

**Trustees'
Report and
Accounts**
2016

Contents

- 2** Outlook Care
- 3** About Us
- 4** Chairman's Statement
- 5** Report of the Trustees
- 17** Independent Auditors' Report
to the Members of Outlook Care
- 20** Consolidated Statement of Financial Activities
for the year ended 31 March 2016
- 21** Statement of Financial Activities
for the year ended 31 March 2016
- 22** Consolidated Statement of Financial Position
as at 31 March 2016
- 23** Statement of Financial Position
as at 31 March 2016
- 24** Consolidated Statement of Cashflows
for the year ended 31 March 2016
- 26** Statement of Cashflows
for the year ended 31 March 2016
- 28** Notes to the Financial Statements

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Outlook Care

Reference and administrative details for the year ended 31 March 2016

Status	The organisation is a Registered Society under the Co-operative and Community Benefit Societies Act 2014, incorporated on 24 January 1990 and recognised as charitable by HM Revenue and Customs.
Registered society number	26988R
Registered office and operational address	Unit 6, Shelduck House Woodbrook Crescent Radford Way Billericay Essex CM12 0EQ
Honorary officers	David Thomas, EUR ING Chairman Ian Churley, FRICS Vice Chairman (to September 2015) Charles McNair BA ACMA CGMA Vice Chair (from September 2015) and Treasurer
Chief executive	Piotr Rejek MA, BA (Hons)
Company secretary	Sian Hajba BA (Hons), FCCA
Bankers	National Westminster Bank 3rd Floor, Phoenix Place Christopher Martin Road Basildon Essex SS14 3GQ
Solicitors	Aquabridge Law Aquabridge House 3 Freebournes Court Newland Street Witham Essex CM8 2BL
Auditors	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

About us

Outlook Care is a not for profit provider of personalised support and care services for people with learning disabilities, mental health support needs, dementia and older people. Our services include supported living, specialist registered care, nursing, respite care, short break services and domiciliary care.

We support people with complex needs and those whose behaviours may challenge, including adults with learning disabilities, people with autism, younger people with learning disabilities in transition from childrens to adult services, people with drug and alcohol issues and a range of complex, functional, long term mental health support needs, people with dementia and older people with nursing care needs including end of life care.

Where we work

We are a regional organisation operating in North East London and the East of England. Areas include North and South Essex (including the Unitary Authority of Southend) and the London Boroughs of Barking and Dagenham, Brent, Greenwich, Havering, Newham, Redbridge, Waltham Forest and Westminster.

Our registered office is in Billericay, Essex. We also have offices in Ilford, Redbridge and Colchester, Essex plus various locations in purpose built properties where people we support live.

Working in partnership with people we support, their families and our commissioners, being person centred and focussing on what is important for every person is our passion. We pride ourselves on our ability to have a positive impact on people's lives. We recruit, train and support our staff to support people to maximise their independence and to have choice and control over their lives.

Our vision

People with individual needs, living the lives they choose.

Our mission

For people with learning disabilities:

By delivering a range of flexible care and support services, we will ensure people with learning disabilities are as independent as possible and connected with their local communities.

For people with mental health support needs:

Through recovery focussed support, we encourage people with mental health needs to take control of their own lives as much as they can.

For older people:

By listening to our older residents and understanding what matters most to them, we will deliver exceptional nursing care and support.

Our values

- Treat people with dignity and respect.
- Give power to people to make choices.
- Support people to be involved in their communities.
- Take responsibility for our actions and act fairly.
- Be honest, open and accountable.
- Value and appreciate people.
- Listen to ensure we deliver agreed plans and outcomes.
- Encourage skill and expertise throughout the organisation.
- Welcome and support innovation and new ideas.
- Promote leadership and learning.

Chairman's Statement

This year has seen Outlook Care celebrate its 25-year trading history, keeping pace with changes in the sector and extending its reach into the communities we serve. I am pleased to report significant developments and excellent progress in many areas of our strategic plan.

Retaining existing services and growing new ones remains our key objective. I am delighted to report that we have been successful in both areas. The cornerstone to our ambitious plan is the ongoing delivery of safe, quality, customer focussed services. We have achieved 100% 'good' rating across all of our Care Quality Commission regulated services and maintained all of our quality accreditations including ISO 9001:2008, ISO 14001:2004, the Investors in People Bronze Award and Certificate in Health and Safety (CHAS). For the first time, we have been accredited with the Energy Saving Opportunity Scheme (ESOS) and committed to the Driving Up Quality Code. Our focus on quality has enabled us to achieve our objectives; highlights include:

- 100% retention of existing contracts.
- Achieving 85% occupancy levels and Good Care Quality Commission rating at our specialist dementia and nursing care home in Colchester, Foxburrow Grange.
- Transferring in Mental Health Supported Living Services contract in the London Borough of Waltham Forest supporting 70 new people.
- Opening a new 6 bed supported living service in Waltham Forest for people with Learning Disabilities and complex needs.
- Regional winners of the Great British Care Awards in the East of England and London regions; care home worker award for older people services and provision of activities category for mental health services.
- Appointment onto Learning Disability Frameworks in the London Boroughs of Redbridge, Newham, Lewisham, Waltham Forest, Hackney and Enfield.

- Appointment onto Mental Health Frameworks in the London Boroughs of Redbridge and Newham
- Transferring in Learning Disability Supported Living Services contract in the London Borough of Waltham Forest supporting four new people.
- Delivering our first Mental Health support service in the London Borough of Newham.
- Service delivery to people paying privately, including personal budgets to the value of £1,423,531.
- Staff retention levels maintained above sector industry benchmark levels

Without exception, all of these achievements provide us with further opportunities to extend innovative service models that offer enhanced flexibility to people purchasing services with personal budgets or private income.

Our skilled and dedicated Board have fully embraced the Care Act and its requirements. We have completed a full Governance review cementing firmly at the centre of the Board our duty of care responsibilities in relation to safeguarding and involvement of the people we support with their families.

Significant challenges within our sector remain. The extreme pressure to reduce public expenditure will continue to dominate all commissioning plans. This will occur alongside the implementation of the National Living Wage, the principles of which are welcomed and supported by Outlook Care. To respond to these challenges, we will continue to invest our energies into delivering safe, quality, cost effective, preventative services both in peoples' own homes, their community and in purpose built specialist properties. We will achieve this aim by working in close partnership with people we support, their families and commissioners of services.

Further austerity measures continue to be reported and remain a significant threat to our sector. The Board of Outlook Care will maintain a watching

brief on this high level risk, ensuring we continue to perform from a position of strength for the benefit of our beneficiaries.

I would like to thank the people we support, their families and our commissioners, who inspire us by sharing their experiences and remind us every day about what is most important to them. Our talented, dedicated staff and Board continue to move Outlook Care forward in difficult times because of actively listening to all stakeholders. They are all responsible for our achievements and I would like to thank them personally for the incredible job they do.

David Thomas
Chair

Report of the Trustees

Outlook Care is a charitable organisation, formed for the benefit of the community and this underpins all that we do. The following extract from our rules sets out the objects of our organisation:

A.2

The Association is formed for the benefit of the community. Its objects shall be to carry on for the benefit of the community:

A.2.1

The business of providing relief for persons in need by reasons of their age, ill health, disability, financial hardship or other disadvantage (the beneficiaries) by the provision of care and support, whether residential or otherwise and such other support for the beneficiaries and their family and dependants as would be charitable under the laws of England and Wales in all cases for the benefit of the public.

A.2.2

Any other charitable object that can be carried out by a Registered Society under the Co-operative and Community Benefit Societies Act 2014.

Strategic objectives (reviewed June 2015)

- Maintain our long-term financial viability and maximise use of all of our resources.
- In partnership with customers, develop and deliver quality person centred services that give positive outcomes.
- Recruit, develop, manage and retain a flexible, motivated, competent and diverse workforce.
- Care for the environment and meet all appropriate legislation and regulation to develop a greener working community.

In order to accomplish these objectives, we set ourselves challenging targets, which are reviewed regularly by the Board to ensure that we remain on course and have the sufficient resources available to support our plans.

Who we support and our staff

As at 31 March 2016 we delivered 19,395 hours of support per week and supported 556 people broken down as follows:

- 54% learning disability (303 people)
- 29% mental health (164 people)
- 15% older people (77 people)
- 2% physical disabilities (12 people)
- Plus 108 people who have employed Personal Assistants

We employ 520 staff on permanent contracts, 52% of whom come from black or minority ethnic (BME) backgrounds. We have registered through Outlook Care Bank (OCB) 221 workers on casual contracts.

Operational performance 2015-16

Last year we said we would...

- Review our Safeguarding Procedure and training to be Care Act compliant and continue to place safeguarding vulnerable adults and safe service delivery as our priority.
- Achieve occupancy levels at Foxburrow Grange that deliver a surplus and contribution as per the budget.
- Maintain a low level of voids in accommodation based services.
- Complete the development and re-open 241 Hainault Road.
- Deliver quality services, maintaining full compliance with all regulators such as CQC and quality accreditations including ISO, IIP and CHAS.

And this is what we did...

- We have completed a full review of our Governance Process establishing a Safeguarding Committee of Trustees at the centre of our arrangements and approved a revised Safeguarding Policy. We have also implemented a safety related Red, Amber, Green rating system for each contract that is monitored by our Board.
 - We have achieved occupancy levels of above 85%.
 - We have achieved void levels within budget targets set.
 - Hainault Road is fully refurbished and will generate £200,000 new income.
 - We have achieved 100% 'good' rating across all of our Care Quality Commission regulated services and maintained all of our quality accreditations including ISO 9001:2008, ISO 14001:2004, the Investors in People Bronze Award and Certificate in Health and Safety (CHAS). For the first time, we have been accredited with the Energy Saving Opportunity Scheme (ESOS) and committed to the Driving Up Quality Code.
 - We have increased income from services purchased privately or through personal budgets from a value of £1,112,085 to £1,423,531.
-

Last year we said we would...

- Implement our involvement strategy across all service functions to ensure people we support expand their influence in service design and delivery.

And this is what we did...

- Our Involvement Strategy has been approved by Board and is being implemented through a combination of independent advocacy and management led initiatives. In the past 12 months people we support participated in involvement related activities, including:
 - Experts by Experience audits (we employ 6 people we support as our Experts) alongside Area Managers in the services we manage.
 - Participation of 70 people we support in 25 staff recruitment events.
 - Involvement of 200 people we support at an involvement café where property and housing experiences were discussed and an accessible housing standards booklet drafted.
 - Drama, music and arts based, 'staff free' independent advocacy session involving 16 people we support who fed back their experiences of Outlook Care which were captured within a comprehensive report for our Board to respond to.
 - Establishing a social and friendship group attended by 30 people we support who have met 4 times in the past 12 months.
 - Delivery of Safeguarding and Outlook Care Staff Values training with persons we support co facilitating the event.
 - People we support sharing their view and experiences via Outlook Care social media.

-
- Continue to develop new services, bidding for tenders where they meet our criteria and working with selected partner organisations to develop new initiatives.

- We have retained 100% of existing public sector contracts and have been awarded two new contracts, to the value of £929,467.

-
- Achieve our recruitment targets ensuring we have the right people, with the right skills and attitude to deliver personalised services retaining our skilled, motivated and well-trained workforce.

- We have achieved a staff turnover rate of 28%, which is slightly above the sector average and continue to achieve our recruitment targets set. Numbers of permanent staff employed has increased by 5% (excluding TUPE transfers in year). We aim to further increase the numbers of permanent staff and the ratio of shifts delivered by them.
-

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Last year we said we would...

- Increase our pool of Outlook Care Bank workers reducing costs and controlling quality.
- Implement refreshed strategies for:
 - Involvement
 - Information, Communication and Technology
 - Mental Health services
 - Marketing, Sales and Communication
- Achieve objectives set in our Business Plan 2015-18, working in a person centred, outcome focussed manner at all times.

And this is what we did...

- The delivery of hours through Outlook Care Bank has increased by 8%.
- Our refreshed strategies for Involvement and Information Communication and Technology have been approved by our Board and are being implemented. Strategies for Mental Health Services and Marketing, Sales, Communication are in draft.
- A Business Plan 2015-18 is approved and monitored by our Board, being implemented by the Executive and Senior Management Team.

We have also...

- 1 Continued to make excellent progress this year in supporting service users to achieve a wide range of meaningful outcomes which include;
 - Enjoying and achieving:
 - 97% of people we support actively engage with family and friends, an increase of 17% on last year.
 - 47% of people we support were engaged in education or training activities during last two years, an increase of 26% on last year.
 - 66% of people we support engaged in faith or ethnic specific groups or activities, 28% increase on last year.
 - Being Healthy:
 - 100% of people we support are registered with a GP, 96% were supported to receive an annual GP health check (4% managed this independently).
 - 78% of people we support participate in physical activities once a week or more, a 32% increase on last year.

- Staying safe:
 - 100% of people we supported to remain at home instead of being admitted to hospital during a mental health crisis.
- Achieving economic wellbeing:
 - 80% of people we support manage their own money, a 20% increase on last year.
 - 86% of people we support, where applicable, were supported to reduce their debt.
- Make a positive contribution:
 - 9% of people we support gained qualifications during last two years, a 6% increase on last year.
- Looking to move on:
 - 29% of people we support have reached their potential to move on in the last year (and still within service).
 - 65% of people we support were supported to use housing surgeries and helplines to report their own repairs direct to their landlords.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

- 2 Received external recognition for the work that we do through the following:
 - Great British Care Award Regional Winner for Best Activities provision in Mental Health services.
 - Great British Care Award Regional Winner Care Home Worker in Older Persons Services.
- 3 Completed a staff survey achieving 54% response rate.
- 4 Recruited internal training expertise to support the way our staff are trained, coached and mentored.
- 5 Reviewed all operational costs ensuring 85% of our costs are engaged in the delivery of care and support services.
- 6 Completed an Age, Needs and Accommodation profile across all services to inform future decision making.
- 7 Revised Board Performance Indicators to assess financial performance of the organisation taking into account risks relating to commissioning challenges and the National Living Wage.
- 4 Increase services purchased through personal budgets.
- 5 Continue to develop new services, bidding for tenders where they meet our criteria and working with selected partner organisations to develop new initiatives.
- 6 Achieve our recruitment targets ensuring we have the right people, with the right skills and attitude to deliver personalised services retaining our skilled, motivated and well-trained workforce.
- 7 Increase our pool of Outlook Care Bank workers reducing costs and controlling quality with a specific aim of reducing agency usage costs.
- 8 Implement refreshed strategies for Mental Health services and marketing, sales and communication.
- 9 Achieve objectives set in our Business Plan 2015-18, working in a person centred, outcome focussed manner at all times.
- 10 Analyse the outcomes of surveys of people we support, stakeholders and families feeding back outcomes and taking actions to improve the quality of service delivered.

Next year we will...

- 1 Achieve occupancy levels at Foxburrow Grange that deliver a contribution as per the budget.
- 2 Maintain a low level of voids in accommodation based services.
- 3 Deliver quality services, maintaining full compliance with all regulators such as CQC and quality accreditations including ISO, IIP and CHAS.
- 11 Further develop our commitment to quality customer service delivery by delivering customer development training and coaching to all staff and implementing innovative measures of customer satisfaction.

Governance and Structure

Governance

Outlook Care is a Community Benefit Society and recognised as charitable by HM Revenue & Customs. We are registered under the Co-operative and Community Benefit Societies Act 2014 (Registration Number 26988R) and regulated by the Financial Conduct Authority (FCA). We are governed by Rules that were last revised in January 2014. A copy is available on request from the Company Secretary.

We have one subsidiary company, Outlook Venture Limited.

The Board

Outlook Care is governed by Directors who constitute a Board of Management (referred to in this report as the Trustees) who comprise of elected members recruited from a wide range of professional backgrounds.

The Directors of the Company are also Trustees under the Rules of the organisation and are known as members of the Board of Management.

All Trustees of the Board are members of the organisation and subscribe to one share. Shareholding membership is limited to the voting Board Trustees.

Trustees are elected and serve for a term of six years, although this can be extended by up to a maximum of four further years by mutual agreement.

Two members of the Board are due to retire in 2016/17 and we have recruited two new members in January 2016 to ensure we have the skills and experience necessary for Outlook Care's continued success. Outlook Care operates an open recruitment policy and uses a range of mechanisms to recruit

new members. This can include external and internet based advertising and, where specific skills are required, direct approaches.

We recognise the responsibilities placed by law on a Trustee and a thorough induction programme is in place for all new Trustees; including meetings with key staff and visits to our services to meet staff and customers. Trustees attend regular briefing sessions, external training and seminars, receive weekly updates on activities within our sector and, have access to relevant trade publications.

Outlook Care has a Shared Document Area (SDA), which is internet based and contains all our policies, procedures and other relevant information. Board agendas and reports are stored in the SDA to reduce paperwork and ensure information is easily accessible.

The Chair appraises Trustees on an annual basis, with the Chair appraised by a minimum of two Trustees of the Board selected by members.

Trustees

David Thomas

- EUR Ing, C Eng MIMechE

Ian Churley FRICS

- Vice-Chair (to September 2015)

Charles McNair ACMA, CGMA

- Vice Chair (from September 2015) and Treasurer

Carole Rainbird MSc

- Chair of Audit & Risk Committee and Chair of Safeguarding Committee

Jerry Gibson MA

Sheila Davis MA

Lindsay Whitehouse BA (Hons)

Piotr Rejek MA, BA (Hons)

Steve Marsh MSc, CQSW, CMS, CRCCYP

- Members

Asma Khalid MSc, MRCOG (from January 2016)

Malcolm Philp MSc MCSP (from January 2016)

- Co-opted Members

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Trustee remuneration

Trustees of Outlook Care receive remuneration, which is linked to an Agreement for Services, which all Trustees sign. This Agreement sets out the obligations of Trustees and incorporates their Code of Conduct.

The overall cost to the organisation is considered when setting the levels of Board remuneration. The amounts paid to individual Trustees reflect both the number of Trustees and their specific roles on the Board. Total remuneration is also proportionate to the turnover of the organisation. The Remuneration Policy is reviewed annually and there has been no change in the level of remuneration for the past six years. The current levels per annum are as follows:

Chair	£4,060
Vice Chair/Treasurer	£3,045
Chair of Audit & Risk	£3,045
Member	£2,030

Trustee responsibilities

The Trustees, in their capacity as Directors, are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Co-operative and Community Benefit Societies Act 2014.

The Charity constitutes a public benefit entity as defined by FRS 102.

The Directors consider that there are no material uncertainties about the organisation's ability to continue as a going concern.

In preparing these financial statements, the Board:

- Select suitable accounting policies and then apply them consistently.
- Make reasonable and prudent judgements and estimates.
- State whether applicable UK Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed in the financial statements.
- Prepare the financial statements under the going concern basis unless it is not appropriate to presume that the organisation will continue in operation.

Trustees are also responsible for:

- Keeping proper accounting records such as are necessary to give a true and fair view of the organisation's state of affairs.
- Safeguarding the assets of the organisation and therefore taking reasonable steps for the prevention and detection of fraud and other irregularities.
- Maintaining a satisfactory system of control over transactions.

Public benefit

The Trustees confirm that they have voluntarily referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the organisation's Vision, Mission and Values, as well as when setting strategic objectives and planning for future activities and when overseeing the delivery of current activities.

Organisational structure and decision-making

The Board has legal responsibility for the effective use of resources in meeting the organisation's objects and for providing effective leadership and direction. They meet bi-monthly and undertake regular training geared to strategic topics as well as holding annual strategic planning meetings.

Committees

The Board delegates authority to the Audit and Risk Committee, Safeguarding Committee and Remuneration Committee in accordance with specific terms of reference approved by the Board and reviewed annually with our Governance Policy.

Management

The Executive Management Team (EMT) have responsibility for the day-to-day management of Outlook Care and for the implementation of policy. Members of EMT are:

- **Piotr Rejek, MA, BA (Hons)** - Chief Executive
- **Anne Cooper, RNLD, PgDMS** - Director of Operations
- **Robert Smith, MCIPD** - Director of Human Resources
- **Sian Hajba, BA (Hons), FCCA** - Director of Finance

Employees

Our actual staffing headcount at 31 March 2016 was 441, consisting of 524 people full and part time staff in post. An additional 222 people are registered on Outlook Care Bank (OCB), our internal staff bank. OCB filled an average of 73% of vacant shifts during the year. A key objective is to increase our pool of OCB workers and in turn control quality and reduce cost.

We have used Apprentices within both Central Services functions and in direct care delivery roles. Feedback from Apprentices has been positive and they have been successful in completing their Apprenticeships with us.

We have recently agreed a significant expansion to our Apprentice numbers for 2016.

Customer involvement

Our strategy, approved by our Board, focuses on four key areas related to:

- 1 Communication with people we support – improving choice and control.
- 2 Enabling people we support to design and shape services we deliver.
- 3 Celebrating the capacities, abilities and gifts of people we support, connecting people with their communities and peers.
- 4 Further developing an organisation wide culture of daily involvement of people we support in everything we do.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Volunteers

We continue to encourage volunteering as a way of reaching out to local communities and our services continue to benefit from the input of dedicated volunteers who carry out a wide range of complementary support both directly and indirectly with customers.

Volunteers have added social value to Foxburrow Grange customers measured in terms of the increased opportunities available to them. Financial value achieved by volunteers is in the region of £11,612.

Fundraising

We have promoted local fundraising and raised a total of £21,629 across all of our services.

Financial review

Outlook Care produced a surplus of £497,380 on a total income and endowments of £17,666,736 in the financial year. This represents an increase in income and endowments of 20% in the year. In November 2015, our Residential Care Home at Robin Hood Road was sold generating a surplus on disposal of £294,842. Costs incurred total £17,370,383, which comprise £13,324,630 incurred in direct costs of service delivery and in direct support costs of £3,795,753.

In May 2013, our nursing home, Foxburrow Grange, opened and as at 31st March 2016 each of the four wings were open and occupancy was at 85%. Foxburrow Grange continues to have a significant impact on our results for the year with a further increase in turnover in the year of £1,181,142. This brings total turnover since the opening of the home to £5,574,054. We have also seen costs rise with a significant increase in running costs from £2,487,975 in year 2 to £3,301,093 in year 3 as occupancy has increased. The total costs incurred since opening now total

£7,368,402.

In the current financial year, there has been little activity in Outlook Venture resulting in an operating deficit of £3,090.

There have been a number of changes to our service provision that include:

- Transfer in of Mental Health Supported Living Services in Waltham Forest from 1st April 2015 with additional income of £929,467 in the financial year.
- The closure of 241 Hainault Road in November 2014 due to high void levels. In March 2015, we received a Department of Health grant to the value of £332,000 from the London Borough of Waltham Forest to fund the refurbishment of the service to enable the provision of a Supported Living service in the next financial year. The grant has been spent in full as the refurbishment of the property has been completed and the first residents moved into the service at the end of March 2016.

Where our money comes from

The majority of our funding continues to come from Local Authorities with some services retained under NHS contracts. During the current financial year, the nursing home income was 42.9% privately funded which is in contrast to the funding mix in the previous two years. The current funding mix is in line with our expectations when the home was first opened.

The ongoing income for Foxburrow Grange continues to increase our Older People's service income and this category is now 26.9% of our total income, an increase of 4.4%. When Foxburrow Grange is full the income from Older People's service will increase to 30% of our total service income.

Mental health service income has increased this

year by 0.6% and is now 16% of total income.

The majority of our income continues to be from Learning Disability services but this is now falling as a percentage of overall income resulting in a better balance for the organisation within the health and social care market.

We continue to provide services at 11 specialist residential care homes and the changes to services this year have been noted above.

How we spent our money

Total expenditure has increased by 23% in 2016 against a rise in income of 20%. The additional expenditure is attributable to a number of factors including increased running costs for Foxburrow Grange in line with increases in occupancy levels, full year running costs incurred in both the Barking and Dagenham Supported Living Services and the new Mental Health services in Waltham Forest. The annual staff costs of £12,070,128 are now 69.55% of total expenditure compared to 72% last year.

The nursing home is part funded through a loan from NatWest and the interest paid during the year amounted to £117,754, a decrease against last year of £3,065 and is included under other support costs. The depreciation charge for all of the properties is also shown under this heading and is £235,799 for the year. The third element of the increase in other support costs is the additional cost of external agency usage. This has increased by 80% in the year because of difficulties in recruiting qualified nurses and the extra use of agency staff for setting up Foxburrow Grange.

Pensions

Outlook Care is actively managing the cost and risk associated with Final Salary Pension schemes. In 2013, the final salary Social Housing Pension Scheme (SHPS) was closed leaving the NHS pension scheme and the London Borough of Waltham Forest scheme in use for existing members only at the end of March 2014. Membership of the NHS scheme has reduced further during the year from 23 employees to 20, through retirement and change of employment.

The Waltham Forest local government scheme membership reduced by one to three active members, two of whom were within a year of normal scheme retirement age. This greatly increased the risk of an unplanned cessation event that could have left the organisation exposed to very high exit costs. Mercers, who are the scheme actuary, completed a valuation and a termination summary paper was issued with a final amount due of £723,000. Following consultation with the employees involved, the Board were satisfied that the exit was in the best interests of the organisation and the scheme was fully closed. The first repayment was made in May 2014, which reduced the pension debt to £550,000. A further repayment was made in May 2015 with the final debt repayment due in May 2016.

Outlook Care has a contingent liability of £13,252,458 for the closed SHPS final salary scheme based on the September 2015 position. This is an increase of £1,066,247 (8%) in the year. Further information regarding this scheme is included in note 17 of the accounts. Pension liabilities are disclosed in accordance with the reporting requirements of SORP FRS 102. Repayment of this debt will be triggered should Outlook Care withdraw from the SHPS pension scheme. The Pensions Regulator has confirmed that provided Outlook Care continues to provide membership of the SHPS defined contribution scheme to its staff no trigger event will occur.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Significant deficit payments are also being made to SHPS and are included in our support costs. The SHPS defined contribution scheme is open and offered to new employees for the first month of employment. The contingent liability for the SHPS Growth Plan has fallen by £11,560 (6.5%) to £167,430 this year. Deficit payments are also being made for this scheme and the Board monitors the risk associated with this scheme.

Outlook Care is compliant with auto-enrolment legislation and employees have been enrolled into the NEST scheme since February 2013. The opt out rate remains low and membership has increased during the year from 313 employees to 356 at 31st March 2016.

Fixed assets

The level of fixed assets additions has increased this year by £357,955 in the consolidated accounts. The nursing home build has been partly funded through a loan from NatWest and during the year the loan decreased to £2,663,258 from £2,761,035 as loan repayments have continued. Fixed asset disposals of £300,000 relate to the sale of the property at Robin Hood Road in Brentwood, which generated a surplus on disposal of £294,842.

Investment policy and returns

Although we have seen growth in income generated from private payers, Outlook Care is funded primarily from income received from Local Authorities and the NHS, which is intended to match the cost of providing the services that the organisation has been contracted to provide. There is therefore no expectation to have any significant surplus funds for long-term investment. The Trustees do however recognise that from time to time the organisation will have surplus funds for short-term investment. The investment policy requires that funds be invested to maximise returns subject to limitations on risk and accessibility with a preference for investment in ethical organisations

when investing funds directly. Investment in property is limited to properties that will be used by people to whom we provide a service. Capital preservation is the key concern and the investment policy requires very low risk investments with organisations that have high credit ratings. Because of this policy, Outlook Care has not incurred any capital losses; however, investment returns are very low. This year short-term deposits have increased by £767,637 due in the main to sales proceeds from the sale of Robin Hood Road. Investment income for the year was £7,519 compared to £6,068 in 2014/15.

Subsidiary company

Outlook Venture Ltd is the wholly owned subsidiary of Outlook Care that was established to develop our new nursing home in Colchester, Essex.

Risk and internal controls

The Board of Trustees and the Executive Management Team monitor opportunities for growth. Opportunities are realised through organic extension or transformation of existing contracts, winning tenders or development of privately purchased services. Partnerships with other providers are also reviewed on a regular basis. Risks related to growth are managed through internal controls such as tender matrices and/or Board approved Business Cases.

The Board of Trustees review the organisation's Risk Register quarterly. The main areas of risk include:

- Failure to safeguard people with complex needs from harm.
- The continuation and/or extension of the efficiency agenda and cuts to public spending by Local Authority and Clinical Commissioning Group commissioners.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

- Increasing competition in the market place to recruit the right calibre of staff.
- Increased regulation and increasing customer expectation with regard to leadership and governance through CQC and the Care Act.
- Ability to comply with loan covenants.
- Pensions.
- Yet unknown changes/interpretations in legislation that reduce expenditure and increases risk to providers of services, including the introduction of the Living Wage legislation.

A new three year Business Plan is in place for 2015-18. From this, we update our action plans for business development and workforce planning.

The budget is set annually by the Board and monitored through monthly management accounts. We operate a 12-month rolling forecast that is reviewed quarterly by the Board.

Key Performance Indicators (KPIs) for key financial and non-financial activities are used to monitor our performance. We have three levels of indicators for Board, Audit and Risk Committee and Executive Management Team.

The Quarterly Management Review (QMR) monitors operational performance and the Audit and Risk Committee monitor quality auditing across the organisation and the outcome actions.

A new clinical governance group reviews incidents across the organisation and reports to QMR on trends, risks and practice improvement.

Our Continuous Improvement Programme meets the requirements of ISO 9001:2008, which we have held since 1995.

The Chair of the Audit and Risk Committee and the Chair for our Safeguarding Committee, receive all safeguarding issues, reported immediately in writing to them and actions reviewed bi-monthly. Both committees' review cases, assess organisational learning and identify any potential trends.

The Trustees are satisfied that the organisation's internal systems and controls are in place and sufficient to manage key risks and oversee performance.

Risk management

The Organisational Risk Policy is reviewed annually by the Trustees in order to identify key risk and ensure that we have the necessary actions in place to mitigate risk. The Organisational Risk Map captures all risk and identifies them as being High, Medium or Low. The Trustees, on a quarterly basis monitor high-level risks. The Audit and Risk Committee monitor medium and low-level risks. Control actions identified are monitored by the Executive Management Team to ensure that we are meeting our targets and feedback on performance is provided to the Board.

Reserves

Outlook Care is not dependant on any form of fundraising and all of the services we provide are specifically linked to income sources. If the contract for the provision of a service ceases then the direct expenditure for that service will also cease. This means that the organisation does not require significant reserves in order to continue service provision. It is however important to hold reserves for the following reasons:

- To manage the cost of central services, if a significant reduction in turnover is experienced, while restructure takes place.
- To provide working capital for the organisation.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

- To provide funding for capital expenditure in income generating services.
- To meet unexpected costs that may be an unforeseen or unfunded consequence of TUPE transfers.

The Trustees have therefore approved a reserves policy that requires a working capital reserve equivalent to six months' budgeted central management expenditure for the year ahead. This reserve is currently £1,067,114 and fulfils the requirements of six months of central management spend.

Unrestricted funds

General reserves

The general reserves are not restricted or designated for use and the reserves policy requires a general reserve of at least 10% of the total reserves. At the end of the year, the general reserve was £320,503 and complies with the policy.

Designated reserves

Designated reserves are unrestricted funds that have been allocated for a particular purpose by the Trustees. That purpose is either a requirement of the reserves policy or a specific project approved by the Trustees and funded from reserves.

Designated funds include:

- The Working capital reserve.
- The Fixed Asset reserve, which is equivalent to the value of the organisation's fixed assets in recognition of the fact that they are income-generating assets and are not readily convertible to cash. This reserve is currently £3,229,721, which covers the net book value of all assets less loan funding excluding the nursing home, which is only partially covered. The Trustees recognise that this reserve needs to be increased by £1,020,722 when funds are available.

- The bond reserve is designated in recognition of the cash deposit that is required by a Havering contract as a bond. This cash is not available to the organisation until the end of the contract.

Restricted funds

These funds are tied to a particular activity and are generally small sums of money that have been donated for a specific purpose. In addition, at 31st March 2015 a restricted fund of £332,000 was held in respect of the grant for 241 Hainault Road. This grant was spent in full in the current financial year. The total value of Restricted Funds at the end of the year was £6,044.

Independent auditors' report

on the financial statements to the members of Outlook Care

We have audited the consolidated financial statements of Outlook Care for the year ended 31 March 2016 which comprise the consolidated and charity statements of financial activities, balance sheets, cash flow statements, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the society's members, as a body, in accordance with Section 7 of the Co-operative and Community Benefit Societies Act 2014. Our work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report or the opinions we have formed.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Respective responsibilities of the board and auditors

As explained more fully in the Statement of the Board of Management's responsibility set out on page 10 the Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the society's and the group's affairs as at 31 March 2016 and of their income and expenditure for the year then ended; and
- The financial statements have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- The society has not kept proper books of account; or
- The society has not maintained a satisfactory system of control over its transactions ; or
- The financial statements are not in agreement with the books of account; or
- We have not received all the information and explanations we require for our audit.

Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

Financials

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Consolidated Statement of Financial Activities

Incorporating an income and expenditure account

	Note	Restricted £	Unrestricted £	2016 Total £	Restated 2015 Total £
Income and Endowments from					
– Donations and legacies		10,017	11,612	21,629	16,417
– Investments		-	7,519	7,519	6,068
Income from Charitable Activities					
– Learning disabilities housing & care services	2	-	9,896,953	9,896,953	8,953,055
– Mental health housing & care services	3	-	2,770,516	2,770,516	2,224,538
– Older people's housing & care services	4	-	4,669,665	4,669,665	3,240,231
Other income					
– Profit/(Loss) on sale of Fixed Assets		-	294,842	294,842	-
– P4P income		-	-	-	6,457
– Sundry income		-	5,612	5,612	215
Total Income and Endowments		10,017	17,656,719	17,666,736	14,446,981
Expenditure on					
Charitable activities					
– Learning disabilities housing & care services		5,067	8,862,690	8,867,757	7,851,446
– Mental health housing & care services		-	2,978,726	2,978,726	2,695,999
– Older people's housing & care services		1,843	5,272,057	5,273,900	3,298,526
Total Expenditure	5	6,910	17,113,473	17,120,383	13,845,971
Net gains/(losses) on derivative financial instruments					
			(24,973)	(24,973)	(168,841)
Finance charge on pension scheme					
			(24,000)	(24,000)	(167,000)
Net income/(Expenditure)	6	3,107	494,273	497,380	265,169
Transfer between funds					
		(333,332)	333,332	-	-
Net income /(expenditure) before other recognised gains/(losses)		(330,225)	827,605	497,380	265,169
Actuarial gains/(losses) on defined benefit pension schemes					
		-	(776,000)	(776,000)	-
Net movement in funds					
		(330,225)	51,605	(278,620)	265,169
Reconciliation of funds					
Funds at the start of the year					
		336,269	1,935,643	2,271,912	2,006,743
Funds at the end of the year					
		6,044	1,987,248	1,993,292	2,271,912

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Statement of Financial Activities

Incorporating an income and expenditure account

	Note	Restricted £	Unrestricted £	2016 Total £	Restated 2015 Total £
Income and Endowments from					
– Donations and legacies		10,017	11,612	21,629	16,417
– Other trading activities		-	-	-	24,133
– Investments		-	7,519	7,519	6,068
Income from Charitable Activities					
– Learning disabilities housing & care services	2	-	9,896,953	9,896,953	8,953,055
– Mental health housing & care services	3	-	2,770,516	2,770,516	2,224,538
– Older people's housing & care services	4	-	4,669,665	4,669,665	3,240,231
Other income					
– Profit/(Loss) on sale of Fixed Assets		-	294,842	294,842	-
– P4P income		-	-	-	6,457
– Sundry income		-	5,612	5,612	215
Total Income and Endowments		10,017	17,656,719	17,666,736	14,471,114
Expenditure on					
Charitable activities					
– Learning disabilities housing & care services		5,067	8,862,690	8,867,757	7,850,937
– Mental health housing & care services		-	2,978,726	2,978,726	2,695,607
– Older people's housing & care services		1,843	5,268,968	5,270,811	3,323,560
Total Expenditure	5	6,910	17,110,384	17,117,294	13,870,104
Net gains/(losses) on derivative financial instruments					
			(24,973)	(24,973)	(168,841)
Finance charge on pension scheme					
			(24,000)	(24,000)	(167,000)
Net Income/(Expenditure)	6	3,107	497,362	500,469	265,169
Transfer between funds					
		(333,332)	333,332	-	-
Net income /(expenditure) before other recognised gains/(losses)		(330,225)	830,694	500,469	265,169
Actuarial gains/(losses) on defined benefit pension schemes					
		-	(776,000)	(776,000)	-
Net movement in funds					
		(330,225)	54,694	(275,531)	265,169
Reconciliation of funds					
Funds at the start of the year					
		336,269	1,935,643	2,271,912	2,006,743
Funds at the end of the year					
		6,044	1,990,337	1,996,381	2,271,912

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Consolidated Statement of Financial Position

	Note	£	2016 Total £	Restated 2015 Total £
Fixed assets				
Tangible fixed assets	9		7,318,701	7,451,745
Current assets				
Debtors	10	975,828		1,363,960
Short term deposits		1,860,767		1,094,046
Cash at bank and in hand		32,198		57,623
		2,868,793		2,515,629
Liabilities				
Creditors: amounts due within 1 year	11	2,499,977		2,098,696
Net current assets			368,816	416,660
Total assets less current liabilities			7,687,517	7,868,405
Creditors: amounts falling due after more than 1 year	12		(2,967,217)	(3,419,485)
Net assets excluding pension liability			4,720,300	4,448,920
Defined benefit scheme liability	17		(2,727,000)	(2,177,000)
Net assets including pension liability			1,993,300	2,271,920
Funds				
Share capital	15		8	8
Restricted funds	14		6,044	336,269
Unrestricted funds	14			
Designated funds		4,396,835		4,128,934
General funds		317,413		(16,291)
Unrestricted income funds excluding pensions liability			4,714,248	4,112,643
Pension liability reserve	14		(2,727,000)	(2,177,000)
Total group funds			1,993,300	2,271,920

Approved and authorised for issue by the Board of Management on 22 August 2016 and signed on its behalf by:

David Thomas
Chair

Charles McNair
Treasurer

Sian Hajba
Company Secretary

Statement of Financial Position

	Note	£	2016 Total £	Restated 2015 Total £
Fixed assets				
Tangible fixed assets	9	7,318,701		7,451,745
Investment in subsidiary		1		1
			7,318,702	7,451,746
Current assets				
Debtors	10	975,828		1,387,785
Short term deposits		1,860,767		1,094,046
Cash at bank and in hand		917		400
		2,837,512		2,482,231
Liabilities				
Creditors: amounts due within 1 year	11	2,465,607		2,065,572
			371,905	416,659
Net current assets				
			7,690,607	7,868,405
Total assets less current liabilities				
Creditors: amounts falling due after more than 1 year	12		(2,967,217)	(3,419,485)
			4,723,390	4,448,920
Net assets excluding pension liability				
Defined benefit scheme liability	17		(2,727,000)	(2,177,000)
			1,996,390	2,271,920
Net assets including pension liability				
Funds				
Share capital	15		8	8
Restricted funds	14		6,044	336,269
Unrestricted funds	14			
Designated funds		4,396,835		4,128,934
General funds		320,503		(16,291)
Unrestricted income funds excluding pensions liability			4,717,338	4,112,643
Pension liability reserve	14		(2,727,000)	(2,177,000)
Total charity funds			1,996,390	2,271,920

Approved and authorised for issue by the Board of Management on 22 August and signed on its behalf by:

David Thomas
Chair

Charles McNair
Treasurer

Sian Hajba
Company Secretary

Consolidated Statement of Cashflows

	Note	2016 £	2016 £	2015 £	Restated 2015 £
Cash flows from operating activities					
Net Cash provided by (used in) operating activities	Table A		784,169		(282,200)
Cash flows from investing activities					
– Interest from investments		7,519		6,068	
– Proceeds from the sale of property		550,042		-	
– Purchase of plant and equipment		(357,956)		(103,778)	
– Net Cash provided by (used in) investing activities			199,605		(97,710)
Cash flows from financing activities					
– Loan finance repayment		(16,480)		(37,596)	
– Pension deficit payments		(225,999)		(73,000)	
– Net Cash (used in) investing activities			(242,479)		(110,596)
Change in cash and cash equivalents in the reporting period			741,296		(490,506)
Cash and cash equivalents at the beginning of the reporting period			1,151,669		1,642,175
Cash and cash equivalents at the end of the reporting period	Table B		1,892,965		1,151,669

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Table A: Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016 £	2015 £
Net income/(Expenditure) for the reporting period (as per the statement of financial activities)	497,380	265,169
Adjustments for:		
Interest received	(7,519)	(6,068)
Net (profit) on disposal of fixed assets	(294,842)	-
Depreciation of tangible fixed assets	235,799	252,341
Decrease/(increase) in debtors	388,132	(743,558)
(Decrease)/increase in creditors excluding loans	(34,780)	(50,084)
Net cash provided by (used in) operating activities	784,170	(282,200)

Table B: Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	1,860,767	1,094,046
Notice deposits (less than 3 months)	32,198	57,623
	1,892,965	1,151,669

Statement of Cashflows

	Note	2016 £	2016 £	2015 £	Restated 2015 £
Cash flows from operating activities					
Net Cash provided by (used in) operating activities	Table A		810,112		(339,067)
Cash flows from investing activities					
– Interest from investments		7,519		6,068	
– Proceeds from the sale of property		550,042		-	
– Purchase of plant and equipment		(357,956)		(103,778)	
– Net Cash provided by (used in) investing activities			199,605		(97,710)
Cash flows from financing activities					
– Loan finance repayment		(16,480)		(37,596)	
– Pension deficit payments		(225,999)		(73,000)	
– Net Cash (used in) investing activities			(242,479)		(110,596)
Change in cash and cash equivalents in the reporting period			767,238		(547,373)
Cash and cash equivalents at the beginning of the reporting period			1,094,446		1,641,819
Cash and cash equivalents at the end of the reporting period	Table B		1,861,684		1,094,446

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Table A: Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016 £	2015 £
Net income/(Expenditure) for the reporting period (as per the statement of financial activities)	500,469	265,169
Adjustments for:		
Interest received	(7,519)	(6,068)
Net (profit) on disposal of fixed assets	(294,842)	-
Depreciation of tangible fixed assets	235,799	252,341
Decrease/(increase) in debtors	411,958	(767,446)
(Decrease)/increase in creditors excluding loans	(35,753)	(83,063)
Net cash provided by (used in) operating activities	810,112	(339,067)

Table B: Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	1,860,767	1,094,046
Notice deposits (less than 3 months)	917	400
	1,861,684	1,094,446

Notes to the Financial Statements

1. Accounting policies

a) Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Co-operative and Community Benefit Societies Act 2014.

The Charity constitutes a public benefit entity as defined by FRS 102.

The Directors consider that there are no material uncertainties about the organisation's ability to continue as a going concern.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

b) Donations and Legacies income received by way of subscriptions, including donated time and gifts is included in full in the statement of financial activities when receivable.

c) Grant income is recognised in full in the Statement of Financial Activities in the year in which it is receivable.

Contract income is recognised as earned.

d) Expenditure on charitable activities are recognised in the period in which they are incurred and include attributable VAT which cannot be recovered.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. Depreciation and finance charges are incurred centrally and recharged to activities through an

internal rent charge. The internal rent is excluded in the annual accounts. The cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function is charged to the schemes in full. Budgets are set allocating costs relating to the HR, training and quality directorate apportioned on the basis of staff time attributable to each activity. The costs for the Area Managers and Specialist Managers are apportioned based on the number of hours delivered for each activity. The remaining costs are apportioned according to the relative scale of the activities. Actual costs are allocated using the ratio of allocation in the budget.

e) Governance costs include the management of the organisation's assets, organisational management and compliance with constitutional and statutory requirements. Actual governance costs are allocated using the ratio of allocation in the budget.

f) Depreciation is charged on a straight line basis at rates calculated to write down the cost of each asset other than freehold land to its estimated residual value over its expected useful life. The useful lives are as follows:

Freehold buildings	50 years
Furniture & fittings	5 years
Motor vehicles	5 years
Office equipment	3 years
IT equipment	3 years

Items of equipment are capitalised where the purchase price exceeds £2,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

g) Financial Instruments
Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at the reporting date are included under the appropriate format heading depending on the nature of the derivative. Basic financial instruments are initially recognised at transaction value and subsequently measured

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

h) Restricted funds are used in accordance with the requirements or purposes stipulated by the donors. Expenditure which meets these criteria is identified and allocated to the fund.

i) Unrestricted funds are donations or earned income free from restrictive conditions, available to use in the furtherance of the organisation's objectives.

j) Designated funds are amounts from unrestricted funds reserved by the Board of Management for specific future investment and spending.

k) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

l) The organisation makes contributions to three pension schemes. The Social Housing Pension Scheme (SHPS) is a defined benefit scheme and the National Health Service Pension Scheme is an unfunded defined benefit scheme. Following the requirements to auto enrol staff into a pension scheme NEST was identified as the vehicle to fulfil this requirement. Further details of these schemes are provided in note 17.

2. Learning disabilities housing & care services

(Consolidated and charity)

	Restricted £	Unrestricted £	2016 Total £	2015 Total £
Care contracts	-	7,825,685	7,825,685	6,525,302
Residents' charges	-	1,326,157	1,326,157	1,448,895
Individual care and support	-	718,675	718,675	952,871
Other income	-	26,436	26,436	25,987
	-	9,896,953	9,896,953	8,953,055

3. Mental health housing & care services

(Consolidated and charity)

	Restricted £	Unrestricted £	2016 Total £	2015 Total £
Care	-	1,836,130	1,836,130	1,566,004
Residents' charges	-	836,009	836,009	632,550
Individual care and support	-	77,407	77,407	7,325
Other income	-	20,970	20,970	18,659
	-	2,770,516	2,770,516	2,224,538

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

4. Older people's housing & care services

(Consolidated and charity)

	Restricted £	Unrestricted £	2016 Total £	2015 Total £
Care	-	523,434	523,434	530,630
Residents' charges	-	3,246,971	3,246,971	2,485,593
Individual care and support	-	894,872	894,872	209,267
Other income	-	4,388	4,388	14,741
	-	4,669,665	4,669,665	3,240,231

5. Charitable expenditure

(Consolidated)

	Learning disabilities housing & care services £	Mental health housing & care services £	Older people's housing & care services £	2016 Total £	2015 Total £
Total direct costs	7,488,555	2,042,211	3,793,864	13,324,630	10,946,310
Support costs:					
Staff costs	940,591	599,042	1,392,059	2,931,692	2,086,027
Property costs	47,242	36,348	9,143	92,733	110,459
Professional & legal fees	12,159	9,355	4,171	25,685	22,117
Other costs	352,625	271,315	68,318	692,258	617,084
Governance costs	26,585	20,455	6,345	53,385	63,974
	8,867,757	2,978,726	5,273,900	17,120,383	13,845,971

(Charity)

	Learning disabilities housing & care services £	Mental health housing & care services £	Older people's housing & care services £	2016 Total £	2015 Total £
Total direct costs	7,488,555	2,042,211	3,793,864	13,324,630	10,946,310
Support costs:					
Staff costs	940,591	599,042	1,392,059	2,931,692	2,086,027
Property costs	47,242	36,348	9,143	92,733	110,459
Professional & legal fees	12,159	9,355	2,354	23,868	22,117
Other costs	352,625	271,315	68,246	692,186	642,217
Governance costs	26,585	20,455	5,145	52,185	62,974
	8,867,757	2,978,726	5,270,811	17,117,294	13,870,104

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

6. Net income/(expenditure)

This is stated after charging/(crediting:)

	2016 £	2015 £
Depreciation	235,799	252,341
(Profit)/Loss on sale of fixed assets	(294,842)	-
Board of Management's remuneration, including pension contributions	48,384	56,840
Board of Management's reimbursed expenses	3,328	5,081
Auditors' remuneration:		
• Audit (excluding VAT)	15,360	15,586
• Other services (excluding VAT)	-	-
Operating lease rentals:		
• Property	345,488	345,488
• Other	14,451	11,348

The Chief Executive receives remuneration for carrying out the duties of Chief Executive. The figure disclosed as remuneration represents payment relating to the full year. Following a review the decision was made that Board members receive remuneration for their services. Reimbursed expenses represent costs incurred in relation to attendance at Board and committee meetings and all reasonable expenses.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

7. Staff costs and numbers

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	11,022,585	9,210,990
Social security costs	833,091	768,193
Pension contributions	214,452	174,925
	12,070,128	10,154,108

	2016	2015
Number of employees receiving £90,001 - £100,000	1	-
Number of employees receiving £80,001 - £90,000	-	1
Number of employees receiving £70,001 - £80,000	1	2
Number of employees receiving £60,001 - £70,000	2	1

Employer's pension contributions for the above higher paid employees amounted to £8,957 (2015 - £8,764). Key management personnel comprise the Trustees and the Executive Management Team for both the charity and the group. During the year total employee benefits were paid to key management personnel totalling £325,515 (2015 £305,565).

Redundancy and settlement payments of £62,770 (2015 - £Nil) were made during the year.

The average monthly number of employees (full-time equivalent) based on an assessment of payrolls during the year was as follows:

	2016	2015
Housing & Care Services - Learning Disabilities	280	270
Housing & Care Services - Mental Health	59	48
Housing & Care Services - Older People	115	107
Support	39	38
Governance	1	1
	494	464

In addition to the staff numbers quoted above, workers are employed through the Outlook Care internal Bank (OCB).

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

8. Taxation

Outlook Care is a registered society under the Co-operative and Community Benefit Societies Act 2014 and is therefore potentially exempt from taxation on its income and gains as Outlook Care falls within the definition of a charity as defined in Part 1, Schedule 6 of the Finance Act 2010. No tax charge has arisen during the year.

9. Tangible fixed assets

(Consolidated & charity)

	Freehold Land & Buildings £	Motor Vehicles £	Furniture & Equipment £	Office Equipment £	IT Equipment £	Totals £
Cost						
At the start of the year	8,076,844	26,255	526,513	26,641	157,186	8,813,439
Additions in year	337,025	-	4,967	-	15,963	357,955
Disposals in year	(300,000)	-	-	-	-	(300,000)
At the end of the year	8,113,869	26,255	531,480	26,641	173,149	8,871,394
Depreciation						
At the start of the year	1,022,213	26,255	230,897	26,641	55,688	1,361,694
Charge for the year	114,203	-	94,447	-	27,149	235,799
Disposals in year	(44,800)	-	-	-	-	(44,800)
At the end of the year	1,091,616	26,255	325,344	26,641	82,837	1,552,693
Net book value						
At the end of the year	7,022,253	-	206,136	-	90,312	7,318,701
At the start of the year	7,054,631	-	295,616	-	101,498	7,451,745

10. Debtors

	Consolidated		Charity	
	2016 £	2015 £	2016 £	2015 £
Income (and grants) receivable	462,461	1,035,062	462,461	1,035,062
Other debtors	51,459	6,447	51,459	6,139
Intercompany debtor	-	-	-	24,133
Prepayments and accrued income	461,908	322,451	461,908	322,451
	975,828	1,363,960	975,828	1,387,785

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

11. Creditors: amounts due within 1 year

	Consolidated		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade creditors	296,311	299,426	296,311	268,149
Other taxation & social security	225,106	201,440	224,963	201,440
Bank loan & overdraft	183,705	97,919	183,705	97,919
LBWF pension	350,000	200,000	350,000	200,000
Other creditors	344,046	261,495	311,769	259,375
Accruals and deferred income	1,100,809	1,038,689	1,098,859	1,038,689
	2,499,977	2,098,969	2,465,607	2,065,572

12. Creditors: amounts falling due after more than one year

	Consolidated		Charity	
	2016 £	2015 £	2016 £	2015 £
Bank loan	2,562,217	2,664,485	2,562,217	2,664,485
LBWF pension liability	-	350,000	-	350,000
Waltham Forest - Summit Road funding	405,000	405,000	405,000	405,000
	2,967,217	3,419,485	2,967,217	3,419,485

13. Financial instruments

Financial instruments measured at amortised cost comprise the bank loan financing provided by National Westminster Bank Plc to Outlook Care.

	Consolidated		Charity	
	2016 £	2015 £	2016 £	2015 £
Loan payable - amounts falling due:				
Within one year	101,040	96,550	101,040	96,550
Within two to five years	453,378	432,840	453,378	432,840
After five years	2,108,840	2,231,645	2,108,840	2,231,645
	2,663,258	2,761,035	2,663,258	2,761,035

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

The loan financing is in the form of a secured loan with a variable interest rate. The Market risk facing the Trust is that interest rates are subject to fluctuation. To mitigate the risk of increases in interest rates an interest rate SWAP was arranged.

The loan is secured by a charge on the properties owned by Outlook Care.

A LIBOR stepdown SWAP for the value of £2.4 million was put in place on 5th September 2012 at a rate of 2.23%. The start date was 1st March 2013 with a maturity date of 3rd March 2025. The value of the SWAP reduces to £1.5 million on 1st March 2018 with a further reduction to £1.0 million on 1st March 2023. The SWAP is measured as fair value through the statement of financial activities and was a financial liability as at 31st March 2016 with a value of £168,034(2015 financial liability with a value of £143,061).

14. Movements in funds

Analysis of net assets between funds
(Consolidated)

	Share Capital £	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	7,318,701	-	7,318,701
Net current assets	8	6,044	45,351	317,413	368,816
Creditors: amounts falling due after more than one year	-	-	(2,967,217)	-	(2,967,217)
Defined Benefits Scheme Liability	-	-	(2,727,000)	-	(2,727,000)
Net assets at the end of the year	8	6,044	1,669,835	317,413	1,993,300

(Charity)

	Share Capital £	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	7,318,702	-	7,318,702
Net current assets	8	6,044	45,350	320,503	371,905
Creditors: amounts falling due after more than one year	-	-	(2,967,217)	-	(2,967,217)
Defined Benefits Scheme Liability	-	-	(2,727,000)	-	(2,727,000)
Net assets at the end of the year	8	6,044	4,396,835	320,503	1,996,390

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

14. Movements in funds (cont'd)

(Consolidated and charity)

	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
Restricted funds:					
LB of Waltham Forest Grant	332,000			(332,000)	-
Festival in the Park	95				95
Bluebell activities & transport	753	153			906
Bluebell patio	29				29
Hawthorn Activities/Transport	-	153			153
Service user forum	173		(173)		-
Foxburrow residents activities	-	2,185	(1,605)		580
Virtual Ward Fund	1,000				1,000
Foxburrow: Pampered Chef donation	199		(61)		138
Summit Road sensory garden	209				209
Summit Road - Waitrose Donation	280				280
League of Friends - Bluebell	100	101	(100)		101
League of Friends - Hawthorn Bungalow	100	101			201
JustGiving	637				637
Mornington legacy	352				352
Beaully Way fund	4				4
Resident activities	326				326
Longbridge legacy	12				12
Central Service Fundraising		1,353	(221)	(1,132)	-
Neave Spring Fair		426	(349)		77
Macmillan Coffee		77	(77)		-
Kemsing garden project		4,340	(4,015)		325
Christchurch garden project			(309)		(309)
Autumn Cottage		670			670
Neave carers forum		258			258
Autumn Cottage benevolent fund		200		(200)	-
Total restricted funds	336,269	10,017	(6,910)	(333,332)	6,044

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Unrestricted funds:					
<i>Designated funds:</i>					
London Borough of Havering bonds	100,000	-	-	-	100,000
Working capital	1,028,756	-	-	38,358	1,067,114
Fixed asset reserve	3,000,178	-	(190,999)	420,542	3,229,721
<i>Total designated funds</i>	4,128,934	-	(190,999)	458,900	4,396,835
<i>General funds</i>	(16,291)	17,656,719	(17,194,357)	(125,568)	320,503
<i>Subsidiary company reserves</i>			(3,090)		(3,090)
<i>Pension scheme liability</i>	(2,177,000)	-	(550,000)	-	(2,727,000)
Total unrestricted funds	1,935,643	17,656,719	(17,938,446)	333,332	1,987,248
Total funds	2,271,912	17,666,736	(17,945,356)	-	1,993,292

Transfers between funds have been made in order to meet the policy requirements in respect of the three key funds – Working Capital, Fixed Asset and General.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Purposes of restricted funds

LB of Waltham Forest Grant

The capital grant was received from the LB of Waltham Forest who were awarded the grant from the Department of Health to invest in the development of housing to facilitate the provision of support to people with learning difficulties.

Festival in the Park

Funds were provided for Outlook Care's involvement in this care initiative in Waltham Forest.

Bluebell Activities & Transport

Funding has been received from the League of Friends to assist with the cost of providing transport at Bluebell bungalow. Further funds have been raised through fundraising activities.

Bluebell Patio

Funding was received to assist with the cost of the refurbishment of the patio at Bluebell bungalow.

Hawthorn Activities and Transport

Funding has been received to assist with the cost of providing transport at Hawthorn bungalow. Further funds have been raised through fundraising activities.

Service User Forum

These funds were raised by members of the service user forum to enable our service users to undertake activities of their choice and to promote independence.

Foxburrow residents activities

Funds for the benefit of the residents are raised through a number of fundraising activities at Foxburrow Grange including family fun days.

Virtual Ward Fund

This fund relates to a successful grant bid administered by the CCVS (Colchester Community Voluntary Services) on behalf of the NHS. The purpose of which is to provide an assisted bathing service at Foxburrow Grange.

Foxburrow: Pampered Chef donation

This fund relates to a donation from an event organised by PC in February 2015. The donation may be used for the benefit of the residents of Foxburrow Grange.

Summit Road sensory garden

Lottery funding was awarded to fund work to establish a sensory garden at Summit Road for the enjoyment of the residents.

Summit Road Waitrose Donation

This donation was received for the benefit of the residents of Summit Road and will be used to fund further work to the garden.

League of Friends - Bluebell

Funding has been received from the League of Friends to assist with the cost of providing resident activities at Bluebell bungalow. Further funds have been raised through fundraising activities.

League of Friends - Hawthorn Bungalow

Funding has been received from the League of Friends to assist with the cost of providing resident activities at Hawthorn bungalow. Further funds have been raised through fundraising activities.

JustGiving

A JustGiving account was opened to collect funds raised by the sister of one of our customers living in our Supported Living service in Waltham Forest.

Mornington Legacy

A legacy of £3,000 was left to Outlook Care by a relative of a resident. The funds are to be used for the benefit of the residents of Mornington Road.

Beaulay Way Fund

A donation of £6,000 was made during 2004/05 for the benefit of Beaulay Way residents.

Resident activities

Donations have been received in previous years from a number of sources. These funds will be used for the benefit of our service users.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Longbridge Legacy

A legacy was left to Outlook Care by a relative of a resident. The funds are to be used for holidays and outings for the residents of 148 Longbridge Road.

Central services Fundraising

Collections are arranged twice yearly at Central services to 2 charities selected by staff. Total donations came to £1,353 and were paid to the chosen charities.

Neave Spring Fair

Staff and residents at 76 Neave Crescent arranged the fair to raise funds for resident activities.

Macmillan Coffee

The residents at Bluebell and Hawthorn arranged a coffee morning for Macmillan Cancer research.

Christchurch garden project

The fund was set up to purchase garden furniture for the use of the residents.

Autumn Cottage

This fund was set up for the benefit of the residents at Autumn Cottage.

Neave Carers forum

The residents at 76 Neave arranged a raffle to raise funds for the Carers forum.

Autumn Cottage benevolent fund

A collection was arranged to buy flowers to mark the unexpected and sad loss of a member of staff at the service.

Purposes of designated funds

London Borough of Havering Bonds

This designated fund relates to cash held under the performance bonds which are a requirement of the care contracts for the residential care schemes at 74 and 76 Neave Crescent. These contracts are commissioned by the London Borough of Havering.

Working Capital

This designated fund ensures that the organisation has sufficient working capital to operate on a day to day basis. The fund has been decreased to comply with the reserves policy which requires a fund of six month's budgeted central management expenditure.

Fixed Asset Reserve

This fund recognises the element of net assets that are represented by fixed assets in Outlook Care. The value of the fund is net of the charge for the acquisition of Summit Road and the NatWest loan that funded the construction of Foxburrow Grange. The fund has been further reduced by a transfer to general funds to meet the requirements of the Reserves policy that the general reserves are at least 10% of total reserves.

15. Share capital

	2016 £	2015 £
At 1 April	8	9
Issued in year	-	3
Cancelled in year	-	(4)
At 31 March	8	8

16. Operating lease commitments

The organisation had commitments at the year end under operating leases as follows:

	2016		2015	
	Land and buildings £	Other £	Land and buildings £	Other £
Within one year	294,553	14,346	345,488	10,665
In the second to fifth year inclusive	390,521	13,311	245,160	3,710
Over 5 years	25,935	-	85,765	-
	711,009	27,657	676,413	14,375

17. Pension funds

Social Housing Pension Scheme

Outlook Care participates in the Social Housing Pension Scheme (SHPS). The Scheme is funded and is contracted out of the state scheme. SHPS is a multi-employer defined benefit scheme.

Employer participation in the scheme is subject to adherence with the employer responsibilities and obligations as set out in the 'SHPS House Policies and Rules Employer Guide'.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a "last-man standing arrangement". Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 31 March 2007. From April 2007 there are three benefit structures available, namely:

3.1 Final salary with a 1/60th accrual rate.

3.2 Final salary with a 1/70th accrual rate.

3.3 Career average revalued earnings (CARE) with a 1/60th accrual rate.

From April 2010 a further two benefit structures have been available, namely:

3.4 Final salary with a 1/80th accrual rate.

3.5 Career average revalued earnings (CARE) with a 1/80th accrual rate.

A defined contribution benefit structure was made available from 1 October 2010.

A Career average revalued earnings (CARE) structure with a 1/120th accrual rate was made available from 1 April 2013. This structure is contracted-in to the State Second Pension scheme.

An employer can elect to operate different benefit structures for their active members and their new entrants. An employer can operate one open defined benefit structure plus CARE 1/120th, plus the defined contribution benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

The Trustee commissions an actuarial valuation of the scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution. From 1 April 2010 the requirement for employers to pay at least 50% of the total contribution rate no longer applies.

Outlook Care Group currently operates defined contribution benefit for active members.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

17. Pension funds (cont'd)

During the accounting period Outlook Care paid contributions of £118,850 (2015 - £76,105). Employer contributions were paid at the rate of 3.0% and member contributions varied between 2.0% and 20% depending on the scheme. As at the balance sheet date there were 193 active members of the Scheme employed by Outlook Care. The annual pensionable payroll in respect of these members was £3,610,925. Outlook Care was no longer able to offer membership of the Final Salary (FS) scheme to its employees from 1st April 2013. Staff were offered membership of the Defined Contribution (DC) scheme as an alternative.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. The actuarial valuation was certified on the 30 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers to the scheme as follows:

Deficit Contributions

Tier 1: From 1 April 2016 to 30 September 2020	£40.6m per annum (payable monthly and increasing by 4.7% each year on 1st April)
Tier 2: From 1 April 2016 to 30 September 2023	£28.6m per annum (payable monthly and increasing by 4.7% each year on 1st April)
Tier 3: From 1 April 2016 to 30 September 2026	£32.7m per annum (payable monthly and increasing by 4.7% each year on 1st April)
Tier 4: From 1 April 2016 to 30 September 2026	£31.7m per annum (payable monthly and increasing by 4.7% each year on 1st April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on the 17 December 2012 and showed assets of £2,062m, £3,097m and a deficit of £1,035m. To eliminate this shortfall, payments consisted of the Tier 1, 2 and 3 deficit contributions.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to this deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2016

Present Value of Provision

	2016 £000s	2015 £000s	2014 £000s
Present value of provision	2,727	2,177	2,250

Details of the pension deficit liability is disclosed under Note 20 "Transition to FRS 102".

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate). Employers that have closed the defined benefit section of the Scheme to new entrants are required to pay an additional employer contribution loading of 2.5% to reflect the higher costs of a closed arrangement.

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into SHPS. New employers that do not transfer any past service liabilities to the Scheme pay contributions at the ongoing future service contribution rate. This rate is reviewed at each valuation and new employers joining the Scheme between valuations up until 1 April 2010 do not contribute to the deficit until two valuations have been completed after their date of joining. New employers joining the scheme after 1 April 2010 will be liable for past service deficit contributions from the valuation following joining. Contribution rates are changed on the 1 April that falls 18 months after the valuation date.

A copy of the Recovery Plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to the Pension Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or Recovery Plan are inappropriate. For example the Regulator could require that the trustee strengthens the actuarial assumptions (which would increase the Scheme liabilities and hence impact on the Recovery Plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the Recovery Plan)

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 buy-out 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.

17. Pension funds (cont'd)

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.

NHS Pension Scheme

The NHS Pension scheme is an unfunded scheme under which contributions for employees and employers are paid to the Exchequer which in turn meets the cost of paying benefits as and when they fall due. In order to assess an appropriate contribution cost historically there has been an associated notional fund of assets deemed to be invested in UK Government stocks.

The actuarial investigation as at 31st March 2004 covers the 5 years from 31 March 1999. This has been a period of significant change for the NHSPS:

- a) the scheme has assumed responsibility for paying pensions increases which were previously met from the Consolidated Fund.
- b) the financial arrangements for the scheme has moved to the SCAPE methodology.
- c) the nature of assets attributed to the notional fund of the scheme has been changed and their amount has been reassessed to take account of a) and b) above.
- d) changes in the structure of the scheme's benefits and contributions planned to take effect from 1st

April 2008 including a new scheme for new entrants has been accepted by ministers.

Notional assets of the scheme at 31st March 2004 were £127 billion and employers contribution were payable at 14% of pensionable pay.

Liabilities of the scheme at 31st March 2004 were 123.7bn. This is mainly due to transfer of liability for pension increases previously met by the Exchequer now being met by the scheme.

The proposed changes to the scheme are expected to reduce both the value of the accrued liabilities and the build up of future liabilities and maintain employer contribution at the current level of 14%.

During the accounting period Outlook Care made contributions of £58,177 (2015 - £62,247) to the National Health Service scheme. Employer contributions were paid at the rate of 14% during the accounting period. Member contributions are 5% or 6.5% or 8% according to their earnings.

Auto-enrolment and NEST

In order to comply with auto-enrolment legislation, on 1st February 2014 Outlook care opened an occupational pension scheme to eligible employees and workers. Outlook Care selected NEST for the pension scheme provider. During the accounting period Outlook Care made contributions of £34,838 to NEST (2015: £30,557).

18. Contingent and other Liabilities

Social Housing Pension Scheme

Outlook Care has been notified by the Pensions Trust of the estimated employer debt should it withdraw from the Social Housing Pension Scheme based on the financial position of the Scheme as at 30 September 2014 (for further information see note 17). As of this date the estimated employer debt for Outlook Care was £13,252,458. As at 31 March 2016 £167,430 would also be due under

the SHPS growth plan. Outlook Care ceased to participate in the Final Salary Schemes from 1st April 2013 following the advice received from the Pensions Trust and continues to offer the Defined Contribution Scheme to employees. The Pensions Trust maintains that this does not trigger a cessation event provided Outlook Care remains in the Defined Contribution schemes.

19. Subsidiary Undertakings

Outlook Care has one subsidiary company - Outlook Venture Ltd. The main activity of Outlook Venture is the construction of the nursing home on behalf of Outlook Care. The construction of Foxburrow Grange was completed in May 2013 and the property transferred to Outlook Care in the previous financial year.

As at 31st March 2016 Outlook Venture had current assets of £31,281 (2015: £57,351) and current liabilities of £34,370 (2015: £57,530) resulting in net current liabilities of £3,089 (2015: net current assets £1).

Income in the year totalled £nil (2015: £nil) and administrative expenditure of £3,090 (2015: £27,726) resulting in a loss for the period of trading.

20. Transition to FRS 102

These financial statements for the year end 31 March 2016 are the Charity's first financial statements that comply with the new FRS 102 Statement of Recommended Practice (SORP 2015).

The Charity's date of transition to FRS 102 is 1 April 2014. The Charity's last financial statements prepared in accordance with the previous Statement of Recommended Practice, accounting and reporting by Charities (March 2005) was for the year ended 31 March 2015.

SORP 2015 requires a pension liability to be recognised on the balance sheet for multi-employer

defined benefit pension schemes.

Outlook Care has a deficit funding plan in place and in accordance with the new SORP 2015 requirement has recognised the pension liability at the date of transition of 1 April 2014 and disclosed this liability on the face of the Statement of Financial Position.

See Note 17 for details of this provision and the impact on the Income and Expenditure for the year.

Below is a reconciliation of the funds and impact on the results for the year, both at the date of transition to FRS 102 and at 31 March 2015.

Charity

(Reconciliation of funds)

	Funds as at 1st April 2014	Net income for the year ended 31 March 2015	Funds as at 31 March 2015
As previously stated under former UK GAAP	4,230,963	361,010	4,591,973
Revaluation of defined benefit obligation	(2,250,000)	73,000	(2,177,000)
Recognition of financial instrument	25,780	(168,841)	(143,061)
As stated in accordance with FRS 102	2,006,743	265,169	2,271,912

Explanation of changes to previous reported net income and funds:

Interest rate swap contracts are now recognised at fair value at the end of the year with changes in fair value recognised in profit and loss. Previously interest rate swap contracts were not recognised in the statement of financial position.

Outlook Care

Unit 6, Shelduck House
Woodbrook Crescent
Radford Way, Billericay
Essex CM12 0EQ

T 01277 633163
F 01277 657172
E info@outlookcare.org.uk
www.outlookcare.org.uk



To find out more about the services that Outlook Care provide please scan this code.