

**Trustees'
Report and
Accounts
2017**

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Outlook Care Trustees' Report and Accounts

For year ended 31 March 2017

Outlook Care

Reference and administrative details for the year ended 31 March 2017

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	Steve Marsh MSc, CQSW, CMS, CRCCYP David Thomas EUR ING Chairman (to September 2016) Charles McNair BA ACMA CGMA Vice Chair (to 31st March 2017)
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 Ltd 21 Springfield Lyons Approach Springfield Chelmsford Essex CM2 5LB
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 children's 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 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, Lewisham, 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

Once again, the performance of Outlook Care has kept pace with the challenges presented by the health and social care sector.

Ongoing delivery of safe, quality, customer focussed services is our priority. In the year ended 31 March 2017 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). Our focus on quality has enabled us to achieve our strategic objectives; highlights include:

- 100% retention of existing contracts.
- Achieving, for the first time 100% occupancy levels at our 66 bed specialist dementia and nursing care home in Colchester, Foxburrow Grange.
- Transferring in a supported living service for four people with learning disabilities and autism living in the London Borough of Lewisham.
- Being successfully appointed as a Care at Home provider in North East Essex.
- Regional finalists for Great British Care Awards in: Frontline Leaders category; Care Home Worker category and Care Newcomer category in Learning Disability services
- National finalist for Great British Care Awards in Care Team category in Learning Disability services.
- Finalist for National Care Awards in Carer category in Learning Disability services
- Maintaining staff retention levels above sector industry benchmark levels.
- Implementation of the Care Certificate.
- Launching of an organisation wide Customer Satisfaction transformation plan.

We have also safely delivered efficiency savings to a number of local authority and NHS commissioning authorities to the value of 1.1% of total income.

We have achieved this added value by making central management changes that deliver better services for less cost.

Our skilled and dedicated Board maintain their 'clear line of sight' to the safety and welfare of the vulnerable people we support. Safeguarding remains at the centre of the Board's function and all decisions made are driven by the benefits they may bring to our customers. This year has seen a change of Chairman and Chair of Audit and Risk. At our Annual General Meeting, David Thomas stood down as Chairman after five years service and Carole Rainbird stood down as Chair of Audit and Risk and our Safeguarding Lead after nine years service. Both David and Carole performed with outstanding energy, professionalism and commitment. I thank them for their contribution.

Despite announcements relating to increased levels of health and social care funding being made available, the extreme pressure to reduce public expenditure continues to dominate all commissioning plans. National uncertainty surrounding Brexit and the yet unknown impact on the workforce in our sector is a significant concern. To respond to this challenge and others, 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 investing in our workforce and through working in close partnership with people we support, their families and commissioners of services.

The Board of Outlook Care will maintain a watching brief on all risks presented to us, ensuring we continue to perform from a position of strength for the benefit of our beneficiaries. A key brief for Board members is to visit every service we provide annually, meeting people we support and our staff, experiencing first hand the quality of the services we provide. The feedback from these visits proves extremely worthwhile.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2017

I would like to thank the people we support, their families and our commissioners, who inspire us daily, by sharing their experiences about what is most important to them. Our talented, dedicated staff and Board continue to move Outlook Care forward in difficult times by 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.

Steve Marsh

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

- 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 2017 we delivered 19,556 hours of support per week and supported 510 people broken down as follows:

- 55% learning disabilities (281 people including 33 with physical disabilities)
- 32% mental health (163 people including 2 people with physical disabilities)
- 13% older people (66 people)

We employ 508 staff on permanent contracts, 54% of whom come from black or minority ethnic (BME) backgrounds. We have registered through Outlook Care Bank (OCB) 269 workers on casual contracts.

Operational performance 2016-17

Last year we said we would...

- 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.

- Deliver quality services, maintaining full compliance with all regulators such as CQC and quality accreditations including ISO, IIP and CHAS.

- Increase services purchased through personal budgets.

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

- 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.

And this is what we did...

- We have achieved 100% bed occupancy with an average annual occupancy level of 92% beds and achieved our budget targets.

- We have achieved void levels within budget targets set.

- 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). We are accredited with the Energy Saving Opportunity Scheme (ESOS).

- We have increased income from services purchased privately or through personal budgets by 50%.

- We have retained 100% of existing public sector contracts and have been awarded one new contracts, to the annual value of £250,000.

- We have achieved a staff turnover rate of 30% which is slightly above the sector average and has been somewhat distorted by high turnover in one service.
- The number of permanent staff employed has remained steady and at year end was 513 people (from 520 at the same point last year).

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2017

Last year we said we would...

- Increase our pool of Outlook Care Bank workers reducing costs and controlling quality with a specific aim of reducing agency usage costs.

And this is what we did...

- The delivery of hours through Outlook Care Bank has increased by 9% from 286,000 hours in 2015/16 to some 312,000 hours in 2016/17. We have a key target to reduce agency worker usage and achieved a 28% reduction in hours from 114,524 in 2015/16 to 82,004 hours in 2016/17.
-

- Implement refreshed strategies for Mental Health services and marketing, sales and communication.

- Our Board approved a strategy for our mental health services in November 2016 and a marketing, sales and communication plan in January 2017.
-

- Achieve objectives set in our Business Plan 2015-18, working in a person centred, outcome focussed manner at all times.

- A Business Plan 2015-18 is approved and monitored by our Board, being implemented by the Executive and Senior Management Team. All aspects of the plan are on target.
-

- 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.

- Review local summaries and record actions to improve service provision in the local Service Quality Action Plans.
- Fed back survey results to all stakeholders in a variety of accessible formats.
- Used findings to inform Customer Journey/ Values training to staff.
- By considering a different approach in carrying out surveys, and using IT options we now carry these out at the time of customer reviews. This means that we have a real time opportunity to ensure that a system in place in regularly seek feedback.

Last year we said we would...

- 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.

And this is what we did...

- We have implemented an organisation wide project focussed on recruitment, retention and quality of staff supported by a customer service project. A live customer satisfaction measurement system has been successfully piloted and is being rolled across all services. Targets for customer satisfaction levels have been set.
- Customer Survey 2016 responses where people we support feedback to us:
 - I feel safe in my home – 93%
 - Staff are kind and caring – 94%
 - The support received helps me to live the life I choose, retaining as much control over my life as needs allow – 96%
 - If I was unhappy about something I'd get help to make things better – 89%
 - Staff who support me have the right skills to do a good job – 96%
 - My home meets all my needs i.e. I can access everything I need and have no trouble moving freely about my home – 97%

What we also did:

- 1 Received external recognition for the work that we do through the following:
 - Regional finalists for Great British Care Awards in: Frontline Leaders category; Care Home Worker category and Care Newcomer category in Learning Disability services
 - National finalist for Great British Care Awards in Care Team category in Learning Disability services
 - Finalist for National Care Awards in Carer category in Learning Disability services
- 2 Appointed a new Chair of the Board, Chair of Audit and Risk, Safeguarding Lead plus appointed one new Board member.
- 3 Completed an organisation wide systems and process review that identified 44 'quick win' efficiency related outcomes plus 10 'transformative' projects that will increase our efficiency whilst maintaining quality. 10 'quick win' outcomes have been implemented and two 'transformative' projects have been commissioned in relation to:
 - Recruitment, retention and quality of staff.
 - Delivering and measuring customer satisfaction.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2017

- 4 Implemented the Care Certificate across all of our services.
- 5 Reviewed all operational costs ensuring 85% of our costs are engaged in the delivery of care and support services.
- 6 Implemented a variety of actions stemming from our Age, Needs and Accommodation profile across all services to improve people we support living accommodation standards. In the London Borough of Havering, in partnership with people we support, their families and the Council, we supported 12 people with learning disabilities move to improved accommodation with successful outcomes fed back by all.
- 7 Established a Board led Involvement Working Group with terms of reference set as:
 - (a) Oversee the implementation of the Involvement Strategy Group
 - (b) Scrutinise all involvement activities within the organisation and consider return on investment achieved
 - (c) Identify services or activities we currently provide that could involve our customers more
 - (d) Set annual targets for involvement initiatives
 - (e) Consider cases for new initiatives that increase involvement
- 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 Agree objectives for a next Business Plan 2018-21, focussed on person centred service delivery at all times.
- 9 Achieve objectives set in our Business Plan 2015-18, working in a person centred, outcome-focussed manner at all times.
- 10 Embed our approach to delivering customer satisfaction at all levels of the organisation at the highest level, every time.
- 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.

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.

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.

100% of Board members attended all Board meetings in the past 12 months.

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

Steve Marsh MSc, CQSW, CMS, CRCCYP
Chair

David Thomas EUR, C Eng MIMechE
Chair (to September 2016)

Charles McNair ACMA, CGMA
Vice Chair (to 31st March 2017)

Lindsay Whitehouse BA (Hons)
Chair of Audit and Risk (to 30th June 2017)

Sheila Davis MA, CQSW
Chair of Safeguarding Committee & Interim Chair of Audit and Risk

Carole Rainbird MSc
Chair of Audit & Risk Committee/Chair of Safeguarding Committee (to September 2016)

Jerry Gibson MA
Asma Khalid MSc, MRCOG
Malcolm Philp MSc MCSP
Kim Foo RGN, PGDM
Piotr Rejek MA, BA (Hons)

Outlook Care Trustees' Report and Accounts

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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 seven 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

Remuneration of the Executive Management Team is determined by the Board of Management. A Remuneration Committee comprising 3 Board Members makes recommendations to the full Board of Management who approve any change.

Employees

Our actual staffing whole time equivalent at 31 March 2017 was 435, consisting of 508 people full and part time staff in post. An additional 269 people are registered on Outlook Care Bank (OCB), our internal staff bank. OCB filled 76% of vacant shifts during the year (an improvement of 4% from the previous year). A key objective continues to be to increase our permanent staff and pool of OCB workers to control quality and reduce cost.

We have Apprentices in care roles at Foxburrow Grange and have agreed a significant expansion to our Apprentice numbers for 2017.

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

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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/external agency support to carry out a wide range of complementary support both directly and indirectly with customers, particularly at Foxburrow Grange.

Volunteers have added social value to customers measured in terms of the increased opportunities available to them. We estimate that the financial value achieved by volunteers is in the region of £12,241.

Fundraising

We have promoted local fundraising and raised a total of £23,609 across all of our services.

Financial review

Outlook Care produced an operating surplus of £335,033 on a total income and endowments of £17,792,408 in the financial year. This represents an increase in income and endowments of 1% in the year. Costs incurred total £17,333,090, which comprise £14,056,531 incurred in direct costs of service delivery and in direct support costs of £3,276,559.

In May 2013, our nursing home, Foxburrow Grange, opened and as at 31st March 2017 each of the four wings were open and occupancy was at 88%. Foxburrow Grange continues to have a significant impact on our results for the year with a further increase in turnover compared to 2016 of £710,868. This brings total turnover since the opening of the home to £5,574,054. We have also seen costs rise with a further increase in running costs from £3,301,093 in year 3 to £3,735,126 in year 4 as occupancy have been maintained at a significant level across the year. 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 a breakeven performance in the year.

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

- The Transfer of the Supported Living Service at Montem Road in Lewisham from January 2017 representing an increase on income from our Learning Disability services of 0.6% in the year.
- The Transformation of the Supported Living Learning Disability schemes in the London Borough of Barking and Dagenham to the delivery of one to one support through Personal Budgets and increasing this element of our income by 15% compared to last year.
- The relocation of the six bedded Supported Living Learning Disability service at Widecombe Close to 4 Peel Way in the London Borough of Havering.
- Outlook Care entered into preliminary discussions with the Royal Borough of Greenwich to extend the Short Breaks service at Kemsing Road to provide a Supported Living Learning Disability service for longer stay residents. Discussions remain ongoing.
- The Closure of our Older People's service at Bluebell bungalow in Brentwood in January 2017 following the loss of sustainable contract funding.

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 44% privately funded and 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 28% of our total income, an increase of 1%, including the impact of

the closure of Bluebell bungalow in January 2017. When Foxburrow Grange is full the income from Older People's service will exceed 30% of our total service income.

Mental health service income has increased this year by 9% and is now 17% of total income.

The majority of our income continues to be from Learning Disability services but this continues to fall 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 10 specialist residential care homes.

How we spent our money

Total expenditure has increased by 1% in 2017 with a corresponding increase in income. The additional expenditure is attributable to a number of factors including increased running costs for Foxburrow Grange as occupancy levels have been maintained, an increase in running costs incurred at the 2 new Supported Living Services in the London Boroughs of Waltham Forest and Lewisham together with the initial impact of the introduction of the living wage. The annual staff costs of £12,436,096 are now 72% of total expenditure compared to 70% last year.

The nursing home is part funded through a loan from NatWest and the interest paid during the year amounted to £115,318, a decrease against last year of £2,436 and is included under other support costs. The depreciation charge for all of the properties is also shown under this heading and is £128,500 for the year. Although the cost of secondary agency remains a cost pressure the measures introduced to monitor and control spend has enabled us to achieve savings across the organisation of 25% compared to last year.

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 20 employees to 13, through retirement and change of employment.

The pension liability relating to the Waltham Forest local government scheme membership was fully repaid in May 2016.

Outlook Care has a contingent liability of £16,627,460 for the closed SHPS final salary scheme based on the September 2015 position. This is an increase of £3,375,002 (20%) 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.

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 increased by £37,768 (20%) to £205,198 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.

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The opt out rate remains low and membership has increased during the year from 356 employees to 368 at 31st March 2017.

Fixed assets

The level of fixed assets additions has increased this year by £57,554 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 £2,561,608 from £2,663,258 as loan repayments have continued. There have been no fixed asset disposals in the year.

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 the level of short-term deposits has been maintained with a minimal increase of £67,530. Investment income for the year was £4,902 compared to £7,519 in 2015/16.

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.
- 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 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 also 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 controls 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.
- 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.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2017

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 £1,146,710 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 £478,809 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 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 £3,192,016, and 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 £988,143 when funds become available.
- The bond reserve was designated in recognition of the cash deposit that was required by a Havering contract as a bond. This cash is no longer required and has been released this year.

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. The total value of Restricted Funds at the end of the year was £11,524.

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 2017 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 2017

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 2017 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

Consolidated Statement of Financial Activities

Incorporating an income and expenditure account

	Note	Restricted £	Unrestricted £	2017 Total £	Restated 2016 Total £
Income and Endowments from					
– Donations and legacies		11,368	12,241	23,609	21,629
– Investments		-	4,902	4,902	7,519
Income from Charitable Activities					
– Learning disabilities housing & care services	2	-	9,759,471	9,759,471	9,896,953
– Mental health housing & care services	3	-	3,016,378	3,016,378	2,770,516
– Older people's housing & care services	4	-	4,968,761	4,968,761	4,669,665
Other income					
– Profit/(Loss) on sale of Fixed Assets		-	-	-	294,842
– Sundry income		-	19,287	19,287	5,612
Total Income and Endowments		11,368	17,781,040	17,792,408	17,666,736
Expenditure on					
Charitable activities					
– Learning disabilities housing & care services		536	9,590,123	9,590,659	8,867,757
– Mental health housing & care services		93	2,677,655	2,677,748	2,978,726
– Older people's housing & care services		5,586	5,059,097	5,064,683	5,273,900
Total Expenditure	5	6,215	17,326,875	17,333,090	17,120,383
Net gains/(losses) on derivative financial instruments		-	(285)	(285)	(24,973)
Finance charge on pension scheme		-	(124,000)	(124,000)	(24,000)
Net income/(Expenditure)	6	5,153	329,880	335,033	497,380
Transfer between funds		327	(327)	-	-
Net income /(expenditure) before other recognised gains/(losses)		5,480	329,553	335,033	497,380
Actuarial gains/(losses) on defined benefit pension schemes		-	(19,266)	(19,266)	(776,000)
Net movement in funds		5,480	310,287	315,767	(278,620)
Reconciliation of funds					
Funds at the start of the year		6,044	1,987,248	1,993,292	2,271,912
Funds at the end of the year		11,524	2,297,535	2,309,059	1,993,292

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.

Statement of Financial Activities

Incorporating an income and expenditure account

	Note	Restricted £	Unrestricted £	2017 Total £	Restated 2016 Total £
Income and Endowments from					
– Donations and legacies		11,368	12,241	23,609	21,629
– Investments		-	4,902	4,902	7,519
Income from Charitable Activities					
– Learning disabilities housing & care services	2	-	9,759,471	9,759,471	9,896,953
– Mental health housing & care services	3	-	3,016,378	3,016,378	2,770,516
– Older people's housing & care services	4	-	4,968,761	4,968,761	4,669,665
Other income					
– Profit/(Loss) on sale of Fixed Assets		-	-	-	294,842
– Sundry income		-	19,287	19,287	5,612
Total Income and Endowments		11,368	17,781,040	17,792,408	17,666,736
Expenditure on					
Charitable activities					
– Learning disabilities housing & care services		536	9,590,123	9,590,659	8,867,757
– Mental health housing & care services		93	2,677,655	2,677,748	2,978,726
– Older people's housing & care services		5,586	5,059,097	5,064,683	5,270,811
Total Expenditure	5	6,215	17,326,875	17,333,090	17,117,294
Net gains/(losses) on derivative financial instruments		-	(285)	(285)	(24,973)
Finance charge on pension scheme		-	(124,000)	(124,000)	(24,000)
Net Income/(Expenditure)	6	5,153	329,880	335,033	500,469
Transfer between funds		327	(327)	-	-
Net income /(expenditure) before other recognised gains/(losses)		5,480	329,553	335,033	500,469
Actuarial gains/(losses) on defined benefit pension schemes		-	(19,266)	(19,266)	(776,000)
Net movement in funds		5,480	310,287	315,767	(275,531)
Reconciliation of funds					
Funds at the start of the year		6,044	1,990,338	1,996,382	2,271,912
Funds at the end of the year		11,524	2,300,625	2,312,149	1,996,381

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.

Consolidated Statement of Financial Position

	Note	£	2017 Total £	2016 Total £
Fixed assets				
Tangible fixed assets	9		7,103,999	7,318,701
Current assets				
Debtors	10	1,103,909		975,828
Short term deposits		1,928,297		1,860,767
Cash at bank and in hand		6,944		32,198
		3,039,150		2,868,793
Liabilities				
Creditors: amounts due within 1 year	11	(2,453,238)		(2,499,977)
Net current assets			585,912	368,816
Total assets less current liabilities			7,689,911	7,687,517
Creditors: amounts falling due after more than 1 year	12		(2,860,844)	(2,967,217)
Net assets excluding pension liability			4,829,067	4,720,300
Defined benefit scheme liability	17		(2,520,000)	(2,727,000)
Net assets including pension liability			2,309,067	1,993,300
Funds				
Share capital	15		8	8
Restricted funds	14		11,524	6,044
Unrestricted funds	14			
Designated funds		4,338,726		4,396,835
General funds		478,809		317,413
Unrestricted income funds excluding pensions liability			4,817,535	4,714,248
Pension liability reserve	14		(2,520,000)	(2,727,000)
Total charity funds			2,309,067	1,993,300

Approved and authorised for issue by the Board of Management on 21 August 2017 and signed on its behalf by:

Steve Marsh
Chair

Piotr Rejek
Chief Executive

Sian Hajba
Company Secretary

Statement of Financial Position

	Note	£	2017 Total £	2016 Total £
Fixed assets				
Tangible fixed assets	9	7,103,999		7,318,701
Investment in subsidiary		1		1
			7,104,000	7,318,702
Current assets				
Debtors	10	1,113,269		975,828
Short term deposits		1,928,297		1,860,767
Cash at bank and in hand		673		917
		3,042,239		2,837,512
Liabilities				
Creditors: amounts due within 1 year	11	(2,453,238)		(2,465,607)
Net current assets			589,001	371,905
Total assets less current liabilities			7,693,001	7,690,607
Creditors: amounts falling due after more than 1 year	12		(2,860,844)	(2,967,217)
Net assets excluding pension liability			4,832,157	4,723,390
Defined benefit scheme liability	17		(2,520,000)	(2,727,000)
Net assets including pension liability			2,312,157	1,996,390
Funds				
Share capital	15		8	8
Restricted funds	14		11,524	6,044
Unrestricted funds	14			
Designated funds		4,338,726		4,396,835
General funds		481,899		320,503
Unrestricted income funds excluding pensions liability			4,820,625	4,717,338
Pension liability reserve	14		(2,520,000)	(2,727,000)
Total charity funds			2,312,157	1,996,390

Approved and authorised for issue by the Board of Management on 21 August 2017 and signed on its behalf by:

Steve Marsh
Chair

Piotr Rejek
Chief Executive

Sian Hajba
Company Secretary

Consolidated Statement of Cashflows

	Note	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities					
Net Cash provided by operating activities	Table A		631,952		984,172
Cash flows from investing activities					
– Interest from investments		4,902		7,519	
– Proceeds from the sale of property		-		550,042	
– Purchase of plant and equipment		(57,554)		(357,956)	
– Net Cash (used in) / provided by investing activities			(52,652)		199,605
Cash flows from financing activities					
– Loan finance repayment		(101,650)		(97,777)	
– Pension deficit payments		(576,266)		(425,999)	
– Net Cash (used in) financing activities			(677,916)		(523,776)
Change in cash and cash equivalents in the reporting period			(98,616)		660,001
Cash and cash equivalents at the beginning of the reporting period			1,810,301		1,150,300
Cash and cash equivalents at the end of the reporting period	Table B		1,711,685		1,810,301

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2017

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

	2017 £	2016 £
Net income for the reporting period (as per the statement of financial activities)	335,033	497,380
Adjustments for:		
Interest received	(4,902)	(7,519)
Net (profit) on disposal of fixed assets	-	(294,842)
Depreciation of tangible fixed assets	272,256	235,799
Decrease/(increase) in debtors	(128,081)	388,132
(Decrease)/increase in creditors excluding loans	157,646	165,222
Net cash provided by (used in) operating activities	631,952	984,172

Table B: Analysis of cash and cash equivalents

	2017 £	2016 £
Notice deposits (less than 3 months)	1,928,297	1,860,767
Cash in hand	6,944	32,198
Bank overdraft	(223,556)	(82,664)
	1,711,685	1,810,301

Statement of Cashflows

	Note	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities					
Net Cash provided by (used in) operating activities	Table A		656,962		1,010,114
Cash flows from investing activities					
– Interest from investments		4,902		7,519	
– Proceeds from the sale of property		-		550,042	
– Purchase of plant and equipment		(57,554)		(357,956)	
– Net Cash (used in) / provided by investing activities			(52,652)		199,605
Cash flows from financing activities					
– Loan finance repayment		(101,650)		(97,777)	
– Pension deficit payments		(576,266)		(425,999)	
– Net Cash (used in) investing activities			(677,916)		(523,776)
Change in cash and cash equivalents in the reporting period			(73,606)		685,943
Cash and cash equivalents at the beginning of the reporting period			1,779,020		1,093,077
Cash and cash equivalents at the end of the reporting period	Table B		1,705,414		1,779,020

Outlook Care Trustees' Report and Accounts
For year ended 31 March 2017

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

	2017 £	2016 £
Net income for the reporting period (as per the statement of financial activities)	335,033	500,469
Adjustments for:		
Interest received	(4,902)	(7,519)
Net (profit) on disposal of fixed assets	-	(294,842)
Depreciation of tangible fixed assets	272,256	235,799
Decrease/(increase) in debtors	(137,441)	411,958
(Decrease)/increase in creditors excluding loans	192,016	164,249
Net cash provided by (used in) operating activities	656,962	1,010,114

Table B: Analysis of cash and cash equivalents

	2017 £	2016 £
Notice deposits (less than 3 months)	1,928,297	1,860,767
Cash in hand	673	917
Bank overdraft	(223,556)	(82,664)
	1,705,414	1,779,020

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.

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. When the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities unless the asset is carried at a revalued amount

Outlook Care Trustees' Report and Accounts

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where the impairment loss is a revaluation decrease.

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 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.

m) Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no estimates and assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Learning disabilities housing & care services

(Consolidated and charity)

	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Care contracts	-	7,381,360	7,381,360	7,825,685
Residents' charges	-	1,222,255	1,222,255	1,326,157
Individual care and support	-	1,133,078	1,133,078	718,675
Other income	-	22,778	22,778	26,436
	-	9,759,471	9,759,471	9,896,953

No restricted income was received in either 2017 or 2016.

3. Mental health housing & care services

(Consolidated and charity)

	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Care contracts	-	2,022,768	2,022,768	1,836,130
Residents' charges	-	884,797	884,797	836,009
Individual care and support	-	99,631	99,631	77,407
Other income	-	9,182	9,182	20,970
	-	3,016,378	3,016,378	2,770,516

No restricted income was received in either 2017 or 2016.

4. Older people's housing & care services

(Consolidated and charity)

	Restricted £	Unrestricted £	2017 Total £	2016 Total £
Care contracts	-	130,859	130,859	523,434
Residents' charges	-	3,959,940	3,959,940	3,246,971
Individual care and support	-	870,742	870,742	894,872
Other income	-	7,220	7,220	4,388
	-	4,968,761	4,968,761	4,669,665

No restricted income was received in either 2017 or 2016.

5. Charitable expenditure

(Consolidated)

	Learning disabilities housing & care services £	Mental health housing & care services £	Older people's housing & care services £	2017 Total £	2016 Total £
Total direct costs	7,249,327	2,018,722	4,788,482	14,056,531	13,324,630
Support costs:					
Staff costs	1,638,556	460,976	192,702	2,292,234	2,931,692
Property costs	98,715	27,916	11,089	137,720	92,733
Professional & legal fees	27,134	7,638	7,581	42,353	25,685
Other costs	538,294	151,621	60,493	750,408	692,258
Governance costs	38,633	10,876	4,335	53,844	53,385
	9,590,659	2,677,749	5,064,682	17,333,090	17,120,383

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2017

5. Charitable expenditure

(Charity)

	Learning disabilities housing & care services £	Mental health housing & care services £	Older people's housing & care services £	2017 Total £	2016 Total £
Total direct costs	7,249,327	2,018,722	4,788,482	14,056,531	13,324,630
Support costs:					
Staff costs	1,638,556	460,976	192,702	2,292,234	2,931,692
Property costs	98,715	27,916	11,089	137,720	92,733
Professional & legal fees	27,134	7,638	7,581	42,353	23,868
Other costs	538,294	151,621	60,493	750,408	692,186
Governance costs	38,633	10,876	4,335	53,844	52,185
	9,590,659	2,677,749	5,064,682	17,333,090	17,117,294

Included in total charitable expenditure is £6,215 relating to restricted funds. (2016 £6,910).

6. Net income/(expenditure)

This is stated after charging/(crediting):

	2017 £	2016 £
Depreciation	272,256	235,799
(Profit)/Loss on sale of fixed assets	-	(294,842)
Board of Management's remuneration, including pension contributions	48,817	48,384
Board of Management's reimbursed expenses	4,329	3,328
Auditors' remuneration:		
• Audit (excluding VAT)	15,360	15,360
• Other services (excluding VAT)	-	-
Operating lease rentals:		
• Property	305,588	345,488
• Other	13,627	14,451

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 2017

7. Staff costs and numbers

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	11,382,400	11,022,585
Social security costs	849,856	833,091
Pension contributions	203,840	214,452
	12,436,096	12,070,128

	2017	2016
Number of employees receiving £90,001 - £100,000	1	1
Number of employees receiving £80,001 - £90,000	2	-
Number of employees receiving £70,001 - £80,000	1	1
Number of employees receiving £60,001 - £70,000	-	2

Employer's pension contributions for key personnel amounted to £9,722 (2016 - £8,957). 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 £350,724 (2016 - £325,515).

Redundancy and settlement payments of £28,474 (2016 - £62,770) 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:

	2017	2016
Housing & Care Services - Learning Disabilities	283	280
Housing & Care Services - Mental Health	62	59
Housing & Care Services - Older People	128	115
Support	34	39
Governance	1	1
	508	494

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 2017

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	8,113,869	26,255	531,480	26,641	173,149	8,871,394
Additions in year	-	-	35,923	-	21,631	57,554
Disposals in year	-	-	-	-	-	-
At the end of the year	8,113,869	26,255	567,403	26,641	194,780	8,928,948
Depreciation						
At the start of the year	1,091,616	26,255	325,344	26,641	82,837	1,552,693
Charge for the year	128,500	-	99,477	-	44,279	272,256
Disposals in year	-	-	-	-	-	-
At the end of the year	1,220,116	26,255	424,821	26,641	127,116	1,824,949
Net book value						
At the end of the year	6,893,753	-	142,582	-	67,664	7,103,999
At the start of the year	7,022,253	-	206,136	-	90,312	7,318,701

10. Debtors

	Consolidated		Charity	
	2017 £	2016 £	2017 £	2016 £
Income (and grants) receivable	639,322	462,461	639,322	462,461
Other debtors	19,127	51,459	19,127	51,459
Intercompany debtor	-	-	9,360	-
Prepayments and accrued income	445,460	461,908	445,460	461,908
	1,103,909	975,828	1,113,269	975,828

11. Creditors: amounts due within 1 year

	Consolidated		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	222,653	296,311	222,653	296,311
Other taxation & social security	210,171	225,106	210,171	224,963
Intercompany debtor	-	-	-	-
Bank loan & overdraft	329,320	183,705	329,320	183,705
LBWF pension	-	350,000	-	350,000
Other creditors	339,221	344,046	339,221	311,769
Accruals and deferred income	1,351,873	1,100,809	1,351,873	1,098,859
	2,453,238	2,499,977	2,453,238	2,465,607

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

	Consolidated		Charity	
	2017 £	2016 £	2017 £	2016 £
Bank loan	2,455,844	2,562,217	2,455,844	2,562,217
LBWF pension liability	-	-	-	-
Waltham Forest - Summit Road funding	405,000	405,000	405,000	405,000
	2,860,844	2,967,217	2,860,844	2,967,217

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	
	2017 £	2016 £	2017 £	2016 £
Loan payable - amounts falling due:				
Within one year	105,764	101,040	105,764	101,040
Within two to five years	474,584	453,378	474,584	453,378
After five years	1,981,260	2,108,840	1,981,260	2,108,840
	2,561,608	2,663,258	2,561,608	2,663,258

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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 2017 with a value of £168,319 (2016 financial liability with a value of £168,034).

14. Movements in funds

Analysis of net assets between funds
(Consolidated)

	Share Capital £	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	7,103,999	-	7,103,999
Net current assets	8	11,524	95,571	478,809	585,912
Creditors: amounts falling due after more than one year	-	-	(2,860,844)	-	(2,860,844)
Defined Benefits Scheme Liability	-	-	(2,520,000)	-	(2,520,000)
Net assets at the end of the year	8	11,524	1,818,726	478,809	2,309,067

(Charity)

	Share Capital £	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	7,104,000	-	7,104,000
Net current assets	8	11,524	95,570	481,899	589,001
Creditors: amounts falling due after more than one year	-	-	(2,860,844)	-	(2,860,844)
Defined Benefits Scheme Liability	-	-	(2,520,000)	-	(2,520,000)
Net assets at the end of the year	8	11,524	1,818,726	481,899	2,312,157

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14. Movements in funds (cont'd)

(Consolidated)

	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
Restricted funds:					
Festival in the Park	95	-	-	-	95
Bluebell activities & transport	906	22	(227)	(701)	-
Bluebell patio	29	-	-	(29)	-
Hawthorn Activities/Transport	153	22	(227)	782	730
Neave Carers Forum	258	-	(209)	-	49
Foxburrow residents activities	580	5,438	(4,381)	-	1,637
Virtual Ward Fund	1,000	-	-	-	1,000
Foxburrow Veterans of War	-	-	(259)	259	-
Foxburrow: Pampered Chef donation	138	-	-	-	138
Summit Road sensory garden	209	-	-	-	209
Summit Road - Waitrose Donation	280	-	-	-	280
League of Friends - Bluebell	101	-	-	(101)	-
League of Friends - Hawthorn Bungalow	201	-	-	101	302
JustGiving	637	-	-	-	637
Mornington legacy	352	-	-	-	352
Beaully Way fund	4	-	-	-	4
Resident activities	326	-	-	-	326
Longbridge legacy	12	-	-	-	12
Central Service Fundraising	-	16	(93)	93	16
Neave Spring Fair	77	325	(327)	-	75
Swan Housing Donation	-	400	-	-	400
Kemsing garden project	325	-	-	-	325
Christchurch garden project	(309)	-	-	316	7
Autumn Cottage	670	-	-	-	670
Foxburrow Casino Night	-	885	(492)	(393)	-
Foxburrow RAF Fund - Hedgehog Wing	-	200	-	-	200
Foxburrow Resident Donation Fund	-	500	-	-	500
Autumn Cottage benevolent fund	-	3,000	-	-	3,000
Bromhall Rd Sensory Room	-	560	-	-	560
Total restricted funds	6,044	11,368	(6,215)	327	11,524

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	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	1,067,114	-	-	79,596	1,146,710
Fixed asset reserve	3,229,721	-	(272,256)	234,551	3,192,016
<i>Total designated funds</i>	4,396,835	-	(372,256)	314,147	4,338,726
<i>General funds</i>	320,503	17,781,040	(17,305,170)	(314,474)	481,899
<i>Subsidiary company reserves</i>	(3,090)				(3,090)
<i>Pension scheme liability</i>	(2,727,000)	-	207,000	-	(2,520,000)
Total unrestricted funds	1,987,248	17,781,040	(17,470,426)	(327)	2,297,535
Total funds	1,993,292	17,792,408	(17,476,641)	-	2,309,059

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Purposes of restricted funds

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.

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 C CVS (Colchester Community Voluntary Services) on behalf of the NHS. The purpose of which is to provide an assisted bathing service at Foxburrow Grange.

Foxburrow Veterans of War

This fund relates to the funds raised at an event organised by PC in February 2015. The donation is to be used for the benefit of the residents of 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.

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.

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Central services Fundraising

Collections are arranged yearly at Central services to go towards nominated charities selected by the staff.

Neave Spring Fair

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

Swan Housing Donation

Funding of £400 was received from Swan Housing Association for the residents of 76 Neave Crescent.

Kemsing Road garden project

This fund was set up to refurbish and make a sensory garden for the use of the residents of Kemsing Road.

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.

Foxburrow Resident Donation - Hedgehog Wing

Funds of £200 was left for the benefit of Foxburrow residents by former resident during the year.

Foxburrow Resident Donation Fund

Funds of £500 was left for the benefit of Foxburrow residents by former resident during the year.

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.

Bromhall Road Sensory Room

This donation was received for the benefit of the residents of Bromhall Road to go towards the costs of the sensory room.

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 London Borough of Havering. The bond is no longer required and has been cancelled in this financial year.

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

	2017 £	2016 £
At 1 April	8	8
Issued in year	-	-
Cancelled in year	-	-
At 31 March 2017	8	8

16. Operating lease commitments

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

	2017		2016	
	Land and buildings £	Other £	Land and buildings £	Other £
Within one year	308,177	13,304	294,553	14,346
In the second to fifth year inclusive	282,249	4,370	390,521	13,311
Over five years	-	-	25,935	-
	590,426	17,674	711,009	27,657

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 £116,026 (2016 - £118,850). 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 192 active members of the Scheme employed by Outlook Care. The annual pensionable payroll in respect of these members was £3,421,163. 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 23 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 3.0% each year on 1st April)
Tier 4: From 1 April 2016 to 30 September 2026	£31.7m per annum (payable monthly and increasing by 3.0% 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.

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Present Value of Provision

	2017 £000s	2016 £000s	2015 £000s
Present value of provision	2,520	2,727	2,177

Present Deficit Liability

	Consolidated		Charity	
	2017 £	2016 £	2017 £	2016 £
Provision brought forward at 1 April	2,727,000	2,177,000	2,727,000	2,177,000
Unwinding of discount factor (Interest expense)	53,000	39,000	53,000	39,000
Deficit contributions paid	(331,000)	(250,000)	(331,000)	(250,000)
Remeasurements in changes to assumptions	71,000	(15,000)	71,000	(15,000)
Remeasurements - amendments to contribution	-	776,000	-	776,000
Provision carried forward at 31 March	2,520,000	2,727,000	2,520,000	2,727,000

Rate of Discount

	2017 per annum	2016 per annum	2015 per annum
Rate of discount	1.33%	2.06%	1.92%

17. Pension funds (cont'd)

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

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 up to 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 in to SHPS. New employers that do not transfer any past service liabilities to the Scheme pay contributions at the ongoing future service run 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 the 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 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.

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 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 amount of the 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.

The next actuarial valuation is expected to be carried out as at 31 March 2016 (last published valuation was as at 31 March 2012 and was published in June 2014).

This will set the employers contributions rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap.

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Scheme contribution rates and bandings have been set for the period 1 April 2015 to 31 March 2019 which apply for members in both the 1995 and 2008 Sections and will not change until the next scheme valuation expected to be carried out as at 31 March 2016

The employer contribution rate payable is 14.3% and this will increase to 14.38% from the 1 April 2017 to include 0.08% scheme administration levy to cover scheme administration costs

Liabilities of the scheme at 31st March 2016 was valued at £382billion. This is mainly due to actuarial gain of £28.4billion of which £16.9billion relate to changes in the assumption of short term pay restraint.

As the NHS scheme is an unfunded scheme, these liabilities are underwritten by the Exchequer

During the accounting period Outlook Care made contributions of £42,389 (2016 - £58,177) to the National Health Service scheme. Employer contributions were paid at the rate of 14.3% during the accounting period. Member contributions are 5.6% or 7.1% or 9.3% according to their earnings in relation to the scheme rates and bandings.

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 £37,842 to NEST (2016: £34,838).

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 2016 (for further information see note 17). As of this date the estimated employer debt for Outlook Care was £16,627,460 (2016 £13,252,458).

As at 31 March 2017 £205,198 (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 2017 Outlook Venture had current assets of £6,271 (2016: £31,281) and current liabilities of £9,360 (2016: £34,370) resulting in net current liabilities of £3,089 (2016: net current liabilities £3,089)

Income in the year totalled £4,616 (2016: £nil) and administrative expenditure of £4,616 (2016: £3,089) resulting in zero surplus for the period of trading.

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