at end of period	50,748

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2020 £'000
Fair value of plan assets at start of period	43,009
Interest income	1,016
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(305)
Contributions by the employer	1,603
Contributions by plan participants	10
Benefits paid and expenses	(947)
Fair value of plan assets at end of period	44,386

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

18. PENSION OBLIGATIONS (continued)

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £711,000

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)

Current service cost	203
Expenses	54
Net interest expense	333
Defined benefit costs recognised in statement of comprehensive income (SoCl)	590

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

Experience on plan assets (excluding amounts included in net interest cost) – gain	(305)
Experience gains and losses arising on the plan liabilities – gain	161
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)	489
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	7,155
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain	7,500
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	-
Total amount recognised in other comprehensive income - gain	7,500

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

18. PENSION OBLIGATIONS (continued)

ASSETS

	2020 £'000	2019 £'000
Global Equity	6,492	7,237
Absolute Return	2,314	3,721
Distressed Opportunities	855	782
Credit Relative Value	1,217	787
Alternative Risk Premia	3,104	2,480
Fund of Hedge Funds	26	194
Emerging Markets Debt	1,344	1,484
Risk Sharing	1,499	1,299
Insurance-Linked Securities	1,363	1,234
Property	978	968
Infrastructure	3,303	2,255
Private Debt	894	577
Opportunistic Illiquid Credit	1,074	-
Corporate Bond Fund	2,531	2,007
Liquid Credit	18	-
Long Lease Property	768	633
Secured Income	1,684	1,540
Over 15 Year Gilts	-	-
Index Linked All Stock Gilts	-	-
Liability Driven Investment	14,732	15,728
Net Current Assets	190	83
Total assets	44,386	43,009

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

18. PENSION OBLIGATIONS (continued)

KEY ASSUMPTIONS

	31 March 2020 % per annum	31 March 2019 % per annum
Discount Rate	2.36	2.34
Inflation (RPI)	2.58	3.26
Inflation (CPI)	1.58	2.26
Salary Growth	2.58	3.26
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at 65 (years)
Male retiring in 2020	21.5
Female retiring in 2020	23.3
Male retiring in 2040	22.9
Female retiring in 2040	24.5

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

19. 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. Shares are issued to the non-executive members of the Look Ahead Board of Management on their formal appointment.

	2020 £	2019 £
Allotted, issued and fully paid at 1 April 2019	25	21
Issued during the year	-	4
At 31 March 2020	25	25

General reserves are available for use at the discretion of the Board in furtherance of the general objectives of Look Ahead. The restricted reserve relates to fundraising income, the use of which is subject to external restrictions.

20. LEGISLATIVE PROVISIONS

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

21. TAXATION

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

22. CAPITAL COMMITMENTS

At 31 March 2020, the value of capital expenditure which had been contracted for but not provided for in the financial statements was £NIL. (2019:£1,310,000).

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

23. FINANCIAL COMMITMENTS

At 31 March 2020, Look Ahead had contractual commitments under operating leases that were not provided for in the financial statements, as follows:

	Group and Association			
	Land and buildings		Other	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Financial commitments payable:				
Between one and two years	579	325	29	65
Between two and five years	1,818	1,298	-	28
More than 5 years	-	47	-	-
	<u>2,397</u>	<u>1,670</u>	<u>29</u>	<u>93</u>

24. SURPLUS ON DISPOSAL OF FIXED ASSETS

	Group and Association	
	2020 £'000	2019 £'000
Net proceeds of sales	1	-
Cost of sales	(129)	(105)
Net deficit on sales	<u>(128)</u>	<u>(105)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

25. RECYCLED CAPITAL GRANT FUND

	Group and Association	
	2020 £'000	2019 £'000
At 1 April 2019	1,430	1,423
Addition for the year	-	-
Interest accrued	7	7
At 31 March 2020	1,437	1,430
RECYCLED CAPITAL GRANT PAYMENTS DUE		
	2020 £'000	2019 £'000
Greater London Authority	984	978
Homes England	453	452
	1,437	1,430
Amounts of capital grant repayable:		
In one year or less (included in current liabilities)	1,437	1,264
Between one and two years	-	166
Between two and three years	-	-
	1,437	1,430

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

26. DEFERRED GOVERNMENT GRANT

	Grant at cost £'000	Amortisation £'000	Total Net Grant £'000
At 1 April 2019	89,001	(16,019)	72,982
Grants received in year	525	-	525
Amortisation	-	(888)	(888)
At 31 March 2020	89,526	(16,907)	72,619

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2019 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 March 2020 £'000
Cash and cash equivalents				
Cash	251	1,581	-	1,832
Short term deposits	1,293	14	-	1,307
	<u>1,544</u>	<u>1,595</u>	<u>-</u>	<u>3,139</u>
Borrowings				
Debt due in one year	(434)	(6,589)	(460)	(7,483)
Debt due after one year	(5,156)		460	(4,696)
	<u>(5,590)</u>	<u>(6,589)</u>	<u>-</u>	<u>(12,179)</u>
Total	<u>(4,046)</u>	<u>(4,994)</u>	<u>-</u>	<u>(9,040)</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

28. RELATED PARTY TRANSACTIONS

Transactions between the association and its wholly owned subsidiaries are disclosed below:

During the year ended 31 March 2020 Look Ahead Developments provided design services to Look Ahead Care and Support Limited of £287,000 (2019: £126,000). At the year end date, Look Ahead Care and Support Limited owed Look Ahead Developments Limited an amount of £61,000 (2019: £41,000 owed from Look Ahead Developments Limited). Look Ahead Developments Limited paid loan interest of £578 (2019: £454) to Look Ahead Care and Support Limited.

During the year Look Ahead Care and Support Limited charged rent of £117,000 (2019: £24,000) to Larch Residential Services Limited. At the year end date, Larch Residential Services Limited owed £67,000 (2019: £1,000) to Look Ahead Care and Support Limited.

At the year end date, Blythson Limited owed £1,876,000 to Look Ahead Care and Support Limited.