

Charity Registration No 701132

Company Registration No 2350533 (England and Wales)

**LINK - ABILITY**  
**( A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

WEDNESDAY



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11/08/2010  
COMPANIES HOUSE

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

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**Trustees**

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

**Accountants**

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

**Bankers**

Barclays Bank PLC  
Market Street  
Chorley  
PR7 2SZ

**Solicitors**

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

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**( A COMPANY LIMITED BY GUARANTEE)**  
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## **Report of the Trustees for the year ended 31 March 2009**

### **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 2010. 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 12<sup>th</sup> March 1998. Its broad objectives are to provide services to adults and young people in transition to adult services who have learning disabilities so as to enable them to live in and be part of the local community. People in care and support services may also experience physical and sensory impairment, they may also have behavioural support needs and / or mental ill health. It currently discharges this objective through the regulated provision of Registered Care or Domiciliary Care and support to adults or younger people within the provisions of The Care Standards Act 2000. The independent regulatory body responsible for inspection of our services has been The Commission for Social Care Inspection. From April 2009 this was replaced by The Care Quality Commission within provisions for a new regulatory system as set out in The Health and Social Care Act 2008.

Link Ability would not be able to provide services without support from a range of partners and stakeholders comprising people and their families in need of care and support services, financial backing based on individual assessed need by the council, registered and independent social landlords, volunteers and a committed workforce. The range of formal and informal networks all combine to meet our primary objective which is to support people using services to 'Live Life to The Full'. This also contributes a culture that is person centred and positively invests in taking account of Parent / Carer views.

The Trustees are confident that the activities detailed below satisfy the requirement for the Charity to show that it meets public benefit requirements in accordance with section 4 of the 2006 Charities Act.

### **Legal and administrative information**

**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 MBE

Mr R. Sage

Mr R. Crabtree

Ms J. Holman

Ms D. Judd

Mr B. Fleming

Mr D. Mitchell

Mr P. Jonas

Treasurer and Vice Chairperson

Chairperson

### **Duty of Trustees**

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. Steady growth of Link Ability is seen as key to maintaining viability. 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.

### **Reporting Serious Incidents – Declaration to Annual Report (Statement)**

Link Ability Trustees reasonably believe they have taken all reasonable steps to assess and manage risks to the activities of the Charity, beneficiaries, property, work and reputation. In this regard the Trustees of Link Ability make a declaration that there are no serious incidents or other matters relating to the Charity concerning the previous financial year that should be brought to the attention of The Charity's Commission or failed to do so.

**Chief Officer** Mr David G. Naden

Executive Director (Non-Trustee)

### **Company Secretary**

Mr Martin Ormerod

Financial Controller (Non-Trustee)

**Registered 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**

2009/10 was an especially eventful year for Link Ability given that apart from all the normal activity which will be reported on, it was during this financial year Link Ability celebrated its 20<sup>th</sup> Anniversary having been incorporated since February 1989. The organisational landmark was celebrated with a party for almost 200 guests comprising service users, carer's local dignitaries and staff, (including staff who had been its very first employees). During the event Link Ability paid tribute to the founding parents, the first people to be supported and staff who were the first employees. It also recognised the support from the local business community and both local and national charities that had helped it on its way two decades ago. Appropriately Link Ability also recognised the unstinting contribution over the twenty years by three of the founding trustees.

To focus back on the normal activity, the organisation is appreciative that amidst an increasingly difficult financial environment Link Ability is pleased to report it made better than anticipated progress in respect of its key business objectives which have been monitored by trustees throughout this financial year

As laid out in the introduction the primary aim of Link Ability is to maintain and develop care and support services to people experiencing learning disabilities. It is with sadness Link Ability reports during the year that three people in care and support services died. Again bringing vividly to mind the very volatile nature of some people in terms of health and wellbeing, Link Ability exists to provide services for

Such losses are felt as deeply as losing a close family member and this is why Link Ability has a clear policy on reserves to ease the company through any financial loss that may result in the deaths of service users and the time it takes to consult people about introducing new tenants. It also counters the otherwise need to consider short time working or lay off staff we work so hard to recruit, train and retain. The final five months of the financial year has been heavily involved in seeking new and compatible tenants to three vacancies. This work because of the very person centred approaches has continued into the new financial year. There is realistic optimism that next year Trustees will report these vacancies have indeed been filled with new service users.

An exciting and new development to report upon that resulted in a significant rise in numbers of people supported and likewise numbers of staff employed, has been the negotiation of a TUPE transferred block contract from Rochdale Metropolitan Borough Council Services to the people concerned had previously been delivered by a parent led Charity that found itself unable to continue. The commissioner was concerned to find a like minded organisation to take over and for this and service user continuity obtained an exception from the normal requirement to tender. The full year's value of this contract is just over £500,000 and commenced on 1<sup>st</sup> November 2009, following very careful negotiation, workforce consultation and 'Due Diligence'. The new contract for services with RMBC assured a provider could take over in less time than a tender process would otherwise take in order to meet the assessed needs of 30 people and TUPE transfer of 30 staff including a manager. The Link Ability Trustees and senior managers spent over six months considering the upside benefits and downside risks associated with this opportunity. At the financial year end Link Ability has started to draw down the positive financial impact of the new contract without any of the anticipated and manageable downside risks materialising. However any temptation for complacency is simply not allowed so as the new financial year commences the prudent monitoring of this development will continue under the watchful eye of Trustees and management. It is worth mentioning the collective effort brought about by managers and staff, to maintain viability amidst very challenging financial circumstances that can be seen in the audited accounts. For example, the financial year witnessed a the loss in fees due to the deaths of three service users, a further fee reduction as consequence of the LCC review of all service users and the cost for appointing a further Assistant Director. All of these factors had been anticipated to require a draw on reserves to cover shortfalls in the accounts. In other words Link Ability was bracing itself for an overall loss in the financial year and reduced assets (or commonly referred to as reserves). The true result is the cost of all this has been fully met in the company accounts for 2009/10 without a reduction in company assets. As a comparison in 2009 the total assets stood at **£537,713**, for 2010, the assets have modestly increased to **£540,854** (See page 14 of financial statement). The trustees commend the collective effort of staff at all levels of the company in delivering this outcome.

The public benefit from the review of activities is that through the work of Link Ability, the people supported are assisted to promote their own independence and have the status of tenant, voter, consumer, volunteer, citizen. With the growth of the Personalisation agenda comes a new opportunity to be an employer as well as employee. Overall, during the last financial year, Link Ability steadily increased the activities of the charity. For example, provided decent employment and career development (Professional and vocational) for the workforce. Maintained its Mission, Vision, Values and contributed to the development of a more inclusive and diverse local community. Link Ability acknowledges the contribution from all its stakeholders to this outcome.

In light of the new contract in Rochdale the following tables illustrate changes to the numbers of people supported, locations and numbers of people employed. The staffing headcount does include management and admin.

#### **2009 Chorley & South Ribble**

<b>Service Model</b>	<b>Number (Property)</b>	<b>Number(People)</b>
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)
<b>Total</b>	<b>18</b>	<b>30 (29 as at February 2009)</b>

#### **2010 Chorley & South Ribble**

<b>Service Model</b>	<b>Number (Property)</b>	<b>Number(People)</b>
Registered Care	1	3 (1 with Nursing) - 1 Void
Supported Living	15	22 - 2 voids
Outreach	3 (includes 1 new)	3 (includes 1 new)
<b>Total</b>	<b>18</b>	<b>28</b>

#### **New Block contract November 2009 to March 2010 Rochdale, Heywood & Middleton**

<b>Service Model</b>	<b>Number(Property)</b>	<b>Number(People)</b>
Registered Care	0	0
Supported Living	4	14
Outreach	16	16**
<b>Total</b>	<b>20</b>	<b>30</b>

**\*\* The number in outreach supports is now reduced to 11, the reason for this is one person died and 4 people elected to move to a care company managed by a former employee of the care company Link Ability replaced. RMBC are committed to replace these voids as soon as possible.**

Over the year Link Ability held quarterly meetings with the commissioning manager and members of The Central Lancashire Learning Disability Team. The meetings are a proactive forum for sharing issues about the people receiving care and support services and to agree plans for review. As already referred to in the report Lancashire County Council undertook individual reviews of people's needs within the provisions of The 1990 NHS and Community Care Act as well as reviewing the standard of service offered by Link Ability. The outcome from the review has been that some people had levels of service uplifted and some had them reduced. The reviews were done using a process called Resource Allocation System (RAS) which includes some elements for the person or advocate to produce a self assessment. There are a number of resource allocation models being developed by Councils across the country and Link Ability is building its own knowledgebase of the models presently being piloted in Lancashire with help from time to time from a former Chairperson Brian Collinge. Link Ability would like to thank Brian for this work and insight into the upside and downside aspects of this new system for purchasing care services. After the reviews had been completed, cumulatively, fees receivable have been reduced by around £40,000 in a full year. Encouragingly, the report produced by the review team was very complimentary to Link Ability. Since the review some people have challenged their assessments supported by family

and advocates with varying degrees of success Overall, the lasting risk and concern to Link Ability has been the apparent lack of referrals to the vacancies This matter is now in the process of being resolved and continues to be work in progress

A major challenge to Link Ability and all care providers is to become fully engaged in the move towards Individual Budgets The initial response has been to invest in a course for managers covering the legal implications of personalisation hosted by Lancashire Learning Disability Consortia (LLDC) presented by Belinda Schwehr (Health and Social Care Law) The outcome has been to equip managers with information to cascade to service users, staff and advocates to ensure assessments are undertaken properly, procedurally and resource allocations are applied fairly Also, in response to the review recommendations Link Ability is engaged with the Physical Disabilities Team to help three existing tenants towards personal budgets Another person funded on behalf of the Learning Disabilities Team is also using a personal budget to buy his service from Link Ability It is of strategic importance for Link Ability to do more in terms of what has been termed the personalisation agenda

In light of the new contract with RMBC Link Ability has invested significant time and resource to develop a similar tenor of relationship with funders and the community teams covering Rochdale, Heywood and Middleton Meetings are now starting to move to a quarterly review basis as the new arrangements start to become embedded. It is intended to ensure Link Ability has a good profile in Rochdale and has already identified important stakeholder forums such as Partnership Board meetings to ensure a regular attendance

Link Ability pressed on with its intention to expand infrastructure as indicated in last years Trustees report, additionally this has further expanded in line with the TUPE transfer of contract and staff including its manager The administration requirements at Rochdale have been assessed and many have been centralised to the registered office in Chorley This did not involve redundancy as the positions were vacant prior to TUPE transfer Over the forthcoming financial year there will be ongoing review of the Rochdale office needs and as required consideration for resources will be made and if affordable provided All TUPE transferred employee's received a tailored induction and welcome to Link Ability delivered by the Executive Director on 1<sup>st</sup> November 2009 Later the same week all the management team spent a day to produce a business plan to ensure full integration to what is 'one company' materialises by November 2010 There has been immediate investment in workforce development for these employees along with a pay review and the start of extending the computerisation project to include services in Rochdale

Link Ability continued to invest heavily in developing its Person Centred Culture both in Rochdale and Chorley The outcome in Chorley is to witness the establishment of a number of PCP champions although the lead for the agency is one of the Assistant Directors This work is being extended to new services in Rochdale For example, by June 2010 all service users in Rochdale, who want one, will have started to be assisted to work towards having a Person Centred Plan and Health Support Plan Link Ability intends to introduce social work student placements to Rochdale as is the case in Chorley and has made the placement opportunity known to the Universities we deal with (UCLAN, Salford & Stockport)

Link Ability is pleased to confirm that it did fulfil the commitment to provide from the operational reserves, a conservatory extension and hydrotherapy bathing facilities for the premises managed in partnership with Progress Housing situated in Leyland. One of the tenants was moved to write formally to Trustees thanking them for the new bathing facilities which had meant he had been able to make a choice between a bath or shower for the first time in three years The conservatory now means there is another room for tenants to receive visitors in private other than their own bedrooms Link Ability continues to use funds from operational reserves to cover portable appliance testing, lift maintenance and annual servicing



of fire control equipment. Again for avoidance of doubt, the cost of this has been managed from the financial accounts for 2009/10 and explains why the surplus from accounts is relatively so small in relation to growth of turnover.

The training and development of staff is embedded in the culture of Link Ability. Typically in hard times companies have a tendency of having to make savings cut back on training. Despite all the challenges faced during this financial year this has never been a consideration. During the year Link Ability invested significantly in staff training which is seen strategically relevant to retention, continued professional development and quality. For 2009/10 Link Ability was again able to reclaim some of the fees for training back from Lancashire Workforce Development Partnership (LWDP). In uncertain times it is not clear how much longer these grants which come from government will continue but the outlook is they are secure for the next couple of years at least. As was the case in 2008/09 the numbers of people employed grew during this financial year, even after accounting for new starters due to turnover the numbers qualified or enrolled for mandatory training is improved on last year up from 65% to 75% and well above the national requirement. Internal audit of this is maintained by The Training Sub Board.

Link Ability is rated 'excellent' by the Commission for Social Care Inspection (now The Care Quality Commission, CQC). During 2009/10 Link Ability submitted, as required, a self rating report that evidenced how it is maintaining and improving the quality of services not only in regard to The Care Standards but also in relation to the Valuing People Now objectives. The submission was benchmarked against contact from CSCI to service users, staff and carers who also submitted questionnaires about Link Ability to CSCI. The outcome was to be seen as maintaining the excellent status, CSCI at their discretion can undertake an unannounced inspection should they feel the need to do so which is adequate stimulation to avoid complacency. As mentioned the new regulatory body CQC has come into force following the end of this financial year. Work towards the new regulation and registration requirements is well in hand and will be driven by all Assistant Directors working collaboratively on the process. The reports from audits for 2009/10 are publicly available from the Internet by going to [www.cqc.org.uk](http://www.cqc.org.uk), or from Link Ability by email or hard copy. It is Link Ability's normal practice to distribute copies of reports at the time of release into the public arena. Copies of reports can be found by visiting Link Ability's website [www.linkability.org.uk](http://www.linkability.org.uk).

Link Ability has continued to engage and positively contribute to the local Valuing People objectives, for example, 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. As mentioned earlier in this report it is doing likewise in Rochdale and building new networks.

Link Ability's care ambassadors continue to contribute to the LWDP and visit schools and colleges sharing information about what attracted them to work in the sector and the variety of career opportunity there are for people in care. Recruitment has made use of the new materials developed under the strap line of 'WOW' which means The Wonder Of Working in Learning Disabilities. Throughout the year we have continued to ensure service users participate in staff recruitment and now have a growing number of service users trained to do this.

Link Ability has developed a culture for working in partnership of which the following are illustrative

- The Financial Controller is company secretary for LLDC
- The Executive Director chairs the LLDC
- The Executive Director is a member of a task group developing a unified contract for learning disabilities which is also expected to be used for all sectors Lancashire wide
- One Assistant Director is a regular member of The Partnership Board PCP learning set
- Membership of LWDP, LLDC, SLLDTC
- Regular attendance and nominated rep for Providers at The Chorley and South Ribble locality forum
- Nominated rep for Central Lancashire Provider network and board member of Central Lancashire partnership Board
- Member of PLURISA – Training partnership able to offer training to staff working with people who may need physical intervention Link Ability has three staff who are accredited trainers
- Presently working up a project in partnership with other members of LLDC to train trainers in intensive interaction used with people with needs for very individual means of communication

The Assistive Technology agenda made reasonable progress during the year. A donation from a local solicitor of £3,000 has been ring fenced to buy equipment so three tenants living in Leyland can manage their own environment. This is an on going joint venture with our housing partners Places for People, New Progress and Integrate a voluntary care provider from Preston with who we feel we have collaborative and shared values. Any learning from this pilot is freely available to the Partnership Board and Local forums for Central Lancashire and Chorley and South Ribble. Link Ability continues to lease telecare equipment for people in tenancies to help with risk management and promoting independence. Funds have also been used to purchase low tech equipment such as medication dispensers for people wanting to take responsibility for own medication.

The project to help train service users to contribute to staff appraisals is expected to be launched during 2010/11.

The development of the internal staff relief agency has resulted in yet another year where the spend on external relief is down from £89,996 for 2008/09 to £60,369 in 2009/10. Trustees would like to note that the aim of reducing expenditure on external agency is about far more than money. It is equally if not more about staffing consistency, reliability of staff and quality. The upside to reducing such expenditure is the numbers of our own employed has grown and significantly to increasing the capacity of recruiting internal relief workers. Link Ability would wish to commend The Internal Agency Coordinators for the leading the collective effort by management and staff for bringing this result.

Link Ability reaffirms a commitment to offering the best most affordable pay and conditions to the workforce. In 2009/10 it was able to deliver a better cost of living award for employees than in the public sector. However it is important to mention that other benefits for public sector workers (Pensions) remain better than are affordable in the voluntary sector. Looking forward to 2010/11 the outlook is not optimistic with the real potential for there to be a freeze on cost of living uplifts. Link Ability will ensure staff are kept abreast of such eventuality.

There was a period between December 2009 and February 2010 when Trustees were concerned that the year end forecast of financial performance may be result in a deficit and therefore being unable to consider rewarding staff a bonus. The pre audit management accounts did deliver a surplus sufficient to give staff a reward based on 50% or £100 (whichever is greater) the cumulative cost of which was £20,000.

In light of all the aforementioned volatile and challenging issues from the year, the Trustees consider that to deliver a modest surplus is a remarkable achievement. The Board would like to commend Robert Sage and Martin Ormerod for their collective drive and prudence in delivering this result.

#### **Financial Review:**

- The Financial performance of the company was in line with budget (allowing for adjustment in respect of RMBC contract) which was under monthly scrutiny of the finance sub board and quarterly at full trustee meetings throughout the financial year. Link Ability has reviewed its policy on reserves and made adjustments to account for any downside risks associated with the contract for Rochdale. As reported it has identified items for investment based on prudent utilisation from reserves. Those investments have been made in line with its financial control and procedures for proper governance of the charity.
- Via the Central Lancashire Provider Network, LLDC and County Quality Group Link Ability and other providers articulated the need for and managed to achieve a review of the top single hourly rate introduced by the Council in 2006. The outcome has not led to any increase despite considerable and robust representation from the LLDC. Another worrying issue is that for three years running the inflation uplifts for other sectors has been significantly better than for learning disability providers. This is a matter for ongoing discussion via the various consultative forums. One positive outcome from the review team coming into Link Ability has been that it now receives payment for domiciliary supports at the top single rate. The net result however when taking account of all hours reduced as well as those increased from the review it leaves Link Ability with an annual fee reduction of £40,000. The impact as reported has been offset with the new contract with RMBC and since December some reduced fee income has been reinstated following successful challenge. Taking all this into consideration and against a context of a possible worsening economic climate the outcome overall might be said to be better than it might otherwise be. Link Ability will continue to seek the best rates it can in order to maintain its niche market services and deliver decent pay and conditions to the workforce.
- The capacity to take more students has increased in line with the expansion in infrastructure at Assistant Director level during 20010/11. Link Ability will look at how this may be further built upon.
- In view of the contract with RMBC which has delivered significant growth other than giving priority to filling the voids Link Ability has not submitted expressions of interest for any tenders in Lancashire. It will however seek to submit at least one during the next financial year.
- The numbers of care and support staff are misleading having jumped from 118 in 2008/09 to 130 in 2009/10 and relate to the TUPE transfers. Link Ability is aware when all voids are filled there will be a requirement to recruit something in the region of a further 10 staff starting in April 2010.
- Financial evidence of growth of employment costs relative to increased numbers supported is borne out in the accounts, up from £1,744,371 (08/09) to £1,948,973 (2009/10).

- 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 slightly up from £18,507 (2008/09) to £20,367 (2009/10) It is important to explain this expenditure relates to the cost of course fees The on cost of replacement staff, travel and training materials is included in overall employment costs that are listed in the audited accounts The statement of Financial Activities for the year is set out on page 15
- In summary the financial environment is expected to remain challenging for the foreseeable future, as such there is no change in policy for Trustees and paid executives to continue to exercise prudent management of all Link Ability resources irrespective of the legal requirements pursuant to Charity and Company legislation The overall financial result for 2009/10 was a surplus of £3,141

### **Reserves**

- The Board last reviewed its reserves policy in March 2010 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 £379,000 (Increased in line with risk assessment for Rochdale contract) and The Asset Purchase and Improvement Reserve at £161,854 Within the financial accounts these are referred to as 'Designated funds' and 'Unrestricted funds'. For clarity it remains at the Trustees discretion to make movements between these funds and all assets are in reality unrestricted In other words funds can be invested or spent as the Trustees consider prudent and in the best interests of Link Ability.

### **Changes in fixed assets**

- The movement in fixed assets shows an increase from £15,815 to £32,546 and reflects the improvements at the home in Leyland

### **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 reviews 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 The Trustees and management agreed the framework of a new business plan in July 2008 The significant objective to develop new services and marketing Link Ability with other local authorities has been achieved in this financial year with the block contract with RMBC The Trustees and management will be seek to review and agree an updating business plan during 2010/11 to give strategic direction between 2012 and 2015

### **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

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**

Link Ability continues its work to train service users to be paid quality checkers and to train service users to appraise their staff. During this financial year and moving forward Link Ability has made available resources to support tenants to meet amongst each other and at least twice a year have a meeting with the Quality Sub Board.

Employees 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. In light of the managing change agenda, brought about with the TUPE transfer of a Rochdale based workforce this can be evidenced in terms of the wide consultation that Link Ability made with staff who would be subject to TUPE transfer alongside its existing workforce. This was further exemplified by the production of a plan to ensure full integration to 'one company'. This has recently been reviewed and an report in accessible format has been produced for Trustees demonstrating how much to target management and staff are on this.

Staff at various levels in Link Ability 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 core values set down over 20 years ago at the point of its incorporation as a Charity and Limited Company.

The national occupational training agenda that has been embraced and incorporated into Link Ability's training plan, has been reviewed and updated by the training sub board. 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 are able to track their own individual training and development profile.

The Trustees, in consultation with the Executive Director, monitor and agreed the overall business objectives, which are formally reported on as part of the company's business at board meetings. The board recognised that reasonable progress was made during the financial year.

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.

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 is provided under a contract for services with RBS Mentor. The staff handbook has been updated in 2009/10 to reflect changes to employment law. The procedural guidance for Equal Opportunities takes account of an individual staff or prospective employees strengths and approach to fair employment practice.

The senior management team have a plan for annual review and updating statements on policy and procedures.

### **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 (Now Care Quality Commission).

Link Ability is progressing through stage two for admission to Lancashire County Councils 2010, preferred provider list due to be published from July 2010. As a pre contract condition Link Ability had to demonstrate evidence to RMBC concerning operational and business viability. As part of this accreditation process references were supplied from LCC head of contracts, Supporting People Team and Commissioning manager for Central Lancashire.

### **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.

This report was prepared in accordance with the small company regime (section 419(3) of the Companies Act 2006).

The Board approved the financial statement and report on 29<sup>th</sup> June 2010.



**Paul Jonas (Chairperson)**

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

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We have audited the financial statements of Link - Ability for the year ended 31 March 2010 set out on pages 15 to 24. These financial statements have been prepared in accordance with the accounting policies set out on page 18.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) together with the responsibilities set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements 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 financial statements 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 financial statements, 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 financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, 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 financial statements 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 financial statements.



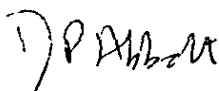
**LINK - ABILITY**  
**( A COMPANY LIMITED BY GUARANTEE)**  
**INDEPENDENT AUDITORS' REPORT (CONTINUED)**  
**TO THE MEMBERS OF LINK - ABILITY**

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**Opinion**

In our opinion

- the financial statements give a true and fair view of the state of affairs of the the Charity as at 31 March 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006,
- the information given in the Trustees Report is consistent with the financial statements



**D Abbott (Senior Statutory Auditor)**  
**for and on behalf of R P Smith & Co**

**Chartered Accountants**  
**Statutory Auditor**  
28 St Thomas's Road  
Chorley  
Lancashire  
PR7 1HX

Dated 04/02/10

**LINK - ABILITY**  
**( A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	Unrestricted funds £	Designated funds £	Total 2010 £	Total 2009 £
<b><u>Incoming resources from generated funds</u></b>					
Investment income	2	927	-	927	19,190
Incoming resources from charitable activities	3	2,212,395	-	2,212,395	1,969,640
Other incoming resources	4	35,626	-	35,626	51,956
<b>Total incoming resources</b>		<b>2,248,948</b>	<b>-</b>	<b>2,248,948</b>	<b>2,040,786</b>
<b><u>Resources expended</u></b>					
	5				
<b>Charitable activities</b>					
Provision of care		2,241,764	-	2,241,764	2,043,405
Governance costs		4,283	-	4,283	4,804
<b>Total resources expended</b>		<b>2,246,047</b>	<b>-</b>	<b>2,246,047</b>	<b>2,048,209</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>2,901</b>	<b>-</b>	<b>2,901</b>	<b>(7,423)</b>
Gross transfers between funds		(204,451)	204,451	-	-
<b>Net (outgoing)/incoming resources</b>		<b>(201,550)</b>	<b>204,451</b>	<b>2,901</b>	<b>(7,423)</b>
<b>Other recognised gains and losses</b>					
Gains/(losses) on investment assets		240	-	240	(578)
<b>Net movement in funds</b>		<b>(201,310)</b>	<b>204,451</b>	<b>3,141</b>	<b>(8,001)</b>
Fund balances at 1 April 2009		363,164	174,549	537,713	545,714
<b>Fund balances at 31 March 2010</b>		<b>161,854</b>	<b>379,000</b>	<b>540,854</b>	<b>537,713</b>

**LINK - ABILITY**  
**( A COMPANY LIMITED BY GUARANTEE)**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2010**

	2010 £	2009 £
Total income	2,248,948	2,040,786
Total expenditure from income funds	2,246,047	2,048,209
Net income/(expenditure) for the year	<u>2,901</u>	<u>(7,423)</u>

The summary income and expenditure account is derived from the statement of financial activities on page 15 which, together with the notes on pages 18 to 24, 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	2,901	(7,423)
Unrealised (losses) / gains on investment assets held by income funds	240	(578)
	<u>3,141</u>	<u>(8,001)</u>

**LINK - ABILITY**  
**( A COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2010**

	Notes	2010 £	£	2009 £	£
<b>Fixed assets</b>					
Tangible assets	10		31,994		15,504
Investments	11		552		311
			<u>32,546</u>		<u>15,815</u>
<b>Current assets</b>					
Debtors	12	99,486		110,576	
Cash at bank and in hand		544,913		537,542	
		<u>644,399</u>		<u>648,118</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(136,091)</u>		<u>(126,220)</u>	
<b>Net current assets</b>			<u>508,308</u>		<u>521,898</u>
<b>Total assets less current liabilities</b>			<u><u>540,854</u></u>		<u><u>537,713</u></u>
<b>Income funds</b>					
Unrestricted funds					
Designated funds			379,000		174,549
<b>Other charitable funds</b>					
Unrestricted income funds		161,302		362,853	
Revaluation reserve		<u>552</u>		<u>311</u>	
			<u>161,854</u>		<u>363,164</u>
			<u><u>540,854</u></u>		<u><u>537,713</u></u>

The financial statements were approved by the Board on 29 June 2010

  
Mr P Jonas

  
Mr R Sage

Company Registration No 2350533

**LINK - ABILITY**  
**( A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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**1 Accounting policies**

**1.1 Basis of preparation**

The financial statements 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 April 2008)

The financial statements 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 2006

**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 financial statements 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 2010**

**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**

	2010 £	2009 £
Income from listed investments	42	30
Interest receivable	885	19,160
	<u>927</u>	<u>19,190</u>

**3 Incoming resources from charitable activities**

	2010 £	2009 £
Provision of care	<u>2,212,395</u>	<u>1,969,640</u>
Included within income relating to provision of care are the following		
Local and Health Authorities	2,106,844	1,888,089
Supporting People grant	105,551	81,551
	<u>2,212,395</u>	<u>1,969,640</u>

**4 Other incoming resources**

	2010 £	2009 £
Other income	<u>35,626</u>	<u>51,956</u>

**LINK - ABILITY**  
**( A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**5 Total resources expended**

	Staff costs £	Depreciation £	Other costs £	Total 2010 £	Total 2009 £
<b>Charitable activities</b>					
<u>Provision of care</u>					
Activities undertaken directly	1,741,850	3,315	142,187	1,887,352	1,731,283
Support costs	207,123	6,828	140,461	354,412	312,122
<b>Total</b>	<b>1,948,973</b>	<b>10,143</b>	<b>282,648</b>	<b>2,241,764</b>	<b>2,043,405</b>
 <b>Governance costs</b>	 -	 -	 4,283	 4,283	 4,804
	<u>1,948,973</u>	<u>10,143</u>	<u>286,931</u>	<u>2,246,047</u>	<u>2,048,209</u>

Governance costs includes payments to the auditors of £3,900 (2009 £3,656) for audit fees

**6 Activities undertaken directly**

	2010 £	2009 £
Other costs relating to provision of care comprise		
Agency staff	60,367	89,966
Staff training	20,641	18,507
Premises repairs, servicing, heat and light	8,090	11,039
Residents living and household expenses	23,737	17,551
Staff travel and residents transport	7,796	7,307
Medical supplies	6,718	5,056
Registration fees and subscriptions	5,126	4,840
Recruitment expenses	9,712	15,786
	<u>142,187</u>	<u>170,052</u>

**7 Support costs**

	2010 £	2009 £
Central office administration costs	140,461	119,330
Staff costs	207,123	186,369
Depreciation	6,828	6,423
	<u>354,412</u>	<u>312,122</u>

**LINK - ABILITY**  
**( A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**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 £383 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

	<b>2010</b>	<b>2009</b>
	<b>Number</b>	<b>Number</b>
Care and support staff	<b>130</b>	<b>118</b>

**Employment costs**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,780,699</b>	<b>1,591,155</b>
Social security costs	<b>144,063</b>	<b>131,150</b>
Other pension costs	<b>24,211</b>	<b>22,066</b>
	<b>1,948,973</b>	<b>1,744,371</b>

During the year the Charitable Company incurred costs of £60,367 in respect of agency staff in service bases (2009 £89,966)

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 2010**

**10 Tangible fixed assets**

	Office equipment and fixtures	Service base equipment and fixtures	Total
	£	£	£
<b>Cost</b>			
At 1 April 2009	32,485	74,414	106,899
Additions	13,685	18,328	32,013
<b>At 31 March 2010</b>	<b>46,170</b>	<b>92,742</b>	<b>138,912</b>
<b>Depreciation</b>			
At 1 April 2009 and at 31 March 2010	35,481	71,437	106,918
<b>Net book value</b>			
At 31 March 2010	10,689	21,305	31,994
At 31 March 2009	9,184	6,320	15,504

**11 Fixed asset investments**

	£
<b>UK listed investments</b>	
Market value at 1 April 2009	312
Change in value in the year	240
<b>Market value at 31 March 2010</b>	<b>552</b>

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 2010 was 383.30 pence per share (2009 216.25 pence).

**LINK - ABILITY**  
**( A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

<b>12 Debtors</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>3,536</b>	13,526
Other debtors	<b>200</b>	200
Prepayments and accrued income	<b>95,750</b>	96,850
	<b>99,486</b>	110,576

<b>13 Creditors amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>3,107</b>	15,654
Taxes and social security costs	<b>37,003</b>	33,036
Other creditors	<b>12,557</b>	13,708
Accruals	<b>83,424</b>	63,822
	<b>136,091</b>	126,220

**14 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 2010**

**15 Analysis of net assets between funds**

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 March 2010 are represented by			
Tangible fixed assets	31,994	-	31,994
Investments	552	-	552
Current assets	265,399	379,000	644,399
Creditors amounts falling due within one year	(136,091)	-	(136,091)
	<u>161,854</u>	<u>379,000</u>	<u>540,854</u>
Unrealised gains included above			
On investments	552	-	552
	<u>552</u>	<u>-</u>	<u>552</u>
Reconciliation of movements in unrealised gains			
Unrealised gains at 1 April 2009	312	-	312
Net gains on revaluations in year	240	-	240
	<u>552</u>	<u>-</u>	<u>552</u>
Unrealised gains at 31 March 2010			
	<u>552</u>	<u>-</u>	<u>552</u>

**16 Commitments under operating leases**

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date		
Within one year	<u>52,112</u>	<u>69,550</u>