

Company Number: 2982937

Registered Charity Number: 1045025

**FAMILY CARE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016**

FAMILY CARE TRUST
(A Company Limited by Guarantee)

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FAMILY CARE TRUST
(A Company Limited by Guarantee)

Company Information

Trustees and Directors:	P Hughes – Chairman D Edwards K Llewellyn D Bowyer D Gamble S Radburn-Todd
Company Secretary:	D Edwards
Chief Executive:	P Carpenter
Company Number:	2982937
Registered Charity Number:	1045025
Registered Office:	6 Land Lane Marston Green Solihull B37 7DE
Auditors:	Collins The Lodge Castle Bromwich Hall Chester Road Castle Bromwich Birmingham B36 9DE
Bankers:	Lloyds Bank plc Solihull Business Centre PO Box 9363 Solihull B3 3ST

FAMILY CARE TRUST
(A Company Limited by Guarantee)

Report of the Trustee Directors

The Directors are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2016.

Trustee Directors

The directors of the charitable company are its trustees for the purposes of charity law and throughout this report are collectively referred to as "the Directors".

The Directors serving during the year and since the year end were as follows:

Chair:	Mr Paul Hughes
Company Secretary:	Mr David Edwards
	Mr David Bowyer (Audit Committee)
	Mr David Gamble (Audit Committee and Remuneration Committee)
	Mrs Katherine Llewellyn (Remuneration Committee)
	Mrs Susan Radburn-Todd (Remuneration Committee)

The Chief Executive Officer throughout 2015/16 was Philip Carpenter.

Structure, Governance and Management

Governing Document

Family Care Trust is a company limited by guarantee, governed by Memorandum and Articles of Association.

Appointment of Directors

Board vacancies are publicised to ensure sufficiently wide enough exposure to recruit Directors who have relevant skills, knowledge and experience for operating a charity. The Board seeks to have a balanced input into all its decision-making processes. The Board sets strategy and monitors the performance of the Charity.

FAMILY CARE TRUST
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Report of the Trustee Directors - continued

Director Induction and Training

New directors are able to gain much information about the Charity from the regularly updated Family Care Trust website. They are also taken on visits to operational units to meet staff, volunteers and service users, introducing them to the varied work that the Family Care Trust undertakes.

New directors are supplied with back copies of minutes of meetings, reports, management accounts and appropriate information which impacts on the decision-making process. Induction includes access to information regarding the main elements of charity law and other regulatory requirements. New and present directors are able to attend external training on governance topics as required.

Organisation

The Board currently meets every six weeks as a minimum and the Chief Executive attends all meetings, along with other senior staff if appropriate, but have no voting rights. An Audit Committee made up of serving directors meets at least twice a year to scrutinise financial performance, and review compliance with regulations, standards and quality assurance. A Remuneration Committee was established towards the end of 2014/15 to review the reward and recognition strategy of the organisation, resource management and HR strategy.

A scheme of delegation is in place and the day-to-day responsibility for the provision of the services and operational management, including health and safety, rests with the Chief Executive, including ensuring that key performance indicators are met. Through the management team, the Chief Executive ensures that individual supervision of the staff is properly carried out in order to develop their skills and working practices in line with good practice.

Related Parties

The Charity has effective working relationships with the current purchasers of its services. These include Solihull MBC which currently purchases significant services from the organisation. Services are also provided to the NHS, Birmingham City Council, Warwickshire County Council and many individual customers.

Staff members attend a variety of meetings and have developed good networking links with other charitable bodies within Solihull. This has proved invaluable to the Family Care Trust in establishing improved links within the community and identifying relevant policy developments and prospective funding.

FAMILY CARE TRUST
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Report of the Trustee Directors - continued

Risk Management

The Directors have a risk management strategy that comprises:

1. An annual review of the operational and business risks the Charity may face;
2. Consideration of the major risks by senior managers on a regular basis;
3. Measures to mitigate those risks are in place;
4. The implementation of procedures designed to minimise any potential impact on the Charity, should those risks materialise; and
5. Internal audits, which are undertaken throughout the organisation to verify quality and procedural adherence.

This work has identified few new risks, but the outcome of each review is incorporated into the operational plans of the Charity. It has been acknowledged that the difficult financial climate and the increased potential of some risks being realised needed to be reflected in the focus of Board meetings and changes have been implemented during 2015/16. Additionally, policies and procedures are regularly reviewed in order to manage risks.

Accident and incident reporting and analysis procedures are in place and external audit visits are made to operational centres during the year.

Objectives and Activities

The principle objective of the Charity is:

"To relieve the needs of people, including children, who are disabled including those who are mentally ill, have learning disabilities, are aged, infirm, are victims of violence or domestic abuse, or are suffering from emotional stress due to their social and economic circumstances."

The Charity has the general aim of improving the quality of life of people who receive our services.

The Charity has operated for more than twenty years, during which time it has built up a wide portfolio of customers and an enviable reputation. This has enabled it to deliver a broad range of services to a large number of people within Solihull who require support. The Charity started in 1995 within the borough of Solihull and during the year operated two day centres for older people, many of whom have a disability or long-term debilitating medical condition; a seven bed residential respite/hospital discharge unit that caters mainly for older people with dementia; a community support team of workers that provide specialised mental health domiciliary care and services that promote independent living for disabled people in their own homes and a community care farm and gardening service that provides training in independent living for young people and adults with learning difficulties. During 2015, the Trust reviewed its training requirements and this now focuses more on e-learning opportunities which have been well received by the work force. Unfortunately, it meant the closure of the long-established Training Department and the redundancy of one employee.

FAMILY CARE TRUST
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Report of the Trustee Directors - continued

Objectives and Activities - continued

The Charity delivers public benefit by providing relief to those in need through ill-health and/or disability. In 2015/16, approximately 65,000 separate care places or appointments were delivered to service users of the Charity. The reduction from 2014/15 figures represents the effect of service closures towards the end of that year. The Directors are satisfied that they have met the requirements to report on how the Charity delivers public benefit.

In 2015/16 the Family Care Trust's main operational objectives and targets were:

- Improve the quality and extent of each service to enable more people to access the service – *customer surveys in 2015 identified satisfaction rates in excess of 95%. Proactive promotion of services in a variety of ways saw a robust increase in the number of individuals accessing the Trust's various ongoing services.*
- To reduce dependence on public funding so as to ensure the financial viability of the Trust by marketing and competing more robustly to further increase the percentage of private income (non-local authority/non NHS income) especially in day services and community support services – *whilst the income from private fee payers has increased significantly in our Opportunity Centres to more than 50% in one instance, it remains difficult to achieve greater numbers in the Community Reach-Out team due to the dependency levels of its users. People with severe needs usually have a social worker, therefore, private fee paying opportunities are significantly limited.*
- To review the services that we provide to the local authority and NHS to ensure their financial viability and to offer new services which are publicly funded where the funding is at a level to maintain a quality service – *the ongoing financial constraints for statutory services has reduced opportunities for discussions on the development of new services. Reviews of existing services have been ongoing with restructuring taking place as required. Difficult challenges remain and reviews will continue for the foreseeable future.*
- Develop Newlands Bishop Farm as a community facility to increase income streams and opportunities for increased numbers of project workers – *the Trust was successful in securing a £50K grant from the Big Potential to assist it to become social investment ready. This resulted in a comprehensive business analysis and a model for developing the Farm without watering down its principal focus of supporting people with learning disabilities. Development has commenced and is ongoing.*
- To value and support all employees and to ensure that they are properly trained to deliver a quality service and to meet all regulatory requirements – *the organisation's focus on training has shifted from the traditional face-to-face training environment to a more e-learning based delivery method. This has resulted in a significant increase in the number of training opportunities undertaken (899 from December 2015 to April 2016) with positive feedback received.*
- To engage with all stakeholders to ensure that we are providing the service that they require – *customer surveys have indicated strong satisfaction with a score in excess of 95% of good or very good.*

FAMILY CARE TRUST
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Report of the Trustee Directors - continued

Objectives and Activities - continued

- To raise the profile of the Trust across Solihull and beyond where appropriate; to ensure that potential service users know of its existence and are aware of the services it provides – *excellent relationships have been established with the local Chamber of Commerce resulting in much greater recognition amongst local businesses. Marketing consultants have been commissioned to develop marketing materials which will be produced once finances allow.*
- To engage in a Trustee recruitment drive to add to the current skillset of the Board and to develop a Trustee toolkit to assist in the induction and development of Trustees – *the number of Trustees remains at six since the beginning of April 2015 which is currently meeting the needs of the organisation. Work has begun on creating a Trust specific Trustee toolkit that includes a comprehensive induction process.*
- To identify and recruit ambassadors and patrons to the charity to assist in raising its profile and raising funds – *this objective was put on hold during restructuring of some services*

The position of day centres in the strategy of social care in Solihull remains under review by the Council (SMBC) due to further budgetary constraints. Further required savings are required from providers so new models of provision are being considered but the pressures remain considerable

Solihull Community Reach-Out Service remains on SMBC's framework agreement. Despite it having a higher hourly rate because of the specialist nature of its provision, the rate of new referrals has remained good. The impact of the cost analysis undertaken in late 2014/15 and into 2015/16 has had a positive impact on the financial viability of the service, turning it from a loss-making service to a sustainable service.

The Befriending Service has evolved further due to its ongoing success. The unfortunate loss of the Befriending Coordinator became an opportunity for the group to become more service user led and self-managing. Whilst management and coordination are still required from Trust managers, the group activities are self-run which has instilled pride and self-confidence amongst its members. Disappointingly, the landlord of the group's meeting accommodation served notice in the last quarter of the year so the group will have to be found new accommodation in 2016/17.

A major review of the Trust's Training Department was undertaken in the first quarter of 2015/16 which concluded that the then current arrangements were not fit for purpose. The Board took the decision to close the Training Department and divert resources into the development of e-learning resources. A partnership with a national e-learning provider has resulted in a significant increase in the number of training courses undertaken. Each of these courses have an exam-based assessment at its conclusion. Initial feedback from employees has been overwhelmingly positive.

The loss of a number of management positions following restructure in 2014/15 and allowing time for those changes to become embedded across the organisation meant there was no capacity to support students on the social work degree courses in the new academic year from September 2015. However, it is hoped that this valuable learning experience for all parties will begin again in the 2016/17 academic year.

FAMILY CARE TRUST
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Report of the Trustee Directors - continued

Objectives and Activities - continued

Newlands Bishop Farm supports people with disabilities to gain independent living skills including preparing them for possible placement into employment. The Farm receives its income from direct payments following renegotiation of previous contractual arrangements with Solihull MBC. The Farm has continued to develop a partnership with Birmingham Metropolitan College, whose tutors attend the Farm, delivering IT, numeracy and basic language skills courses to those who attend the project. In order to maximise opportunities from the Farm site for both the people who attend and for the Family Care Trust, an application was submitted to the Big Potential towards the end of 2014/15 with a view to making the Farm 'social investment' ready. The successful bid resulted in a considerable amount of work being undertaken alongside experienced business consultants in the first half of 2015/16. A development plan was created that aims to develop the Farm as a visitor attraction over the next three to five years. The development plan has a number of phases and phase one was almost complete by the end of 2015/16. Planning permission was also obtained for the buildings that are central to the development of phases two and three. A consultant was engaged to identify possible funding mechanisms for the costs of these buildings. The Farm has also started to gain an excellent reputation as an alternative wedding reception venue with several held during 2015/16 and more booked over the next two years. The Farm and the Trust's Community Gardening Services have continued to grow strongly with a 34% increase in combined income compared to 2014/15.

Achievement and Performance

To ensure continuity of the Charity's services during the transition of the block contract provision of care services to a more competitive marketplace, there is a reliance on the directors and senior staff to manage and lead change. The challenge to increase income from non-statutory sources to nearer 30% rather than the 20% has almost been achieved despite the tough economic environment. Part of this change will be the further development of fundraising through bid writing, a gift aid scheme, legacy awareness and through an improved website. It would be a reasonable expectation to increase voluntary income to around 5% of total income in each year. Excellent relationships have been established with the local Chamber of Commerce which has helped raise the profile with local businesses.

Both Newlands Bishop Farm and Community Gardening Services have continued to increase their income; surpassing the income targets set. Income streams have become more varied, ranging from plant sales through to hosting wedding receptions.

The Land Rover donated by Jaguar Land Rover was collected in mid-2014 and has been put to great use by the Community Gardening Services. Our heartfelt thanks and gratitude go out to everyone at Jaguar Land Rover for their ongoing support of the Family Care Trust.

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Report of the Trustee Directors – continued

Financial Review

Extensive annual plans are prepared to set operational objectives for key staff and departments, as well as financial budgets with targets. Whilst a five year strategic plan was adopted in 2013 which aimed to provide stability and sustainability for the Charity, it has had to be drastically revised to reflect the external influences that were unknown at the time of developing the business plan. A business objective framework was created towards the end of 2015/16 that provides more detailed focus over the more immediate future.

In 2015/16 income was almost 12% down on 2014/15 primarily due to the renegotiated day service contract with Solihull MBC and the closure of the service in Dudley in the previous year. However, expenditure showed a significant decrease on the previous year but this was largely due to £150,000 of exceptional costs incurred in 2014/15 in implementing structural changes to reflect the contractual and service changes. Major contracts with suppliers remain under constant review to ensure value for money is being achieved.

Donations and grants of £42,801 were received. This is down on last year but nevertheless all donations are gratefully received and our thanks go out to all those individuals and organisations that have been kind enough to donate either funds or time to the Family Care Trust.

Investment Policy

Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Directors wish.

The Directors, having regard to the liquidity requirements of operating the Trust, have a policy of keeping available funds in an interest-bearing deposit account which features a 'sweep' system for the bank account that attracts a deposit interest rate higher than that for the current account.

Reserves Policy

The Directors have established a policy on the level of free reserves that the Charity ought to have. The Directors aim to hold free reserves equal to at least six weeks of budgeted operating costs, but with additional funds to cover any winding up expenses for individual projects. The actual reserves for short term use at 31 March 2016 were £17,933 (2015: £ (42,547)), the improvement being due to the loss incurred being offset by the reclassification of the investment property due to its imminent sale and the reduction in the pension fund deficit. In calculating the short term reserve the Directors have excluded from total funds the restricted income funds of £nil and tangible fixed assets of £975,976. Six weeks of operating costs would amount to approximately £240,000 and reserves held as cash are currently not at an acceptable level. Building reserves will be the priority over the next few years. However, the Directors are satisfied that the assets of the Charity are adequate given the value and liquidity of some of the non-operational fixed assets.

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Report of the Trustee Directors - continued

Plans for Future Periods

2016/17 looked challenging even before the EU referendum took place and the result will lead to a period of uncertainty. The UK Government may have to impose further financial constraints on local authorities which will be passed onto service providers. The Trust will remain vigilant to external factors and respond as appropriate. This may mean further restructuring of services or exiting from those where appropriate funding levels cannot be secured. Since the year end the Croftbrook Centre has closed.

The previously devised marketing strategy will be implemented as appropriate and as finances allow. The emphasis will be to attract private fee payers to the organisation.

It is anticipated that Newlands Bishop Farm will develop as a visitor attraction but at a pace that does not detract from its primary purpose as a training and education centre for people with learning disabilities.

The cost of delivering services continues to rise. Operations and suppliers are regularly reviewed to ensure that they are effective and that value for money is obtained. Managers and staff are very aware of the need to control costs and proper management accounts are supplied to the departments for detailed analysis.

In 2016/17 the Family Care Trust's main objectives and targets are as follows:

- Rationalise and/or reconfigure services to ensure financial viability or exit.
- Identify alternative funding streams that reduce the reliance on local authority contracts.
- Streamline processes in areas such as recruitment so as to improve efficiency further.
- To launch fundraising initiatives for phases 2 and 3 of Newlands Bishop Farm development as a community facility.
- To value and support all employees and ensure that they are properly trained to deliver a quality service and to meet all regulatory requirements.
- Upgrade the IT infrastructure to ensure improved robustness, enhance flexibility such as improved remote access, greater levels of security and enhanced back-up processes.
- Continue to raise the profile of the Trust across Solihull and beyond where appropriate; to ensure that potential service users know of its existence and are aware of the services it provides.
- Complete the Trustee toolkit to assist in the induction and development of Trustees and launch a recruitment drive for up to two more Trustees.
- To identify and recruit ambassadors and patrons to the Charity to assist in raising its profile and raising funds.
- If finances allow, to recruit a dedicated fundraiser to increase non-service income levels.

FAMILY CARE TRUST
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Report of the Trustee Directors - continued

Directors' Responsibilities in relation to the Financial Statements

Company law requires the Directors to prepare financial statements that give a true and fair view of the state of affairs of the Charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Directors are required to:

1. Select suitable accounting policies and then apply them consistently;
2. Make sound judgements and estimates that are reasonable and prudent; and
3. Prepare the financial statements on a going concern basis unless it is not appropriate to presume that the Charity will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to the Auditors


In accordance with company law, as the Charity's Directors, we certify that:

1. so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
2. as the Directors of the Charity we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Auditors

A resolution will be proposed at the Annual General Meeting that Collins be re-appointed as auditors.

By order of the Trustees


.....
P Hughes – Chairman

Date: 13 December 2016

FAMILY CARE TRUST
(A Company Limited by Guarantee)

Report of the Auditors

TO THE TRUSTEES OF FAMILY CARE TRUST

We have audited the financial statements of Family Care Trust for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's trustees, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters which 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 Charity and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustee Directors and Auditors

As explained more fully in the Trustee Directors' Responsibilities Statement set out on page 10, the Trustee Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit

An audit involves obtaining evidence regarding the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors and the overall presentation of the financial statements.

Opinion on the Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2016 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

FAMILY CARE TRUST
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Report of the Auditors - continued

Opinion on other matters prescribed by the Companies Act 2006

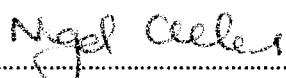
In our opinion the information given in the Trustee Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit; or
- the Trustee Directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the Small Companies Regime.

The Lodge
Castle Bromwich Hall
Chester Road
Castle Bromwich
West Midlands
B36 9DE


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Nigel Collins FCA
(Senior Statutory Auditor)
For and on behalf of Collins
Statutory Auditors

Date: 13 December 2016

FAMILY CARE TRUST
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Statement of Financial Activities for the year ended 31 March 2016

	Note	Restricted Capital Funds £	2016 Restricted Income Funds £	Unrestricted Funds £	2016 Total £	2015 Total £
INCOMING RESOURCES						
Donations and grants	2	14,095	27,660	1,046	42,801	83,976
Income from activities for generating funds	3	-	-	135,798	135,798	129,176
Income from charitable activities	4	-	-	1,822,718	1,822,718	2,061,640
Investment income	5	-	-	7,036	7,036	6,667
TOTAL INCOMING RESOURCES		14,095	27,660	1,966,598	2,008,353	2,281,459
EXPENDITURE						
	6					
Cost of generating funds		-	-	33,016	33,016	43,597
Expenditure on charitable activities		37,221	34,340	2,006,463	2,078,024	2,332,899
Exceptional costs		50,000	-	45,284	95,284	149,279
		87,221	34,340	2,084,763	2,206,324	2,525,775
Net		(73,126)	(6,680)	(118,165)	(197,971)	(244,316)
Provision for pension fund deficit		-	-	29,000	29,000	(30,000)
Funds brought forward		535,139	6,680	621,061	1,162,880	1,437,196
Funds carried forward		462,013	-	531,896	993,909	1,162,880

The notes on pages 15 to 25 form part of these financial statements.

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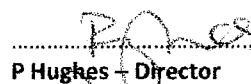

Balance Sheet as at 31 March 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		£	£
FIXED ASSETS			
Tangible assets	10	975,976	1,198,747
CURRENT ASSETS			
Investment property	11	94,065	-
Debtors	12	266,142	206,628
Cash at bank and in hand		8,229	109,954
		368,436	316,582
Creditors: amounts falling due within one year	13	118,503	91,449
NET CURRENT ASSETS		249,933	225,133
Provision for pension fund deficit	17	(232,000)	(261,000)
NET ASSETS		993,909	1,162,880
UNRESTRICTED FUNDS			
Designated funds		-	-
General funds	16	531,896	621,061
		531,896	621,061
RESTRICTED FUNDS			
Capital	16	462,013	535,139
Income	16	-	6,680
		462,013	541,819
		993,909	1,162,880

The financial statements have been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the Small Companies Regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board on 13 December 2016.

On behalf of the Board


 P Hughes – Director

 D Bowyer – Director

The notes on pages 15 to 25 form part of these financial statements.

FAMILY CARE TRUST
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Notes to the Financial Statements as at 31 March 2016

1. ACCOUNTING POLICIES

Accounting Convention

These financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). They follow the recommendations in Accounting and Reporting by Charities.

Income

Income is accounted for gross in the period in which the Charity is entitled to receipt, as long as it is capable of financial measurement. This includes gifts in kind, included at estimated valuation. No amounts are included in the financial statements for services donated by volunteers. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or when the donor has specified that the income is to be expended in a future period.

Grants from the government and other agencies have been included as income from activities in furtherance of the Charity's objects where these amount to a contract for services.

Tangible Fixed Assets

Freehold land is not depreciated. Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Freehold building and property improvements	-	2/5% straight line basis
Leasehold property	-	5% straight line basis
Leasehold improvements	-	4% straight line basis
Farm equipment	-	20% of net book value
Computer equipment	-	15% of net book value
Furniture and equipment	-	15% of net book value
Respite unit	-	11 years straight line
Motor vehicles	-	25% of net book value/10% straight line basis

Leases

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

Pension Costs

The pension costs charged in the financial statements represent the contributions payable by the Charity during the year.

Expenditure

Resources expended are recognised in the period in which they are incurred. Resources expended include VAT which cannot be recovered. The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned between centres.

Designated Funds

Designated funds are unrestricted funds which have been set aside at the discretion of the Trustees for specific, but not legally binding, purposes.

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Notes to the Financial Statements as at 31 March 2016 - continued

1. ACCOUNTING POLICIES - continued

Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets this criteria is charged to the fund, together with a fair allocation of management and support costs.

Capital Funds

These are restricted funds which are for the capital expenditure on the Respite Unit and the Farm.

2. DONATIONS AND GRANTS

	Restricted Funds £	Unrestricted Funds £	Total 2016 £	Total 2015 £
Big Potential	27,660	-	27,660	21,480
Lillie C Johnson Trust	-	-	-	5,000
Jaguar Land Rover	-	-	-	32,500
Other	14,095	1,046	15,141	24,996
	<u>41,755</u>	<u>1,046</u>	<u>42,801</u>	<u>83,976</u>

3. INCOME FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds 2016 £	2015 £
Student placements	4,500	10,840
External training income	8,284	13,846
Farm trading income	71,333	104,490
Fundraising income	51,681	-
	<u>135,798</u>	<u>129,176</u>

FAMILY CARE TRUST
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Notes to the Financial Statements as at 31 March 2016 - continued

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2016 £	2015 £
Respite Care:		
Local authority funded	195,565	202,371
Privately funded	28,376	8,143
Community and Day Care:		
Local authority funded	1,219,671	1,448,627
Privately funded	379,106	402,499
	<u>1,822,718</u>	<u>2,061,640</u>

5. INVESTMENT INCOME

	Unrestricted Funds 2016 £	2015 £
Rental income	7,000	6,495
Interest receivable	36	172
	<u>7,036</u>	<u>6,667</u>

6. TOTAL EXPENDITURE

	Cost of Generating Funds £	Charitable Activities £	Exceptional Costs £	2016 Total £	2015 Total £
Staff costs	11,410	1,449,063	28,165	1,488,638	1,686,006
Direct costs	12,230	109,305	-	121,535	134,826
Property costs	-	196,947	-	196,947	320,047
Other costs	9,376	260,856	-	270,232	256,006
Depreciation	-	61,853	67,119	128,972	128,890
	<u>33,016</u>	<u>2,078,024</u>	<u>95,284</u>	<u>2,206,324</u>	<u>2,525,775</u>

FAMILY CARE TRUST
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Notes to the Financial Statements as at 31 March 2016 - continued

7. NET INCOMING RESOURCES FOR THE YEAR ARE STATED AFTER CHARGING

	2016	2015
	£	£
Depreciation - owned assets	61,853	63,074
Impairment write down	67,119	-
Loss on surrender of leasehold property	-	65,816
Indemnity insurance	3,139	2,912
Operating lease rentals - property	55,794	69,547
- others	14,608	17,966
Auditor's remuneration - audit services	<u>5,990</u>	<u>6,300</u>

Trustees received £378 (2015: £385) of expenses during the year.

Governance costs incurred during the year amounted to £28,651 (2015:£28,968).

8. STAFF COSTS AND NUMBERS

	2016	2015
	£	£
Staff costs:		
Wages and salaries	1,328,371	1,447,869
Staff redundancy costs	28,165	83,463
Social Security costs	80,853	95,943
Pension costs	<u>51,249</u>	<u>58,731</u>
	<u>1,488,638</u>	<u>1,686,006</u>

The average number of employees during the year, analysed by function, was as follows:

	2016		2015	
	Full Time No.	Relief No.	Full Time No.	Relief No.
Day centres	27	4	34	6
Home support	27	2	35	7
Respite	14	1	9	1
Management and administration	6	-	6	-
Farm	15	-	12	1
Training	-	-	3	-
	<u>89</u>	<u>7</u>	<u>99</u>	<u>15</u>

9. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

FAMILY CARE TRUST
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Notes to the Financial Statements as at 31 March 2016 - continued

10. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Leasehold Land & Buildings	Leasehold Improvements	Farm Equipment	Motor Vehicles	Computer Equipment	Furniture & Equipment	Total
	£	£	£	£	£	£	£	£
Cost								
At 31 March 2015	901,854	184,160	110,756	80,572	256,823	55,724	225,476	1,815,365
Additions	-	-	-	-	-	-	867	867
Disposals	-	-	-	-	(19,000)	-	-	(19,000)
Transferred to investment property	(113,079)	-	-	-	-	-	-	(113,079)
At 31 March 2016	788,775	184,160	110,756	80,572	237,823	55,724	226,343	1,684,153
Depreciation								
At 31 March 2015	67,289	7,367	110,756	66,055	192,349	47,458	125,344	616,618
Charge for the year	19,801	9,208	-	2,903	13,498	1,249	15,194	61,853
Impairment charge	-	50,000	-	-	-	-	-	50,000
Eliminated on disposals	-	-	-	-	(18,399)	-	-	(18,399)
Transferred to investment property	(1,895)	-	-	-	-	-	-	(1,895)
At 31 March 2016	85,195	66,575	110,756	68,958	187,448	48,707	140,538	708,177
Net Book Value								
At 31 March 2016	703,580	117,585	-	11,614	50,375	7,017	85,805	975,976
At 31 March 2015	834,565	176,793	-	14,517	64,474	8,266	100,132	1,198,747

All tangible fixed assets are held for charitable purposes.

11. INVESTMENT PROPERTY

	£
Cost	
At 31 March 2015	-
Transferred from Tangible Fixed Assets	113,079
At 31 March 2016	113,079
Depreciation	
At 31 March 2015	-
Transferred from Tangible Fixed Assets	1,895
Charge for Impairment	17,119
	19,014
Net Book Value	
31 March 2016	94,065
31 March 2015	-

This property was sold after the year end and has therefore been written down to its net realised value and transferred to current assets in the balance sheet.

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Notes to the Financial Statements as at 31 March 2016 - continued

12. DEBTORS

	2016	2015
	£	£
Trade debtors	226,346	182,019
Prepayments and accrued income	39,796	24,609
	<u>266,142</u>	<u>206,628</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	43,030	26,316
Other creditors	12,842	7,662
Other tax and social security	25,880	21,202
Accruals and deferred income	36,751	36,269
	<u>118,503</u>	<u>91,449</u>

14. OBLIGATIONS UNDER OPERATING LEASES

Operating Leases

At 31 March 2016 the company had annual commitments under non-cancellable operating leases as set out below:

	2016		2015	
	Other	Land and Buildings	Other	Land and Buildings
	£	£	£	£
Operating leases which expire:				
within one year	-	33,000	-	-
in two to five years	14,608	-	17,348	51,500
	<u>14,608</u>	<u>33,000</u>	<u>17,348</u>	<u>51,500</u>

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Notes to the Financial Statements as at 31 March 2016 - continued

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets	533,876	442,100	975,976
Current assets	348,523	19,913	368,436
Current liabilities	(118,503)	-	(118,503)
Longer term liabilities	(232,000)	-	(232,000)
	<u>531,896</u>	<u>462,013</u>	<u>993,909</u>

16. MOVEMENT IN FUNDS

	At 1 April 2015	Incoming Resources	Outgoing Resources	Pension Reserve	At 31 March 2016
	£	£	£	£	£
Restricted Funds					
Capital					
Farm equipment/buildings	60,968	-	3,937	-	57,031
Community gardening	177,562	-	59,208	-	118,354
Farm building	225,975	-	11,299	-	214,676
Other capital funds	70,634	14,095	12,777	-	71,952
	<u>535,139</u>	<u>14,095</u>	<u>87,221</u>	<u>-</u>	<u>462,013</u>
Income					
Big Potential	1,680	27,660	29,340	-	-
Training and development	5,000	-	5,000	-	-
	<u>541,819</u>	<u>41,755</u>	<u>121,561</u>	<u>-</u>	<u>462,013</u>
Total Restricted Funds					
	<u>541,819</u>	<u>41,755</u>	<u>121,561</u>	<u>-</u>	<u>462,013</u>
Unrestricted funds:					
General	<u>621,061</u>	<u>1,966,598</u>	<u>2,084,763</u>	<u>29,000</u>	<u>531,896</u>
Total Unrestricted Funds	<u>621,061</u>	<u>1,966,598</u>	<u>2,084,763</u>	<u>29,000</u>	<u>531,896</u>
TOTAL FUNDS	<u>1,162,880</u>	<u>2,008,353</u>	<u>2,206,324</u>	<u>29,000</u>	<u>993,909</u>

16. MOVEMENT IN FUNDS – continued

Purposes of Restricted Funds:

- ***Farm Equipment***
The balance will fund future depreciation of equipment bought for the farm from specific grants and donations received.
- ***Community Gardening Fund***
The balance represented the donation of property and assets with which the scheme had previously operated and the balance will fund the future depreciation of the assets capitalised.
- ***Farm Building***
This represents monies towards building and equipping the training centre at Newlands Bishop Farm. The balance will fund the future depreciation of the assets capitalised.
- ***Other Capital Funds***
 - There are ten separate capital funds to cover building works and transport. The balances will fund future depreciation of the relevant capital assets. The addition of £14,095 represents donations received for a tractor for Newlands Bishop Farm
- ***Big Potential***
This represents a specific fund for marketing and development at the Farm, for which we have stage one.
- ***Training and Development***
This represents a specific fund for staff training and development.

FAMILY CARE TRUST
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Notes to the Financial Statements as at 31 March 2016 - continued

17. PENSIONS

The Trust pays contributions on behalf of employees into three pension schemes.

One is a defined contribution scheme where the costs for the accounting period amounted to £35,297 and at the year end the amount of employee and employer contributions outstanding, paid across in April 2016, was £4,335.

The second relates to Auto Enrolment which the Trust employees became eligible for during the year. The costs for this scheme in the year were £7,652, of which at the year end the total of employee and employer contributions outstanding, paid across in April 2016, was £1,376.

The third is a defined benefit scheme, the relevant employees being within the West Midlands Pension Fund.

Contributions made in the accounting period amounted to £8,300, including contributions towards the projected scheme deficit. At the year end the amount of employee and employer contributions outstanding, paid across in April 2016, was £nil.

The most recent full actuarial valuation of the defined benefit scheme was carried out at 31 March 2010. Actuaries have carried out projections to 31 March 2016 and it is those projections of assets and liabilities which are summarised below.

At the time of approving the accounts, discussions are ongoing between the Trustees and executives of the West Midlands Pension Fund, in order to agree the Family Care Trust contribution towards the shortfall. Executives of the West Midland Pension Fund have proposed repayments over a 10 year period which would total £232,000. Negotiations are continuing to reduce this figure further but until a final position is agreed it is considered prudent to reduce the deficit provision to £232,000 and this figure has been included within the accounts.

Details of the actuarial valuation report under Financial Reporting Standard 17 are as follows:-

	2016	2015
	£000	£000
Amounts recognised in the balance sheet		
Present value of defined benefit obligation	1,003	1,044
Fair value of plan assets	<u>716</u>	<u>783</u>
Actuarial valuation of liability	287	261
Less adjustment as above	<u>(55)</u>	<u>-</u>
Amount recognised as a liability	<u>232</u>	<u>261</u>

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Notes to the Financial Statements as at 31 March 2016 - continued

	2016	2015
	£000	£000
Components of pension cost		
Service cost	-	15
Interest cost	8	10
Expected return on assets	-	-
Past service cost	-	-
	<u>-</u>	<u>-</u>
Total pension cost in the profit and loss account	<u>8</u>	<u>25</u>

	2016	2015
	£000	£000
Change in benefit obligation		
Benefit obligation at beginning of year	1,044	915
Current service cost	-	15
Interest cost	31	39
Contributions by scheme participants	-	3
Change in financial assumptions	-	100
Estimated benefits paid net of transfers in	(72)	(28)
	<u>(72)</u>	<u>(28)</u>
Benefit obligation at end of year	<u>1,003</u>	<u>1,044</u>

	2016	2015
	£000	£000
Change in plan assets		
Fair value of assets at beginning of year	783	684
Interest on assets	23	29
Return on assets less interest	(26)	75
Employer contribution	8	20
Member contributions	-	3
Benefits paid	(72)	(28)
	<u>(72)</u>	<u>(28)</u>
Fair value of assets at end of year	<u>716</u>	<u>783</u>

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Notes to the Financial Statements as at 31 March 2016 - continued

Plan Assets

The weighted asset allocations at the year end were as follows:

Asset category	2016 £000	2015 £000
Equities/absolute return	433	463
Government bonds	56	62
Other bonds	33	83
Property/infrastructure	59	68
Cash	33	32
Other	102	75
	<u>716</u>	<u>783</u>

Weighted average assumptions used to determine benefit obligations at:

	31 March 2016	31 March 2015
Discount rate	3.10%	3.10%
Rate of salary increase	3.75%	3.75%
Rate of pension increase	2.00%	2.00%
CPI inflation rate	2.00%	2.00%

Further life expectancies from age 65:

Retiring today		
Males	23	23
Females	25.7	25.6
Retiring in 20 years		
Males	25.3	25.2
Females	28	28

Contributions

The employer expects to make payments of £7,975 in the year to 31 March 2017.

