

Trustees' Report and Accounts 2019

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Outlook Care Trustees' Report and Accounts

For year ended 31 March 2019

Outlook Care

Reference and administrative details for the year ended 31 March 2019

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
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	BDO LLP 150 Aldersgate Street London EC1A 4AB

Outlook Care Trustees' Report and Accounts

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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. 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 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

A life where every person is valued, included and empowered.

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 their loved ones, understanding what matters most to them, we will deliver exceptional nursing care and support.

Our values

- Listen; always with interest, concern and action.
- Inspire; through every interaction.
- Kind; through genuine care and compassion.
- Excellence; by striving to be the best that we can.
- Integrity; by acting ethically and being accountable.
- Trusting; rely upon us to do what we say we will do.

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Chair's Statement

This is Outlook Care's 30th year of successful service delivery. I am proud to report that, once again, we have met the challenges presented to us. The delivery of safe, quality, customer focussed services is our priority. Our regulators and accreditors recognise our high standards. As at 31 March 2019, I am pleased to report:

- 100% 'good' rating across all of our Care Quality Commission regulated services.
- Accreditation ISO 9001:2015 continuous certification for 24 years and ISO 14001:2015 continuous certification for 11 years, to 2021.
- Investors in People Standard continuous certification for 20 years to 2020.
- Certificate in Health and Safety (CHAS) continuous certification for 11 years to 2020.

By focussing on quality and customer satisfaction, we have maintained operational momentum to achieve our strategic objectives;

- In consultation with customers, launch of new Vision, *'A life where every person is valued, included and empowered'*.
- 100% retention of existing contracts.
- Developing a new four bed supported living service for people with learning disabilities in the London Borough of Greenwich.
- Securing a 24-hour support package for one person with a learning disability in the London Borough of Barking and Dagenham.
- Essex Care Awards winner for Manager of Foxburrow Grange Outstanding Leadership Category for older people services.
- National Great British Care Award Winner, Best Innovator Category for learning disability services.
- Regional Great British Care Awards London Region Winner; Care Newcomer Category for mental health services.
- Maintained staff retention levels above sector industry benchmark levels.
- Successful contract award for learning disability and mental health framework in London Borough of Barking and Dagenham.
- Delivering Quality of Staff, Recruitment Retention Project with positive results increasing skilled, high quality permanent staff levels reducing use of secondary agency staff.

- Focussed effort on ensuring our business model remains sustainable through the ongoing safe reduction of central overhead cost and the launch of an exciting Technology Strategy (including GDPR compliance) to support, maximise and improve technology use to meet business objectives, reduce further central overhead costs and provide an enhanced customer journey experience.

The Board have been active in making necessary changes to the way they work through the implementation of a revised Governance Policy including the launch of a new Business Plan 2018-22 and Organisational Risk Map.

Pressure on income and expenditure remains a concern alongside extreme uncertainty delivered by the Brexit debate. We will continue to invest in our workforce and work in close partnership with our customers, people we support, their families and commissioners in order to thrive in such a challenging economic environment.

I am confident that the Board is addressing the risks presented to Outlook Care, developing and reviewing robust, effective plans to mitigate each risk, in the best interest of our beneficiaries. Tough decision-making and taking action to address issues that threaten the sustainability of safe service delivery is a strength in Outlook Care and will continue to be the case.

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 skilled, talented, dedicated staff and Board continue to move Outlook Care forward in difficult times by actively listening to all stakeholders and focussing on customer satisfaction at every level.

They are all responsible for our achievements and I would like to thank them personally for the incredible work they do.

Steve Marsh – Chair of Board

Outlook Care Trustees' Report and Accounts

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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 2019 we delivered an average of 17,653 hours of support per week and supported 540 people broken down as follows:

- 58.3% learning disabilities (315 people)
- 28.9% mental health (156 people)
- 12.8% older people (69 people)

We employ 514 staff on permanent contracts. 38.13% are from Black or Minority Ethnic (BME) backgrounds. 33.27% of staff on permanent contracts are from non-BME backgrounds. For the remaining workforce, 28.60%, staff have declined to say.

We have 188 workers registered through Outlook Care Bank (OCB), 52.13% are of BME backgrounds, 12.77% non-BME backgrounds and 35.11% have declined to say.

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Operational performance 2018-19

Last year we said we would...

Achieve occupancy levels at Foxburrow Grange that deliver a 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.

Review our pool of Outlook Care Bank workers ensuring efficient deployment, reducing costs and controlling quality with a specific aim of reducing agency usage costs.

Implement the Business Plan 2018-21, focussed on person centred service delivery at all times, including a Learning Disability Growth Strategy.

Embed our approach to delivering customer satisfaction at all levels of the organisation at the highest level, every time.

Have in place actions to meet the requirement of the General Data Protection Regulation.

And this is what we did....

We have achieved the financial targets set.

We have achieved 90% success in achieving our void targets.

We have achieved 100% 'good' rating across all of our Care Quality Commission regulated services and maintained all of our quality accreditations including ISO 9001:2015, ISO 14001:2015, the Investors in People Award and Certificate in Health and Safety (CHAS).

We have increased income from services purchased privately or through personal budgets.

We have developed new business which represents 2% of our turnover.

We have achieved an annualised turnover rate of 23.96% as of 31st March 2019 which is well below the sector average of 30.7% (Skills for Care Workforce Intelligence) and a continued decrease of 2.84% compared with 2018. Permanent staff employed has remained steady compared with last year and is 514 people (compared with 513 at the same point last year).

We have reduced agency spend by 20% in 12 months.

The Business Plan 2018-22 has been agreed and is being implemented. Business Plan is on target.

Customer satisfaction approach to service delivery is embedded across the organisation with increased levels of satisfaction being reported.

We are compliant with General Data Protection Regulation.

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What people said about us...

Investors in People 2018

Our commitment to investors in people remains strong and we have retained our accreditation up to 2020. Our most recent Investors in People staff survey in December 2018 indicates that:

- 76% of staff agree that we lead and inspire people
- 87.5% of staff agree that we live the organisation's values and behaviours
- 85% of staff agree that we empower and involve people in what we do
- 84% of staff agree that we are good at managing performance
- 63% of staff agree that we are good at recognising and rewarding high performance
- 88% of staff agree that we are good at structuring work
- 79% of staff agree that we are good at building capacity
- 82% of staff agree that we are good at delivering continuous improvement
- 79.5% of staff agree that we are creating a sustainable business

'Outlook Care recognise the need to lead, support their people and continuously improve since achieving iIP in 2000; they have now become a company driven by their people, vision and values. As a consequence they punch well above their weight, introducing new services and innovative provision' (Investors in People Assessor).

Our Customers and Circles of Support Survey 2018/19 said:

Customers

Question	Response 2018/19
I feel safe in my home	96%
Staff are kind and caring	97%
I am happy with my review	96%
If I was unhappy about something I'd get help to make things better	95%
The staff who support me have the right skills to do a good job	94%
My home meets all my needs; i.e. I can access everything I need and have no trouble moving freely about my home	93%

Circles of Support

Question	Response 2018/19
People feel safe in the service/home	96%
The environment is safe	97%
Staff are kind and caring	100%
The staff team are motivated and focused	97%
The support people receive enables them to live the life they choose retaining as much control over their life as their needs allow	93%
The communication between you and the service is good	96%
Staff/Management listen to your concerns and respond to them	99%
The staff have the right skills to do the job	99%

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Great British Care Awards, Regional Winners November 2018, National Winner March 2019

'After attending a learning disabilities conference X was so moved to change the way his clients visited the GP. His passion drove him to contact and work with the GP to create a 'gold card' scheme which gave his highly anxious clients priority visits. Taking this further, X also introduced a 'quiet waiting room' to further reduce anxiety.'

The Essex Care Sector Awards (The Prosperers), Outstanding Leadership Award Winner, December 2018

'In 12 months the manager has improved Foxburrow Grange from a CQC rating of Requires Improvement to Good. New to the home, the manager has built relationships with key people, listening to them and is approachable. The manager has created a culture of excellence, empowering her staff to be part of a vibrant and informed team. She is respected by her staff and has a person centred ethos involving residents and relatives in the running of the home, creating good connections with the local community including children from the local nursery and becoming part of the Wish Come True scheme. The manager also supports other home managers in Essex via My Home Life Essex, sharing her experiences.'

Certificate Health and Safety, April 2018

'We are delighted to inform you that your application for CHAS Health & Safety Assessment has been reviewed by our assessor and been deemed compliant against the CHAS standard. Congratulations on achieving the CHAS standard for Health & Safety!'

ISO 9001 & 14004 Audit, 21-23 January 2019

'Numerous samples have been taken during this Surveillance Audit, however, a large focus of the audit time was spent reviewing the management system controls.'

The management system is held on SDA [Shared Document Area] which is well controlled and all have access to it.

It is very evident that a lot of effort has been made over the last year to improve the vision/direction of Outlook Care of which the commitment of Leadership has been demonstrated.

This has been a successful audit where findings have not been raised and positives reported within the auditors notes. Continued registration is recommended for ISO 9001:2015.'

Care Quality Commission

'People were supported to maintain their optimum health. There was evidence in people's care records that the provider worked collaboratively with healthcare professionals such as GPs, dentists and opticians. We noted that treatment plans provided by a multi-disciplinary team were embedded by the provider in care documentation for staff to follow. People's rights were protected as staff understood their responsibilities under the Mental Capacity Act 2005 (MCA).'

Staff were able to raise any issues during staff meetings in order to improve service delivery. Records confirmed this. The provider fostered this approach through effective handovers, team meetings and supervision sessions. The provider sought feedback about the service from staff through annual surveys. We noted the team had received the award of 'Team of the year' and there is an employee of the month award to motivate and praise staff. We noted that accidents and incidents were reported and recorded.

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Staff developed caring relationships with people using the service. Staff we spoke with had fostered a good relationship with the people living at the service and spoke warmly about them,' (Summit Road Inspection Report May 2018).

'Staff were knowledgeable about safeguarding and whistleblowing procedures. The provider carried out safe recruitment checks before new staff began employment. There were enough staff on duty to meet people's needs. Building checks were carried out to ensure the safety of the premises in line with building requirements. Risk assessments were carried out to mitigate the risks of harm people may face at home and in the community. People were protected from the risks associated with the spread of infection. The provider analysed accidents and incidents and used this as a learning tool to make improvements to the service.

Relatives and staff gave positive feedback about the management of the service. The provider had a system to obtain feedback about the service in order to make improvements. People had regular meetings so their preferences could be heard. Staff had regular meetings to keep updated on service development and to contribute their views on the running of the service. The provider had several quality audit systems to identify issues to improve the service delivered. The registered manager worked in partnership with outside agencies to share examples of good practice.

The service was well led. There was a registered manager at the service. Relatives and staff spoke positively about the management of the service. The provider had a system to obtain feedback from people and relatives about the quality of the service delivered. People and staff had regular meetings so their views could be heard about the quality of the service. The provider had several quality audit systems in place to identify areas for improvement. The service worked jointly with other agencies to share examples of good practice,' (Larkshall Road Inspection Report October 2018).

Staff provided people with individualised care, which was centred on their needs and wishes. The care and support provided to people was based upon their preferences. Consequently, people received care from staff who knew and understood them and with whom they felt comfortable. Staff were thoughtful and patient when providing care and supported people to make choices about all aspects of their daily life. Staff were respectful and showed empathy, compassion and kindness when speaking to people.

The service had a robust recruitment process in place to ensure that staff had the necessary skills and attributes to support people using the service. New members of staff completed an induction programme during which they completed training sessions and were introduced to, and spent time with, the people that they would be supporting.

Care plans were person centred and family members were consulted and involved in regular reviews. This ensured they were up to date and reflected people's current needs. The registered manager had reviewed the process for assessing people before they moved into the service. This ensured staff were able to meet the needs of people.' (Foxburrow Grange Inspection Report March 2018).'

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We also did.....

1. Received external recognition for the work that we do through the following:
 - Won Great British Care Awards National Award; Care Innovator Category.
 - Won Essex Care Awards; Outstanding Leadership Category.
 - Won Great British Care London Region Awards; Care Newcomer Category.
 - Shortlisted for National Care Awards; Care Leadership and Care Activities Categories.
 - Shortlisted for Great British Care Awards; Care Team Category.
 - Shortlisted 3rd Sector Care Awards; Innovative Quality Outcomes Category
2. Implemented a revised Governance Policy including new:
 - Business Plan
 - Organisation Risk Management Tool
 - Financial Performance Indicators
3. Retained 100% of existing contracts compliant with contractual requirements and minimum 'good' CQC ratings across all services.
4. Developed a new four bed supported living service for people with learning disabilities in the London Borough of Greenwich.
5. Secured a 24-hour support package for one person with a learning disability in the London Borough of Barking and Dagenham.
6. Achieved successful contract award for learning disability and mental health framework in London Borough of Barking and Dagenham.
7. Restructured central operations to reduce overhead whilst maintaining service delivery ensuring 88% of our costs are engaged in the delivery of care and support services.
8. Implemented Quality of Staff, Recruitment and Retention Project reducing secondary agency cost by 20%.
9. Continued implementation of the Driving Up Quality Code achieving the following outcomes:
 - Driving up Quality Audit across all our services.
 - Published our reports for 2018/19 in both easy read and full report format, meeting the five standards of the Code in a wide range of person centred ways, to drive forward improvement. We were congratulated on our Easy Read report by the Driving up Quality team who shared it as good practice.
10. Implemented revised Clinical Governance structure and the key performance indicators reported to our Board and operational management team.
11. In consultation with people we support, their families, our staff and stakeholders, revised our organisational vision and values.
12. Implemented our Safeguarding Action Plan including:
 - Leadership, culture and values.
 - Continuous review of the root cause analysis of safeguarding.
 - Development of staff skills and confidence in making safeguarding personal for customers.
 - A prevention process that considers what could go wrong rather than what has gone wrong.
 - Consider the CQC key lines of enquiry to help us continuously test 'people we support know how to keep themselves safe'.
 - Develop staff knowledge and skills in new areas of risk including radicalisations and modern slavery.
 - Further develop staff skills in understanding indicators of abuse, including Safeguarding and Mental Capacity training, coaching and support.
 - Revised Admission Policy implemented.

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Next year we will

1. Maintain 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.
4. Increase services purchased through private funding and/or 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. Review our pool of Outlook Care Bank workers ensuring efficient deployment, reducing costs and controlling quality with a specific aim of reducing agency usage costs.
8. Achieve 80% permanent staff across Outlook Care.
9. Implement the Business Plan 2018-22, focussed on person centred service delivery at all times, including a Learning Disability Growth Strategy.
10. Embed our approach to delivering customer satisfaction at all levels of the organisation at the highest level, every time.
11. Further embed the requirements of the General Data Protection Regulation (GDPR).
12. Continue to recruit, retain and support Apprentices in relevant services.
13. Embed our revised Vision and Values with people we support, their families and our staff.
14. Implement our Technology Strategy.
15. Deliver efficiency savings, deliver better services for less cost, continuing to deliver a sustainable business model for the future.
16. Embed Involvement Strategy outcomes.
17. Increase number of customers and family members' involvement in auditing.

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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. This company no longer trades and is therefore dormant.

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.

Board members attended 88% of 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 within a secure IT environment 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

Diane Roberts Msc
- Chair of Safeguarding Committee & Chair of Audit and Risk

Renaud Huck MA
- Treasurer

Asma Khalid MSc, MRCOG

Mick Morgan CQSW, DMS

Stefan Beavis MBA

Piotr Rejek MA, BA (Hons)

- Chief Executive

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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 eight years. The current levels per annum, reviewed in January 2019, are as follows:

Chair	£4,060
Treasurer	£3,045
Audit & Risk/Safeguarding Chair	£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 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, after a comprehensive review of the financial risks facing Outlook Care, 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.

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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 objects 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 objectives 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 & Business Development
- Sian Hajba, BA (Hons), FCCA - Director of Finance and Company Secretary

Employees

Our actual staffing whole time equivalent at 31 March 2019 was 438.20 consisting of 514 full and part time staff in post. An additional 188 workers are registered with Outlook Care Bank (OCB), our internal staff bank.

OCB filled 83.3% vacant shifts during the year which is the same performance level as 2017/18. We continue to focus on increasing and retaining our permanent staff and pool of OCB to ensure quality and control cost and managers will be challenged on their continued use of OCB workers for established hours, with the emphasis on recruiting permanent staff to these hours.

Customer Involvement

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

1. Communication with people we support; enhancing 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.

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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 £5,457.

Fundraising

We have promoted local fundraising and raised a total of £21,853 across all of our services. Our fundraising activities comply with the Charities Act 2016 fundraising rules and regulations.

Financial Review

Outlook Care produced an operating surplus of £565,606 on a total income and endowments of £17,139,049 in the financial year. This represents an increase in income and endowments of 4% in the year. Costs incurred total £16,482,367, of which 88% have been incurred in direct costs of service delivery.

Where our money comes from

The majority of our funding continues to come from Local Authorities and health funded contracts. Growth in our private funded market continues as an increasing number of private payers are attracted to Foxburrow Grange.

Outlook Care continues to operate across the Learning Disability, Mental Health and Older Peoples market segments with income generated from our Learning Disability services making up 57% of turnover. Foxburrow Grange represents our sole source of turnover in the Dementia Care/ Older Peoples market and represents 26% of our overall turnover.

Mental Health service income has reduced marginally this year and is 17% of total income.

How we spent our money

Total expenditure has decreased by 14% in 2019. The additional expenditure is attributable to a number of factors including the continuing impact of living wage increases and Outlook Care's decision to increase Support Worker pay in line with our strategy to attract and retain a motivated and high performing workforce. We continue to monitor the ongoing issues relating to the Sleep in costs and await the outcome of the Unison appeal. Staffing costs continue to be our highest expense and represents 77% of total expenditure compared to 83% last year.

Pensions

Outlook Care continues to provide a range of pension options to its staff including the Social Housing Pension Scheme (SHPS), NHS pension and complies with auto enrolment by offering membership of the NEST Pension Scheme. Outlook Care continues to actively manage the cost and risk associated with the SHPS Final Salary Pension scheme outlined in Notes 17 and 18 of the Financials.

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.

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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 increased by 23%.

Subsidiary company

Outlook Venture Ltd is the wholly owned subsidiary of Outlook Care and is dormant.

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.

Trustees review the organisation's Risk Map at every Board and Audit & Risk meeting. The primary 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.
- Ability to comply with loan covenants.
- Pensions.
- Yet unknown changes/interpretations in legislation that reduce expenditure and increases risk to providers of services, including Brexit, Living Wage legislation and sleep in payments.

A Business Plan is in place. 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 quality and financial 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. This includes the monitoring of quality, clinical, workforce and financial indicators.

Our Continuous Improvement Programme meets the requirements of ISO 9001:2015, which we have held since 1995.

The Chair of the Audit and Risk Committee and Chair of 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.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2019

Risk management

Organisational risk is reviewed continuously by the Executive Management Team, reported monthly to 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 monitor identified risks at every Board and/or Audit & Risk Committee meeting.

Control actions identified are managed 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.

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 £79,117 and fulfils the requirements of six months of central management spend before the Defined Benefit pension adjustment.

Unrestricted funds

General reserve

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 £510,746 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 £4,217,359.

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 £34,791.

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2019

Independent Auditor's Report of the Members of Outlook Care

Opinion

We have audited the financial statements of Outlook Care (the 'society') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2019 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Society Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2019

- a satisfactory system of control over transactions has not been maintained; or
- the Society has not kept proper accounting records;
- 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.

Responsibilities of the Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Society or to cease operations, or have no realistic alternative but do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Society's members, as a body, in accordance with the provisions of the Co-operative and Community Benefit Societies Act 2014. Our audit 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 auditor's 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 for the opinions we have formed.

Julia Poulter
For and on behalf of
BDO LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

Date: 19 September 2019

BDO LLP is a limited partnership registered in England and Wales (with registered number OC305127)

Financials

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2019

Statement of Financial Activities (incorporating an income and expenditure account)

	Note	Restricted £	Unrestricted £	2019 Total £	2018 Total £
Income and Endowments from					
– Donations and legacies		20,373	6,937	27,310	26,111
– Income and Investments		-	2,515	2,515	419
Income from Charitable Activities					
– Learning Disabilities Housing & Care Services	2	-	9,819,796	9,819,796	9,587,888
– Mental Health Housing & Care Services	3	-	2,873,285	2,873,285	3,099,918
– Older People's Housing & Care Services	4	-	4,416,143	4,416,143	3,812,364
Other income					
– Profit/(Loss) on sale of Fixed Assets		-	-	-	23,724
– Sundry income		-	-	-	10,893
Total Income and Endowments		20,373	17,118,676	17,139,049	16,561,317
Expenditure on Charitable Activities					
– Learning Disabilities Housing & Care Services		1,950	9,772,448	9,774,398	9,447,240
– Mental Health Housing & Care Services		557	2,512,016	2,512,573	2,733,849
– Older People's Housing & Care Services		389	4,195,007	4,195,396	4,392,205
Total Expenditure	5	2,896	16,479,471	16,482,367	16,573,294
Finance charge on pension scheme			(75,000)	(75,000)	(1,000)
Net (losses)/gains on derivative financial instruments			(16,076)	(16,076)	(81,242)
Net Income/(Expenditure)	6	17,477	548,129	565,606	68,265
Transfer between funds		-	-	-	-
Net Income/(Expenditure) for the year before other recognised gains/(losses)		17,477	548,129	565,606	68,265
Net impact of initial recognition of multi employer defined benefit pension scheme	17	-	(928,000)	(928,000)	-
Actuarial (Losses)/Gains on Defined Benefit Pension Schemes	17	-	(829,000)	(892,000)	-
Net movement in funds		17,477	(1,271,871)	(1,254,394)	68,265
Reconciliation of funds					
Funds at the start of the year		17,314	2,363,100	2,380,414	2,312,149
Funds at the end of the year		34,791	1,091,229	1,126,020	2,380,414

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 Position

	Note	£	2019 Total £	2018 Total £
Fixed assets				
Tangible fixed assets	9	6,890,339		7,059,138
Investment in subsidiary	19	1		1
			6,890,340	7,059,139
Current assets				
Debtors	10	1,270,523		1,031,548
Short Term Deposits		1,306,217		1,056,790
Cash at bank and in hand		637		548
		2,577,377		2,088,886
Liabilities				
Creditors: amounts due within 1 year	11	1,990,889		1,840,476
			586,488	248,410
Net current assets				
			7,476,828	7,307,549
Total assets less current liabilities				
Creditors: amounts falling due after more than 1 year	12		(2,634,808)	(2,750,135)
			4,842,020	4,557,414
Net assets excluding pension liability				
Defined Benefit Scheme Liability	17		(3,716,000)	(2,177,000)
			1,126,020	2,380,414
Net assets including pension liability				
Funds				
Share capital	15		7	10
Restricted funds	14		34,791	17,314
Unrestricted funds	14			
Designated funds		4,296,476		4,084,486
General funds		510,746		455,604
			4,807,222	4,540,089
Unrestricted income funds excluding pensions liability				
			(3,716,000)	(2,177,000)
Pension Liability Reserve	14			
			1,126,020	2,380,414
Total charity funds				

Approved and authorised for issue by the Board of Management on 12 September 2019 and signed on its behalf by:

Steve Marsh
Chair

Piotr Rejek
Chief Executive

Sian Hajba
Company Secretary

Statement of Cashflows

	Note	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Net Cash provided by (used in) operating activities	Table A		885,354		(359,499)
Cash flows from investing activities					
Interest from investments		2,515		419	
Purchase of plant and equipment		(34,924)		(248,066)	
Net Cash provided by (used in) investing activities			(32,409)		(247,647)
Cash flows from financing activities					
Loan finance repayment		(99,210)		(110,709)	
Pension deficit payments		(388,203)		(342,453)	
Net Cash (used in) investing activities			(487,413)		(453,162)
Change in cash and cash equivalents in the reporting period			365,532		(1,060,308)
Cash and cash equivalents at the beginning of the reporting period			645,106		1,705,414
Cash and cash equivalents at the end of the reporting period	Table B		<u>1,010,638</u>		<u>645,106</u>

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

Net Income/(Expenditure for the reporting period (as per the statement of financial activities))			(1,254,394)		68,265
Adjustments for:					
Interest received			(2,515)		(419)
Net (profit) on disposal of fixed assets			-		(23,724)
Depreciation of tangible fixed assets			203,733		292,927
Loss/(Gain) on Swap			16,076		(81,242)
Pension Charge			75,000		(1,000)
Defined Benefit Scheme Net Impact			928,000		-
Loss/(Gain) on Pension			892,000		-
(Increase)/Decrease in debtors			(238,975)		81,369
(Decrease)/Increase in creditors excluding loans			<u>266,429</u>		<u>(695,674)</u>
Net cash provided by (used in operating activities)			<u>885,354</u>		<u>(359,499)</u>
			2019		2018

Table B: Analysis of cash and cash equivalents

Notice deposits (less than 3 months)		1,306,217	1,056,790
Cash in hand		637	548
Bank overdraft		<u>(296,216)</u>	<u>(412,232)</u>
		<u>1,010,638</u>	<u>645,106</u>

Notes to the Financial Statements

1. Accounting policies

a) **Basis of preparation and assessment of going concern**

The financial statements are prepared in accordance with 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 society has also elected to follow the 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 the Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), to the extent that it does not conflict with Accounting standards applicable to the society.

Outlook Venture, the wholly owned subsidiary of Outlook Care has ceased to trade. Approval has been received from the Mutuals Society that there is no requirement to prepare consolidated accounts.

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

The financial statements are prepared in £ which is the functional currency of the charity and to the nearest pound.

The financial statements have been prepared on a going concern basis as the level of reserves and the degree of volatility in income and expenditure are deemed sufficient to enable the society to continue for the foreseeable future. There are no material uncertainties. Trustees have determined this based on their experience of the care sector, a review of the business plans, forecasts and cash flow statements and the nature of the contracts that they have in place. They do recognise that estimates and assumptions are used in the preparation of these financial statements in assessing the impact of the future pension deficits, but are assured that the crystallisation of these is not immediate.

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 is 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 Regional 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.

Notes to the Financial Statements (cont'd)

- f) Freehold land is not depreciated. The charity separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, over its expected useful life.

The useful lives are as follows:

Structure	100 years
Kitchens	15 years
Bathrooms	15 years
Lifts	15-25 years
Doors	30 years
Windows	30 years
Electrical works	30 years
Boilers/heating system	15 years

Other tangible fixed assets

Furniture & fittings	5 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	5 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.

- 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 society 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.

The Society participates in the multi-employer defined benefit Social Housing Pension Scheme (SHPS). For financial years ending on or after 31 March 2019, the way in which the defined benefit pension obligation in SHPS is stated in the financial statements has changed. Previously there has been insufficient information available to account for these obligations on a defined benefit basis (i.e. stating assets and obligations). As a result, and as required by FRS 102, the obligation has been accounted for by stating the present value of agreed future deficit repayment contributions.

For financial years ending on or after 31 March 2019 sufficient information is available to account for the obligations on a defined benefit basis. The information provided during the year gives the liability at 31 March 2018 however, as this information only became available in the current year and after the financial statements for the prior year had been authorised for issue, the change in accounting has been recorded on the first day of the current year, with no restatement of comparators, in accordance with the requirements set out in: "Amendments for FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland: Multi-employer defined benefit plans.

Notes to the Financial Statements (cont'd)

Whilst comparative figures have not been restated the information provided about the liability at 1 April 2018 has been included in the pension note as it provides useful information to a reader of the accounts.

The liability recognised for the present value of the deficit agreement of £2,177,000 has been derecognised and the net pension deficit at 31 March 2018 £3,105,000 has been recognised through other comprehensive income in the year.

Under defined benefit accounting the Scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income. Critical accounting estimates and assumptions: Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses (as analysed in Note 17).

Notes to the Financial Statements

2. Learning Disabilities Housing & Care Services

	Restricted £	Unrestricted £	2019 Total £	2018 Total £
Care contracts	-	5,823,007	5,823,007	6,096,725
Residents' charges	-	2,078,573	2,078,573	2,142,609
Individual Care and Support	-	1,787,576	1,787,576	1,222,637
Other income	-	130,640	130,640	125,917
	<u>-</u>	<u>9,819,796</u>	<u>9,819,796</u>	<u>9,587,888</u>

3. Mental Health Housing & Care Services

	Restricted £	Unrestricted £	2019 Total £	2018 Total £
Care contracts	-	1,297,923	1,297,923	1,454,767
Residents' charges	-	1,318,777	1,318,777	1,457,858
Individual Care and Support	-	241,520	241,520	163,965
Other income	-	15,065	15,065	23,318
	<u>-</u>	<u>2,873,285</u>	<u>2,873,285</u>	<u>3,099,918</u>

4. Older People's Housing & Care Services

	Restricted £	Unrestricted £	2019 Total £	2018 Total £
Residents' charges	-	3,859,949	3,859,949	3,411,139
Individual care and support	-	531,344	531,344	383,874
Other income	-	24,850	24,850	17,351
	<u>-</u>	<u>4,416,143</u>	<u>4,416,143</u>	<u>3,812,364</u>

Notes to the Financial Statements

5. Charitable Expenditure

	Learning Disabilities Housing & Care Services £	Mental Health Housing & Care Services £	Older People's Housing & Care Services £	2019 Total £	2018 Total £
Total Direct Costs	8,390,810	2,118,020	3,919,839	14,428,669	14,705,773
Support Costs:					
Staff costs	814,369	225,937	157,795	1,198,101	1,224,891
Property costs	120,948	34,567	24,142	179,657	87,817
Professional & legal fees	22,133	6,326	4,418	32,877	19,471
Other costs	387,249	116,609	81,440	585,298	473,696
Governance costs	36,939	10,557	7,373	54,869	55,576
	<u>9,772,448</u>	<u>2,512,016</u>	<u>4,195,007</u>	<u>16,479,471</u>	<u>16,567,224</u>
Governance Costs:					
Employee Costs	22,187	6,341	4,429	32,957	32,007
Board Salaries	11,787	3,369	2,353	17,509	17,818
Board Expenses	1,505	430	300	2,235	5,271
Meetings	1,460	417	291	2,168	480
	<u>36,939</u>	<u>10,557</u>	<u>7,373</u>	<u>54,869</u>	<u>55,576</u>

Notes to the Financial Statements

6. Net income for the year

This is stated after charging/(crediting):

	2019 £	2018 £
Depreciation	203,733	292,927
(Profit)/Loss on sale of fixed assets	-	23,724
Board of Management's remuneration, including pension contributions	25,776	24,723
Board of Management's reimbursed expenses	2,236	5,271
Auditors' remuneration:		
• Audit (excluding VAT)	13,911	12,050
• Other services (excluding VAT)	-	-
Operating lease rentals:		
• Property	304,317	314,152
• Other	19,439	12,512

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.

Notes to the Financial Statements

7. Staff costs and numbers

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	11,568,448	12,665,624
Social security costs	857,692	886,388
Pension contributions	224,022	243,882
	<u>12,650,162</u>	<u>13,795,894</u>

	2019	2018
Number of employees receiving £110,001 - £120,000	1	1
Number of employees receiving £100,001 - £110,000	-	-
Number of employees receiving £90,001 - £100,000	2	2
Number of employees receiving £80,001 - £90,000	1	1
Number of employees receiving £70,001 - £80,001	-	-
Number of employees receiving £60,000 - £70,000	1	-

Employer's pension contributions for key personnel amounted to £11,873 (2018 - £12,392). Key management personnel comprise the Trustees and the Executive Management Team. During the year total employee benefits were paid to key management personnel totalling £511,058 (2018 - £514,392).

Redundancy and settlement payments of £48,708 (2018 - £68,201) were made during the year.

The average monthly number of employees based on an assessment of payrolls during the year was as follows:

	2019 No.	2018 No.
Housing & Care Services - Learning Disabilities	280	296
Housing & Care Services - Mental Health	56	70
Housing & Care Services - Older People	142	121
Support	35	36
Governance	1	1
	<u>514</u>	<u>524</u>

In addition to the staff numbers quoted above, 188 workers are employed through the Outlook Care internal Bank (OCB).

Notes to the Financial Statements

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

	Freehold Land & Buildings £	Furniture & Equipment £	IT Equipment £	Totals £
Cost				
At the start of the year	8,189,816	613,032	321,270	9,124,118
Additions in year	9,507	11,573	13,844	34,924
Disposals in year	-	-	-	-
Revaluations in the year	-	-	-	-
At the end of the year	<u>8,199,323</u>	<u>624,605</u>	<u>335,114</u>	<u>9,154,042</u>
Depreciation				
At the start of the year	1,351,378	533,134	180,458	2,064,970
Charge for the year	131,450	30,280	42,003	203,733
Disposals in year	-	-	-	-
At the end of the year	<u>1,482,828</u>	<u>563,414</u>	<u>222,461</u>	<u>2,268,703</u>
Net book value				
At the end of the year	<u>6,716,495</u>	<u>61,191</u>	<u>112,653</u>	<u>6,890,339</u>
At the start of the year	<u>6,838,428</u>	<u>79,898</u>	<u>140,812</u>	<u>7,059,138</u>

Notes to the Financial Statements

10. Debtors

	2019 £	2018 £
Trade Debtors	755,146	630,920
Other debtors	29,826	27,600
Intercompany debtor	4,560	4,560
Prepayments and accrued income	480,991	368,468
	<u>1,270,523</u>	<u>1,031,548</u>

11. Creditors: amounts due within 1 year

	2019 £	2018 £
Trade creditors	314,389	298,919
Other taxation & social security	203,241	214,228
Bank loan & overdraft	296,216	414,232
Other creditors	232,062	162,391
Accruals and deferred income	944,981	752,706
	<u>1,990,889</u>	<u>1,840,475</u>

Deferred income breakdown

	At the start of the year	Movement	At the end of the year
NHS Newham Pension Supplement	25,548	-	25,548
NHS Chelmsford	-	13,297	13,297
Prepaid Income	99,471	(34,999)	64,472
HMRC NIC Cr	-	(3,000)	(3,000)
Lease rent free period	2,833	(2,833)	-
Prepaid rent	1,730	(1,730)	-
Water charges	922	(922)	-
	<u>130,504</u>	<u>(30,188)</u>	<u>100,317</u>

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

	2019 £	2018 £
Bank loan	2,229,808	2,345,136
Waltham Forest - Summit Road funding	405,000	405,000
	<u>2,634,808</u>	<u>2,750,136</u>

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For year ended 31 March 2019

Notes to the Financial Statements

13. Financial Instruments

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

	2019 £	2018 £
Loan payable - amounts falling due:		
Within one year	115,327	110,709
Within two to five years	665,594	496,787
After five years	<u>1,564,214</u>	<u>1,848,349</u>
	<u>2,345,135</u>	<u>2,455,845</u>

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 reduced 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 2019 with a value of £103,152 (2018 financial liability with a value of £87,077).

Analysis of net assets between funds

	Share Capital £	Restricted Funds £	Designated Funds £	General Funds £	Total Funds £
Tangible fixed assets	-	-	6,890,339	-	6,890,339
Net current assets	7	34,791	40,944	510,746	586,489
Creditors: amounts falling due after more than one year	-	-	(2,634,808)	-	(2,634,808)
Defined Benefits Scheme Liability	-	-	(3,716,000)	-	(3,716,000)
Net assets at the end of the year	<u>7</u>	<u>34,791</u>	<u>580,475</u>	<u>510,746</u>	<u>1,126,020</u>

Analysis of net assets between funds - 2018 (comparative)

	Share Capital £	Restricted Funds £	Designated Funds £	General Funds £	Total Funds £
Tangible fixed assets	-	-	7,059,139	-	7,059,139
Net current assets	10	17,314	(224,517)	455,604	248,411
Creditors: amounts falling due after more than one year	-	-	(2,750,136)	-	(2,750,136)
Defined Benefits Scheme Liability	-	-	(2,177,000)	-	(2,177,000)
Net assets at the end of the year	<u>10</u>	<u>17,314</u>	<u>1,907,486</u>	<u>455,604</u>	<u>2,380,414</u>

Outlook Care Trustees' Report and Accounts

For year ended 31 March 2019

Notes to the Financial Statements

14. Movements in funds

	At the start of the year £	Income resources £	Outgoing resources £	Gains/ (Losses) £	Transfers £	At the end of the year £
Restricted funds						
Festival in the Park	95	-				95
Hawthorn Activities/Transport	169	13,436				13,605
Neave Carers Forum OP	154		(105)			49
Foxburrow residents activities	4,288	3,012	(2,617)			4,683
Virtual Ward Fund	1,000					1,000
Foxburrow: Garden Donation		860				860
Summit Road Sensory Garden	209					209
Summit Road - Waitrose Donation	280					280
League of Friends - Hawthorn	200					200
JustGiving	637					637
Mornington Legacy	352					352
Beaulay Way Fund	4					4
Resident Activities	326					326
Longbridge Legacy	12					12
Central Services Fundraising LD	402		(174)			228
Neave Spring Fair	76					76
Kemsing Garden Project	325					325
Christchurch Garden Project	7					7
Autumn Cottage	870	3,065				3,935
Foxburrow R Howard Donation Fund	450					450
Autumn Cottage Garden Donation	3,000					3,000
Bromhall Road Sensory Room	4,158					4,158
Waterside Donation	300					300
Total restricted funds	17,314	(20,373)	(2,896)	-	-	34,791
Unrestricted funds:						
<i>Designated funds:</i>						
Working Capital	1,085,516	-	-	-	(1,006,399)	79,117
Fixed Asset Reserve	2,998,970	-	(203,733)	-	1,422,122	4,217,359
<i>Total designated funds</i>	<i>4,084,486</i>	<i>-</i>	<i>(203,733)</i>	<i>-</i>	<i>415,723</i>	<i>4,296,476</i>
General funds	455,604	17,118,676	(16,647,814)	-	(415,720)	510,746
Share capital	10	-	-	-	(3)	7
Pension scheme liability	(2,177,000)	-	281,000	(1,820,000)	-	(3,716,000)
Total unrestricted funds	2,363,100	17,118,676	(16,570,547)	(1,820,000)	-	1,091,229
Total funds	2,380,414	17,139,049	(16,573,443)	(1,820,000)	-	1,126,020

Notes to the Financial Statements

14. Movements in funds (continued)

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.

Purposes of restricted funds

Festival in the Park

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

Hawthorn Activities & 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/Neave 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 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: Garden Donation

Donation from Ian Douglas family for the Sensory Garden at 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 - 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.

Notes to the Financial Statements

14. Movements in funds (continued)

Beauly Way Fund

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

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.

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.

Foxburrow Donation Fund

Funds of £500 was left for the benefit of Foxburrow residents by a former resident who sadly passed away during the year.

Autumn Cottage Garden

Legacy of £3,000 was left to Outlook Care by a former resident who had sadly passed away. The funds are to go towards the refurbishment costs of the garden at Autumn Cottage.

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.

Waterside

Donation of £300 received from builders working on site behind the scheme to treat the residents.

Notes to the Financial Statements

14. Movements in funds (continued)

Purposes of designated funds

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 months 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.

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Notes to the Financial Statements

14. Movements in funds (continued)

Movements in funds 2018

	At the start of the year £	Income resources £	Outgoing resources £	Gains/ (Losses) £	Transfers £	At the end of the year £
Restricted funds						
Festival in the Park	95					95
Hawthorn Activities/Transport	730				(561)	169
Neave Carers Forum	49	105				154
Foxburrow residents activities	1,637	6,798	(4,924)		777	4,287
Virtual Ward Fund	1,000					1,000
Foxburrow: Pampered Chef Don	138				(138)	-
Summit Road Sensory Garden	209					209
Summit Road - Waitrose Donation	280					280
League of Friends - Hawthorn	302				(102)	200
JustGiving	637					637
Mornington Legacy	352					352
Beaulay Way Fund	4					4
Resident Activities	326					326
Longbridge Legacy	12					12
Central Services Fundraising	16		(136)		522	402
Neave Spring Fair	75		(45)			76
Swan Housing Donation	400		(400)			-
Kemsing Garden Project	325					325
Christchurch Garden Project	7					7
Autumn Cottage	670				200	870
Foxburrow RA Fund Marfleet D	200		(200)			-
Foxburrow R Howard Donation Fund	500		(50)			450
Autumn Cottage Garden Donation	3,000					3,000
Bromhall Road Sensory Room	560	3,913	(315)			4,158
Waterside Donation		300				300
Total restricted funds	11,524	11,116	(6,070)	-	743	17,313
Unrestricted funds:						
<i>Designated funds:</i>						
Working Capital	1,146,710	-	-	-	(61,194)	1,085,516
Fixed Asset Reserve	3,192,016	-	(292,927)	-	99,881	2,998,97
<i>Total designated funds</i>	<i>4,338,726</i>	<i>-</i>	<i>(292,927)</i>	<i>-</i>	<i>38,687</i>	<i>4,084,486</i>
<i>General funds</i>	<i>481,899</i>	<i>16,550,201</i>	<i>(16,273,297)</i>	<i>81,242</i>	<i>(384,440)</i>	<i>455,605</i>
<i>Share Capital</i>	<i>8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2</i>	<i>10</i>
<i>Pension Scheme Liability</i>	<i>(2,520,000)</i>	<i>0</i>	<i>0</i>	<i>(1,000)</i>	<i>344,000</i>	<i>(2,177,000)</i>
Total unrestricted funds	2,300,633	16,550,201	(16,566,224)	80,242	(743)	2,363,100
Total funds	2,312,157	16,561,316	(16,572,294)	80,242	-	2,380,413

Notes to the Financial Statements

15. Share Capital

	2019	2018
	£	£
At 1 April	10	8
Issued in year	1	2
Cancelled in year	(4)	-
At 31 March 2019	<u>7</u>	<u>10</u>

16. Operating Lease Commitments

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

	2019		2018	
	Land and buildings £	Other £	Land and buildings £	Other £
Amounts payable				
Within one year	230,528	4,163	314,152	12,512
One to fifth year inclusive	269,565	2,723	181,538	-
Over 5 years	270,740	-	-	-
	<u>770,833</u>	<u>6,886</u>	<u>495,690</u>	<u>12,512</u>

Notes to the Financial Statements

17. Pension Funds

Social Housing Pension Scheme

Outlook Care participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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 last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit £1,522m. A recovery plan has been put in place with the aim of removing this deficit by 30 September 2026.

The scheme is classified as a "last-man standing arrangement". Therefore Outlook Care 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.

For financial years ending on or before 28 February 2019, it has not been possible for Outlook Care to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore Outlook Care has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable Outlook Care to account for the Scheme as a defined benefit scheme.

For accounting purposes, two actuarial valuations for the Scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with Outlook Care's fair share of the Scheme's total assets to calculate the Outlook Care's net deficit or surplus at the accounting period start and end dates.

The information presented for 2018 in relation to SHPS scheme reflects the initial position recognised at 1 April 2018.

The proposals set out in FRS 102 requires the difference on transition from defined contribution accounting to defined benefit accounting to be presented separately in other comprehensive income. The change on transition has resulted in a re-measurement, which has been recognised at the relevant date of application, 1 April 2018, in other comprehensive income.

Notes to the Financial Statements

	£
Past service deficit liability as at 1 April 2018 de-recognised	2,177,000
Net pension scheme deficit under defined benefit accounting as at 1 April 2018	<u>(3,105,000)</u>
Loss recognised in other comprehensive income on initial recognition as at 1 April 2018	<u>(928,000)</u>

Financial Assumptions

The major assumptions used by the actuary in assessing the scheme liabilities on a FRS 102 basis were:

	31-Mar-19	31-Mar-18
	% Per Annum	% Per Annum
Inflation (CPI)	2.3	2.2
Salary increases	3.3	3.2
Pension increases	2.3	2.2
Discount rate	2.3	2.55
RPI Increases	3.3	3.2

Mortality

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2013 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.2% p.a., improvements will decline for the over 90's. Based on these assumptions, the average future life expectancies from age 65 are summarised below:

	Males	Females
Current pensioners	21.8 years	23.5 years
Future pensioners	23.2 years	24.7 years

Contributions

The contributions to SHPS for the year ended 31 March 2019 are shown below.

	£
Employer contributions	370,000

At 31 March 2019, there were 208 active members of the scheme (2018: 192) employed by Outlook Care. The employers contribution rate for 2018/19 was £370,000 member's contribution rate was nil.

Notes to the Financial Statements

Amounts recognised in surplus or deficit:

	£
Current service costs	-
Past service cost	-
Expenses	14,000
Amounts charged to operating costs	<u>14,000</u>
Interest income on plan assets	353,000
Interest cost on defined benefit obligation	(278,000)
Amounts charged to other finance costs	<u>75,000</u>

Re-measurements recognised in other comprehensive income

	£
Other actuarial (losses)/gains on assets	89,000
Changes due to scheme experience	(55,000)
Changes in financial assumptions	(883,000)
Changes in demographic assumptions	(43,000)
	<u>(892,000)</u>

Fair value of employer assets

	£
Equities	3,947,000
Bonds	2,785,000
Property	421,000
Cash	-
Other	4,158,000
Total	<u>11,311,000</u>

Net pension liability

	£
Fair value of employer assets	11,311,000
Present value of the defined benefit obligation	(15,027,000)
Net Liability	<u>(3,716,000)</u>

Notes to the Financial Statements

Reconciliation of present value of the defined benefit obligation

	£
Opening scheme liabilities as at 1 April 2018	14,019,000
Expenses	14,000
Current service cost	-
Interest cost	353,000
Actuarial (losses)/gains due to scheme experience	55,000
Actuarial (losses)/gains due to changes in demographics assumptions	43,000
Actuarial (losses)/gains due to changes in financial assumptions	883,000
Benefits paid	(340,000)
Past service costs	-
Closing scheme liabilities as at 31 March 2019	<u>15,027,000</u>

Reconciliation of the fair value of plan assets

	£
Opening scheme assets as at 1 April 2019	10,914,000
Interest income on plan assets	278,000
Contributions by employers	370,000
Benefits paid	(340,000)
Return on assets less interest	89,000
Closing fair value of scheme assets as at 31 March 2019	<u>11,311,000</u>

Notes to the Financial Statements

17. Pension funds (cont'd)

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.

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

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 31 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 £36,346 (2018 - £30,252) to the National Health Service scheme. Employer contributions were paid at the rate of 14.38% 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 1 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 £80,126 to NEST (2018: £38,360).

Notes to the Financial Statements

18. Contingent and other Liabilities

Sleep ins in the Social Care Sector

Outlook Care continues to keep a watching brief on this issue. In light of the Department of Health seeking to clarify the rules for sleep in shifts, Outlook Care has a potential liability for arrears to pay. Due to the historic nature of this matter it is not currently possible to reliably estimate this potential liability. At the date of the signing of these accounts the position remains unchanged.

19. Subsidiary Undertakings

Outlook Care has one subsidiary company - Outlook Venture Ltd. The company is registered in England and Wales and its registration number is 06982267. This company is now dormant.

Outlook Care Trustees' Report and Accounts

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Prior Year Statement of Financial Activities (incorporating an Income & Expenditure Account)

			2018	2017
			Total	Total
	Note	Restricted £	Unrestricted £	£
Income and Endowments from				
- Donations and legacies		11,1161	14,995	26,111
- Income from Investments		-	419	419
Income from Charitable Activities				
: Learning Disabilities Housing & Care Services	2	-	9,587,888	9,587,888
: Mental Health Housing & Care Services	3	-	3,099,918	3,099,918
: Older People's Housing & Care Services	4	-	3,812,364	3,812,364
Other income				
: Profit/(loss) on sale of Fixed Assets		-	23,724	23,724
: Sundry income		-	10,893	10,893
Total Income and Endowments		<u>11,116</u>	<u>16,550,201</u>	<u>16,561,317</u>
Expenditure on				
Charitable Activities				
- Learning Disabilities Housing & Care		3,900	9,443,34	9,447,240
- Mental Health Housing & Care Services		1,317	2,732,532	2,733,849
- Older People's Housing & Care Services		853	4,391,352	4,392,205
Total Expenditure	5	<u>6,070</u>	<u>16,567,224</u>	<u>16,573,294</u>
Net gains/(losses) on derivative financial instruments			81,242	81,242
Finance charge on pension scheme			(1,000)	(1,000)
Net Income/(Expenditure)	6	5,046	63,219	68,265
			-	-
Transfer between funds		<u>744</u>	<u>(744)</u>	<u>-</u>
Net Income/(Expenditure) for the year before gains and losses				
		5,790	62,475	68,265
Actuarial Gains/(Losses) on Defined Benefit Pension Schemes		-	-	-
		-	(19,266)	(19,266)
		<u>5,790</u>	<u>62,475</u>	<u>68,265</u>
Net movement in funds				315,767
Reconciliation of funds				
Funds at the start of the year		11,524	2,300,625	2,312,149
Funds at the end of the year		<u>17</u>	<u>2,363,100</u>	<u>2,380,414</u>