

Charity Registration No. 701132

Company Registration No. 2350533 (England and Wales)

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008

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LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mrs R Trustam
Mrs L Nolan
Mr R Sage
Mr R Crabtree
Ms J Holman
Ms D Judd
Mr B Fleming
Mr P Jonas

Secretary

Mr M Ormerod

Charity number

701132

Company number

2350533

Principal address

Conway House
Ackhurst Business Park
Chorley
Lancashire
PR7 1NY

Registered office

Conway House
Ackhurst Business Park
Chorley
Lancashire
PR7 1NY

Auditors

R P Smith & Co
28 St Thomas's Road
Chorley
Lancashire
PR7 1HX

Bankers

Barclays Bank PLC
Market Street
Chorley
Lancashire
PR7 2SZ

Solicitors

Kevills
32 St Thomas's Road,
Chorley
Lancashire
PR7 1HR

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
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LINK – ABILITY (A COMPANY LIMITED BY GUARANTEE) TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2008

Introduction

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2008. The Trustees have adopted the provisions of the 'Statement of Recommended Practice' (SORP) "Accounting and Reporting by Charities" issued in October 2000 (revised 2005) in preparing the annual report and financial statements of the charity.

Link Ability is a charitable company limited by guarantee and was set up on 21 February 1989. It is governed by a Memorandum and Articles of Association, which were last amended on 12th March 1998. Its broad objectives are to provide services to adults and children who have learning disabilities so as to enable them to live in and be part of the local community. It currently discharges this objective through the provision of Registered Care or Domiciliary Care and support to adults or younger people within the provisions of The Care Standards Act 2000.

Link Ability would not be able to provide services without the support from our partners in the housing sector. Link Ability would like to acknowledge the good working relationships we have with Progress Care and Housing, Places for People and Chorley Community Housing. Over the year housing acquisition has been a particular stumbling block in the Chorley district and Link Ability has held a number of meetings with the local housing benefit department and other stakeholders to look at imaginative ways of addressing this problem. Link Ability is grateful for the facilitation of such meetings by Donna Hall (Chief Executive) and Peter Goldsworthy (leader of the ruling group), Chorley Borough Council. Presently this work is still in progress and will be taken forward into the next financial year.

Structure, Governance & Management: The Charity is a company limited by guarantee registered in England number 2350533. The Trustees who are also the directors for the purpose of company law, who served during the year, were -

Trustees
Mrs R Trustam
Mrs L Nolan
Mr R Sage
Mr R Crabtree
Ms J Holman
Ms D Judd
Mr B Fleming
Mr P Jonas

Treasurer and Vice Chairman

Chairperson

The above trustees were duly appointed on or before 18th October 2007. Using the national occupational standards for trustees, trustees are recruited pursuant to Memorandum and Articles of Association that govern the Charity and Company. None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of winding up.

The Trustees are accountable for the good governance of the Charity and Company. They discharge this responsibility through the Executive Director. The management and central services infrastructure has proved fit for purpose in maintaining existing services as well as new service development within the year. The company structure has been closely monitored during the year, evidence suggests, the structure has been fit for purpose, in particular, coping with the smooth transition of recruiting and replacing the key roles of financial controller and office manager. Steady growth of Link Ability is seen as key to maintaining viability and peace of mind to itself and various stakeholders. To this end the review of the company structure will continue to be a focus of appraisal as new services are developed.

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to major risks.

**LINK – ABILITY
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT**

FOR THE YEAR ENDED 31 MARCH 2008

Trustee Retirements and Administrative Information

Mr Alan Alker stood down on 18th October 2007

Company Secretary

Mr Martin Ormerod replacing Mrs V Settle on 7th September 2007 (Non-Trustee)

Chief Officer **Mr David G. Naden**

Executive Director (Non-Trustee)

Business address: Conway House, Ackhurst Business Park, Foxhole Road, Chorley
PR7 1NY.

Auditors R P SMITH & Co , 28 St Thomas's Road, Chorley Lancashire PR7 1HX

Bankers Barclays Bank P L C , 23 Market Street, Chorley

Solicitors Kevills, 32 St Thomas's Road, Chorley, PR7 1HZ

Review of activities, Achievements and Performance

During 2007/08 Link Ability is pleased to report it continued to make satisfactory progress in respect of its key business objectives which have been monitored by trustees throughout this financial year

The primary aim of Link Ability is to maintain and develop care and support services to people experiencing learning disabilities. The following table demonstrates the numbers of people supported and new service developments that came on stream during 2007/08. Thus delivering care and support services to 30 persons living in 18 different locations. By way of comparison in 2006/07 Link Ability supported 28 people across 19 premises. By way of further explanation the 3 people who have moved on were part of low level outreach supports no longer required or had run out of funding. The 5 people moving into new services bring with them much higher funded packages of care and support. One of the new services is a partnership development with the Adult and Community Physical Disabilities Team which may well be a new funding partner for the future.

Service Model	Number (Property)	Number(People)
Registered Care	1	4 (1 with Nursing)
Supported Living	15 (includes 3 new)	24 (includes 5 new)
Outreach	2 (adjusted for 3 leavers)	2 (adjusted for 3 leavers)
Total	18	30

As reported in previous years preserving and improving our reputation with our commissioners has been a key objective. Evidence of Link Ability meeting this objective can be taken from quarterly meetings held with the commissioning team to discuss issues of mutual concern and recognition of positive outcomes for people in care and support services. Added to this the commissioning team's preparedness to still refer new people for spot contracted, niche market services illustrated by this year's growth in numbers of people supported by Link Ability.

The Trustees have again supported recommendations for some improvements to properties used by people supported by Link Ability, the cost of which was taken from the anticipated operating surplus and reserves held for such contingency. Typically improvements concerned gardens, maintenance (including decoration, fire equipment, portable appliance testing, Lift / hoist certification of safety and office security).

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Link Ability has always had a robust training strategy and annual programme, last year witnessed a further commitment to the national workforce objectives evidenced by continued commitment to provide free training for staff in the 'Learning Disability Qualification', NVQ levels 2, 3 and 4 and registered managers award. In addition, specialist training has been delivered through an in house programme such as Health and Safety and Safeguarding Adults. Within the year Link Ability improved on numbers of staff working towards or completing LDQ/ NVQ from 50% to 63%. This has been independently audited by Lancashire's Learning Disability Preferred Provider Scheme and The Commission for Social care Inspection.

During the year Link Ability had two inspections, one for the registered home and one annual inspection of services registered as providing domiciliary supported living. Both audits were made using the Commission's new star ratings the outcome in both was very pleasing as the rating was in the excellent category. This implies Link Ability will be expected to take more responsibility for its own self audit and improvement plan. The reports from audits are publicly available from the Internet by going to www.csci.org.uk, or from Link Ability by email or hard copy.

Link Ability has continued to engage and positively contribute to Valuing People objectives, illustrated by attendance and participation in local Partnership Board meetings, Provider Networks, supporting service users to attend the user networks, participation and promotion of Person Centred learning sets.

Three employees of Link Ability have been selected to participate in a project embraced by Lancashire County Council to identify and train care ambassadors who will take into schools and colleges information about what attracted them to work in the sector and the variety of career opportunity there are for people in care. Link Ability service users and staff have partnered in the production of new recruitment materials including a DVD entitled 'Wonder of Working in Learning Disabilities or WOW for short'. The materials have been formally launched and distributed across Lancashire and the next step is to trial the new materials at job fairs and recruitment events across central Lancashire over the coming year. Link Ability has already committed to work in partnership with four other providers locally to trial the new materials and evaluate their effectiveness. The DVD can be viewed from the internet by going to www.lldc.org.

As person centred planning tools become more widely used they are shaping and developing care and support plans. More people now have support plans in a pictorial style but the coming year offers a new project to develop this work further. It is intended to be a partner in developing information such as policies in DVD and other accessible formats that will not only benefit people supported by Link Ability but can also be piloted across providers in Lancashire and even the North West. Link Ability has not lost sight of its intent to invest in assistive technology and it has been an issue of review by The Premises and Information Technology sub board of Trustees and Management. For now this is an issue that will be given greater priority throughout 2009/10.

A project of significant importance financed from reserves in this year has been to pilot an independently facilitated project with an aim to engage service users to be trained and paid quality checkers. The project outline was announced at Link Ability's AGM and Annual event in October 2007. The initial findings have been reported to management and trustees and will be more widely reported at the 2008 AGM.

The strategy to deliver less reliance on external agency staff has begun to realise benefit resulting in less expenditure in real terms when measured against service growth, hence even greater staffing need. 2007/08 saw expenditure fall from 12% of income 2006/07 to almost 10%. There remains a good deal further to travel and managers meet monthly as does The Financial Sub board to monitor progress. As reported in 2006/07 the strategy may well require two years to see it reach full fruition. Link Ability retains a view that whilst the ideal would be to have absolutely no reliance on external agency this may be an unrealistic target in reality. Alongside reducing investment in external agency is the development and further promotion of the internal relief agency. The year did witness the numbers employed by internal agency grow from a handful to twenty. Amongst that number Link Ability increased numbers of full time peripatetic relief workers from 2 to 3, which has improved

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FOR THE YEAR ENDED 31 MARCH 2008

capacity to have specialist workers capable of working across the agency to cover staff training/ holiday relief as well as in fill for other experienced workers in emergency Internal agency is proving to be a nursery for recruiting permanent employees which in itself brings challenges and benefits The benefits do outweigh challenges The Trustees would wish to take the opportunity to formally note appreciation of the very hard work in contributing to the aim of less external agency brought about by service managers, team leaders, staff and internal agency staff

As a measure of investment in people, official recognition of Link Ability retaining Investors in People UK, was confirmed in April 2007 but as reported in last years annual report the foundations were laid not merely before re accreditation but have roots back to the original recognition of this quality standard attained in 1998 This accreditation is cherished as it is a key requirement to remain on Lancashire's preferred provider list

Link Ability delivered a long held ambition to review, improve and modernise the pay scales for the direct care and support staff Following three months consultation Link Ability introduced a new pay structure that is more in line with the requirements of a trained workforce It does however have a link to the strategy to reduce reliance on external agency so is not completely without risk but the risk is considered to be manageable It also completes a process of salary review of all sectors of the workforce having taken place over the last three years Link Ability recognises that pay rates for people providing care are traditionally at the lower end of national earnings The new rates are based on affordability and are above the minimum EU decency levels of £13,000 per annum which is a different measure than the DWP national minimum wage This is seen as strategically relevant to both recruitment and retention

Closely associated with a strategy for retention the Trustees agreed to a proposal to pay a discretionary bonus which was allocated in consultation with auditors before finalising the year end position Therefore £24,000 was allocated and distributed amongst staff who qualified

The year in review witnessed continued investment in providing PC's in homes and the introduction of broadband connection to the Internet and Link Ability's Intranet The cost of this continues to be met from a dedicated expenditure from reserves The local Training Consortia has been an active partner in providing some of the necessary training to staff unfamiliar with using PC's

During the year Link Ability witnessed the retirement of Company Secretary and Office Manager Viv Settle in September 2007 and Glenys Cowley from the central services admin support team The trustees would like to thank and acknowledge the highly valued contributions made by these people over 17 and 7 years respectively, with both staff involved in witnessing significant management of change during that time

The year also witnessed the launch of Link Ability's website, www.linkability.org.uk The website has a hit counter and on average is experiencing a minimum of 300 visits per month The expertise of office staff has been developed so offering greater opportunity to manage changes Consequently during 2008/09 it is anticipated that further modification to the website will take place to upload information to the public as well as develop web based recruitment

Introduced two years ago, the sub boards continue to meet, chaired by Trustees to govern the strategic direction of Link Ability Each sub board has its own terms of reference which are reviewed as appropriate, in light of the National Occupational Standards for Trustees, developed by The UK Workforce Hub As required, Link Ability trustees reviewed its corporate risk assessment framework in October 2006 as part of its annual statutory duty

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TRUSTEES REPORT**

FOR THE YEAR ENDED 31 MARCH 2008

Financial Review:

- The Financial performance of the company was in line with budget which was under consistent scrutiny of the finance sub board throughout the year. As with previous years Link Ability reviewed its policy on reserves and identified two items of expenditure namely computers in home and delivering a discretionary bonus to staff.
- The introduction of a top single rate for care in 2006/07 continues to be a matter of concern consistently represented to commissioners via the provider network and The Lancashire Learning Disability Consortia. The impact for Link Ability as can be evidenced from audited accounts is that the surplus from fees is unpredictable and marginal. One factor for this is the volatile nature in terms of health complexity of some of our service users. The overall surplus achieved is as much from prudent investment, fee income for housing related support and income from student placements. This issue related to fee income at the benchmark rate is an ongoing discussion with the commissioning team and to be a key issue to carry into the next financial year. From a corporate risk assessment perspective, the impact of this will be incremental and gradual and any immediate risk arising from loss of fee income for a service user is factored into the reserves policy.
- Participation in tendering has to date been unnecessary due to the spot contracting which led to business growth within the year. However organisations cannot afford to remain static, so the need to engage on this business growth footprint will be carried forward into 2008/09.
- Recruitment and retention to the sector continues to be difficult. The HR sub met with Managers and Team Leaders in December 07 to review what presently works and what needs to change. The outcome was a sense that retention was not as great a problem to be solved as increasing recruitment to keep pace with service expansion. Management and Trustees did produce an action plan which since that time has been worked to with some modest success. In 2006/07 the average number of employees on the payroll was reported to be 82. For 2007/08 the audited accounts show the average own employment figures to have risen to 110.
- Financial evidence of growth of employment costs relative to increased numbers supported is shown in the accounts to be up from £1,181,029 (06/07) to £1,429,891 for (07/08).
- As said earlier Link Ability has a clear training strategy and is on track in terms of numbers qualified or in the process of qualification to the national standard of NVQ's. The accounts show that the investment in training is up from £19,271 for 2006/07 to £23,699 for 2007/08. This is the net cost of training not the release and replacement staff cost which if included would show a gross cost of circa £55,000. The training providers continue to be The South Lancashire Learning Disability Consortia (SLDTC) and VOISE. Link Ability continues to be seen by University of Central Lancashire, Lancaster University (now Cumbria University) and Salford University as a provider offering good social work placements for students. In return for student placements Link Ability does generate a small income for fees averaging around £2,500 per student. This also gives the Charity a network opportunity with the faculty of Health and Social Studies at each of the Universities.
- Overall, the audited accounts show a small surplus after paying the discretionary bonus of £8,802.
- The statement of Financial Activities for the year is set out on page 11.
- In summary the financial environment remains as it ever was difficult and potentially volatile, thus placing an onus on Trustees and paid executives to continue to exercise prudent management of resources.

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FOR THE YEAR ENDED 31 MARCH 2008

Reserves

The Board last reviewed its reserves policy on 24th June 2008. Two reserves are maintained, a General Operational Reserve and an Asset Purchase and Improvement Reserve. The purpose of the General Reserve is to cover periods of poor trading and also to provide sufficient funds to provide for a smooth transition of service users, should the wind up of the Company ever be necessary. The Trustees accepted a proposal to set aside a General Operational Reserve of £355,246 and The Asset Purchase and Improvement Reserve at £189,579. For 2008/09, from this reserve the Trustees agreed to set an expenditure budget for asset improvements up to £32,000 made up of £20,000 for service user's premises capital improvements and £12,000 for central office capital improvements. The trustees will review this within 12 months or sooner should it be prudent to do so.

Changes in fixed assets

The movement in fixed assets is set out at page 18 of the Financial Statements.

Governance and internal control

The Articles of Association provide for the management of the Company to be undertaken by a Council of Management (also commonly referred to as the Board of Directors or Board of Trustees and for consistency in this Report, the Council of Management is referred to as the Board of Trustees). The Board of Trustees must comprise not less than 5 and not more than 15 members. The Articles also state that the officers of the Company shall comprise the Chairman, Vice Chairman, Treasurer and Company Secretary. There is also provision in the Articles to ensure that at least one of the Board of Trustees is a parent or advocate of one of the service users. The Board of Trustees is appointed by the Company at the annual meeting. One third of the Board members must stand for re-election each year.

The Board of Trustees meets approximately four times a year plus special meetings. At these meetings the Trustees monitor the financial performance including the annual budget of the Company, receive reports from the Executive Director on operational performance, compliments, complaints and issues requiring decisions and guidance. Staffing and staff sickness is also monitored on a monthly basis. The Trustees also receive and consider all external inspection reports and summaries of any significant findings of the monthly inspections carried out by the Executive Director. In addition, the Board reviews and updates the various operational policies of the company on the recommendation of the Executive Director.

The Board of Trustees also input to and regularly review progress against the targets of its business plan. The business plan assesses the trading risks of the Company, sets strategic direction, and determines priorities and key tasks. A new business plan will be developed and is work in progress for the forthcoming financial year. The new business plan concerns with the further development of the Company as a learning organisation and will strive for continued recognition as a provider of choice by local commissioners of services for people with learning disabilities, users and carers alike.

Trustees' responsibilities

Charity and Company law requires the Trustees to prepare financial statements that give a true and fair view of the Company as at the end of the year and the results of the charitable company for that period. The statements must distinguish any material special trust or other restricted funds of the charity. In preparing these financial statements the Trustees are required to

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are prudent and reasonable
- State whether the policies are in accordance with the appropriate SORP on Accounting by Charities and Accounting Regulations and meet applicable accounting standard, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

LINK – ABILITY (A COMPANY LIMITED BY GUARANTEE) TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2008

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time, the financial position of the charity/company. They are also responsible for ensuring that the financial statements comply with applicable Accounting Standards and Statements of Recommended Practice and regulations made under s44 of the Charities Act 1993 and the Companies Act 1985. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees confirm that the financial statements comply with these requirements.

The Trustees specifically consider the various risks faced by the Company. As well as generally monitoring financial and operational management, as indicated under Governance, the main trading and operational risks are assessed and addressed through the Business Plan process. Through a quality assurance policy and individual support plans for each service user, the Trustees seek to discharge the risks faced by the Company in the care of vulnerable individuals. Similar risks associated with the employment of staff are addressed through the development of staffing, training and health and safety policies and by placing responsibility on the Executive Director to carry out the required risk assessments.

Employee involvement and employment of people with disabilities

Looking forward to the new financial year 2008/09 Link Ability has plans to fund the project started in 2006/07 to train service users to be paid quality checkers.

Employees have continued to be consulted on issues of concern to them by means of consultative meetings/team discussions and in person with respective supervisors. Senior management and operational management meetings produce a staff briefing note following all such meetings as a means to improve communication and specifically make staff aware of internal and external change in the care sector.

Staff members continue to network with the local partnership boards and, in particular, on the sub groups concerned with 'Housing and Accommodation', 'Workforce Planning', 'Quality Framework', 'Workforce Training Confederation', 'Person Centred Planning' and Health Action Plans.

All of this serves to ensure that people with disabilities take a rightful place at the hub of local services design and delivery. Many of the concepts found in local and national social policy hold true to Link-Ability's principles and values.

The national occupational training agenda that has been embraced and incorporated into Link Ability's training plan, has been reviewed and updated. Staff training data sets are uploaded onto Lancashire Plan and with Skills for Care. The advantage is that as this is a web based programme, staff will be able to track their own individual training and development profile. The information can also help the sector get to know how well it is doing in training a competent workforce and make reasoned arguments for central funding to train the sector's workforce.

The Trustees, in consultation with the Executive Director, agreed a number of personal objectives, which are formally reported on as part of the company's business at board meetings. The board recognised that reasonable progress was made in almost all tasks as well as the financial performance objective.

Link Ability staff continue to be a much cherished asset hence the investment made through the year to improve rates of pay and reward them for their contribution to the overall outcomes for Link Ability and all its stakeholder but above all its service users.

Link Ability, in accordance with its equal opportunities policy has long established recruitment, retention and training protocols. It remains work in progress to produce a clear policy statement on equality and diversity.

**LINK – ABILITY
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TRUSTEES REPORT**

FOR THE YEAR ENDED 31 MARCH 2008

Link Ability has a number of detailed policies in relation to personnel matters, such as -

Equal Opportunities Policy
Health and Safety Policy
Harassment, and Bullying Policy (Including Whistle Blowing)
Staff Handbook, Conditions of Service

The arrangement for review and updating the staff handbook continues to be provided under a contract for services with RBS Mentor. The staff handbook has been updated in 2007/08 to reflect changes to employment law.

External Scrutiny

Apart from the independent audit requirements to which the Company is subject under charitable and company law, as a registered provider of residential and domiciliary care services, the Company is subject to inspections by external inspectors. The Commission for Social Care Inspection staff carry out these inspections. Additionally since the introduction of the preferred provider Scheme Link Ability has provided as required 6 monthly self audit returns to Lancashire County Councils, Contracts Directorate. Feedback to date shows Link Ability to be delivering services to the required standard in all areas and in quite a few above the minimum requirement.

Auditors

A resolution proposing that the auditors be re-appointed as auditors of the Charity will be put to the Annual General Meeting.

Disclosure of Information to Auditors

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

The Board approved the financial statement and report on 9th September 2008.



Paul Jonas (Chairman)

David Naden (Executive Director)



**LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LINK - ABILITY**

We have audited the accounts of Link - Ability for the year ended 31 March 2008 set out on pages 11 to 20. These accounts have been prepared under the accounting policies set out on page 14.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As described on page 6, the Trustees, who are also the directors of Link - Ability for the purpose of company law, are responsible for preparing the Trustees Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees Report is consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the the Charity is not disclosed.

We read other information contained in the Trustees Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF LINK - ABILITY

Opinion

In our opinion

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the the Charity's affairs as at 31 March 2008 and of its incoming resources and application of resources in the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees Report is consistent with the accounts

RP Smith & Co

R P Smith & Co
Chartered Accountants
Registered Auditor
28 St Thomas's Road
Chorley
Lancashire
PR7 1HX

Dated *22/09/08*

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2008

	Notes	Unrestricted funds £	Designated funds £	Total 2008 £	Total 2007 £
<u>Incoming resources from generated funds</u>					
Investment income	2	18,023	-	18,023	14,216
Incoming resources from charitable activities	3	1,784,905	-	1,784,905	1,520,233
Other incoming resources	4	29,996	-	29,996	21,044
Total incoming resources		1,832,924	-	1,832,924	1,555,493
<u>Resources expended</u>					
	5				
<u>Charitable activities</u>					
Provision of care		1,818,256	-	1,818,256	1,554,577
Governance costs		5,677	-	5,677	3,788
Total resources expended		1,823,933	-	1,823,933	1,558,365
Net incoming/(outgoing) resources before transfers		8,991	-	8,991	(2,872)
Gross transfers between funds		(103,812)	103,812	-	-
Net (outgoing)/incoming resources		(94,821)	103,812	8,991	(2,872)
Other recognised gains and losses (Losses)/gains on investment assets		(189)	-	(189)	63
Net movement in funds		(95,010)	103,812	8,802	(2,809)
Fund balances at 1 April 2007		451,145	85,767	536,912	539,721
Fund balances at 31 March 2008		356,135	189,579	545,714	536,912

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008

	2008 £	2007 £
Total income	1,832,924	1,555,493
Total expenditure from income funds	1,823,933	1,558,365
Net income/(expenditure) for the year	<u>8,991</u>	<u>(2,872)</u>

The summary income and expenditure account is derived from the statement of financial activities on page 11 which, together with the notes on pages 14 to 20, provides full information on the movements during the year on all funds of the charity

STATEMENT OF RECOGNISED GAINS AND LOSSES

Net income/(expenditure) for the year	8,991	(2,872)
Unrealised (losses) / gains on investment assets held by income funds	(189)	63
	<u>8,802</u>	<u>(2,809)</u>

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	10	19,874		25,506	
Investments	11	889		1,078	
		<u>20,763</u>		<u>26,584</u>	
Current assets					
Debtors	12	184,090		177,492	
Cash at bank and in hand		478,656		464,418	
		<u>662,746</u>		<u>641,910</u>	
Creditors: amounts falling due within one year	13	<u>(137,795)</u>		<u>(131,582)</u>	
Net current assets		<u>524,951</u>		<u>510,328</u>	
Total assets less current liabilities		<u>545,714</u>		<u>536,912</u>	
Income funds					
Unrestricted funds					
Designated funds		189,579		85,767	
Other charitable funds					
Unrestricted income funds		355,246		450,067	
Revaluation reserve		889		1,078	
		<u>356,135</u>		<u>451,145</u>	
		<u>545,714</u>		<u>536,912</u>	

The accounts were approved by the Board on

9th Sept 2008

Mr P Jonas

Mr R Sage

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention, with the exception of investments which have been included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 1985

1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

1.3 Resources expended

Resources expended are accounted for in accordance with the accruals convention. Expenditure on operational programmes is recognised in the period in which it has been incurred. A designated fund is established for expenditure which has been committed to projects, but remains unspent at the year end

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Assets costing less than £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Office equipment and fixtures	5% to 25% on cost
Service base equipment and fixtures	5% to 25% on cost

1.5 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease

1.6 Investments

Investments held as fixed assets are stated at open market value at the balance sheet date. Unrealised gains and losses are included on the Statement of Financial Activities each year

Dividends are included in the profit and loss account when received

1.7 Pensions

The the Charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme

1.8 Accumulated funds

Where necessary the General Funds are earmarked as designated funds in order to facilitate the management and administration of the Charity

The charity does not hold restricted funds

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

1 Accounting Policies

(continued)

1.9 Apportionment of costs

Costs of direct charitable expenditure are allocated on the basis of consumption of goods and services in each of the service bases operated by the charity. Support costs include any other costs borne by the charity in continuance of its activities. Where expenditure has been incurred which represents both charitable project support and general management of the charity the cost has been apportioned on the basis of the management time allocated to each activity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements. Costs are apportioned gross including irrecoverable VAT.

2 Investment income

	2008 £	2007 £
Income from listed investments	45	41
Interest receivable	17,978	14,175
	<u>18,023</u>	<u>14,216</u>

3 Incoming resources from charitable activities.

	2008 £	2007 £
Provision of care	<u>1,784,905</u>	<u>1,520,233</u>
Included within income relating to provision of care are the following grants		
Fees - Local and Health Authorities	1,703,570	1,423,451
Supporting People grant	81,335	96,782
	<u>1,784,905</u>	<u>1,520,233</u>

4 Other incoming resources

	2008 £	2007 £
Other income	<u>29,996</u>	<u>21,044</u>

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2008 £	Total 2007 £
Charitable activities					
<u>Provision of care</u>					
Activities undertaken directly	1,258,317	3,643	275,013	1,536,973	1,279,512
Support costs	171,574	5,127	104,582	281,283	275,065
Total	1,429,891	8,770	379,595	1,818,256	1,554,577
Governance costs	-	-	5,677	5,677	3,788
	1,429,891	8,770	385,272	1,823,933	1,558,365

Governance costs includes payments to the auditors of £4,530 (2007 £2,640) for audit fees

6 Activities undertaken directly

	2008 £	2007 £
Other costs relating to provision of care comprise		
Agency staff	198,636	174,272
Staff Training	23,699	19,271
Premises repairs, servicing, heat and light	9,466	12,934
Residents living and household expenses	11,880	21,061
Staff travel and residents transport	7,643	6,528
Medical supplies	5,518	2,864
Registration fees and subscriptions	3,165	1,640
Recruitment expenses	15,006	6,130
Other costs	-	13,998
	275,013	258,698

7 Support costs

	2008 £	2007 £
Central office administration costs	104,582	105,146
Staff costs	171,574	165,185
Depreciation	5,127	4,734
	281,283	275,065

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

8 Trustees

None of the Trustees, or any persons connected with them, received any remuneration, benefits or expenses from the the Charity during the year

The insurance charge in the accounts includes £1,148 in respect of a combined policy which provides cover to protect the charity from loss arising from the neglect or defaults of its trustees or employees

9 Employees

Number of employees

The average monthly number of employees during the year was

	2008	2007
	Number	Number
Care and support staff	110	82

Employment costs

	2008	2007
	£	£
Wages and salaries	1,305,651	1,076,440
Social security costs	104,935	87,675
Other pension costs	19,305	16,914
	1,429,891	1,181,029

During the year the Charitable Company incurred costs of £198,636 in respect of agency staff in service bases (2007 £174,272)

There were no employees whose annual emoluments were £60,000 or more

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

10 Tangible fixed assets

	Office equipment and fixtures	Service base equipment and fixtures	Total
	£	£	£
Cost			
At 1 April 2007	30,397	73,364	103,761
Additions	2,088	1,050	3,138
At 31 March 2008	32,485	74,414	106,899
Depreciation			
At 1 April 2007	17,033	61,222	78,255
Charge for the year	5,127	3,643	8,770
At 31 March 2008	22,160	64,865	87,025
Net book value			
At 31 March 2008	10,325	9,549	19,874
At 31 March 2007	13,364	12,142	25,506

11 Fixed asset investments

	£
UK listed investments	
Market value at 1 April 2007	1,078
Change in value in the year	(189)
Market value at 31 March 2008	889

The shares were acquired as a result of the floatation of Norwich Union, in which Link-Ability held an investment account, and the subsequent merger to form Aviva plc. There was no cost to the charitable company in acquiring the shares.

The charity holds 144 Ordinary shares. The market value at 31 March 2008 was 617.5 pence per share (2007 748 pence).

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

12 Debtors	2008	2007
	£	£
Trade debtors	105,956	128,618
Other debtors	200	200
Prepayments and accrued income	77,934	48,674
	<u>184,090</u>	<u>177,492</u>

13 Creditors: amounts falling due within one year	2008	2007
	£	£
Trade creditors	27,054	30,945
Taxes and social security costs	32,484	21,527
Other creditors	28,448	32,636
Accruals	49,809	46,474
	<u>137,795</u>	<u>131,582</u>

14 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

15 Share capital

The company is limited by guarantee and has no share capital. The Directors of the company (who are also Trustees of the Charity) undertake, whilst still a member or within one year after ceasing to be a member, to contribute such amount as may be required (not exceeding £1) to the company's assets should the company be wound up.

LINK - ABILITY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2008

16 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 March 2008 are represented by			
Tangible fixed assets	19,874	-	19,874
Investments	889	-	889
Current assets	473,167	189,579	662,746
Creditors amounts falling due within one year	(137,795)	-	(137,795)
	<u>356,135</u>	<u>(189,579)</u>	<u>545,714</u>
Unrealised gains included above			
On investments	889	-	889
	<u>889</u>	<u>-</u>	<u>889</u>
Reconciliation of movements in unrealised gains			
Unrealised gains at 1 April 2007	1,078	-	1,078
Net gains on revaluations in year	(189)	-	(189)
Unrealised gains at 31 March 2008	<u>889</u>	<u>-</u>	<u>889</u>

The Trustees have designated funds for the purchase and improvement of assets

17 Commitments under operating leases

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2008 £	2007 £
Expiry date		
Within one year	31,150	37,514
Between two and five years	38,400	-
	<u>69,550</u>	<u>37,514</u>