

**Kaleidoscope Project Limited**  
**Report and Financial Statements**  
**for the period ended 31 March 2007**

Company number 05480423  
Charity number 1115017

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# Kaleidoscope Project Limited

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# **Kaleidoscope Project Limited**

## **Legal and Administrative Information**

### **Board of Trustees**

Dr Medwin Hughes	Chairman
Martin Pagnamenta	Company Secretary
Tim Curry	
Christopher Nicholson	
Rev Kenneth Walker	
Rev Mary Thorley MBE	
Amanda Davies	
Jeanne Roberts	

### **Executive Director**

Martin Blakebrough

### **Registered Office**

28-46 Cromwell Road, Kingston Upon Thames, Surrey KT2 6RN

### **Auditors**

R H Jeffs and Rowe, Chartered Accountants, Registered Auditor, 27/28 Gelliwastad Road, Pontypridd

### **Bankers**

National Westminster Bank, 5 Market Place, Kingston upon Thames, Surrey

### **Solicitors**

Carter Lemon Cameron, 11 Breems Buildings, London

### **Company Number**

Registered in England & Wales number 05480423

### **Charity Number**

Registered with the Charity Commission number 1115017

**Kaleidoscope Project Limited**

**Chairman's Report  
for the period ended 31 March 2007**

The Accounts have been prepared for the 3 month period ended the 31<sup>st</sup> March 2007, in line with the change of Accounting date for Kaleidoscope Project, which is now a company limited by guarantee. The period has been a continuation of the good work continued from the Year Ending 31<sup>st</sup> December 2006.

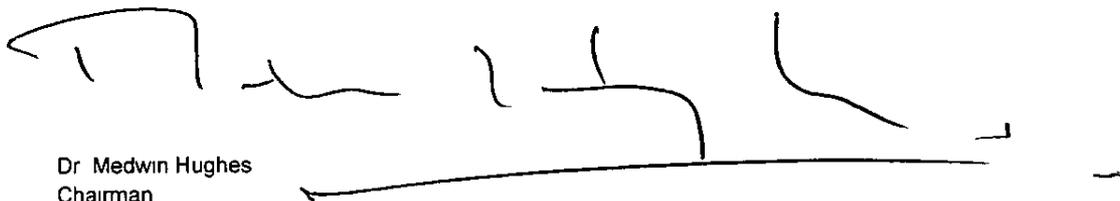
As a new Chairman I have been impressed with the commitment of all the staff involved with the organisation. As we continue to develop our services and other new holistic opportunities for our clients, I am confident that Kaleidoscope will continue to build upon its core strengths and values. The work we are undertaking in Wales is pioneering and has made a major difference to the lives of so many individuals. In the new developments at Kingston we will ensure that we continue to offer a service of quality.

As we look forward to the future, Kaleidoscope intends to build upon the excellent tradition that it has achieved over a period of forty years. The financial figures for the short period to the 31<sup>st</sup> March 2007 are very encouraging, and I believe will be the stepping stone to future development and growth.

Therefore, on behalf of the Board, I would like to congratulate and thank the Chief Executive and all the staff for the tremendous work they have undertaken and continue to undertake in supporting clients.

I would also take this opportunity to thank my predecessor as Chairman, the Rev. Eric Blakebrough for the visionary work which he established through Kaleidoscope. The core values established by him will now be taken forward.

I look forward to a period of development and expansion where Kaleidoscope, in partnership with other organisations, will certainly excel.



Dr Medwin Hughes  
Chairman

**Kaleidoscope Project Limited**  
**Report of the Trustees**  
**for the period ended 31 March 2007**

The Board of Trustees present their annual report and the audited financial statements for the period ended 31 March 2007. The Board has adopted the provisions of the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) in preparing the annual report and financial statements of the project.

**Governing Document**

On 1 January 2007, after a period of consultation with the Charity Commission and the John Bunyan Baptist Church, the Project, previously a project of the John Bunyan Baptist Church, secured its own separate identity. The Project became a registered charity (number 1115017) and commenced operation through a company limited by guarantee (number 05480423) which had previously been incorporated on 14 June 2005. As part of this process, the assets and liabilities of the unincorporated project were transferred to the new entity. The new charitable organisation's governing document is its memorandum and articles of association as amended by special resolution dated 5 April 2006.

**Recruitment and Appointment of Board of Trustees**

From 1 January 2007, a new independent Board of Trustees was formed consisting of four members of the old Management Committee plus four new trustees, drawn from a variety of backgrounds thus ensuring a diverse Board with a strong mix of skills and experience to take the Charity forward into an exciting new era.

**Trustee Induction and Training**

All new trustees are provided with historical and current information to enable them to appreciate the work and ethos of the charity. The new Board is currently developing an induction and training programme for trustees as part of its governance strategy.

**Risk Management**

The Board of Trustees has conducted a review of the major external risks to which the charity is exposed. These risks are discussed at meetings of the Board and strategy developed accordingly.

Internal risks are minimised through systems of internal control which are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include an annual budget approved by the Board, regular consideration by the Board of financial results and budget variances, delegation of authority and segregation of duties, and identification and management of risks.

**Organisational Structure**

The Board of Trustees is made up of eight members from a variety of professional backgrounds relevant to the work of the charity. The Board aims to meet at least on a quarterly basis.

The day to day running of the charity is through a structure of delegation from the Board, to the Chief Executive and to its business and service managers.

**Objectives and Activities**

Kaleidoscope provides holistic support to people in the margins of society. It aims to promote social inclusion and make innovative contributions to the well-being of the whole community. Respect and hospitality are the cornerstones of all the project's services.

In particular, we offer respite and rehabilitation to the disadvantaged in their community who are experiencing drug problems. We help them rebuild their skills and opportunities, and step back into independent living in mainstream society.

## **Kaleidoscope Project Limited**

### **Report of the Trustees for the period ended 31 March 2007**

The organisation achieves its objectives through the provision of the following services

- Drug dependency services which take a harm reduction approach to users to enable them to reduce the risks of using drugs and to help them to stop using if that is their aim
- A counselling service offering support to all who are in need
- A learning centre to help people acquire new skills and qualifications, in order to achieve their goals in life
- Two residential hostels catering for vulnerable adults
- A day centre for the elderly

#### **Training, Education and Awareness Raising**

Kaleidoscope operates a Training and Professional Development Unit, equipping staff and managers at all levels in areas such as Arrest Referral, CARAT, DRR's and youth work, with effective and informed approaches to working with marginalized people

The Unit is best known for its multidisciplinary, drugs training courses 'Streetwise' and 'Pathways to Addiction', which are highly rated by social workers, counsellors, teachers, youth and criminal justice workers alike. The certificated programmes encompass social, legal and medical perspectives to build understanding of the four priority areas identified by the National Anti-Drug Strategy - young people and prevention, community safety, effective treatment and stifling supply (or dampening demand)

#### **Financial Review**

Kaleidoscope's income for the three month period amounted to £798,033. There was an unrestricted surplus of £17,062 for the year increasing unrestricted reserves to £95,715

#### **Principal Funding Sources**

Kaleidoscope's principal funding partners during the year were Community Safety Partnerships and Local Authorities

#### **Investment Policy**

The Board of Trustees considers the charity's investment policy at regular intervals

#### **Reserves Policy**

The charity's targeted level of reserves is for the unrestricted funds to be between three and six months of the unrestricted resources expended (£581,000 to £1,162,000). At this level, the Board feel that they would be able to meet the obligations and requirements that would result in loss of funding

#### **Future Strategy**

For the following financial year our aims and objectives are

- To consolidate and continue to provide a strategic service for those with substance misuse problems and those who are vulnerable in society
- Endeavour to replace the shortfall in funding streams created by a reduction in our treatment contracts in Wales
- To finalise and clear the Project's financial liabilities in relation to the completion of the K2 building in Kingston
- To make progress towards reaching the targeted level of reserves as stated in our reserves policy

## Kaleidoscope Project Limited

### Report of the Trustees for the period ended 31 March 2007

#### Activities to achieve objectives

- A review will take place of the Charity's fixed asset portfolio, in particular its land and buildings, to realise underutilised properties and generate funds necessary to clear the liabilities created by the building of K2, and provide an increase in current reserves
- Operationally Kaleidoscope in Kingston will undergo significant changes by transferring its dispensing centre to K2 and consolidating three user centres into one unit. This will significantly reduce its present expenditure on overheads
- A similar arrangement will be undertaken in Wales and two user centres will be consolidated into one
- As part of our effort to generate alternative income streams we are currently finalising agreements with a specialist organisation to market our successful and almost unique dispensing system

#### Responsibility of Members of the Board of Trustees

The Board of Trustees is charged with ensuring that the financial statements for each financial year give a true and fair view of the state of the affairs of the Project and of the surplus or deficit of the Project for that period. In preparing those financial statements, the Board has

- selected suitable accounting policies and then applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepared the financial statements on the going concern basis

#### Reappointment of Auditors

A resolution to re-appoint R H Jeffs & Rowe as auditors will be put to the members at the next Annual General Meeting

This report has been prepared in accordance with the Statement of Recommended Practice- Accounting and Reporting by Charities (SORP 2005)

This report was approved by the Board of Trustees on *25<sup>th</sup> June 2008*

*L. M. Lagraves*  
Secretary

## **Kaleidoscope Project limited**

### **Auditors' Report to the Members of Kaleidoscope Project**

We have audited the financial statements of the Kaleidoscope Project for the period ended 31 March 2007, which comprise the Statement of Financial Activities, Balance Sheet and the related notes. They have been prepared under the historical cost convention and in accordance with the accounting policies set out therein. This report is made solely to the Members, as a body. Our audit work has been undertaken so that we might state to the 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 Committee as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As described in the Report of the Management Committee, the Committee Members are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on auditing (UK and Ireland). We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993 and the Accounting Requirements for Registered Social Landlords General Determination 2000. We also report to you if, in our opinion, the report of the management committee is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding committee remuneration and transactions with the charity is not disclosed. We read the Report of the Management Committee and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Management Committee in the preparation of the financial statements, and whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

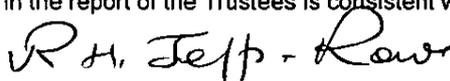
In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and resources expended for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the report of the Trustees is consistent with the financial statements.

R H Jeffs & Rowe



Chartered Accountants and Registered Auditor

27/28 Gelliwastad Road

Pontypridd

17<sup>th</sup> September 2008

## Kaleidoscope Project Limited

### Statement of Financial Activities (Including Income & Expenditure Account) for the period ended 31 March 2007

	Notes	Unrestricted	Restricted	Total 2007 £ (3 months)
		£	£	
<b>Incoming Resources</b>				
Donations and Gifts		4,119	-	4,119
Drug Treatment Services		583,213	121,503	704,716
Residential Services		47,918	36,250	84,168
Education and Training		12,552	-	12,552
The Elderly		8,427	17,150	25,577
Other Activities		9,864	-	9,864
Bank Interest Received		2,597	-	2,597
	<b>2</b>	668,690	174,903	843,593
Less Kaleidoscope Housing Association Income		(45,560)	-	(45,560)
		623,130	174,903	798,033
<b>Resources Expended</b>				
Drug Treatment Services		557,190	113,239	670,429
Residential Services		17,023	36,250	53,273
Education and Training		14,708	-	14,708
The Elderly		10,841	17,150	27,991
Other Costs		357	-	357
Governance Costs		5,949	-	5,949
	<b>3</b>	606,068	166,639	772,707
<b>Movement in total funds for year -</b>				
<b>Net Income/expenditure for the year</b>		17,062	8,264	25,326
Single Legacy		-	-	-
<b>Net Movement in funds</b>		17,062	8,264	25,326
Net Assets transferred		78,653	65,791	144,444
<b>Fund Balances carried forward</b>		95,715	74,055	169,770

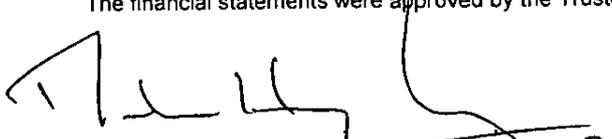
All incoming resources and resources expended derive from continuing activities

**Kaleidoscope Project Limited**

**Balance Sheet  
as at 31 March 2007**

		2007	
	Notes	£	£
<b>Fixed Assets</b>			
Tangible assets	6		952,137
<b>Current Assets</b>			
Debtors	7	453,014	
Due from Kaleidoscope Housing Association		145,374	
Cash at bank and in hand		462,676	
		<u>1,061,064</u>	
<b>Creditors amounts falling due within one year</b>			
Bank Overdraft (secured)	8	(1,375,269)	
John Bunyan Baptist Church		(128,146)	
Loans (Secured)		-	
		<u>(39,968)</u>	
		<u>(1,543,383)</u>	
<b>Net Current (Liabilities)/Assets</b>			<u>(482,319)</u>
<b>Total Assets Less Current Liabilities</b>			469,818
<b>Creditors amounts falling due after more than one year</b>	9		<u>(300,048)</u>
<b>Net Assets</b>			<u>169,770</u>
<b>Funds</b>			
Unrestricted Funds			95,715
Restricted Funds			74,055
<b>Total Funds</b>	11		<u>169,770</u>

The financial statements were approved by the Trustees on *25<sup>th</sup> June 2008* and signed on its behalf by

  
DR MEDWIN HUGHES Chairman

  
T CURRY, Trustee / Director

The notes on pages 9 to 15 form an integral part of these financial statements.

## **Kaleidoscope Project Limited**

### **Notes to the Financial Statements for the period ended 31 March 2007**

#### **1 Accounting Policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005

##### **1.2 Fund Accounting**

The unrestricted funds of the Charity comprise those monies which are available to be used towards meeting the charitable objectives of the Charity at the discretion of the Board of Trustees

Restricted funds are monies raised or received for a specific purpose and accounted for in accordance with the donors' imposed conditions

##### **1.3 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy

The following specific policies are applied to particular categories of income

- a Voluntary income is received by way of donations, gifts and unconditional grants and are included in full in the Statement of Financial Activities when receivable
- b Income for charitable services is received by way of grants, donations and contracts. Where income is dependent upon performance and specific deliverables, income is included in the Statement of Financial Activities as the charity earns the right to consideration by its performance
- c Where relevant, donated services and assets are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts
- d Investment income is included when receivable

##### **1.4 Resources expended**

Expenditure is recognised on an accrual basis as a liability incurred. Expenditure includes any VAT which cannot be fully recovered

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis

##### **1.5 Kaleidoscope Housing Association**

The Kaleidoscope Project has a management agreement with the Kaleidoscope (Kingston) Housing Association Limited. Under the management agreement the project is responsible for the day to day management of the Association's hostel property and for providing residents with residential care and with the appropriate social, educational and medical amenities. The Project also provides services for people who are not hostel residents and leases a floor of the K2 building to the Housing Association on a 99 year lease from 27 February 2003. The separation of the Association and Project accounts, which should be read together, reflects this structure and the distinct services provided by the Association and the Project

## Kaleidoscope Project Limited

### Notes to the Financial Statements for the period ended 31 March 2007

#### 16 Pensions

The charity operates a defined contribution pension scheme for some of its employees. Contributions are charged to the Statement of Financial Activities when incurred and are invested in funds separate from the assets of the charity. Details of contributions made are shown in note 4 of the accounts.

#### 17 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Buildings	-	2% on cost
Building refurbishments on leasehold property	-	33 33% on cost
Furniture and equipment (including methadone dispensing unit)	-	50% on cost
Motor vehicles	-	33 33% on cost

#### 18 Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities when incurred.

#### 19 Deferred Income

Those grants received which cover a period are apportioned on a time basis. Grants received in advance are carried forward as a creditor and are shown in note 8 under Deferred Grant Income.

**Kaleidoscope Project Limited**

**Notes to the Financial Statements  
for the period ended 31 March 2007**

continued

**2 Incoming Resources**

Included within Incoming Resources for the year are

**Donations and Gifts**

	Unrestricted £	Restricted £	Total 2007 £
Individuals	1,872	-	1,872
Charitable Trusts	572	-	572
Churches and Schools	1,675	-	1,675
	<u>4,119</u>	<u>-</u>	<u>4,119</u>

**Drug Treatment Services**

Service Level Agreements	582,416	121,503	703,919
Catering	489	-	489
Other Income	308	-	308
	<u>583,213</u>	<u>121,503</u>	<u>704,716</u>

**Residential Services**

Cairn House	10,893	36,250	47,143
Asylum Seekers	33,224	-	33,224
Other Income	3,801	-	3,801
	<u>47,918</u>	<u>36,250</u>	<u>84,168</u>

**Education & Training**

Training Unit	8,327	-	8,327
Student Unit	4,225	-	4,225
	<u>12,552</u>	<u>-</u>	<u>12,552</u>

**Elderly**

Alfnston Day Centre	8,427	17,150	25,577
	<u>8,427</u>	<u>17,150</u>	<u>25,577</u>

**Kaleidoscope Project Limited**  
**Notes to the Financial Statements**  
**for the period ended 31 March 2007**

continued

**3 Total Resources Expended**

	Basis of Allocation	Drug Treatment Services £	Residential Services £	Education & Training	Elderly	Other Activities	Governance	Total 2007 £
<b>Costs directly allocated to activities</b>								
Wages and salaries	Direct	466,100	47,982	10,885	17,576	-	820	543,363
Other Staff Costs	Direct	7,617	-	-	-	-	-	7,617
Medical Supplies	Direct	87,924	-	-	-	-	-	87,924
Catering	Direct	3,562	-	11	2,323	357	-	6,253
Premises Costs	Direct	19,313	1,035	711	4,171	-	119	25,349
Travel and Subsistence	Direct	7,778	-	462	305	-	454	8,999
Office Expenses	Direct	15,597	186	491	408	-	1,672	18,354
Equipment Hire, Lease and Renewals	Direct	13,714	-	126	-	-	-	13,840
Depreciation	Direct	5,357	1,371	83	196	-	228	7,235
		<u>626,962</u>	<u>50,574</u>	<u>12,769</u>	<u>24,979</u>	<u>357</u>	<u>3,293</u>	<u>718,934</u>
<b>Support Costs allocated to activities</b>								
Wages and salaries	Direct/Staff	24,531	2,526	572	925	-	42	28,596
Training Costs	Direct/Staff	-	-	635	-	-	-	635
Premises Costs	Direct/Staff	820	54	37	220	-	6	1,137
Licences and Registrations	Direct/Staff	725	-	-	132	-	-	857
Office Expenses	Direct/Staff	821	10	26	22	-	87	966
Legal & Professional	Direct/Staff	5,290	37	-	-	-	1,059	6,386
Audit & Accountancy	Direct/Staff	-	-	-	-	-	1,250	1,250
Equipment Hire, Lease and Renewals	Direct/Staff	722	-	7	-	-	-	729
Insurance, Health & Safety	Direct/Staff	2,718	-	351	1,703	-	-	4,772
Depreciation	Direct/Staff	358	72	4	10	-	12	456
Finance Costs	Direct/Staff	7,482	-	307	-	-	200	7,989
		<u>43,467</u>	<u>2,699</u>	<u>1,939</u>	<u>3,012</u>	<u>-</u>	<u>2,656</u>	<u>53,773</u>
<b>Total</b>		<u>670,429</u>	<u>53,273</u>	<u>14,708</u>	<u>27,991</u>	<u>357</u>	<u>5,949</u>	<u>772,707</u>

# Kaleidoscope Project Limited

## Notes to the Financial Statements for the period ended 31 March 2007

continued

<b>4 Staff Costs</b>	<b>2007</b>
	<b>£</b>
Staff costs during the year comprised of the following	
Wages and salaries	484,860
Social security costs	45,930
Pension costs	2,571
Self employed	55,827
	<hr/>
	589,188
Apportioned to Housing Association	(17,229)
	<hr/>
	571,959
	<hr/>

There were no employees whose emoluments amounted to over £60,000 in the period

The average number of employees during the year can be analysed as follows

Charitable Activities	94
Management and Administration	11
	<hr/>
	105
	<hr/>

### Pension Costs

The Project operates a Group Personal Pension Plan with Friends Provident on behalf of the employees to which the Project contributes 3% of gross salary. The plan is open to all staff of the Project after completion of one year's service.

### 5 Net Assets - Transfer from Unincorporated Project

On 1 January 2007, the unincorporated charity Kaleidoscope Project transferred all assets, liabilities and charitable activities to the incorporated charity Kaleidoscope Project Limited (Company Number 5480423, Charity Number 1115017)

**Kaleidoscope Project Limited**  
**Notes to the Financial Statements**  
**for the period ended 31 March 2007**

continued

**6 Tangible fixed assets**

	Land and buildings	Furniture & Equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
Transferred from Unincorporated Project	2,524,376	247,597	10,223	2,782,196
Additions	-	1,093	-	1,093
Disposals	-	-	-	-
At 31 March 2007	<u>2,524,376</u>	<u>248,690</u>	<u>10,223</u>	<u>2,783,289</u>
<b>Less Grants</b>				
Transferred from Unincorporated Project	1,440,320	66,697	-	1,507,017
Grants Received during year	-	-	-	-
At 31 March 2007	<u>1,440,320</u>	<u>66,697</u>	<u>-</u>	<u>1,507,017</u>
<b>Depreciation</b>				
Transferred from Unincorporated Project	146,280	167,375	852	314,507
On disposals	-	-	-	-
Charge for the year	5,192	3,583	853	9,628
At 31 March 2007	<u>151,472</u>	<u>170,958</u>	<u>1,705</u>	<u>324,135</u>
<b>Net book values</b>				
At 31 March 2007	<u>932,584</u>	<u>11,035</u>	<u>8,518</u>	<u>952,137</u>

Land and buildings includes freehold properties with a book value of £45,474 which, in the opinion of the Board of Trustees, have a market value of £800,000

**7. Debtors**

	2007 £
Accrued Income	25,410
Other debtors	318,488
Prepaid Expenses	109,116
	<u>453,014</u>

**Kaleidoscope Project Limited**

**Notes to the Financial Statements  
for the period ended 31 March 2007**

continued

<b>8</b>	<b>Creditors amounts falling due within one year</b>	<b>2007 £</b>
	Deferred Grant Income (see below)	396,735
	Other Creditors and Accruals	978,534
		<u>1,375,269</u>
	Deferred Grant Income comprises	
	Transferred from Unincorporated Project	656,332
	Additions in year	24,972
	Released in year	(284,569)
		<u>396,735</u>
<b>9.</b>	<b>Creditors amounts falling due after more than one year</b>	<b>2007 £</b>
	London Baptist Property Board	90,629
	Baptist Union	249,387
		<u>340,016</u>
	Less Due in less than 1 year	(39,968)
		<u>300,048</u>

The London Baptist Property Board loan is repayable in equal instalments over a period of 15 years. The Baptist Union loan is repayable in equal instalments over a period of 15 years. The loans are secured against certain land and buildings of the Project.

**10 Statement of Funds**

	Incoming Resources £	Outgoing Resources £	At 31 March 2007 £
Unrestricted Funds	701,783	606,068	95,715
Restricted Funds	240,694	166,639	74,055
	<u>942,477</u>	<u>772,707</u>	<u>169,770</u>

**Purpose of Restricted Funds**

Restricted fund income is shown in note 2 on page 10. The balance on restricted funds at 31 March 2007 relates to Drug Treatment Services and consists of those service level agreements which impose restrictions on the use of the funds received.

## Kaleidoscope Project Limited

### Notes to the Financial Statements for the year ended 31 March 2007

continued

11	Analysis of Net Assets between Funds	Unrestricted	Restricted	Total
		£	£	2007 £
	Tangible Fixed Assets	952,137	-	952,137
	Current Assets	987,009	74,055	1,061,064
	Current Liabilities	(1,543,383)	-	(1,543,383)
	Long Term Liabilities	(300,048)	-	(300,048)
		<u>95,715</u>	<u>74,055</u>	<u>169,770</u>

#### 12 Contingent liabilities

Included in Land and Buildings (see note 6) and other creditors and accruals (note 8) is a provision of £467,685 in respect of the building contractor's final valuation for work on the Project's new ICT building. Although the above amount has not yet been certified by the Quantity Surveyor, the Board of Trustees feel it is prudent to make full provision in the balance sheet.

Due to the problems encountered in the construction of the ICT building, the Board are making a claim against the structural engineer responsible. At the date these accounts were approved, it is not possible to quantify the result of this claim.

#### 13 Related party transactions

During the year, fees amounting to £5,780 were paid to Mr Eric Blakebrough MBE, former chairman of the Kaleidoscope Housing Association.

#### 14 Trustee Expenses

Trustees received no expenses during the year.