

REACH (SUPPORTED LIVING) LIMITED



**BOARD & GOVERNANCE REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009**

**REACH (SUPPORTED LIVING) LIMITED
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YEAR ENDED 31 MARCH 2009**

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**REACH (SUPPORTED LIVING) LIMITED
BOARD & GOVERNANCE REPORT
YEAR ENDED 31 MARCH 2009**

The Board is pleased to present its report and the audited financial statements of REACH (Supported Living) Limited ("the Company") for the year ended 31 March 2009.

The Company is incorporated under the Industrial and Provident Societies Act 1965 and is a Registered Social Landlord with the Welsh Assembly Government ("WAG").

The Seren Group

The Group comprises Seren (the parent company), Charter, Fairlake, Gwent Homes (a subsidiary of Fairlake), Pen yr Enfys, REACH and Solas. All Group Members are 'not for profit' organisations governed by voluntary Boards. With the exception of Pen yr Enfys which is a Registered Charity, Group Members are registered as Industrial and Provident Societies and as Registered Social Landlords ("RSL's") with the Welsh Assembly Government ("WAG"). Gwent Homes is the only Group Member with non-charitable rules, allowing a range of activities to be undertaken by the Group. Gwent Homes makes Gift Aid payments to Group Members. The majority of staff are employed on joint contracts of employment, enabling them to work for any member of the Group as required.

Charter, Fairlake, Pen yr Enfys, REACH and Solas are subsidiaries of Seren by virtue of Seren's control of the Boards, achieved through its ability to appoint and remove a majority of the members to each Board. Members of the Board of Fairlake also make up the Board of Gwent Homes so that those companies are under common control.

All subsidiaries have the right to nominate two members to the Board of Seren, other than Pen yr Enfys (which has the right to nominate one member) and Gwent Homes. The Board of Seren also includes independent members, and the rules stipulate that the Board should seek to maintain a ratio of two nominated members to every one independent member.

Each Group Member has its own Board and Corporate Director. The Group Chief Executive and Corporate Directors form the Executive Team, which manages the day to day affairs of the Group.

Principal Activities

Seren Group's purpose is to provide housing and support which makes a positive difference to people's lives. The Group operates predominately in South East Wales.

The principal activity of the Company is the provision of support services to people, predominately adults with learning disabilities.

Statement of Board's Responsibilities

The Board is responsible for preparing the Board and Governance Report and the financial statements in accordance with applicable law and regulations.

Industrial and Provident Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the surplus or deficit for the period.

In preparing these financial statements, the Board are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice (SORP 2008) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

**REACH (SUPPORTED LIVING) LIMITED
BOARD & GOVERNANCE REPORT - continued
YEAR ENDED 31 MARCH 2009**

Statement of Board's Responsibilities - continued

The Board are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Industrial & Provident Societies Acts 1965 to 2002, the Housing Act 1996 and the Accounting Requirements for Social Landlords Registered in Wales General Determination 2000. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

The Board Members who held office at the date of approval of this Board and Governance report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Board Member has taken all the steps that they ought to have taken as a Board Member to make them aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Board and Governance Structure

The activities of the Company are overseen by the Board. Other Group Member Boards oversee the activities of those companies. An Intercompany Agreement is in place which identifies the respective rights and responsibilities of each member of the Seren Group. The Group Corporate Governance Committee considers continuous improvement and the findings of internal and external audit reports. It addresses issues of governance, value for money, treasury management and special audits, and monitors the appointment, and performance, of external auditors. It also recommends the appointment of external auditors to each Group Member.

The Nominations & Remuneration Committee meets as required to identify and interview new Board Members, making its recommendations to the appropriate Board. It also meets to consider remuneration packages for the Executive Team, having taken into account performance, responsibilities, market levels, and ability to pay. Executive Team members do not receive incremental uplifts or share options, nor do they hold any interest in the share capital of the Group. Executive Team members receive a salary enhancement to cover the cost of personal provision of a car.

Executive Team members are entitled to the same pension arrangements as the majority of other staff.

Employment

The Seren Group is a major employer in South East Wales and now employs approximately 800 people. Details of the staff employed by the Company are set out in note 4.

The Group has a consultation forum, Viewpoint, which represents the entire Group's staff. The Group recognises UNISON as the union representing the interests of the majority of Group staff in discussions on Conditions of Service.

The Group actively invests in training and staff learning and development for all staff; reflected in its Investor in People status which was successfully reassessed in November 2008. Charter's estate management team is accredited with ISO 9002, and an NVQ training program is active in REACH. The Group's senior and middle management staff have completed leadership and management development programmes aimed at developing their management skills.

Equal Opportunities

The Group is committed to equal opportunities in employment and the provision of services, and aims to achieve a staff profile which reflects the wider communities in which it works. It is also the Group's policy to employ, to the best of its abilities within the opportunities available, people with disabilities. As part of a 'Positive About Disabled People' commitment the Group undertakes to interview all applicants with disabilities who meet the minimum criteria for the post they are applying for. Employment initiatives have been established to train housing students from ethnic minority backgrounds, to provide work placements for Solas clients, and also to assist people with learning difficulties to integrate into the wider community.

The Group was instrumental in the formation of 'Space for People', a service set up to assist disabled people with their housing needs, which has been 'hosted' by Charter for the last 3 years. Funding has reduced significantly for this initiative, but Charter continues to support the reduced service.

Health and Safety

The Group has an overall Health & Safety Policy in place, supplemented by specific procedures and guidance, and staff are given training on matters of health and safety. The Health & Safety Working Party meets quarterly to consider operational and development issues and to disseminate good practice and learning through the Group. Union appointed Safety Representatives also assist the Group in monitoring working practices. The Group is currently reviewing its approach to health and safety to ensure it continues to reflect best practice.

During the year the Group did not incur any enforcement notices from the Health & Safety Executive or any other Regulatory Authority.

Involvement of the people the company supports

The Company has continued the practice of seeking the views of the people they support about services provided. This has been undertaken via questionnaires, focus groups as well as face to face contact between Managers, Board Members and people supported. Work at an operational level means that there has been a significant increase in the degree of control each person supported has over decisions that affect their daily life. Strategic work to give more influence to people supported and families has resulted in people having more say in organisational planning and decision making as well as a presence on the Board. The work to achieve this has been supported by the appointment of an Inclusion Coordinator. People who use services generally have a positive view of them, however voluntary introduction of a new set of standards for supported living and a new quality framework means the benchmark will be set higher for them in future.

People supported by the Company continue to be involved in the selection of staff who work with them, and are provided with an increasingly wide range of accessible information on subjects such as tenancy agreements, the services they receive, complaints and other key policies. Many more people have person centered plans which set out how they want to be supported. This follows major investment in training for workers. Clear target setting for all staff to increase the numbers of people with a plan over the following year means the numbers with a plan are expected to continue to rise.

Performance in the year

The Company is a major recipient of funding for care and support services, including community care funding as well as Supporting People and other grants. Funding pressures on local authorities are noticeable, but have largely been contained in the periods covered in these financial statements. Imaginative work is underway with Local Authority partners to sustain funding levels as well as support people to live in ways that work for them.

Following the commencement of learning disabilities services in Cardiff and Vale of Glamorgan in the previous financial year, the Company successfully tendered for support service provision at Cardiff's first extra care scheme 'Plas Bryn'. The Company will also commence providing services in Swindon and Gloucester during the next financial year.

During the year a new staff rota system has been introduced to improve resource allocation and improve efficiency. The Company is also developing its approach in relation to Individualised Budgets and self directed support which is acting for both the foundation for new services as well as the reconfiguration of existing services.

**REACH (SUPPORTED LIVING) LIMITED
BOARD & GOVERNANCE REPORT - continued
YEAR ENDED 31 MARCH 2009**

Prospects for Future Performance

The Group has a well developed 30 year financial projection, covering each Group Member individually and the Group as a whole. The projection confirms that the Group is well placed financially to deliver on its targets – particularly its growth plans and the target of achieving the Welsh Housing Quality Standard by 2012.

The Group's financial strength allows it to fully partake in current Welsh Assembly Government led initiatives to stimulate the economy and deliver new homes in a difficult economic environment. The Group's low cost home ownership activity has been sustained despite the downturn and the reduction in house prices and the expertise developed in this area makes the Group well placed to take advantage of opportunities for growth when the economy begins to recover.

Rent increases and care and support funding are likely to be affected by the current and recent economic circumstances. The Group is well placed to withstand these pressures. The Company is constantly researching new ways of providing services to people (for example through assistive technology) which enable costs to be contained or reduced for local authorities without impacting on people supported, staff, the quality of services or the infrastructure of the organization. Planned growth takes account of the likely pressures on income and additionally the Company is increasingly seeking partnership arrangements with local authorities in which management of costs and expectations is treated as mutually beneficial to funders and the Company alike. The principles for cost reduction are key i.e. existing service standards should be maintained or exceeded, people supported should continue to be encouraged to be as independent as they can and all non direct support costs as lean as possible. Funders are largely reacting positively to this partnership way of working.

The Group wide Business Approval Team has delegated authority for new business opportunities for the Group. It ensures that the appropriate skills and knowledge are brought to bear when assessing an opportunity, and also ensures a consistent approach to risk assessment. The Business Approval Team works within a clear framework of delegated authority, set by each Group Member Board, and which is reviewed annually.

The Group Asset Management Strategy incorporates all strategic property issues, including delivering the Welsh Housing Quality Standard commitment. The Group has electronic stock condition survey tools and asset management software in order to improve the collection and analysis of this data. Improving the long term environmental sustainability of new and existing properties is a strategic priority for the Group.

The Group continues to strive for continuous improvement. A revised Risk Management Strategy has been approved and each Group Member incorporates strategic and operational risks in its business planning.

Financial Review

The Company's surplus for the year is £228,000 (2008: £166,000). The revenue results in the financial statements demonstrate the delivery of growth while sustaining operational efficiency.

The Group has revised its approach to treasury management, which balances an ability to respond to market conditions with a risk averse approach to arranging new funding. In view of the difficulties in the lending market this area is now subject to routine monitoring by the Group Corporate Governance Committee. The Group's loan portfolio consists of a mix of fixed rate and variable rate funding, and the Board requires Officers to maintain a proportion of fixed funds between certain limits. The Group also has bond finance which matures in 2019. Interest rate hedging is currently achieved through the portfolio mix. There are no further hedging instruments, including derivatives, in place.

Funds are in place with a number of providers, and currently all loans are placed through Charter. Charter acts as the financing agent for the Group and on-lends to other Group Members, particularly Fairlake, as required. Credit balances are collated centrally to ensure that the Group minimises overall borrowing costs.

The Company made no donations to any registered political parties during the year (2008: £nil).

Reserves

The Group has a Reserves Policy, addressing uninsurable risks and the long term maintenance of housing and other property. Details of reserve transfers for the year ended 31 March 2009 are set out in note 11 on page 14.

Internal Financial Control

The Board acknowledges its responsibility for the system of internal financial control, and has taken measures which will provide reasonable, but not absolute assurance against material misstatement or loss. The Board employs experienced and suitably qualified staff to administer the systems and controls and take responsibility for important business functions.

The Board operates to clearly defined Financial Regulations and Standing Orders. It ensures that formal policies, procedures and levels of delegated authority are in place, and requires financial plans and management accounts to be laid before it for regular review. An explanation for any departure from these plans is required together with a proposal for appropriate corrective action.

The Board considers risk in the development of policies; it has also assessed risk in relation to its reserves policy and formulation of internal audit plans. The risk management framework extends into non-financial areas.

Internal audit reports are received directly by the Group Corporate Governance Committee, and contain recommendations from internal auditors on the operation of internal control. Both internal and external audit reports are considered by the Group Corporate Governance Committee with progress reports supplied to the Committee until all corrective action has been completed. Through the above mechanisms, the Board has reviewed the effectiveness of the internal financial control within the accounting period to the date of the signing of the financial statements.

Annual General Meeting

Details of the Annual General Meeting will be confirmed once the arrangements have been finalised.

Auditors

External audit services were last tendered in 2005 and KPMG LLP were appointed by the Board. A resolution to reappoint KPMG LLP as auditors to the Company will be proposed at the Annual General Meeting.

Approval of the Report

The report of the Board was approved on 27 July 2009 and is signed on its behalf by the Chair.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REACH (SUPPORTED LIVING) LIMITED FOR THE YEAR ENDED 31 MARCH 2009

We have audited the financial statements of Reach (Supported Living) Limited for the year ended 31 March 2009 which comprise Income and Expenditure account, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Association's members, as a body, in accordance with Schedule 1 paragraph 16 to the Housing Act 1996 and section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an 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 Association and the Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and auditors

The responsibility of the Association's Board for the preparation of the Board's report and the preparation of financial statements in accordance with applicable United Kingdom law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Board's Responsibilities on pages 1 to 2.

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 Industrial and Provident Societies Acts 1965 to 2002, the Housing Act 1996 and the Accounting Requirements for Social Landlords Registered in Wales: General Determination 2000. We also report to you if, in our opinion, a satisfactory system of control over transactions has not been maintained, if the Association has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

In addition to our audit of the financial statements, we have reviewed whether the Board's statement on page 5 reflects the Association's compliance with the Housing for Wales Circular 8/97 ("the Circular") 'Internal financial control and financial reporting', and we report whether the Board has provided the disclosures required by the Circular and whether the statement is not inconsistent with information of which we are aware from our audit of the financial statements.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements within it. 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 an 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 Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association'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.

We carried out our review of the Association's compliance with the Circular having regard to Bulletin 1995/1 'Disclosures relating to Corporate Governance' issued by the Auditing Practices Board. That bulletin does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Association's system of internal financial control or its corporate governance procedures nor on the ability of the Association to continue in operational existence.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REACH (SUPPORTED LIVING) LIMITED FOR THE YEAR ENDED 31 MARCH 2009 - cont.

Opinion

In our opinion the financial statements:

- Give a true and fair view in accordance with UK Generally Accepted Accounting Practice, of the state of the Association's affairs as at 31 March 2009 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the Industrial & Provident Societies Acts 1965-2002, the Housing Act 1996 and the Accounting Requirements for Social Landlords Registered in Wales: General Determination 2000.
- With respect to the Board's statement on internal financial controls on page 5 in our opinion the Board has provided the disclosures required by the Circular and the statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Marlborough House
Fitzalan Court
Cardiff
CF24 0TE

Registered Auditor

6 August 2009

**REACH (SUPPORTED LIVING) LIMITED
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2009**

	Notes	2009 £000	2008 £000
Turnover	2	10,243	9,144
Operating costs	2	(10,062)	(8,990)
Operating surplus	5	181	154
Interest receivable and similar income	6	47	12
Surplus for the year	11	228	166

All activities relate to continuing activities.

No activities have been discontinued in either period of account.

There were no recognised surpluses or deficits other than those included in the income and expenditure account.

There is no difference between the surplus disclosed above and the surplus calculated on a historic cost basis in either period. Accordingly a note of historical cost surpluses and deficits has not been presented.

REACH (SUPPORTED LIVING) LIMITED
BALANCE SHEET
AS AT 31 MARCH 2009

	Notes	2009 £000	2008 £000
Tangible fixed assets			
Fixed assets	7	71	82
Current assets and liabilities			
Debtors: amounts falling due within one year	8	1,898	1,490
Cash at bank		-	-
		<u>1,898</u>	<u>1,490</u>
Creditors: amounts falling due within one year	9	(703)	(534)
Net current assets		<u>1,195</u>	<u>956</u>
Net assets		<u>1,266</u>	<u>1,038</u>
Capital and reserves			
Non equity share capital	10	-	-
Revenue reserves	11	1,266	1,038
		<u>1,266</u>	<u>1,038</u>

These Financial Statements were approved by the Board on 27 July 2009, and were signed on its behalf by:-

Secretary 

Chair 

Board Member 

The notes on pages 10 to 17 form part of these Financial Statements.

REACH (SUPPORTED LIVING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

Accounting Policies

1a) Introduction and Accounting Basis

The principal accounting policies of the Company are set out in paragraphs 1b) to 1j) below. These Financial Statements have been prepared under historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice, "Accounting by Registered Social Landlords" 2008 ("2008 SORP") and comply with the Accounting Requirements for Social Landlords Registered in Wales General Determination 2000.

1b) Turnover

Turnover represents service charge income, net of voids, revenue based grants and management charges. Revenue grants are credited to the Income and Expenditure account in the period in which they are receivable. All turnover is derived from United Kingdom operations.

1c) Apportionment of Management Expenses

Costs are attributed to activities where they can be identified, and are apportioned according to the nature of the expense e.g. office premises costs on a square footage basis, salary related costs on a time basis. Where attribution in this manner is not possible, such costs are apportioned on the basis of usage made by the relevant departments.

1d) Bad Debts Provision

Where appropriate the Company makes specific provision for bad or doubtful debts.

1e) Pension Costs

The Company participates in the Social Housing Final Salary Pension Scheme with Seren Group Limited as representative member for the Group. Retirement benefits to employees of the Company are funded by contributions from all participating employers and employees in the scheme. Payments are made to a fund operated by the Pensions Trust, an independent Trust providing superannuation benefits to employees of voluntary organisations.

These payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating member organisations taken as a whole.

The scheme is a defined benefit scheme and as members of the scheme are unable to specifically identify their share of the underlying assets and liabilities these are not incorporated directly into the assets and liabilities reflected in the Financial Statements in accordance with Financial Reporting Standard 17, Retirement Benefits.

The Company also operates a defined contribution scheme for some directly employed staff. Particulars of the schemes are provided in note 13.

1f) Depreciation

Other Fixed Assets

Other tangible fixed assets are stated at cost less depreciation.

Depreciation is calculated on a straight line basis over the expected useful lives less estimated residual values, as follows:

- Service chargeable assets - 3 to 20 years (corresponding to income)
- Other non-property assets - 3 to 10 years

A full year's depreciation is charged on the Company's assets in the year of acquisition, and no charge is made in the year of disposal. All relevant items over £250 are treated as capital expenditure.

**REACH (SUPPORTED LIVING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009**

Accounting Policies - continued

1g) Operating leases

Operating leases are accounted for by making charges to the Income and Expenditure account on a straight line basis over the period of the lease.

1h) Creditor payment policy

The Company aims to settle all supplier accounts in accordance with the relevant terms of business once it is satisfied that the supplier has fulfilled its obligations.

1i) Impairment

Where it is recognised that there is a diminution of value of any asset, the full reduction in value is written off to the Income & Expenditure Account in the period.

1j) Cashflow Statement

As permitted by the Statement of Recommended Practice, the Company has not produced a cashflow statement, as the consolidated Financial Statements of Seren Group Limited include a consolidated cashflow statement.

REACH (SUPPORTED LIVING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

2a) Number of units in management

The Company provides services for people with special needs and does not directly provide housing accommodation. Where appropriate, accommodation is provided by landlords - primarily Charter Housing Association Limited, a member of the Seren Group.

	2009	2008
	Number	Number
Customers:		
- in accommodation arranged by the Company	138	148
- other customers	126	129

2b) Analysis of Turnover - special needs services

	2009	2008
	£000	£000
Service charges	580	514
Management fees	65	66
Other income	316	200
Net service charge and management income	961	780
Supported People Revenue Grant	434	425
Supported People Grant	2,104	2,082
Social Services funding	6,744	5,857
TOTAL TURNOVER	10,243	9,144

2c) Analysis of Operating costs - special needs services

	2009	2008
	£000	£000
Direct staff costs, including training and recruitment	8,032	6,977
Direct service costs	514	501
Management costs	1,510	1,503
Operating costs	10,056	8,981
Loss from bad debts	6	9
TOTAL OPERATING COSTS	10,062	8,990

3) Directors' emoluments

For the purpose of this note Directors means the members of the Board and the Corporate Director of the Company. The members of the Board received no remuneration. The remuneration of the Group Chief Executive is reflected in the Financial Statements of Seren Group Limited.

	2009	2008
	£000	£000
The remuneration paid to the Directors was:-		
Emoluments (including pension contributions and benefits in kind)	95	87
Emoluments (excluding pension contributions) include amounts paid to:-		
Highest Paid Director	84	43
Corporate Director's employers pension contribution as an ordinary member of the company scheme	11	6

No enhanced or special terms apply. No contributions have been made to any individual scheme.

REACH (SUPPORTED LIVING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

3) Directors' emoluments - continued

The number of Directors who received emoluments (excluding pension contributions) in the following range was:-

	2009	2008
	Number	Number
£80,001 - £85,000	1	-
£75,001 - £80,000	-	-
£70,001 - £75,000	-	-
£65,001 - £70,000	-	-
£60,001 - £65,000	-	-
£55,001 - £60,000	-	-
£50,001 - £55,000	-	-
£45,001 - £50,000	-	1
£40,001 - £45,000	-	-
£35,001 - £40,000	-	1
£nil	9	9
	<hr/>	<hr/>
	£000	£000
Non-executive Directors expenses	2	8
	<hr/>	<hr/>

4) Employee information

The average weekly number of persons employed (including senior management) during the year was:-

	2009	2008
	Number	Number
	315	285
	<hr/>	<hr/>
Staff costs (for the above persons):-	£000	£000
Wages and salaries	7,508	6,679
Social security costs	534	495
Pension costs	237	247
	<hr/>	<hr/>
	8,278	7,421
	<hr/>	<hr/>

5) Operating surplus

The operating surplus is stated after (charging):-

	2009	2008
	£000	£000
Depreciation of tangible fixed assets - owned	(56)	(56)
Audit fees	(3)	(9)

6) Interest receivable and similar income

Interest receivable relates to Group Member balances repayable on demand. Interest rates are variable and are linked to the cost of funding to the Group.

**REACH (SUPPORTED LIVING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009**

7) Fixed assets		Furniture & equipment £000	
COST			
At 1 April 2008		246	
Additions		45	
At 31 March 2009		291	
DEPRECIATION			
At 1 April 2008		164	
Charge for the year		56	
At 31 March 2009		220	
NET BOOK VALUE			
At 31 March 2009		71	
At 1 April 2008		82	
8) Debtors: amounts falling due within one year	2009 £000	2008 £000	
Sales ledger	628	814	
Group Member: Charter Housing Association Limited	1,175	509	
Other debtors & prepayments	95	167	
	1,898	1,490	
9) Creditors: amounts falling due within one year	2009 £000	2008 £000	
Suppliers	30	10	
Bank overdraft	5	12	
Other creditors & accruals	668	512	
	703	534	
10) Non equity share capital	2009 £	2008 £	
Shares at £1 each fully paid and issued:			
At 1 April 2008	12	11	
Issued during the period	-	1	
At 31 March 2009	12	12	
The shares carry voting rights, but no rights to dividends or any distribution on winding up. There is no provision for any redemption.			
11) Revenue reserves	2008 £000	Surplus for the year £000	2009 £000
	1,038	228	1,266

**REACH (SUPPORTED LIVING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009**

12) Capital commitments and contingent liabilities

At 31 March 2008 and 31 March 2009:

There was no capital expenditure contracted for but not provided for in the Financial Statements.

There was no capital expenditure authorised by the Board of Management but not yet contracted for.

There were no contingent liabilities.

13) Pensions

The majority of staff are employed by Seren Group Limited on joint contracts of employment. Seren participates in the Social Housing Pension Scheme ("SHPS"), a multi-employer defined benefit scheme. The scheme is funded and is contracted out of the state scheme.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. It is not possible to analyse the on-going funding deficit by individual employer due to the nature of the SHPS Scheme. SHPS is a multi-employer scheme where:

- The assets of the entire SHPS are pooled for investment purposes.
- Benefits are paid from the total scheme assets.
- The contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience.

As a result of this it is not possible to breakdown scheme assets by participating employer and accordingly it is not possible to analyse the on-going funding deficit by individual employer.

Accordingly due to the nature of the Plan, the accounting charge for the period under FRS 17 represents the employer contribution payable. The employer contributions over the period were £222,000 (2008: £237,000).

The last formal valuation of the scheme was performed as at 30 September 2008 by a professionally qualified actuary using the projected unit method. The market value of the scheme's assets at the latest valuation date was £1,527 million. The valuation revealed a shortfall of assets compared to liabilities of £663 million, equivalent to a past service funding level of 70%. The next full actuarial valuation is expected to be carried out as at 30 September 2011.

The financial assumptions underlying the valuation as at 30 September 2008 were as follows:

		% per annum
Valuation discount rates:	Pre retirement	7.8
	Non Pensioner Post retirement	6.2
	Pensioner Post retirement	5.6
Pensionable earnings growth:		4.7
Price inflation:		3.2
Rate of pension increases:	Pre 88 GMP	0.0
	Post 88 GMP	2.8
	Excess over GMP	3.0
Mortality pre retirement	PA92 Year of Birth, long cohort projection,	
Mortality post retirement	90% S1PA Year of Birth, long cohort projection,	

During the accounting period the Company paid contributions at the rate of 13.8%. Member contributions varied between 6.7% and 8.7%.

**REACH (SUPPORTED LIVING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009**

13) Pensions - continued

Background on employer debt legislation

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Company operates a defined contribution pension scheme, the REACH (Supported Living) Group Personal Pension Scheme, for staff who transferred to the Company under the Transfer of Undertakings (Protection of Employment) Regulations 2006 "TUPE" arrangements. As at the balance sheet date 34 of the employees included within Note 4 were members of the scheme. The Company makes a contribution of 6% of salary to the scheme. The employer contributions in the year were £25,000 (2008: £10,000).

14) Group information

Reach (Supported Living) is member of the Seren Group. The Group comprises:

Seren Group Limited (Parent)
Reach Supported Living Limited
Charter Housing Association Limited
Fairlake Properties Limited
Gwent Homes Limited
Pen yr Enfys Limited
Solas Cymru Limited

With the exception of Gwent Homes Limited, all Group Members have charitable rules.

Seren Group Limited has a right to exercise a dominant influence over the activities of Reach (Supported Living) Limited and all other Group Members. Seren Group Limited prepares consolidated Financial Statements which incorporate the results of all Group Members.

15) Related parties

Transactions between Group Members are summarised below. The Chair and one other Board Member of the Company and other Group Members are also Board Members of Seren Group Limited. Charter Housing Association is the landlord of the majority of schemes operated by the Company. Seren Group Limited provides finance and corporate services to the Company. Where Board members are councillors or employees of Local Authorities, any transactions with those Local Authorities are at an arms length basis on normal commercial terms and such Board members are unable to use their position to their advantage.

REACH (SUPPORTED LIVING) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

15) Related parties - continued

Transactions with other Group members may be summarised as follows:

		2009	2008
		£000	£000
Management fees payable	Seren Group Limited	(791)	(772)
Management fees receivable	Charter Housing Association	65	66
Office accommodation recharges	Charter Housing Association	(65)	(66)
Interest receivable	Group members	47	12

Group Member balances at 31 March 2009 and 2008 are set out in note 8.

**REACH (SUPPORTED LIVING) LIMITED
MANAGEMENT, OFFICERS, ADVISERS & BANKERS
YEAR ENDED 31 MARCH 2009**

Board

Chair

Steve Strong
(Appointed September 2008)

Vice Chair

Barbara Morris

Phillip Clayton

Suzan Glennon

Rosemary Jackson

Susan Jenkins

(Seren Appointee)

Gillian Thomas

Adrienne Woolfe

(Seren Appointee September 2008)

Roy Bell

(Resigned March 2009)

Adrienne Jones

(Resigned September 2008)

Executive Team

Group Chief Executive

Amanda Davies

Corporate Director

Judith North

Other Group Corporate Directors

Kathryn Edwards - Charter

Darrell Bolton - Fairlake, Gwent Homes

Steve James - Pen yr Enfys

Rhian Stone - Solas

Simon Jones - Seren

Offices, Advisers & Bankers

Registered Office

Exchange House

The Old Post Office

High Street

Newport NP20 1AA

Auditors

KPMG LLP

Marlborough House

Fitzalan Court

Cardiff CF24 0TE

Principal Solicitors

Hugh James

Hodge House

114-116 St Mary Street

Cardiff CF10 1DY

Bankers

Lloyds Bank PLC

42 Commercial Street

Newport NP20 1WX

The Company is incorporated under the Industrial and Provident Societies Act 1965 and is a Registered Social Landlord with WAG.

WAG registration

H141

Industrial and Provident Societies registration

29706R