



REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 Regulator for Social
Housing: No. LH0013.

www.lookahead.org.uk

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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LOOK AHEAD CARE AND SUPPORT LIMITED

PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Board of Management

Baroness Mary Watkins of Tavistock (Chair)

Appointed: July 2021

Tom Dacey – (Chair – Blythson & Kingswood Board)

Appointed:

as Board Member 2018

as Chair of Blythson Board 2019

as Chair of Kingswood Board 2020

Chair – MP Living

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

Sharon Slotnick (Chair of Remuneration Committee)

Appointed:

As Board Member 2018

As Chair of Tenant and Landlord Panel

As Chair of Remuneration Committee

Panel Member – The Employment Tribunal for England & Wales

Lord Chancellor’s Advisory Group

Case Manager - Ministry of Justice

Visitor - Office of the Public Guardian

Ellie Edwards-Scott

Appointed: 2018

Digital Consultant and founding

partner of The Advisory Collective

Trustee, Digilearning

Kevin Gould (Chair of Audit and Risk Committee)

Appointed:

As Board Member 2020

As Chair of Audit & Risk Committee

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

Commission

LOOK AHEAD CARE AND SUPPORT LIMITED

PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Board of Management (Continued)

Stephen Finn

Appointed: September 2020

Non-Executive Director/Deputy Chair, Surrey and Borders Partnership NHS Foundation trust
Independent Non Executive Director, Cygnet Health Care

Kevin Obi

Appointed: September 2020

Chair - NIDSG

Julie Jones CBE

Appointed:

as Board Member: 2012

as Chair of the Board: 2017

Resigned: July 2021

Trustee – *Sir Simon Milton Foundation*
Member – *ADASS Associates*

Jane Hives (Chair – Audit & Risk Committee)

Appointed:

as Board Member: 2012

as Chair of the Performance Review
Committee: 2012

Resigned: September 2020

Volunteer Treasurer – *The Pixel Fund*

Graham Buckland - (Chair – Investment & Treasury Committee)

Appointed:

as Board member: 2014

as Chair of Investment & Treasury Committee:
2018

Resigned: July 2021

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

Chris Dobson

Appointed: 2014

Resigned: September 2020

Partner – *EY LLP*

Sean Duggan – (Chair – Remuneration Committee)

Appointed:

as Board Member 2012

as Chair of the Remuneration
Committee: 2015

Resigned: **July 2021**

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

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PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Chief Executive and Senior Leadership Team

Chris Hampson

Chief Executive Officer

Appointed: 2015

Guy Robinson

Executive Director of Housing & Asset

Appointed: 2015

Alex Seery

Managing Director of Care and Support

Appointed: 2016

Julie Blair

Executive Director of Corporate

Services

Appointed: 2016

Samantha Stewart

Executive Director of Finance

Appointed: August 2020

Rosa Napolitano

Director of Business Development & Innovation

Appointed: February 2021

Irmani Smallwood

Director of Business Development & Innovation

Appointed: 2016

Resigned: 2020

LOOK AHEAD CARE AND SUPPORT LIMITED

PARTICULARS OF THE BOARD OF MANAGEMENT, OFFICERS AND ADVISORS

Solicitors

Devonshires
Salisbury House
London Wall
London
EC2M 5QY

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

External auditors

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

Registration details

Regulator of Social Housing
Registration Number: LH0013
Co-operative and Community Benefit
Societies Act Number: 21004R

Internal auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Investment managers

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

Registered office

Kings Buildings
16 Smith Square
London
SW1P 3HQ

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Look Ahead Care and Support Limited ('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, Blythson Limited and Kingswood Care Services 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 2021 under the requirements of the Co-operative and Community Benefit Societies Act (Group Accounts) regulations 1969.

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." In order to achieve this we need to maintain long term viability and financial strength. To deliver on this we have in recent years invested in property and small specialised support businesses.

Look Ahead has four specialisms, which differs from most other care and support providers. We work with some of the most vulnerable people in society, where a Look Ahead service may be their last option. Due to the nature of local authority tendering we operate out of as many units owned by other landlords as we do our own which brings different challenges to those faced by general needs Housing Associations. 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 this niche model and support people with different vulnerabilities across London and the South East. We know that our services support 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 currently 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.

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 44 people with learning disabilities from 9 of its own properties and 5 owned by Look Ahead and also in customers' homes. It has four residential care services and a supported living service that are registered with the Care Quality Commission (CQC). The

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four properties are all rated as Good and the supported living service is rated as Outstanding by the CQC.

All the shares of Kingswood Care Services Limited were acquired in September 2020, making it a wholly owned subsidiary. It is based in Essex and provides residential care and supported living services to 27 people with learning disabilities from its own 5 properties. All of its services are registered with the Care Quality Commission (CQC). Four properties are rated as Good with one rated as Outstanding.

Covid response

Starting the new financial year at the beginning of a global pandemic and a national lockdown created significant uncertainty. As a key work organisation the primary concern was for the health and well being of our staff and customers. The majority of our staff had to continue to go to their normal place of work to provide support to some of the most vulnerable people in our society. Despite having sickness levels above 20% in the first quarter of 2020/21, we were able to maintain service provision across all of our sites.

The pandemic demonstrated the robustness of the Business continuity plans in place. Additional support for operations was set up to monitor the situation with a 'silver group' of senior staff constantly monitoring the evolving situation and latest guidance and ensuring that policy and procedures across the organisation were up to date and adhered to. They ensured that there was availability of personal protective equipment (PPE) for all services if it could not be sourced locally.

New business opportunities emerged as a result of the lockdown for Look Ahead; we partnered with the Greater London Authority to open two of the Hotel Hostels to house people who were street homeless. We also mobilised a floating support mental health service for people who had tested Covid positive. We were able to access Covid and infection control funding to mitigate additional expenditure incurred.

The way that Covid impacted operational KPIs differed; voids were above target as commissioners were minimising move on to limit the spread of the infection; we were just short of achieving our gross new business target as many contracts were offered extensions rather than going out to tender. The lack of new business growth in 2020/21 made setting a budget challenging for 2021/22 but we do not expect this to have a long term impact on our long term financial plan as there has already been a large increase in tender activity in 2021/22.

Conversely voluntary staff turnover was significantly under plan as the care sector was considered a safe employer whilst unemployment levels rose. Bad debts were significantly better than the budget due to less move on.

Whilst a performance against KPIs was mixed we outperformed the approved budget for Look Ahead, even without the gift aid donation made by the subsidiaries. We are proud of the way our staff were able to adapt to the situation despite their own anxieties and concerns. We do not believe that the pandemic has had a material impact on our business strategies or future business plan.

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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 2021. The results for the year show a strong performance in operating surplus of £2,596,000, which is an improvement of £606,000 on the 2019/20 performance of £1,990,000. Of this increase £177,000 relates to profits earned by Kingswood Care Limited since its acquisition on 17th September 2020. Operating surplus for the Association was £2,073,000 an improvement of £549,000 from the 2020 surplus of £1,524,000. In the year gift aid donations amounting to £800,000 were made to Look Ahead from the subsidiaries (2020: nil) which is included in turnover for the Association.

Total retained surplus for the Group has increased to £12,254,000 (2020: £1,269,000) notably as a result of a sharp increase in the value of our investment portfolio as financial markets bounced back from their initial reaction to Covid.

Review of the business

The Group delivered improved financial results in 2020/21 for the fifth consecutive year. Top line income grew to £75.7 million from £69.0 million in the previous year, whilst our operating surplus in 2020/21 of £2.6 million improved by £0.6 million from the previous year. This improved result is after incurring additional expenditure related to Covid including relief cover and payments for untaken annual leave and PPE.

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

This purchase of Kingswood follows the acquisition of Blythson Limited in 2019. This is a reflection of the acquisition strategy that was approved by Board in 2018 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.

Since joining the Group, Blythson has purchased a further property that is 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 a return on investment of 20% is expected and all purchases must align with Look Ahead's core business strategy in terms of client group and geography.

In the year we have invested heavily in property assets; we have spent £4.4 million on component replacement and major repairs and £0.7 million on acquiring a new property. This has led to negative EBITDA MRI of £0.4 million. We will not defer essential works, as this is not cost effective in the long run. Our five year business plan anticipates that EBITDA MRI will move to a positive from year three. The first 2 years of the plan include

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extraordinary levels of spend in relation to the safety and compliance works. Look Ahead is in a strong position with its financial resources and available credit facilities to pursue its growth strategy as well as continue to invest in its assets.

In the year we invested £0.5 million in software and IT equipment. This expenditure is not only demonstrative of how we were able to move all of our head office staff to work in an agile way during the national lockdown but also how we have advanced the digital elements of the Move Forward programme. In the year we further developed our core housing and people software, started the roll out of Office 365 and the digital workplace. For customers we distributed mobile devices to services to help them stay contacted during lockdowns and successfully piloted a customer support app that will be rolled out in 2021/22.

During 2020/21 Look Ahead retained its V1/G1 status, the highest rating awarded by the Regulator of Social Housing.

Group Growth Highlights

The Group turnover increased by £6.7 million from the previous financial year's result of this £1.5 million was generated by Kingswood Care Limited since its acquisition in September 2020. The annual turnover of Kingswood is £2.1 million. The annual turnover for Blythson was £5.0 million. This is an increase of £0.5 million on last year which was driven by the acquisition of a property that now supports four individuals with learning disabilities. Both Blythson and Kingswood have a strategy to grow through property acquisition.

Look Ahead's turnover increased by £3.2 million year on year, largely as a result of new block and spot contracts in the year and the full year impact of contracts awarded last year and gift aid donations amounting to £800,000 from the subsidiary companies.

In year a NHS commissioned mental health crisis accommodation contract with turnover of £1.5 million was taken back in house by the commissioning authority and we served notice on a £0.8 million learning disabilities contract. The overall net new business position for the year was a loss of £0.98 million.

In the year Look Ahead acquired a property in Gravesend in line with the Association's Asset Management Strategy. Planning permission has been granted to convert the property into five self contained flats. The property will be used for high acuity spot contracts for people with learning disabilities.

In the year 29% of our contract income came from spot contracts, generating 31% of the total contribution from support contracts. Spot contracts allow greater flexibility than traditional block contracts. 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.

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

Commitment to improved outcomes and quality

Look Ahead supports customers from four different 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. The seeming magnitude of this will vary between customers and their individual circumstances.

The following table shows outcomes achieved for those who had these actions included within their support plan. The most notable under performance was getting customers into work or training largely due to the impact of the pandemic.

Customers who...	No. needing support	No. achieved	% achieved
Developed greater independence	1,876	1,420	76%
Participated in work	601	109	18%
Participated in training	558	160	29%
Achieved qualification	59	59	100%
Established contact with external agencies	663	663	100%
Achieved qualification	59	59	100%
Find settled accommodation	1,030	708	69%
Planned move	1,920	1,130	59%

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 four consecutive years we have seen an improvement in the number of services that are rated as good or outstanding by our internal team.

In the year we had one service rated by CQC as 'requires improvement'; we have eleven services registered with the CQC. The service is for people with learning disabilities. It has subsequently received further inspections and all recommended improvements had been met.

The table overleaf 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:

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Effectiveness – quality of services delivered to our customers	Target	2018	2019	2020	2021
% Services rated as 'outstanding' or 'good' by our internal quality system	85%	83%	85%	90%	91%
% Services rated as 'outstanding' or 'good' by CQC	100%	89%	100%	100%	91%
No. of services rated "overall" as 'inadequate' by CQC	0	0	0	0	0

Over the past 12 months we have trained 23 Peer Support Volunteers (PSV) which is 19 less than the previous year due to Covid restrictions. 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 8 peer support volunteers moved on to employment. This is less than in previous years due to limited opportunities as a result of Covid.

Investment in our people and property assets

Our reward strategy continues to include paying National Living Wage and London Living Wage despite annual increments of 2.2% and 0.9% respectively, as well as formal staff recognition awards and initiatives. Whilst Covid has played a role in lower staff turnover in the year, we believe paying Living Wage contributes to improved performance in this area. Voluntary staff turnover for the year was 21.5% (2019/20 28% and 2018/19 29%). 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. There were 239 training courses that were delivered online that would previously have been face to face, creating efficiency in cost and time savings.

We had 86 people studying in year with the Institute of Leadership & Management (ILM) programme. Of which 23 employees graduated 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 50 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 £4.4 million in our property assets and £0.4 million on furniture and white goods.

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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 2020/21:

Financial efficiency and economy:	Target 2020/21	2018	2019	2020	2021
Contract income collection	95%	91%	91%	90%	86%
Void %	5.5%	7.0%	5.3%	7.8%	6.0%
Net arrears of current tenants	6.5%	8.9%	8.9%	8.4%	8.6%
Bad debt %	3.6%	3.9%	3.3%	3.5%	2.1%
Agency staff as % of total staff spend	3.0%	3.4%	3.2%	3.2%	1.9%
Voluntary staff turnover	25.5%	27%	29%	28%	21.5%
% of reactive repairs completed within target times	90%	87%	79%	83%	81%

Contract income collection reduced in the year. This is in part due to Covid and processes on both sides being less efficient than when working from the office. There was also a change in personnel in the Look Ahead income team in the last quarter which is historically the month with the highest cash collection. This is a short term reduction in cash collection and is not seen as an indicator of bad debt.

Void performance improved on the previous year performance but was worse than the target of 5.5%. The cumulative performance was heavily impacted by Covid and the national lockdown in quarter one. Referrals for many of our services were frozen, reducing occupied beds in order to minimise the risk of spreading Covid. Performance throughout the year improved but not enough to bring the cumulative position back on target.

In 2020/21 we re-let 910 units of the 2,431 supported housing units we manage. This is turnover of 37% which is less than the previous year of 46%, but largely driven by Covid and the limitations of moving people on. Unlike in previous years, the performance of our owned and managed stock was similar in percentage terms.

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	2020/21			2019/20		
	Owned	Managed	Total	Owned	Managed	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Rent & Service Charge income	10,779	16,213	26,992	10,618	16,017	26,635
Voids	655	953	1,608	703	1,384	2,086
Voids %	6.1%	5.9%	6.0%	6.6%	8.6%	7.8%

Net arrears reduced slightly in the year. Most of our tenants are in receipt of housing benefit and therefore were not impacted by the pandemic, rising unemployment and the Furlough Scheme. As a result, Look Ahead did not see arrears rise like many other general needs housing associations. Bad debt performance improved as a result of lower arrears corporately but also because there was a lower volume of move on in the year, turning arrears balances to bad debt. This improved performance is despite a change in accounting treatment for the bad debt provision for current tenants in arrears that are due to be evicted once court proceedings resume back to normal.

	2020/21			2019/20		
	Owned	Managed	Total	Owned	Managed	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Rent & Service Charge income	10,779	16,213	26,992	10,618	16,017	26,635
Bad debts	261	282	558	316	608	924
Bad debts %	2.6%	1.7%	2.1%	3.0%	3.8%	3.5%

Agency staff expenditure as a percentage of all staff costs reduced in year and was significantly under target. We have a strong portfolio of bank support workers that are called upon before agency workers as they are Look Ahead trained and offer greater continuity for customers. Due to Covid we did not have many services transferring over to Look Ahead which can be a trigger for higher agency use.

The percentage of reactive repairs completed within target times reduced in 2020/21 from the previous year's performance and was short of the target. Not all of our main contractors were able to respond quickly and effectively to the changes imposed by Covid restrictions which had a negative impact on the KPI. We are currently procuring these services and expect to see an improvement following the exercise.

Look Ahead's operating surplus was £2.1 million (3.0% of turnover) for the year, a healthy improvement on the £1.5 million in 2019/20. This includes £800,000 of gift aid from the subsidiaries demonstrating the success of the acquisition strategy.

There was a notable improvement in the financial performance of the support services generating a surplus of £486,000 or 1.2% of turnover compared with the loss of 1.9% (£776,000) in 2019/20 and a loss of 3.3% (£1,169,000) 2018/19. This was achieved largely through operational staff salary efficiencies. After overhead apportionment the financial performance of our landlord business worsened year on year.

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The table below shows the social housing operating margin of our landlord business split between owned and managed property. The performance of both reduced with the loss generated in other Landlord's properties increasing to £1.8 million. The management agreements in place often have very tight financial targets around voids. As most of our homeless services provision is run from other landlord's property, a lack of referrals had a significant impact on the financial performance.

Social Housing Operating Margin						
	2020/21			2019/20		
	£000s	£000s	£000s	£000s	£000s	£000s
	Owned	Managed	Total	Owned	Managed	Total
Turnover	12,169	15,278	27,447	11,844	14,654	26,498
Surplus	1,990	(1,798)	192	2,930	(1,089)	1,841
Operating Surplus %	16.4%	(11.8%)	0.7%	24.7%	(7.4%)	6.9%

Delivering Value for Money

For Look Ahead value for money means delivering our strategic objectives in the most cost efficient way. Due to the nature of the commissioning of contracts, our support services are regularly assessed as providing value for money in a highly competitive tender environment.

Look Ahead remains unique in that almost all of our stock is used for supported housing. Supported housing characteristically incurs more void units, requires greater expenditure on reactive and voids maintenance and suffers greater bad debts than a housing association that focuses on general needs housing.

We have historically not been a developing association; however our business plan includes the acquisition of property to increase our property portfolio. Just as many other associations have, we have incurred significant expenditure in recent years on fire safety works. This has contributed to negative EBITDA MRI; however as a responsible landlord we need to carry out these works.

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.

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Value for Money KPIs

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

		Sector Median 2019/20	2020/21	2019/20
1	Reinvestment	7.2%	4.2%	1.5%
2	New Supply Delivered – social housing units	1.5%	0.0%	0.0%
3	Gearing	44.0%	12.1%	8.2%
4	Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %	170%	(61)%	220%
5	Headline social housing cost per unit	£3,830	£25,957	£22,900
6	Operating Margin – Social housing lettings only	25.7%	0.7%	6.9%
7	Operating Margin – Overall	23.1%	3.0%	2.3%
8	Return on capital employed (ROCE)	3.4%	1.1%	0.9%

Reinvestment

Look Ahead's capital expenditure includes redeveloping existing assets, component replacement and meeting our compliance requirements. In 2020/21 we spent £4.4 million compared with £1.8 million in 19/20 (note 11a). The large increase was due to a number of factors: a roof replacement at a large site in Westminster costing £1.3 million and an extensive programme of kitchen and window replacement.

In addition Look Ahead acquired a property on the open market during the year to add to its asset base. Planning permission has been received to turn the property into five self contained flats for use as high acuity learning disabilities placements. The works are expected to be complete in quarter three of 2021/22. The property is expected to generate income of circa £1 million. 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.

Look Ahead have not historically been developing or acquiring new properties. In line with our approved business plan we will be investing more into new property in the next five years, not only in the Association but across the Group. Reinvestment will therefore be closer to the median average.

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Gearing

The level of gearing increased in 2020/21 to 12.1% from 8.2% in 2019/20. A short term facility was taken out in the year with Rothschild, secured against our investment portfolio to fund 50% of the cost of acquiring Kingswood Care Services 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. In 2021/22 we will secure a long term financing deal to fund our growth ambitions.

Despite the increase in gearing in recent years, Look Ahead is behind the sector median due to doing very little development in the past. Gearing will continue to increase in the future as further housing properties and another small care and support business is acquired. It is planned to use up to £23 million of the investment portfolio to fund growth with equal amounts of debt. This will leave £20 million in the portfolio as stated in our investment strategy.

EBITDA MRI – Interest cover

Although operating surplus has improved to £2.1 million the increase in investment in property assets has resulted in negative EBITDA MRI interest cover. The 30 year business plan sees the organisation move to a position where positive EBITDA MRI is sustained after year three of the plan.

Capital investment in properties varies from year to year. We have not deferred required capital works to future years when EBITDA will have improved. This is not cost effective and we have sufficient cash to fund the programme. This is not sustainable in the long term but the business plan shows a greatly improved financial performance in the next three years.

Social Housing costs per unit

Look Ahead's income is predominantly derived from care and support services. As a result 60% of our costs are directly related to support services provided by our front-line staff, these do not exist within general needs housing associations. There is no 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. As a supported housing provider we also pay for services on behalf of our tenants and recoup this through services charges, something that a general needs landlord would not do.

We manage on behalf of other landlords almost as many units as we own; these are subject to a management fee payable back to the landlord severely impacting the average cost per unit. Typically management fees are 75% of the total rent recoverable.

The cost per unit increased to £25,956 from the 2019/20 cost of £22,900. The largest driver was the increase capital expenditure. A significant component replacement programme was undertaken in year; one project to replace a roof at one large scheme cost £1.3 million alone.

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Social Housing cost per unit						
	2020/21 Owned	2020/21 Managed	2020/21 Total	2019/20 Owned	2019/20 Managed	2019/20 Total
Total units	1,210	1,221	2,431	1,243	1,257	2,500
Cost per unit	Owned	Managed	Average per unit	Owned	Managed	Average per unit
Service charges	3,362	6,188	4,781	2,583	5,154	3,876
Management	2,007	6,853	4,441	1,957	6,388	4,185
Routine maintenance	1,446	703	1,049	1,244	482	861
Major repairs	1,424	17	21	35	2	18
Capitalised major repairs	3,414	227	1,814	1,388	37	709
Total cost before support costs	11,653	13,988	12,106	7,207	12,063	9,648
Support & other costs			13,851			13,252
Total social housing cost including support per unit			25,956			22,900

* the total units includes intermediate rent units

Return on Capital Employed (ROCE)

ROCE increased from 0.9% to 1.1% in the year. Although Look Ahead has a large asset base, it has low operating margins due to the vast majority of the income coming from care and support. The increase year on year is a demonstration of Look Ahead's strategy to generate higher surplus levels through a mixture of acquisitions and redevelopment opportunities. We expect the ROCE to continue to improve in the next five years in line with our business plan.

When comparing the Value for Money results to the median performance of other social housing providers, Look Ahead presents as an outlier due to the unique business model operated. Value for money is integrated into all business activity at Look Ahead and we strive to improve our performance year on year within our own constraints of our business.

We continue to work closely with other similar providers to develop additional metrics and a scorecard for supported housing providers 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.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Group surpluses and reserves

The Look Ahead Group's reserves as at the 31 March 2021 are £85.4 million of which £0.1 million are restricted reserves. Reserves are internally generated resources which are reinvested in our assets and support services. Our portfolio of housing stock requires regular investment; this year alone we invested £4.4 million in component replacement.

Some one-off exceptional surpluses were generated in the past arising from the sale of large hostel buildings. The surpluses arising from these property sales were 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 £1.75 million of the portfolio in the acquisition of Kingswood Care Limited.

The latest valuation of the Social Housing Pension Scheme (SHPS) multi employer Defined Benefit scheme deficit has increased Look Ahead's liability by £7.0 million, which has reduced reserves by the same amount (Note 18).

The investment portfolio increased in value significantly 2020/21; the unrealised gain is £9.7 million, which improved reserves by the same amount (Note 12a).

Group employees

At year end, the Group's total full and part-time staffing complement stood at 1,352 Full Time Equivalent posts. This is an increase of 181 from the previous year. Of this increase 103 relates to the acquisition of Kingswood during the year.

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.

In the year in line with the move to a digital work place and adherence to government guide lines we were able to continue to train our staff, with 239 training courses being delivered online, that would otherwise have been held face to face.

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

The Look Ahead Group 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 Group'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

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

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 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 2020/21 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

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

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 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 Boards** are drawn from Group Board Members, the Chief Executive Officer and Members of the Senior Leadership Team. One member is also independent of the Group.

Merger code

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

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

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

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

Internal controls assurance

The Board has overall responsibility for establishing and maintaining a system of internal control and for reviewing its effectiveness across the Group. 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 the Look Ahead Group'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 Group'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**

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 Group's 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

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

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.

The Board confirms that the Group 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 Group. 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.

LOOK AHEAD CARE AND SUPPORT LIMITED

REPORT OF THE BOARD OF MANAGEMENT

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 of Social Housing 2019. 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

19 August 2021

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 Limited (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2021 which comprise the statements of comprehensive income, statements of changes in reserves, statements of financial position, consolidated statements of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including 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 2021 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

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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 ..., 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.

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

LOOK AHEAD CARE AND SUPPORT LIMITED

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and the Association operate in and how the group and the Association are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974 and Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities

LOOK AHEAD CARE AND SUPPORT LIMITED

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Monteith

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

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.

Handwritten signature of Andrew Monteith in blue ink, with the initials 'RSM UK Audit LLP' written below it.

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

Date 24 September 2021

LOOK AHEAD CARE AND SUPPORT LIMITED

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Note	Group 2021	Association 2021	Group 2020	Association 2020
		£'000	£'000	£'000	£'000
Turnover	5	75,732	69,952	69,022	66,749
Operating expenditure	5	(73,136)	(67,879)	(67,032)	(65,225)
Operating surplus	5	2,596	2,073	1,990	1,524
Loss on disposal of property, plant and equipment (fixed assets)	24	(155)	(154)	(128)	(128)
Exceptional items	9	-	-	(470)	(470)
Interest receivable		7	7	33	33
Investment income receivable		471	471	475	475
Investment charges payable	12	(279)	(279)	(307)	(307)
Interest and financing costs	8	(316)	(316)	(519)	(519)
Amortisation of goodwill	10	(547)	-	(244)	-
Increase/(decrease) in fair value of financial investments	12	9,743	9,743	(1,394)	(1,394)
Increase in valuation of investment properties	12	734	734	1,833	1,833
Total surplus for the year		12,254	12,279	1,269	1,047
Actuarial (losses)/gains in respect of pension schemes	18	(8,305)	(8,305)	7,500	7,500
Total comprehensive income for the year		<u>3,949</u>	<u>3,974</u>	<u>8,769</u>	<u>8,547</u>

All of Look Ahead's and its subsidiaries operations are continuing.

LOOK AHEAD CARE AND SUPPORT LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted Reserve	Restricted Reserve	Total
	£'000	£'000	£'000
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>
Actuarial losses	(8,305)	-	(8,305)
Surplus/(deficit) from statement of comprehensive income for the year ended 31 March 2021	12,246	8	12,254
Balance at 31 March 2021	<u>85,249</u>	<u>161</u>	<u>85,410</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

ASSOCIATION STATEMENTS OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted Reserve	Restricted Reserve	Total
	£'000	£'000	£'000
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>
Actuarial losses	(8,305)	-	(8,305)
Surplus/(deficit) from statement of comprehensive income for the year ended 31 March 2021	12,271	8	12,279
Balance at 31 March 2021	<u><u>85,057</u></u>	<u><u>161</u></u>	<u><u>85,218</u></u>

LOOK AHEAD CARE AND SUPPORT LIMITED

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	Group 2021	Association 2021	Group 2020	Association 2020
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10	6,839	1,568	6,093	1,462
Tangible fixed assets	11	132,440	124,114	127,005	121,296
Investments	12, 14	51,389	66,138	44,514	53,473
Total fixed assets		190,668	191,820	177,612	176,231
Current assets					
Trade and other debtors	15	12,176	12,003	7,991	9,575
Cash and cash equivalents		3,863	2,159	3,139	2,460
Total current assets		16,039	14,162	11,130	12,035
Creditors					
Amounts falling due within one year	16	(32,939)	(32,426)	(24,492)	(24,233)
Net current liabilities		(16,900)	(18,264)	(13,362)	(12,198)
Total assets less current liabilities		173,768	173,556	164,250	164,033
Creditors					
Amounts falling due after more than one year	17	(74,954)	(74,934)	(76,427)	(76,427)
Defined Benefit Pension Scheme	18	(13,404)	(13,404)	(6,362)	(6,362)
Total net assets		85,410	85,218	81,461	81,244
Reserves					
Income and expenditure reserve		85,249	85,057	81,308	81,091
Restricted reserve		161	161	153	153
		85,410	85,218	81,461	81,244

The financial statements on pages 30 to 78 were approved and authorised for issue by the Board of Management on 19 August 2021 and were signed on its behalf by:



Baroness Mary Watkins
Chair



Kevin Gould



Claire Luxton

LOOK AHEAD CARE AND SUPPORT LIMITED

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021		2020	
	£'000	£'000	£'000	£'000
Net cash generated from operating activities (Note 1)		3,092		3,544
Cash flow from investing activities				
Acquisition of subsidiary, net of working capital acquired	(3,701)		(10,241)	
Purchase of fixed assets	(5,917)		(2,713)	
Proceeds from sale of fixed assets	16		1	
Purchase of investments	(478)		(468)	
Purchase of investments properties	(20)		-	
Disposal of investments	3,910		5,029	
Interest received	478		33	
		(5,712)		(8,359)
Cash flow from financing activities				
Interest and investment charges paid	(457)		(179)	
Recycled capital grant repaid	(817)		-	
Amounts drawn down from revolving credit facility	7,700		7,000	
Amounts repaid to revolving credit facility	(2,625)		-	
Housing loans repaid	(457)		(411)	
		3,344		6,410
Net change in cash and cash equivalents		724		1,595
Cash and cash equivalents at beginning of year		3,139		1,544
Cash and cash equivalents at end of year		3,863		3,139
Comprising:				
Cash		2,548		1,832
Short term deposits		1,315		1,307
		3,863		3,139

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. CASH FLOW FROM OPERATING ACTIVITIES	2021	2020
	£'000	£'000
Surplus for the year	12,254	3,824
<i>Adjustments for non-cash items:</i>		
Depreciation of tangible fixed assets	2,738	2,404
Amortisation of intangible fixed assets	782	479
(Decrease) in trade and other debtors	(4,186)	(1,101)
Increase in trade and other creditors	4,052	1,718
Pension costs less contributions payable	(1,397)	(1,346)
Loss on disposal of tangible fixed assets	171	130
<i>Adjustments for investing or financing activities</i>		
(Increase) / decrease in fair value of investments	(9,743)	1,394
(Increase) in valuation of investment properties	(734)	(1,833)
Government grants amortised in the year	(962)	(888)
Government grants received in the year	-	525
Interest payable	316	519
Investment charges payable	279	307
Interest receivable	(478)	(33)
Net cash generated from operating activities	3,092	3,544

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, Blythson Limited and Kingswood Care Services 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 2021.

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.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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. In the year we amended the provision for those current customers who would be subject to legal proceedings and eviction once the courts open, providing for 100% of their arrears. 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 biggest impact of the global pandemic was a lack of new business opportunities at the start of 2020/21. The current business plan reflects this but anticipates an increase in opportunities in the next two years, as we have already seen in quarter one of 2021/22. Business growth is expected to return to pre-pandemic levels from year three. Throughout the plan Look Ahead is comfortably within its covenants and is able to access additional finance should it be required.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

The results for 2020/21 show a net current liability rather than asset due to a short term loan secured against the investment portfolio. This facility was to cover 50% of the cost of the acquisition of Blythson and Kingswood and could be paid back at short notice by disinvesting from the portfolio, currently valued at £43 million. We are in the process of arranging a longer term facility which will repay the indebtedness to Rothschild.

We prepare a 30 year business plan including cashflow forecasts and financial performance. We stress test this for adverse situations. Even in the most severe unlikely situation the investment portfolio means that we are able to weather the storm. Therefore 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

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

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 2020 and 31 March 2021, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Other tangible fixed assets and depreciation

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

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

Goodwill

Goodwill is capitalised and written off evenly over 10 years as in the opinion of management, this represents the period over which the goodwill is expected to give rise to economic benefits.

Government grants

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

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

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

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

Other grants

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

Sale of property, plant and equipment

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

Intangible assets

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

- a) The technical feasibility of completing the software so that it will be available for use.
- b) The intention to complete the software and use 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 2021

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

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5. LETTINGS AND RELATED INFORMATION

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

	Group 2021		
	Turnover	Operating Costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings (note 5b)	27,446	(27,254)	192
Other social housing activities			
Care & Support contracts	41,056	(40,570)	486
Activities other than social housing activities			
Care contracts other than social housing	6,430	(5,183)	1,247
Lettings other than social housing	127	(28)	99
Commercial property	641	(96)	545
Other	32	(5)	27
Total	75,732	(73,136)	2,596
	Association 2021		
	Turnover	Operating Costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings (note 5b)	27,446	(27,254)	192
Other social housing activities			
Care & Support contracts	41,056	(40,570)	486
Activities other than social housing activities			
Commercial property	618	(55)	563
Gift aid from subsidiaries	800	-	800
Other	32	-	32
Total	69,952	(67,879)	2,073

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5. LETTINGS AND RELATED INFORMATION (continued)

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

	Group 2020		
	Turnover	Operating Costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Social housing lettings (note 5b)	26,498	(24,657)	1,841
Other social housing activities			
Care & Support contracts	39,684	(40,460)	(776)
Activities other than social housing activities			
Care contracts other than social housing	2,168	(1,762)	406
Lettings other than social housing	59	(16)	43
Commercial property	593	(137)	456
Other	20	-	20
Total	69,022	(67,032)	1,990
	Association 2020		
	Turnover	Operating Costs	Operating surplus / (deficit)
	£'000	£'000	£'000
Social housing lettings (note 5b)	26,498	(24,657)	1,841
Other social housing activities			
Care & Support contracts	39,684	(40,460)	(776)
Activities other than social housing activities			
Commercial property	547	(108)	439
Other	20	-	20
Total	66,749	(65,225)	1,524

5. LETTINGS AND RELATED INFORMATION (continued)

(b) Particulars of income and expenditure from lettings

	Group and Association	
	Supported Housing	
	2021	2020
	£'000	£'000
Income		
Rent receivable net of identifiable service charges	13,362	13,113
Service charge income	13,136	12,512
Amortised government grants	948	873
Total income from Social Housing lettings	27,446	26,498
Operating Expenditure		
Service charges	11,623	9,690
Management	10,796	10,462
Routine maintenance	2,550	2,152
Major repairs not capitalised	51	45
Depreciation of properties	1,691	1,384
Rent and service charge losses from bad debts	543	924
Total expenditure on Social Housing Lettings	27,254	24,657
Operating surplus on Social Housing Lettings	192	1,841

Net rental income is shown after deducting voids of £1,608,000 (2020: £2,086,000): 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 2021

5. LETTINGS AND RELATED INFORMATION (continued)

(c) Accommodation in management

	Group	
	2021	2020
	Number of Units	Number of Units
Supported housing	2,365	2,404
Registered care homes	111	83
	<u>2,476</u>	<u>2,487</u>
	Number of customers	Number of customers
Domiciliary and other customers at year end	<u>3,144</u>	<u>3,148</u>
	Association	
	2021	2020
	Number of Units	Number of Units
Supported housing	2,333	2,376
Registered care homes	72	71
	<u>2,405</u>	<u>2,447</u>
	Number of customers	Number of customers
Domiciliary and other customers at year end	<u>3,071</u>	<u>3,111</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021		31 March 2020	
	£'000	Number of units	£'000	Number of units
Housing Options Service, Westminster City Council	580	44	582	44
London Cyrenians	194	28	188	28
Swan Housing Association	74	15	68	15
Ability Housing	-	-	58	12
Single Homeless Project (SHP)	53	9	52	9
CAYSH	35	7	33	7
Depaul UK	33	7	31	7
Outlook Care Ltd	21	5	20	5
Hestia	-	-	-	-
One Housing	-	-	-	-
Certitude Support	122	19	- 19	6
Total	1,112	134	1,013	133

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021		31 March 2020	
	£'000	Number of units	£'000	Number of units
Notting Hill Genesis	818	173	777	173
London & Quadrant Trust	615	151	666	180
Salvation Army HA	551	124	538	124
St Mungos	456	125	426	125
Peabody Trust	357	99	341	130
Shepherds Bush HA	328	60	325	57
Network Stadium	276	110	336	122
One Housing Group	203	39	199	39
Hyde HA	157	44	199	79
Downshire Homes	139	12	137	12
PA Housing	121	23	135	28
Optivo	118	34	113	34
Clarion Housing	113	28	103	28
Moat	85	35	84	34
Central & Cecil Housing	80	24	78	24
NHS Property Services	66	15	66	15
Milton Keynes Council	63	20	64	20
Hexagon	58	42	83	51
Harrow Council	54	18	21	15
Gateway HA	50	9	49	9
Guinness Partnership	50	16	43	16
Jenkins and Pain	47	10	47	10
Home Group Limited	46	15	41	15
Catalyst	41	9	-	-
LB Hounslow	39	11	29	11
Metropolitan Housing	30	5	78	25
Town and Country	27	7	25	7
Richmond	26	12	26	12
Croydon Churches HA	22	6	24	6
Orbit Housing	21	16	95	16
Total	5,057	1,292	5,242	1,455

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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:

	Salaries	Pension	Total	Total
	2021	contributions	2021	2020
	£'000	2021	£'000	£'000
		£'000	£'000	£'000
Aggregate emoluments paid to Directors (including Chief Executive Officer)	736	24	760	864
Non-Executive members	115	-	115	107

The amount paid to the highest paid director, the Chief Executive Officer, was £190,980 (2020: £185,652). No pension payments were made.

Total expenses of £3,987 (2020: £4,580) 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:

	2021	2020
	£'000	£'000
Total	<u>972</u>	<u>1,077</u>
Number of individuals	18	16

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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	2021		2020	
		£000's	Attendance at Board meetings	£000's	Attendance at Board meetings
Julie Jones	Chair	20	10/10	20	7/7
Jane Hives (resigned September 2020)	ARC Chair	6	6/6	13	6/7
Sean Duggan	RemCom Chair	7	4/6	10	5/7
Graham Buckland	ITC Chair	13	10/10	13	6/7
Chris Dobson (resigned September 2020)	Board Member	5	6/6	10	4/7
Tom Dacey	Chair of Blythson Board	13	10/10	11	7/7
Richard Jones	Board Member	10	10/10	10	6/7
Sharon Slotnick	Board Member	10	10/10	10	7/7
Elesia-Gail Edwards-Scott	Board Member	10	8/10	10	6/7
Kevin Gould	Board Member	14	10/10	1	2/2
Stephen Firn (Appointed June 2020)	Board Member	8	9/9	-	
Kevin Obi (Appointed February 2021)	Board Member	0	1/2	-	

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

6. DIRECTORS' AND SENIOR STAFF EMOLUMENTS (continued)

Group	2021 Number	2020 Number
Salary banding for all employees earning over £60,000 (including salaries, bonus, any termination payments and pensions):		
£60,001 - £70,000	16	11
£70,001 - £80,000	6	5
£80,001 - £90,000	3	1
£90,001 - £100,000	2	2
£100,001 - £110,000	1	0
£110,001 - £120,000	0	2
£120,001 - £130,000	0	3
£130,001 - £140,000	3	1
£140,001 - £150,000	1	0
£180,001 - £190,000	0	1
£190,001 - £200,000	1	0
	<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
	33	26
	<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

6. DIRECTORS' AND SENIOR STAFF EMOLUMENTS (continued)

Association	2021 Number	2020 Number
Salary banding for all employees earning over £60,000 (including salaries, bonus, any termination payments and pensions):		
£60,001 - £70,000	15	11
£70,001 - £80,000	6	5
£80,001 - £90,000	3	1
£90,001 - £100,000	2	2
£100,001 - £110,000	1	0
£110,001 - £120,000	0	2
£120,001 - £130,000	0	3
£130,001 - £140,000	3	1
£140,001 - £150,000	1	0
£180,001 - £190,000	0	1
£190,001 - £200,000	1	0
	<u>32</u>	<u>26</u>

7. EMPLOYEE INFORMATION

	2021 Number	Group 2020 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	121	109
Housing, support and care staff	1,231	1,064
	<u>1,352</u>	<u>1,171</u>
The average number of employees (expressed as full time equivalents) employed during the year was:	<u>1,327</u>	<u>1,139</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. EMPLOYEE INFORMATION (continued)

Staff costs for these employees were:

	2021 £'000	Group 2020 £'000
Wages and salaries	34,593	29,749
Social security costs	3,070	2,618
Other pension costs	1,109	982
	<u>38,772</u>	<u>33,349</u>
Contract staff employed through agencies	1,217	1,237
Personal Support Assistant wages	2,986	3,073
Personal Support Assistant Social Security costs	221	232
Personal Support Assistant pension costs	78	76
	<u>43,274</u>	<u>37,967</u>

Total staffing costs

	Association	
	2021 Number	2020 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	119	108
Housing, support and care staff	993	946
	<u>1,112</u>	<u>1,054</u>

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

	<u>1,092</u>	<u>1,020</u>
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LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. EMPLOYEE INFORMATION (continued)

Staff costs for these employees were:

	2021 £'000	Association 2020 £'000
Wages and salaries	30,054	28,222
Social security costs	2,736	2,605
Other pension costs	1,014	954
	<u>33,804</u>	<u>31,781</u>
Contract staff employed through agencies	1,209	1,237
Personal Support Assistant wages	2,986	3,073
Personal Support Assistant Social Security costs	221	232
Personal Support Assistant pension costs	78	76
	<u>38,298</u>	<u>36,399</u>
Total staffing costs	38,298	36,399

Included in the group and association amounts above are wages and salaries for Board members amounting to £115,269 (2020: £107,450) and social security costs of £4,210 (2020: £3,900).

8. INTEREST AND FINANCING COSTS

	Group and Association	
	2021 £'000	2020 £'000
On bank and other loans	182	186
Social Housing Pension Scheme defined benefit scheme pension charge	134	333
	<u>316</u>	<u>519</u>

No interest has been capitalised in the year (2020: £NIL).

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9. SURPLUS FOR THE YEAR

	Group 2021	Association 2021	Group 2020	Association 2020
	£'000	£'000	£'000	£'000
Surplus for the year is stated after charging:				
Amortisation of intangible assets	782	235	479	235
Depreciation of tangible fixed assets	2,738	2,619	2,404	2,346
Auditor's remuneration (excluding VAT):				
In their capacity as auditors	56	36	48	36
In respect of other services	12	12	19	19
Hire of non-plant and machinery assets under operating leases	606	606	437	437
Exceptional items	-	-	470	470

Exceptional items in the previous year related to the cost of aborted development works.

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. INTANGIBLE FIXED ASSETS

	2021	2021	2021	Group 2020
	Goodwill £'000	Software £'000	Total £'000	Total £'000
Cost				
At 1 April 2020	4,875	1,944	6,819	1,930
Additions	1,187	341	1,528	4,890
Disposals	-	-	-	(1)
At 31 March 2021	6,062	2,285	8,347	6,819
Amortisation				
At 1 April 2020	(244)	(482)	(726)	(248)
Amortisation charge for the year	(547)	(235)	(782)	(479)
Eliminated on disposals	-	-	-	1
At 31 March 2021	(791)	(717)	(1,508)	(726)
Net book value At 31 March 2021	5,271	1,568	6,839	6,093
At 31 March 2020	4,631	1,462	6,093	1,682

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. INTANGIBLE FIXED ASSETS (continued)

	2021	Association 2020
	Software £'000	Software £'000
Cost		
At 1 April 2020	1,944	1,930
Additions	341	15
Disposals	-	(1)
At 31 March 2021	2,285	1,944
Amortisation		
At 1 April 2020	(482)	(248)
Amortisation charge for the year	(235)	(235)
Eliminated on disposals	-	1
At 31 March 2021	(717)	(482)
Net book value At 31 March 2021	1,568	1,462
At 31 March 2020	1,462	1,682

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. TANGIBLE FIXED ASSETS

(a) Operational housing properties

	Group	Association	Group	Association
	2021	2021	2020	2020
	£'000		£'000	
Cost				
At 1 April 2020	140,898	135,295	134,058	134,060
Additions - existing properties	4,409	4,410	2,157	1,772
Additions – new properties	897	718	-	-
Additions through business combinations	2,481	-	5,220	-
Transfer to investment properties	(112)	(112)	(533)	(533)
Disposals	(414)	(414)	(4)	(4)
At 31 March 2021	148,159	139,897	140,898	135,295
Depreciation				
At 1 April 2020	(17,021)	(16,987)	(15,610)	(15,610)
Depreciation charge for the year	(1,782)	(1,754)	(1,459)	(1,425)
Transfer to investment properties	23	23	47	47
Disposals	287	287	1	1
At 31 March 2021	(18,493)	(18,431)	(17,021)	(16,987)
Net book value				
At 31 March 2021	129,666	121,466	123,877	118,308

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. TANGIBLE FIXED ASSETS (continued)

(a) Operational housing properties (continued)

The total amount expended on existing properties in the year was £4,409,000 (2020: £2,157,000).

The total book value of properties secured against the housing loan portfolio of £16,848,000 (note 16) is £12,252,000.

	Group 2021 £'000	Association 2021 £'000	Group 2020 £'000	Association 2020 £'000
Housing properties at net book value comprise:				
Freehold	116,634	108,434	110,326	104,757
Long leaseholds	12,678	12,678	13,277	13,277
Short leaseholds	354	354	274	274
	129,666	121,466	123,877	118,308

(b) Other tangible assets

	Office improvements £'000	Furniture & equipment £'000	Computer equipment £'000	Group Total £'000
Cost				
At 1 April 2020	1,424	6,411	1,076	8,911
Additions	-	416	195	611
Acquisitions through business combinations	-	34	-	34
Disposals	(63)	(122)	(1)	(186)
At 31 March 2021	1,361	6,739	1,270	9,370
Depreciation				
At 1 April 2020	(857)	(4,213)	(712)	(5,782)
Charge for the year	(144)	(590)	(222)	(956)
Disposals	57	84	1	142
At 31 March 2021	(944)	(4,719)	(933)	(6,596)
Net book value at 31 March 2021	417	2,020	337	2,774
At 31 March 2020	567	2,198	364	3,129

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. TANGIBLE FIXED ASSETS (continued)

(b) Other tangible assets (continued)

	Association			
	Office improvement works	Furniture & equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2020	1,424	6,247	1,076	8,747
Additions	-	360	195	555
Disposals	(63)	(82)	(1)	(146)
At 31 March 2021	1,361	6,525	1,270	9,156
Depreciation				
At 1 April 2020	(857)	(4,190)	(712)	(5,759)
Charge for the year	(144)	(499)	(222)	(865)
Disposals	57	58	1	116
At 31 March 2021	(944)	(4,631)	(933)	(6,508)
Net book value at 31 March 2021	417	1,894	337	2,648
At 31 March 2020	567	2,057	364	2,988

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

12. INVESTMENTS

(a) Financial Investments

	Group and Association	
Fair Value	2021 £'000	2020 £'000
At 1 April 2019	37,084	43,346
Additions	478	468
Disposals	(3,910)	(5,029)
Investment charges	(279)	(307)
Unrealised (loss) / gain	9,743	(1,394)
At 31 March 2020	43,116	37,084
Historical cost	33,334	34,784

	Group and Association	
Fair Value	2021 £'000	2020 £'000
Money market	4,254	2,549
Fixed income securities	9,726	8,607
Equities	25,710	21,507
Properties	3,403	3,654
Alternative investments	23	767
At 31 March 2021	43,116	37,084

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(b) Investment Property

	Group	
Fair Value	2021	2020
	£'000	£'000
At 1 April 2020	7,430	5,111
Additions transferred from social housing properties	109	486
Increase in fair value	734	1,833
At 31 March 2021	<u>8,273</u>	<u>7,430</u>

	Association	
Fair Value	2021	2020
	£'000	£'000
At 1 April 2020	7,430	5,111
Additions transferred from social housing properties	109	486
Other additions	1,915	-
Increase in fair value	734	1,833
At 31 March 2021	<u>10,188</u>	<u>7,430</u>

The 2021 valuations were 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 2021

13. ACQUISITIONS

On 17 September 2020, Looks Ahead Care And Support Limited acquired 100% of the issued share capital of Kingswood Care Services Limited. Kingswood Care Services Limited is incorporated in England and provides residential care activities for customers with learning disabilities. The cost of the acquisition comprised cash consideration of £3,676,000. Acquisition costs were £198,000.

Consolidated turnover and consolidated surplus include turnover of £1,527,000 and surplus of £177,000 contributed by Kingswood Care Services Limited between the date of its acquisition and 31 March 2021. The surplus of Kingswood Care Services Limited will be gift aided to Look Ahead Care and Support Limited.

The goodwill arising on acquisition of £1,186,000 is considered to have a useful life of 10 years.

Kingswood Care Services Limited has been consolidated using the acquisition method of accounting. At 17 September 2020 ('the acquisition date') the assets and liabilities of Kingswood Care Services 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	1,161	1,353	2,514
Trade debtors and prepayments	115	-	115
Cash at bank and in hand	422	-	422
Total assets	1,698	1,353	3,051
Trade and other creditors	(363)	-	(363)
Total liabilities	(363)	-	(363)
Net Assets	1,335	1,353	2,688
Goodwill			1,186
Total consideration			3,874
Satisfied by:			
Cash			3,676
Acquisition costs			198
			3,874

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. INVESTMENT IN SUBSIDIARIES

	2021 £000	2020 £000
Look Ahead Developments Limited	-	-
Larch Residential Services Limited	-	-
Blythson Limited	8,960	8,959
Kingswood Care Services Limited	3,874	-
	<u>12,834</u>	<u>8,959</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.

Look Ahead Care And Support Limited owns 100% of the share capital of Kingswood Care Services Limited. The subsidiary was incorporated in England as a trading company on 19 May 1998 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 2021

15. TRADE AND OTHER DEBTORS

	Group	Association	Group	Association
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Amounts receivable within one year:				
Gross rental debtors	3,898	3,887	4,502	4,484
Less: provision for bad debts	(2,553)	(2,553)	(2,833)	(2,833)
Net rental debtors	1,345	1,334	1,669	1,651
Trade debtors	7,487	7,271	5,021	4,757
Prepayments and accrued income	2,968	2,775	965	889
VAT	5	-	-	-
Other debtors	371	360	336	335
Look Ahead Developments Limited	-	56	-	-
Larch Residential Services Limited	-	47	-	67
Kingswood Care Services Limited	-	107	-	-
Blythson Limited	-	53	-	1,876
	12,176	12,003	7,991	9,575

Included in the Group figures above are assets of £9,208k at amortised cost (2020: £7,026k). Included in the Association figures above are assets of £8,965k at amortised cost (2020: £6,743k). Included in the Association figures are assets of £263k measured at cost less impairment (2020: £1,943). 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 2021

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021	Association 2021	Group 2020	Association 2020
	£'000	£'000	£'000	£'000
Housing loans	4,539	4,539	2,460	2,460
Other loans	8,099	8,099	5,023	5,023
Trade creditors	3,418	3,386	1,798	1,782
Social Security	901	814	716	664
VAT	30	30	92	43
Other creditors	2,062	2,050	2,315	2,181
Hire purchase contracts	9	-	-	-
Corporation tax	62	-	-	-
Look Ahead Developments Limited	-	-	-	61
Deferred government grant (Note 26)	933	933	888	888
Accruals and other deferred income	12,262	11,951	9,763	9,694
Recycled capital grant fund (Note 25)	624	624	1,437	1,437
	<u>32,939</u>	<u>32,426</u>	<u>24,492</u>	<u>24,233</u>

Included in the Group figures above are liabilities of £18,813k at amortised cost (2020: £13,022k). Included in the Association figures above are liabilities of £18,698k at amortised cost (2020: £12,883k). 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 2021	Association 2021	Group 2020	Association 2020
	£'000	£'000	£'000	£'000
Deferred government grant (Note 26)	70,724	70,724	71,731	71,731
Housing loans	4,210	4,210	4,696	4,696
Hire purchase contracts	20	-	-	-
	<u>74,954</u>	<u>74,934</u>	<u>76,427</u>	<u>76,427</u>

Included in the Group figures above are liabilities of £70,744k at amortised cost (2020: £71,731k). Included in the Association figures above are liabilities of £70,724k at amortised cost (2020: £71,731k). There are no liabilities measured at fair value through the Statement of Comprehensive Income.

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

Lender	Group 2021 £000	Group 2020 £000
Newcastle Building Society	984	1,164
Dexia Public Finance Bank	7,498	5,722
Orchardbrook Ltd	267	270
	8,749	7,156

Amounts of housing loans repayable:

In one year or less (included in current liabilities)	4,539	2,460
Between one and two years	520	488
Between two and five years	1,786	1,670
In five years or more, by instalment	1,904	2,538
	8,749	7,156

The total book value of properties secured against the housing loan portfolio is £12,252,000 (Note 11a).

Housing loans carry a weighted average interest rate of 1.2% (2020: 1.7%)

Other loans consist of the following:

Lender	Group 2021 £000	Group 2020 £000
Rothschilds	8,099	5,023
	8,099	5,023

Amounts of other loan repayable:

In one year or less (included in current liabilities)	8,099	5,023
	8,099	5,023

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

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18. PENSION OBLIGATIONS

Social Housing Pension Scheme (SHPS)

The company participates in the Social Housing Pension Scheme (the Scheme), a multiemployer 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 completed 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 the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has 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 the company 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. Similarly, actuarial valuations of the scheme were carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

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

Fair value of plan assets	50,868	44,386
Present value of defined benefit obligation	64,272	50,748
Deficit in plan	(13,404)	(6,362)
Defined benefit liability to be recognised	(13,404)	(6,362)

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

Defined benefit obligation at start of period	50,748
Current service cost	186
Expenses	54
Interest expense	1,190
Contributions by plan participants	10
Actuarial (gains) due to scheme experience	(283)
Actuarial losses due to changes in demographic assumptions	224
Actuarial losses due to changes in financial assumptions	12,992
Benefits paid and expenses	(849)
Defined benefit obligation at end of period	64,272

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

Fair value of plan assets at start of period	44,386
Interest income	1,056
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	4,628
Contributions by the employer	1,637
Contributions by plan participants	10
Benefits paid and expenses	(849)
Fair value of plan assets at end of period	50,868

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18. PENSION OBLIGATIONS (continued)

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £5,684,000

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

Current service cost	186
Expenses	54
Net interest expense	134
Defined benefit costs recognised in statement of comprehensive income (SoCI)	374

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

Experience on plan assets (excluding amounts included in net interest cost) – gain	4,628
Experience gains and losses arising on the plan liabilities – gain	283
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)	(224)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – (loss)	(12,992)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – (loss)	(8,305)
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 – (loss)	(8,305)

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18. PENSION OBLIGATIONS (continued)

ASSETS

Global Equity	8,107	6,492
Absolute Return	2,808	2,314
Distressed Opportunities	1,469	855
Credit Relative Value	1,601	1,217
Alternative Risk Premia	1,916	3,104
Fund of Hedge Funds	6	26
Emerging Markets Debt	2,053	1,344
Risk Sharing	1,852	1,499
Insurance-Linked Securities	1,222	1,363
Property	1,056	978
Infrastructure	3,392	3,303
Private Debt	1,213	894
Opportunistic Illiquid Credit	1,293	1,074
High Yield	1,523	-
Opportunistic Credit	1,395	-
Cash	1	-
Corporate Bond Fund	3,005	2,531
Liquid Credit	607	18
Long Lease Property	997	768
Secured Income	2,115	1,684
Liability Driven Investment	12,928	14,732
Net Current Assets	309	190
Total assets	50,868	44,386

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18. PENSION OBLIGATIONS (continued)

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.

KEY ASSUMPTIONS

Discount Rate	2.19	2.36
Inflation (RPI)	3.26	2.58
Inflation (CPI)	2.87	1.58
Salary Growth	3.87	2.58
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at 65 (years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

	2021	2020
	£	£
Allotted, issued and fully paid at 1 April 2020	25	25
Issued during the year	-	-
At 31 March 2021	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, Blythson Limited and Kingswood Care Services 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 2021, the value of capital expenditure which had been contracted for but not provided for in the financial statements was £NIL. (2020: £NIL).

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. FINANCIAL COMMITMENTS

At 31 March 2021, 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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Financial commitments payable:				
Between one and two years	579	579	26	29
Between two and five years	1,239	1,818	66	-
More than 5 years	-	-	-	-
	1,818	2,397	92	29

24. SURPLUS ON DISPOSAL OF FIXED ASSETS

	Group	Association	Group	Association
	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Net proceeds of sales	16	-	1	1
Cost of sales	(171)	(154)	(129)	(129)
Net deficit on sales	(155)	(154)	(128)	(128)

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25. RECYCLED CAPITAL GRANT FUND

	Group and Association	
	2021 £'000	2020 £'000
At 1 April 2020	1,437	1,430
Repaid in year	(817)	-
Interest accrued	4	7
At 31 March 2021	624	1,437

RECYCLED CAPITAL GRANT PAYMENTS DUE

	2021 £'000	2020 £'000
Greater London Authority	168	984
Homes England	456	453
	624	1,437

Amounts of capital grant repayable:

In one year or less (included in current liabilities)	624	1,437
Between one and two years	-	-
Between two and three years	-	-
	624	1,437

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

26. DEFERRED GOVERNMENT GRANT

	Grant at cost £'000	Amortisation £'000	Total Net Grant £'000
At 1 April 2020	89,526	(16,907)	72,619
Amortisation	-	(962)	(962)
At 31 March 2021	89,526	(17,869)	71,657

27. ANALYSIS OF CHANGES IN NET DEBT

Group	At 1 April 2020 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 March 2021 £'000
Cash and cash equivalents				
Cash	1,832	716	-	2,548
Short term deposits	1,307	8	-	1,315
	<u>3,139</u>	<u>724</u>	<u>-</u>	<u>3,863</u>
Borrowings				
Debt due in one year	(7,483)	(4,618)	(537)	(12,638)
Debt due after one year	(4,696)	-	486	(4,210)
	<u>(12,179)</u>	<u>(4,618)</u>	<u>(51)</u>	<u>(16,848)</u>
Total	<u>(9,040)</u>	<u>(3,894)</u>	<u>(51)</u>	<u>(12,985)</u>

LOOK AHEAD CARE AND SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

28. RELATED PARTY TRANSACTIONS

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

During the year ended 31 March 2021 Look Ahead Developments provided design services to Look Ahead Care and Support Limited of £66,000 (2020: £287,000). At the year end date, Look Ahead Developments Limited owed Look Ahead Care and Support Limited an amount of £56,000 (2020: £61,000 due to Look Ahead Developments Limited). Look Ahead Developments Limited paid loan interest of £NIL (2020: £578) to Look Ahead Care and Support Limited. During the year Look Ahead Developments Limited made a gift aid donation of £1,664 to Look Ahead Care and Support Limited.

During the year Look Ahead Care and Support Limited charged rent of £141,000 (2020: £117,000) to Larch Residential Services Limited. At the year end date, Larch Residential Services Limited owed £47,000 (2020: £67,000) to Look Ahead Care and Support Limited. During the year Larch Residential Services Limited made a gift aid donation of £12,657 to Look Ahead Care and Support Limited.

On 31 March 2021, Look Ahead Care and Support Limited purchased 5 properties from Blythson Limited for £1,915,000. This transaction was at arm's length. At the year end date, Blythson Limited owed £53,000 (2020: £1,876,000) to Look Ahead Care and Support Limited. During the year Blythson Limited made a gift aid donation of £786,000 to Look Ahead Care and Support Limited.

At the year end date, Kingswood Care Services Limited owed £107,000 to Look Ahead Care and Support Limited.