

Registered number: 02622175

LIVING AMBITIONS LIMITED

UNAUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

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LIVING AMBITIONS LIMITED

COMPANY INFORMATION

Directors	P Marriner KN Franklin , resigned 18 June 2017)
Registered number	02622175
Registered office	56 Southwark Bridge Road London SE1 0AS
Bankers	HSBC Bank PLC 26 Broad Street Reading Berkshire RG1 2BU
Solicitors	Shoosmiths LLP Witan Gate House 500-600 Witan Gate West Milton Keynes MK9 1SH

LIVING AMBITIONS LIMITED

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LIVING AMBITIONS LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 AUGUST 2016

Introduction

The directors present their strategic report for the year ended 31 August 2016. The corresponding prior period was for the period ended 31 August 2015.

Principal activity

The principal activity of the company is the provision of care in the community for people with learning disabilities.

Business review

On 13 May 2015 the company was acquired by Lifeways Finance Ltd. As a result the company became part of the Listrac Holdings Limited's group of companies. Under the new owners, it is part of a key nationwide provider of supported living for a diversity of user groups, including learning disabilities, mental health disorders, autistic spectrum disorders, acquired brain injury, physical and sensory impairments.

Despite the challenging environment of the public sector as its main customer base, the company has continued on a growth basis, improving its revenue and maintaining a stable gross profit margin.

Financial key performance indicators

	12 Months ended 31 August 2016	11 Months ended 31 August 2015
	£	£
Revenue	54,604,258	47,199,590
Gross Profit	18,199,268	15,567,206
Gross Profit percentage	33.3%	33.0%

Results

The profit for the 12 month period after taxation amounted to £4,483,699 (2015: £5,163,098 loss for the 11 month period)

Going concern

At the date of these accounts, the directors have carried out a detailed and comprehensive review of the business and its future prospects. In particular they have compared the forecast future performance of the company anticipated cash flows in the light of current economic conditions, have considered the ability of the company to meet its obligations as they fall due. In the opinion of the directors, the company is expected to be able to continue trading within the current arrangements and consequently the financial statements are presented on a going concern basis.

Post balance sheet events

There have been no post balance sheet events subsequent to year-end.

LIVING AMBITIONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

Service Excellence

Our clients and the quality of care and support we provide are and will remain the single most important parts of our business. The company is committed to providing excellent services at all times. Across the organisation the quality of our service delivery is measured in different ways and our primary objective is to satisfy our entire customer requirements be they regulatory or contractual. Our mission is to:

“...deliver excellent, individualised and inclusive services to people with a range of disabilities and complex needs in their communities. The services we deliver will make a positive impact on the life of each person we support.”

Our approaches are underpinned by a strong belief that:

- People with disabilities have the same rights as everyone else.
- People should have greater choice and control over the support they need to go about their daily lives with greater access to housing, education, employment, leisure and transport opportunities and to participation in family and community life.
- People are involved in and in control of decisions made about their lives, having information and support to understand different options and their implications and consequences, so they can make informed decisions about their own lives.
- People are able to participate in all the aspects of community to work, learn, get about and meet people, be part of social networks and access goods and services – and have the support to do so.

We hold, and are guided by, a range of nationally recognised quality assurance standards. We also have our own comprehensive quality framework that is grounded in excellent person centred approaches and underpinned by the principles of involvement and citizenship. Services delivered to each person need to reflect this sentiment and as a result quality of service delivery is measured against this.

During the year we have maintained ISO9001:2000, ISO14001 and OHSAS18001. The ISO is only awarded to those organisations that are able to show that they have quality assurance systems, policies and procedures in place to ensure high quality of service delivery. We are also accredited by Exor management Services for having reached the required standards for a social care organisation and are a member of the British Quality Foundation.

LIVING AMBITIONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

Principal risks and uncertainties

The following are the most significant risks faced by the business:

- **Health and safety** – the business currently employs over 2,100 staff providing services to almost 2,000 people, predominantly in their own homes and often in challenging and complex situations which increase the risk of accidents. The board regards the health and safety of its clients and employees as its most important responsibility and has a robust health and safety policy in place in order to minimise the risk of accidents. The company's health and safety manual, which details best practice procedures, is available to all staff and its contents are reinforced through training and development. A monthly health and safety report is submitted to the board and regular health and safety and staff training audits are conducted with the results reported to the board. Health and safety is regarded as the responsibility of every employee.
- **Quality failure** – The provision of a quality service to clients and purchasers is key to the attraction and retention of customers. In order to promote quality, appropriate training and supervision is given to staff, reinforced by procedures manuals and internal quality audits. A report on quality assurance is submitted to the board every month.
- **Failure to comply with regulation** - A regular dialogue takes place with the company's regulatory body, the Care Quality Commission (CQC), Care Commission – Scotland and Commission for Social Services Inspectorate Wales (CSSIW) to ensure our procedures comply with regulations and are up to date. If there are any adverse findings from regular regulatory inspections these are followed up promptly and improvements made where necessary.
- **Staff recruitment and retention** – High quality skilled staff are required to service the existing client base and to grow the company's business. Any difficulties in recruiting or retaining staff may impact on the quality of service and/or gross margins. The company's recruitment, training and development policies are designed to maximise the attractiveness of the company to existing and potential employees and the directors believe its pay rates are above average compared with its competitors.
- **Shifts in governmental policies** – As the majority of the company's sales are to the public sector we would be vulnerable to a major policy shift away from supported living. However the board believes this is not considered to be a major risk because the community care movement is now well established and has undoubtedly proven its value and effectiveness. Further, the group has a proven track record in adapting to changes and challenges in the market.

LIVING AMBITIONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

Treasury management and financial instruments

The company's financial instruments include all assets and liabilities of a financial nature such as cash, and various items, such as trade debtors and trade creditors that arise directly from the company's operations. All such instruments play an important part in the operations of the company to enable it to operate smoothly and effectively and to pay its obligations as they fall due.

As the company operates solely in the UK, it has no exposure to foreign exchange risk.

The company's most material financial instruments are its receivables and payables to and from other group companies and its principal third party financial asset is its trade debtors. Exposure to risk from group transactions is managed centrally by the parent company by only transacting with wholly owned companies within the same group. The credit risk associated with third parties is limited as a high proportion of customers are public sector bodies such as a Local Authorities and Clinical Commissioning Groups. In order to manage credit risk regular meetings take place between the directors and the credit control team and aged debtor listings are reviewed on a regular basis.

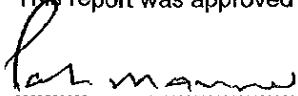
Future developments

There are no planned changes to the company's activity.

This report was approved by the board on

29/6/17

and signed on its behalf.


.....
P Marriner
Director

LIVING AMBITIONS LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 AUGUST 2016

The director presents his annual report and the financial statements for the period ended 31 August 2016.

The directors who served during the period and to the date of signing were:

P Marriner
KN Franklin , resigned 18 June 2017)

Employee involvement

HR Management is primarily tasked with supporting our business goals by attracting, retaining and developing the most talented people available to us. We promote an open culture and encourage the involvement of all staff in the development of the business. We recognise and reward our staff for their effort and contribution towards achievement of individual objectives in support of the company's goals.

Disabled employees

All applications for employment are treated with full, fair and equal consideration. Job offers are entirely based on merit taking into account aptitude and capability to carry out each role based on a defined job specification. The company has an excellent reputation for diversity and recognising and making the best use of all of its employees's skills. In the event that an employee becomes disabled, the company would do its utmost to retain the employee by, wherever possible, providing an environment adapted for their needs. This could mean providing specially adapted working facilities, home working facilities or re-training. It is the policy of the company that all job opportunities, career development, training and career advancement opportunities are available to all employees.

Qualifying third party indemnity provisions

During the year the company had in force an indemnity provision in favour of one or more directors of Living Ambitions Limited against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

Matters covered in the strategic report

Financial instruments, principle risk and uncertainties disclosures and the results for the year are stated in the Strategic report.

Approval of reduced disclosure

The Company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemption in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemption and no objections have been received.

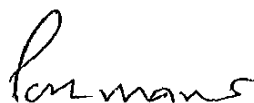
Audit Exemption taken for the year ended 31 August 2016

The company is exempt from the requirements of the companies ACT 2006 relating to the audit of individual accounts by virtue of Section 479A of that Act, ultimate holding company and controlling party is Listrac Holding Limited.

This report was approved by the board on

29/6/17

and signed on its behalf.



P Marriner
Director

LIVING AMBITIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2016

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LIVING AMBITIONS LIMITED

INCOME STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2016

		31 August 2016 £	Restated 11 Month period ended 31 August 2015 £
	Note		
Turnover	3	54,604,258	47,199,590
Cost of sales		(36,404,990)	(31,389,017)
Gross profit		18,199,268	15,810,573
Administrative expenses		(12,823,198)	(21,687,085)
Operating profit/(loss)	4	5,376,070	(5,876,512)
Interest receivable and similar income	8	418,468	212,525
Interest payable and similar charges	9	(1,033,160)	(592,962)
Profit/(loss) before tax		4,761,378	(6,256,949)
Tax charge on profit/(loss) on ordinary activities	10	(277,679)	(40,585)
Profit/(loss) for the period		4,483,699	(6,297,534)

There were no recognised gains and losses for 2016 or 2015 other than those included in the income statement. Accordingly, no separate statement of total comprehensive income is presented.

All results derive from continuing operations.

The notes on pages 10 to 23 form part of these financial statements.

LIVING AMBITIONS LIMITED
REGISTERED NUMBER: 02622175

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2016

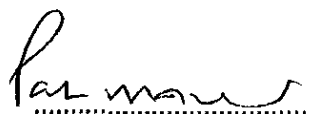
	Note	£	2016 £	Restated 2015 £
Fixed assets				
Tangible assets	11		5,400,974	5,414,877
			<u>5,400,974</u>	<u>5,414,877</u>
Current assets				
Debtors: amounts falling due within one year	12	9,323,997	27,485,376	
Cash at bank and in hand	13	115,560	222,389	
		<u>9,439,557</u>	<u>27,707,765</u>	
Creditors: amounts falling due within one year	14	(6,233,950)	(29,026,704)	
Net current assets/(liabilities)			<u>3,205,607</u>	<u>(1,318,939)</u>
Total assets less current liabilities			<u>8,606,581</u>	<u>4,095,938</u>
Provisions for liabilities				
Deferred tax	15	(9,516)	-	
Other provisions	16	(457,356)	(439,928)	
			<u>(466,872)</u>	<u>(439,928)</u>
Net assets			<u><u>8,139,709</u></u>	<u><u>3,656,010</u></u>
Capital and reserves				
Called up share capital	17		64,100	64,100
Profit and loss account			<u>8,075,609</u>	<u>3,591,910</u>
			<u><u>8,139,709</u></u>	<u><u>3,656,010</u></u>

For the year ending 31 August 2016 the company was entitled to exemption from audit under Section 479A of the companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in accordance with section 476.

The directors acknowledge their responsibilities for comply with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



P Marriner
 Director

29/6/17

The notes on pages 10 to 23 form part of these financial statements.

LIVING AMBITIONS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2015	64,100	3,591,910	3,656,010
Comprehensive income for the period			
Profit for the period	-	4,483,699	4,483,699
Total comprehensive income for the period	-	4,483,699	4,483,699
At 31 August 2016	64,100	8,075,609	8,139,709

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2014	64,100	9,889,444	9,953,544
Comprehensive income for the period			
Loss for the period	-	(6,297,534)	(6,297,534)
Total comprehensive income for the period	-	(6,297,534)	(6,297,534)
At 31 August 2015	64,100	3,591,910	3,656,010

The notes on pages 10 to 23 form part of these financial statements.

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

Living Ambitions Limited (the 'Company') is a company incorporated and domiciled in the UK.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 22.

The Company's financial statements are stated in pounds sterling, which is the Company's functional and presentational currency.

Living Ambitions Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

1.2 Going concern

At the date of these accounts, the directors have carried out a detailed and comprehensive review of the business and its future prospects. In particular they have compared the forecast future performance of the company anticipated cash flows in the light of current economic conditions, have considered the ability of the company to meet its obligations as they fall due. In the opinion of the directors, the company is expected to be able to continue trading within the current arrangements and consequently the financial statements are presented on a going concern basis.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

1. Accounting policies (continued)

1.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income Statement over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2%
Plant and machinery	- 20%
Motor vehicles	- 20%
Fixtures and fittings	- 20%
Office equipment	- 20%
Computer equipment	- 33%
Other fixed assets	- 20-33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

1. Accounting policies (continued)

1.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

1. Accounting policies (continued)

1.7 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

1. Accounting policies (continued)

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.10 Provisions for liabilities

Provisions relate to dilapidations and are represented by the directors' estimate of the present value of amounts potentially owed in respect of dilapidations to leased properties occupied by the group. The provision is expected to be utilised in line with the expiration of the operating leases over one to five years. The provisions for dilapidations are not discounted as the impact is immaterial.

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

1. Accounting policies (continued)

1.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a pension scheme. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors are of the opinion that there are no critical accounting judgements or key sources of estimation uncertainty during the current year.

3. Turnover

Turnover represents amounts receivable for services provided in the year of account. All turnover was derived from activities located in the United Kingdom. No segmental data is provided on the basis that the revenue streams are not significantly differentiated.

4. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	31 August 2016 £	11 Month period ended 31 August 2015 £
Depreciation of tangible fixed assets	523,017	453,156
Impairment of tangible fixed assets	-	(4,550,307)
Amortisation of intangible assets, including goodwill	-	211,784
Impairment of intangible assets	-	815,566
Other operating lease rentals	1,232,298	1,234,062
	<u>1,232,298</u>	<u>1,234,062</u>

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

5. Prior year restatement

Prior year comparatives have been adjusted to correct administration charge not recognised in error.

Impact of prior year restatement

		Previously reported £	Interest Charge £	Restated £
Statement of Comprehensive Income	Administration charge	20,552,649	1,134,436	21,687,085
Balance sheet	Debtors: Amount falling Intercompany	28,619,812	1,134,436	27,485,376

6. Employees

Staff costs were as follows:

	31 August 2016 £	11 Month period ended 31 August 2015 £
Wages and salaries	35,619,527	30,953,942
Social security costs	2,501,185	2,124,073
Cost of defined contribution scheme	677,220	657,236
	<u>38,797,932</u>	<u>33,735,251</u>

The average monthly number of employees, including the directors, during the period was as follows:

	31 August 2016 No.	11 Month period ended 31 August 2015 No.
Direct care staff	2,174	2,005
Administrative staff	90	122
	<u>2,264</u>	<u>2,127</u>

7. Directors' remuneration

No remuneration was paid or is payable to the directors in their capacity as directors of the company (2015: £Nil). The directors receive remuneration from a fellow group undertaking, Lifeways Community Care Limited in respect of services to the group of which the company is a member. Total remuneration payable by the enlarged group to the directors of the company (including pension scheme contributions) was £506,922 (2015: £450,180). It is not possible to identify the proportion of this remuneration that relates to this company.

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

8. Interest receivable

	31 August 2016 £	11 Month period ended 31 August 2015 £
Interest receivable from group companies	418,468	212,525
	<u>418,468</u>	<u>212,525</u>

9. Interest payable and similar charges

	31 August 2016 £	11 Month period ended 31 August 2015 £
Loans from group undertakings	995,138	592,935
Other interest payable	38,022	27
	<u>1,033,160</u>	<u>592,962</u>

10. Taxation

	31 August 2016 £	11 Month period ended 31 August 2015 £
UK corporation tax		
Current tax on profits for the year	-	(2,447)
Adjustments in respect of previous periods	130,306	-
Foreign tax		
Total current tax	<u>130,306</u>	<u>(2,447)</u>
Deferred tax		
Origination and reversal of timing differences	99,126	43,032
Changes to tax rates	(1,058)	-
Increase in discount	49,305	-
Total deferred tax	<u>147,373</u>	<u>43,032</u>
Taxation on profit on ordinary activities	<u>277,679</u>	<u>40,585</u>

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.54%). The differences are explained below:

	31 August 2016 £	11 Month Period Ended 31 August 2015 £
Profit/(loss) on ordinary activities before tax	4,761,378	(6,256,949)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.54%)	952,276	(1,285,177)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	1,227,993
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	87,217	-
Capital allowances for period in excess of depreciation	-	169,207
Adjustment for long accounting periods leading to an increase (decrease) in the tax charge	179,611	-
Other differences leading to an increase (decrease) in the tax charge	(1,058)	-
Group relief	(940,367)	(71,438)
Total tax charge for the period	277,679	40,585

Factors that may affect future tax charges

The tax rate for the year has reduced following the reduction of the corporation tax rate from 21% to 20% on 1 April 2015. Further changes to the UK corporation tax rate were announced in the Summer Finance Bill on 8 July 2015. These include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. This will reduce the Company's future current tax charge accordingly. A further reduction to 17% from 1 April 2020 was proposed in the Finance Bill 2016.

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

11. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £
Cost or valuation					
At 1 September 2015	4,132,496	221,685	1,626,310	27,423	150,792
Additions	8,915	13,013	355,983	-	132,798
Disposals	-	-	(1,595)	-	-
At 31 August 2016	4,141,411	234,698	1,980,698	27,423	283,590
Depreciation					
At 1 September 2015	11,131	204,102	835,802	777	1,617
Charge for period on owned assets	37,337	5,292	301,375	5,485	99,595
At 31 August 2016	48,468	209,394	1,137,177	6,262	101,212
Net book value					
At 31 August 2016	4,092,943	25,304	843,521	21,161	182,378
At 31 August 2015	4,121,365	17,583	790,508	26,646	149,175
				Other fixed assets £	Total £
Cost or valuation					
At 1 September 2015				309,600	6,468,306
Additions				-	510,709
Disposals				-	(1,595)
At 31 August 2016				309,600	6,977,420
Depreciation					
At 1 September 2015				-	1,053,429
Charge for period on owned assets				73,933	523,017
At 31 August 2016				73,933	1,576,446
Net book value					
At 31 August 2016				235,667	5,400,974
At 31 August 2015				309,600	5,414,877

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

12. Debtors

	2016 £	Restated 2015 £
Trade debtors	5,993,249	5,175,694
Amounts owed by group undertakings	909,080	17,283,210
Other debtors	199,763	1,426,454
Prepayments and accrued income	2,221,905	3,462,161
Deferred taxation	-	137,857
	<u>9,323,997</u>	<u>27,485,376</u>

13. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	115,560	222,389
	<u>115,560</u>	<u>222,389</u>

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	123,131	91,971
Amounts owed to group undertakings	2,612,127	25,895,645
Corporation tax	130,306	-
Taxation and social security	614,591	36,854
Other creditors	946,539	688,405
Accruals and deferred income	1,807,256	2,313,829
	<u>6,233,950</u>	<u>29,026,704</u>

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

15. Deferred taxation

	2016 £	2015 £
At beginning of year	137,857	180,889
Charged to the profit or loss	(98,068)	(43,032)
Arising on business combinations	(49,305)	-
At end of year	<u>(9,516)</u>	<u>137,857</u>

The deferred taxation balance is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(10,085)	63,968
Short term timing differences	569	73,889
	<u>(9,516)</u>	<u>137,857</u>

16 Provisions

	Dilapidations provision £
At 1 September 2015	439,928
Charged to the profit or loss	45,548
Utilised in period	(28,120)
At 31 August 2016	<u>457,356</u>

Dilapidations provision

The dilapidations provision represents the directors' estimate of the present value of amounts potentially owed in respect of dilapidation's to leased properties occupied by the group. The provision is expected to be utilised in line with the expiration of the operating leases over one to five years. The provisions for dilapidations are not discounted.

17. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
64,100 Ordinary shares of £1 each	<u>64,100</u>	<u>64,100</u>

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

18. Contingent liability

The company employs 2264 members of staff throughout the business. At any one time there are a number of ongoing employee legal cases, a number of which may be progressing through Employment Tribunal as would be expected with a business of such scale.

The Directors continually monitor the status of open employee claims and, at each balance sheet date, will formally consider the likely outcome of open cases brought against the company. Where appropriate, the Directors will seek legal advice when making this assessment.

Where the outcome of a claim is deemed to result in a probable outflow of resources a provision will be made. No provision has been recorded for open registered employee claims at year end. The current estimated value of outstanding registered claims, which are not provided, is £16,332. Whilst it is possible that the claimants in these cases may be successful, the Directors are of the view that the company has a defensible position for claims currently open.

There continues to be sector wide uncertainty, including open enquiries by the relevant Authorities, around long established protocols to appropriately remunerate staff as they make themselves available on call, at night, to support people. In considering the impact of this on the company, the Directors have taken legal advice and do not believe it is probable that there will ultimately be an adverse outcome. The Directors also believe that the current remuneration protocols should be maintained since any unfavourable change could materially affect the company's ability to provide support in future unless appropriate funding is rendered by Local Authorities and Commissioners; those being the bodies ultimately responsible for the appropriate provision of support under the Care Act.

19. Commitments under operating leases

At 31 August 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	31,130	99,322
Later than 1 year and not later than 5 years	319,689	156,022
Later than 5 years	225,249	435,000
	<u>576,068</u>	<u>690,344</u>

20. Related party transactions

The company has taken advantage of the exemption in FRS 102 not to disclose transactions with other group companies.

21. Controlling party

The directors regard Lifeways Finance Limited, a company registered in England and Wales, as the company's immediate parent undertaking.

The company's group parent undertaking is Listrac Holdings Limited, a limited company registered in Jersey, Channel Islands. Copies of the accounts of Listrac Holdings Limited, the smallest and largest group for which accounts are prepared that include the results of the company, may be obtained from the registered office of this company.

The company's ultimate parent and controlling party is OMERS Administration Corporation ("OMERS") as administrator of the Ontario Municipal Employees Retirement System pension plans and trustee of the pension funds.

LIVING AMBITIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

22. First time adoption of FRS 102

This is the first year the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 was therefore 1 September 2014. There have been no changes in accounting policy as a consequence of transitioning to FRS 102. There have been no adjustments required upon transition to FRS 102.

Reconciliation of equity

	At 30 September 2014 £	At 31 August 2015 £
Equity reported under previous UK GAAP	10,249,100	5,086,002
Adjustments to equity on transition to FRS 102		
* Holiday pay provision for salaried staff	(369,445)	(369,445)
* Other short term timing differences	49,305	49,035
Equity reported under FRS 102	9,928,960	4,765,592

* FRS 102 has a requirement to recognise a holiday pay accrual for salaried employees. This is different to UK GAAP, hence an impact has been recognised along with associated deferred tax.