

**REGISTERED COMPANY NUMBER: 05480423 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1115017**

**Report of the Trustees and Group  
Financial Statements for the Year Ended 31 March 2018  
for  
KALEIDOSCOPE PROJECT**

THURSDAY



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20/12/2018

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COMPANIES HOUSE

O'Brien & Partners  
Chartered Accountants  
& Statutory Auditors  
Highdale House  
7 Centre Court  
Treforest Industrial Estate  
Pontypridd  
Rhondda Cynon Taff  
CF37 5YR

## KALEIDOSCOPE PROJECT

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## **KALEIDOSCOPE PROJECT**

### **Report of the Trustees for the Year Ended 31 March 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

Kaleidoscope supports people with drug, alcohol and mental health issues so that they can have a brighter future in their communities.

We also seek to tackle the stigma that our clients face. This can be through direct campaigning for better governmental policies that support (not punish) service users or by advocating for individuals to be treated with compassion and imagination.

We create a culture and environment where people feel valued and we inspire people to reach their own personal goals.

To be a successful service we recognise:

- That service users have skills and experiences that bring about change for themselves, their peers and their communities.
- Investing in our people builds compassionate and pioneering teams.
- In our places, stability and creativity thrive.

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.
- Alcohol services offering support to all who are in need.
- Counselling and advice.
- A training department to help people acquire new skills and qualifications, in order to achieve their goals in life.
- Residential services catering for vulnerable adults.
- A day centre for the elderly.

Recruiting and retaining high quality staff is critical to a successful business. We look to staff who strive for excellence, are keen to innovate and who understand the key to social care is engagement that comes from people who have integrity.

Our priority is delivering quality services which we benchmark against recognised external accreditation, as well as anonymous surveys for clients and staff.

Our commitment to providing cost effective services means that we constantly review our own procurement of services and ensure that our management charges are fair. Similarly, our focus on partnership working ensures that we make best use of all the resources available to us.

Kaleidoscope has a core belief in continuous improvement which requires us to be person centred and transparent with those receiving and buying our services.

We seek only to work in areas where we can make a real difference and have an ethos of partnership working where at all possible.

##### **Public Benefit**

Our objectives and activities as detailed above focus on the prevention and treatment of substance misuse. We work with individuals in both England and Wales and our activities are undertaken to further our charitable purposes for the public benefit. To enhance these public benefits, we work closely with organisations in the Criminal Justice system and other statutory bodies.

## KALEIDOSCOPE PROJECT

### Report of the Trustees for the Year Ended 31 March 2018

#### STRATEGIC REPORT

##### Achievement and performance

###### *Charitable activities*

The Kaleidoscope Group has set out its strategic plan for 2016-2019, and has been clear on how to progress its aims over the past year. There are 6 key elements to its plan; Service User Engagement, People Development, Partnership Working, Quality Management, Sustainable business and Campaigning.

The Kaleidoscope Group has had another good year with the priority of moving the ARCH business into the Kaleidoscope Group services. It was therefore good to see the North Wales service and Birchwood becoming part of Kaleidoscope Group. The one regret was not been able to move the Shropshire service into Kaleidoscope Group services. The contract went out to tender in 2018 with the outcome not known at the time of writing.

Kaleidoscope Group recognises that as a business it needs to continue to maintain existing services as well as look to new opportunities.

The key contracts of Kaleidoscope Group continued with GDAS been extended for a further year, with it due to go out to tender in 2019.

The Gwent Contract remains Kaleidoscope's most significant contract, worth over £4 million to deliver the services in partnership with G4S and Barod. Kaleidoscope Group is the contract lead for the service called the Gwent Drug and Alcohol Service (GDAS) and over the year the service met all the contract requirements measured by Key Performance Indicators (KPIs).

Partnership working is critical for the success of Kaleidoscope in terms of growth as certain contracts such as Gwent require a turnover which exceeds that which Kaleidoscope has alone but can achieve by partnering. Kaleidoscope's partnership with Barod and G4S means we continue to jointly work with them in delivering the Dyfed Drug and Alcohol Service (DDAS). The service lead for this is Barod. Kaleidoscope provides the lead in the contract for the criminal Justice element of the service as well as providing intervention workers in Pembrokeshire and Ceredigion. Kaleidoscope also received lottery money to provide a counselling service in the region Pathways to Change (P2C).

The partnership with Barod has also led us to deliver Drink Wise Age Well with them which supports people over 50 who have alcohol issues. We provide the prevention element of this service. The Service is funded by a National Lottery Fund obtained on a UK basis by Addaction.

Kaleidoscope was also part of a successful tender to deliver criminal justice services across South Wales led by G4S. The contract is for 9 years and Kaleidoscope delivers the medical support part of the service. The name of this service is Dyfodol.

Kaleidoscope also works closely with CAIS in Powys. Kaleidoscope lead on this service with CAIS supporting us in delivering the young peoples service. This is a critical service because like our Gwent provision we both lead and have the opportunity to provide the full service. Kaleidoscope has worked with CAIS in the delivery of the North Wales contract, which again we lead on. CAIS have led a service called Change Step which we have slowly withdrawn from due to a lack of funding. CAIS also lead on the ESF Funded project called Cyfle Cymru. This is a Peer Mentoring Service where we lead in Gwent and Powys in delivering this service and has been extended until 2020.

In Newport we decided to end our residential service for 4 residents called K Force House. This service however did not close until November 2018.

In Kingston Kaleidoscope continues to provide residential services to those with dual diagnosis issues, substance issues combined with mental health problems. The project continues to be successful but with the closure of the local church it has been decided to sell the site and re-provide the service in another location within the Borough. The Baptist Property Board and Kaleidoscope have agreed to work together to realise the best value of the site and hope to sell the site in 2019.

We also have a contract from Kingston Council to support elderly people on a day service basis which we continue to do through Alfriston Day Centre. We have also developed an outreach offer to service users who cannot attend the service due to ill health.

Kingston Council have also supported a post for a worker to deliver a recovery Hub in the hostel which opened in 2018. The service is a small but exciting venture with the Borough.

In 2018 we were delighted to celebrate our 50th Anniversary with the first event at Newport City Cathedral in March 2018.

We were also delighted to maintain our Silver status for Investors in People.

## KALEIDOSCOPE PROJECT

### Report of the Trustees for the Year Ended 31 March 2018

#### STRATEGIC REPORT

##### Achievement and performance

Details of the company's achievement and performance are included in the Strategic Report.

##### GOING CONCERN

The trustees consider that, having regard to the current level of reserves and to the nature and duration of existing contracts, there are no material uncertainties about the charitable company's ability to continue as a going concern

##### Financial review

###### Financial position

Total incoming resources continued to rise by 6% (2017: 8%) to £12.686m compared with £12.135m in the previous year. Margins on all contracts remained very tight but the increase in income together with effective control over costs enabled the charity to achieve an unrestricted surplus for the year of £514k as shown below:

	2018	2017	2016
Total incoming resources	12,868,471	12,134,740	6,855,603
Unrestricted incoming resources	11,511,337	10,915,394	6,033,875
Unrestricted surplus	514,394	105,019	79,454

###### Principal funding sources

Kaleidoscope's principal funding partners during the year were Local Authorities and Welsh Government.

###### Investment policy and objectives

The Board of Trustees will consider the charity's investment policy when the level of reserves makes this relevant.

##### Future plans

Kaleidoscope continues to look at developing its Kingston site. It is still uncertain if this will include the Kaleidoscope Project building K2. The importance of the site for the hostel will mean we need to support the Housing Association to realise best value so a good option for hostel residents can be achieved.

In 2018-19 we will be bidding for the Shropshire service, currently held by ARCH.

2018 continues to be one of celebration with the pinnacle of the year being the House of Lords Celebration hosted by Lord Mawson.

We will continue to follow a diversification strategy and look at related fields of activity as well as work with East Time Primetimers to look at how we can diversify. They specialise in mergers and we would look towards developing through expanding the Kaleidoscope Group to include other organisations. We will also be looking at any new services through continued business development although our focus will be in ensuring retention of our existing services.

Our focus however continues to be on maintaining high standards in all our services as we recognise this provides us with the best opportunity to retain contracts and win new contracts.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Project is a registered charity (number 1115017) and is also a company limited by guarantee (number 05480423) which was incorporated on 14 June 2005. The project governing document is its memorandum and articles of association as amended by special resolution dated 5 April 2006.

##### Recruitment and appointment of new trustees

The Project has an independent Board of 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. When appropriate, vacancies on the Board are advertised through media outlets and interviews conducted, to ensure new appointments will add to the skills and experience of the existing Board.

##### Organisational structure

The Board of Trustees aims to meet at least on a quarterly basis. Board members are proactive and undertake specific responsibilities for the governance of the Project.

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.

## KALEIDOSCOPE PROJECT

### Report of the Trustees for the Year Ended 31 March 2018

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Induction and training of new trustees

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

##### Key management remuneration

The trustees recognise that the charity will not achieve its ambitious goals unless it is possible to attract and retain key management personnel who have the experience, enthusiasm and ability to lead by example and to contribute to the Project's continuing success. Consequently, the ability to offer a compelling value proposition to staff is regarded as a critical success factor.

In common with other small, entrepreneurial companies in the charitable sector, Kaleidoscope's value proposition to staff includes supportive teamwork, personal development and significant job satisfaction from the social impact that the Project is helping to generate. However, remuneration is also important and, for this element of the overall reward package, our policy is to set pay and benefits at levels that are competitive for the sector and which recognise an individual's abilities, responsibilities and experience. In most cases, in the opinion of the trustees, this results in remuneration that is lower than the people concerned would be able to earn in the commercial sector.

The remuneration of key management personnel is summarised in Note 12 of the financial statements. Kaleidoscope's highest paid employee is the Chief Executive and, in the year to 31 March 2018, his salary was £63,100. This is approximately 3 times the average salary paid to other employees.

##### Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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.

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Registered Company number

05480423 (England and Wales)

##### Registered Charity number

1115017

##### Registered office

1st Floor Integra House  
Vaughan Court  
Celtic Springs  
Newport  
NP10 8BD

##### Trustees

C Freegard	
P F Rutter	
S P Davison	
C Pepinster	
S C Dicken	- resigned 13.11.18
T J Curry	- resigned 13.6.17
K S Walker	- resigned 13.6.17
A Sutherland	- resigned 28.11.17
D L Antebi	
J M Q Knight	
L J Astell	- appointed 13.6.17
E J Chima-Okereke	- appointed 13.6.17
K D Ward	- appointed 13.6.17
J Ross	- appointed 4.12.18

## KALEIDOSCOPE PROJECT

### Report of the Trustees for the Year Ended 31 March 2018

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Auditors

O'Brien & Partners  
Chartered Accountants  
& Statutory Auditors  
Highdale House  
7 Centre Court  
Treforest Industrial Estate  
Pontypridd  
Rhondda Cynon Taff  
CF37 5YR

##### Solicitors

Clarks Legal, 5th Floor, Thames Tower, Station Road, Reading, RG1 1LX.

##### Key Management Personnel

Chief-Executive - Martin Blakeborough

#### KEY MANAGEMENT PERSONNEL

Chief Executive - Martin Blakeborough

Executive team - James Varty, Sian Chicken, Herbie Hancock, Emma Patey, David Vickery and Rondine Molinaro.

#### STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Kaleidoscope Project for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### AUDITORS

The auditors, O'Brien & Partners, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 20.12.18 and signed on the board's behalf by:

  
C Freegard - Trustee

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

### **Opinion**

We have audited the financial statements of Kaleidoscope Project ("the charitable parent company") and its subsidiary (the "group") for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group and Charitable Company Balance Sheet, the Group Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable group and parent company affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group and company 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 other 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 opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to 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 group'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 group annual report, other than the financial statements and our Report of the Independent Auditors 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Group Report of the Trustees has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Report of the Trustees.

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Group Strategic Report or in preparing the Group Report of the Trustees.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable group and company for the purposes of company law) 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



## **Report of the Independent Auditors to the Members of KALEIDOSCOPE PROJECT**

### **Responsibilities of trustees**

In preparing the financial statements, the trustees are responsible for assessing the charitable group and parent company'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 charitable group and company or to cease operations, or have no realistic alternative but to do so.

### **Our 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 a Report of the Independent Auditors 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 at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*G. Francis.*

Gareth Francis FCCA (Senior Statutory Auditor)  
for and on behalf of O'Brien & Partners  
Chartered Accountants  
& Statutory Auditors  
Highdale House  
7 Centre Court  
Treforest Industrial Estate  
Pontypridd  
Rhondda Cynon Taff  
CF37 5YR

Date: 20.12.2018

# KALEIDOSCOPE PROJECT

## Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure account) for the Year Ended 31 March 2018

		Unrestricted fund £	Restricted funds £	Endowment fund £	31.3.18 Total funds £	31.3.17 Total funds £
	Not es					
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies	2	758	-	-	758	284,914
<b>Charitable activities</b>	5					
Drug and alcohol treatment services		11,245,630	-	-	11,245,630	10,531,363
Residential Services		-	1,175,873	-	1,175,873	433,268
Elderly		-	162,858	-	162,858	159,359
Other trading activities	3	76,645	18,247	-	94,892	303,184
Investment income	4	188,304	156	-	188,460	223,874
Other income	6	<u>4,004</u>	<u>-</u>	<u>-</u>	<u>4,004</u>	<u>198,778</u>
<b>Total</b>		<b>11,515,341</b>	<b>1,357,134</b>	<b>-</b>	<b>12,872,475</b>	<b>12,134,740</b>
<b>EXPENDITURE ON</b>						
Raising funds	7	63,515	-	-	63,515	407,781
<b>Charitable activities</b>	8					
Drug and alcohol treatment services		11,077,688	19,942	-	11,097,630	10,560,691
Residential Services		52,340	1,227,944	-	1,280,284	422,826
Education and Training		5,900	-	-	5,900	6,412
Elderly		-	163,338	-	163,338	152,948
Capital Grants		<u>-</u>	<u>38,167</u>	<u>-</u>	<u>38,167</u>	<u>280,116</u>
<b>Total</b>		<b>11,199,443</b>	<b>1,449,391</b>	<b>-</b>	<b>12,648,834</b>	<b>11,830,774</b>
Net gains/(losses) on investments		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,707</u>
<b>NET INCOME/(EXPENDITURE)</b>		<b>315,898</b>	<b>(92,257)</b>	<b>-</b>	<b>223,641</b>	<b>368,673</b>
<b>Transfers between funds</b>	22	<u>(13,789)</u>	<u>25,039</u>	<u>(11,250)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<b>302,109</b>	<b>(67,218)</b>	<b>(11,250)</b>	<b>223,641</b>	<b>368,673</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>1,864,975</b>	<b>1,727,239</b>	<b>191,250</b>	<b>3,783,464</b>	<b>3,414,791</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>2,167,084</u></b>	<b><u>1,660,021</u></b>	<b><u>180,000</u></b>	<b><u>4,007,105</u></b>	<b><u>3,783,464</u></b>

The notes form part of these financial statements

# KALEIDOSCOPE PROJECT

## Consolidated Balance Sheet At 31 March 2018

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	31.3.18 Total funds £	31.3.17 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	15	106,290	1,621,863	-	1,728,153	1,995,515
<b>Investments</b>						
Investments	16	-	-	-	-	1
Investment property	17	<u>1,729,405</u>	<u>-</u>	<u>191,250</u>	<u>1,920,655</u>	<u>1,465,965</u>
		1,835,695	1,621,863	191,250	3,648,808	3,461,481
<b>CURRENT ASSETS</b>						
Debtors	18	2,022,280	-	-	2,022,280	1,680,106
Cash at bank and in hand		<u>1,571,740</u>	<u>38,158</u>	<u>(11,250)</u>	<u>1,598,648</u>	<u>1,419,415</u>
		3,594,020	38,158	(11,250)	3,620,928	3,099,521
<b>CREDITORS</b>						
Amounts falling due within one year	19	(2,998,198)	-	-	(2,998,198)	(2,578,801)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>595,822</u>	<u>38,158</u>	<u>(11,250)</u>	<u>622,730</u>	<u>520,720</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,431,517	1,660,021	180,000	4,271,538	3,982,201
<b>CREDITORS</b>						
Amounts falling due after more than one year	20	(264,433)	-	-	(264,433)	(198,737)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u><u>2,167,084</u></u>	<u><u>1,660,021</u></u>	<u><u>180,000</u></u>	<u><u>4,007,105</u></u>	<u><u>3,783,464</u></u>
<b>FUNDS</b>	22					
Unrestricted funds					2,167,084	1,864,975
Restricted funds					1,660,021	1,727,239
Endowment funds					<u>180,000</u>	<u>191,250</u>
<b>TOTAL FUNDS</b>					<u><u>4,007,105</u></u>	<u><u>3,783,464</u></u>

The financial statements were approved by the Board of Trustees on 20.12.18 and were signed on its behalf by:

  
C Freegard - Trustee


The notes form part of these financial statements

**KALEIDOSCOPE PROJECT (REGISTERED NUMBER: 05480423)**

**Charitable Company Balance Sheet  
At 31 March 2018**

		Unrestricted fund £	Restricted funds £	31.3.18 Total funds £	31.3.17 Total funds £
	Not es				
<b>FIXED ASSETS</b>					
Tangible assets	14	106,288	1,542,087	1,648,375	1,441,105
Investment property	15	<u>647,500</u>	<u>-</u>	<u>647,500</u>	<u>647,500</u>
		753,788	1,542,087	2,295,875	2,088,605
<b>CURRENT ASSETS</b>					
Debtors	16	2,926,571	-	2,926,571	2,049,817
Cash at bank		<u>1,366,437</u>	<u>25,137</u>	<u>1,391,574</u>	<u>1,306,416</u>
		4,293,008	25,137	4,318,145	3,356,233
<b>CREDITORS</b>					
Amounts falling due within one year	17	<u>(2,545,774)</u>	<u>-</u>	<u>(2,545,774)</u>	<u>(1,688,267)</u>
<b>NET CURRENT ASSETS</b>		<u>1,747,234</u>	<u>25,137</u>	<u>1,772,371</u>	<u>1,667,966</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,501,022	1,567,224	4,068,246	3,756,571
<b>CREDITORS</b>					
Amounts falling due after more than one year	18	<u>(264,433)</u>	<u>-</u>	<u>(264,433)</u>	<u>(198,737)</u>
<b>NET ASSETS</b>		<u>2,236,589</u>	<u>1,567,224</u>	<u>3,803,813</u>	<u>3,557,834</u>
<b>FUNDS</b>	20				
Unrestricted funds				2,236,589	1,943,334
Restricted funds				<u>1,567,224</u>	<u>1,614,500</u>
<b>TOTAL FUNDS</b>				<u>3,803,813</u>	<u>3,557,834</u>

The financial statements were approved by the Board of Trustees on 20.12.18 and were signed on its behalf by:

  
 .....  
 Christopher Freegard - Trustee

The notes form part of these financial statements

# KALEIDOSCOPE PROJECT

## Consolidated Cash Flow Statement for the Year Ended 31 March 2018

	Notes	31.3.18 £	31.3.17 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>424,713</u>	<u>(520,704)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>424,713</u>	<u>(520,704)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(245,481)	(22,125)
Sale of tangible fixed assets		-	20,110
Sale of fixed asset investments		<u>1</u>	<u>-</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(245,480)</u>	<u>(2,015)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		179,233	(522,719)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,419,415</u>	<u>1,942,134</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>1,598,648</u>	<u>1,419,415</u>

The notes form part of these financial statements

# KALEIDOSCOPE PROJECT

## Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2018

### 1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.18	31.3.17
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	223,641	368,673
Adjustments for:		
Depreciation charges	58,153	127,752
Gain on investments	-	(64,708)
Loss on disposal of fixed assets	-	34,702
Assets on acquisition of subsidiaries	-	(1,484,985)
Increase in debtors	(342,174)	(581,385)
Increase in creditors	<u>485,093</u>	<u>1,079,247</u>
Net cash provided by (used in) operating activities	<u>424,713</u>	<u>(520,704)</u>

## KALEIDOSCOPE PROJECT

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The Group's functional and presentational currency is the pound sterling (£), and balances are rounded to the nearest £1.

##### **Basis of consolidation**

The Group financial statements include the results of the Charitable Company and of its wholly controlled subsidiary. The consolidated entity is known as the 'Group'. The subsidiary undertakings are consolidated on a line by line basis within the Consolidated Statement of Financial Activities.

No separate Statement of Financial Activities (SOFA) has been prepared for the Charitable Company as permitted by Section 408 of the Companies Act 2006.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from grants, whether 'capital' or 'revenue' grants, is recognised when the group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the group has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from charitable activities includes amounts received under contract, and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when the contract specified that they must be used in future accounting periods.

Rental income is recognised in the period to which it relates.

Other income consist of monies/assets received from subsidiary entities. This is recognised when the risks and rewards have been transferred.

Legacies are recognised either when when the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor (s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt from a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

## KALEIDOSCOPE PROJECT

### Notes to the Financial Statements - continued for the Year Ended 31 March 2018

#### 1. ACCOUNTING POLICIES - continued

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Employee benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Allocation and apportionment of costs**

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. As the charitable company has only one charitable activity all costs are allocated directly to this activity.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 50% on cost and 20% on reducing balance
Motor vehicles	- 50% on cost

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

##### **Investments**

Fixed asset investments in subsidiaries are held at cost.

##### **Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

##### **Debtors**

Amounts recoverable on contracts are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### **Financial instruments**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### **Taxation**

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



# KALEIDOSCOPE PROJECT

## Notes to the Financial Statements - continued for the Year Ended 31 March 2018

### 1. ACCOUNTING POLICIES - continued

#### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

#### Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

#### Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are detailed below:

(i) The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimates useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimate, based on the current estimate and the physical condition of the assets.

### 2. DONATIONS AND LEGACIES

	31.3.18	31.3.17
	£	£
Donations	758	567
Legacies	-	15,000
Capital grants	-	269,347
	<u>758</u>	<u>284,914</u>

Grants received, included in the above, are as follows:

	31.3.18	31.3.17
	£	£
Capital Grants	-	269,347

### 3. OTHER TRADING ACTIVITIES

	31.3.18	31.3.17
	£	£
Miscellaneous income	94,892	143,687
Nightingale social reserves on acquisition	-	159,497
	<u>94,892</u>	<u>303,184</u>

### 4. INVESTMENT INCOME

	31.3.18	31.3.17
	£	£
Rents received	188,304	222,429
Bank Interest	156	1,445
	<u>188,460</u>	<u>223,874</u>

# KALEIDOSCOPE PROJECT

## Notes to the Financial Statements - continued for the Year Ended 31 March 2018

### 5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.18 £	31.3.17 £
Service Level Agreements	Drug and alcohol treatment services	11,245,630	10,531,363
Cairn House	Residential Services	1,175,873	433,268
Alfriston day centre	Elderly	162,858	159,359
		<u>12,584,361</u>	<u>11,123,990</u>

### 6. OTHER INCOME

	31.3.18 £	31.3.17 £
Arch Initiatives reserves on acquisition	-	287,259
Nightingale social	<u>4,004</u>	<u>(88,481)</u>
	<u>4,004</u>	<u>198,778</u>

### 7. RAISING FUNDS

#### Raising donations and legacies

	31.3.18 £	31.3.17 £
Staff costs	19,346	208,764
Premises costs	41,143	53,249
Travel expenses	-	2,092
Telephone	3,026	2,310
Sundries	-	604
Purchases	-	69,919
Subcontractors	-	945
Hire of plant	-	5,127
Waste disposal	-	1,817
Rates and water	-	28,045
Insurance	-	4,380
Repairs	-	313
Post and stationary	-	1,494
Advertising	-	2,236
Staff uniforms	-	137
Repairs	-	1,464
Household	-	2,105
Consultancy	-	16,425
Legal	-	2,744
Bank charges	-	8
Bad debts	-	3,603
	<u>63,515</u>	<u>407,781</u>

# KALEIDOSCOPE PROJECT

## Notes to the Financial Statements - continued for the Year Ended 31 March 2018

### 8. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 9)	Totals
	£	£	£
Drug and alcohol treatment services	10,623,181	474,449	11,097,630
Residential Services	1,258,670	21,614	1,280,284
Education and Training	-	5,900	5,900
Elderly	155,424	7,914	163,338
Capital Grants	38,167	-	38,167
	<u>12,075,442</u>	<u>509,877</u>	<u>12,585,319</u>

### 9. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Drug and alcohol treatment services	474,448	1	-	474,449
Residential Services	21,614	-	-	21,614
Education and Training	1,100	-	4,800	5,900
Elderly	7,914	-	-	7,914
	<u>505,076</u>	<u>1</u>	<u>4,800</u>	<u>509,877</u>

### 10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.18	31.3.17
	£	£
Auditors' remuneration	4,800	12,722
Depreciation - owned assets	58,153	127,752
Hire of plant and machinery	34,225	29,564
Deficit on disposal of fixed asset	1	34,702
Pensions	-	137,763
Interest payable and other charges	<u>-</u>	<u>1,670</u>

### 11. TRUSTEES' REMUNERATION AND BENEFITS

During the year, two (2017: two) trustees were reimbursed travel expenses amounting to £332 (2017: £222).

#### Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

# KALEIDOSCOPE PROJECT

## Notes to the Financial Statements - continued for the Year Ended 31 March 2018

### 12. STAFF COSTS

	31.3.2018	31.3.2017
	£	£
Wages & salaries	9,371,240	8,435,232
Social security costs	555,595	516,184
Other pension costs	154,750	137,763
	<u>10,081,585</u>	<u>9,089,179</u>

The average monthly number of employees during the year was as follows:

	31.3.18	31.3.17
Charitable activities	310	333
Management and administration	14	72
	<u>324</u>	<u>405</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.18	31.3.17
£60,001 - £70,000	<u>1</u>	<u>1</u>

The total employee benefits including pension contributions of the key management personnel were £304,471 (2017: £261,443).

### 13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	567	284,347	-	284,914
<b>Charitable activities</b>				
Drug and alcohol treatment services	10,531,363	-	-	10,531,363
Residential Services	22,430	410,838	-	433,268
Elderly	-	159,359	-	159,359
Other trading activities	291,195	11,989	-	303,184
Investment income	223,874	-	-	223,874
Other income	<u>(154,035)</u>	<u>150,313</u>	<u>202,500</u>	<u>198,778</u>
<b>Total</b>	<b>10,915,394</b>	<b>1,016,846</b>	<b>202,500</b>	<b>12,134,740</b>
<b>EXPENDITURE ON</b>				
Raising funds	407,781	-	-	407,781
<b>Charitable activities</b>				
Drug and alcohol treatment services	10,462,826	97,865	-	10,560,691
Residential Services	2,665	420,161	-	422,826
Education and Training	-	6,412	-	6,412
Elderly	1,810	151,138	-	152,948
Capital Grants	<u>-</u>	<u>280,116</u>	<u>-</u>	<u>280,116</u>
<b>Total</b>	<b>10,875,082</b>	<b>955,692</b>	<b>-</b>	<b>11,830,774</b>
<b>Net gains/(losses) on investments</b>	<u>64,707</u>	<u>-</u>	<u>-</u>	<u>64,707</u>
<b>NET INCOME/(EXPENDITURE)</b>	<b>105,019</b>	<b>61,154</b>	<b>202,500</b>	<b>368,673</b>
<b>Transfers between funds</b>	<u>18,949</u>	<u>(7,699)</u>	<u>(11,250)</u>	<u>-</u>

# KALEIDOSCOPE PROJECT

## Notes to the Financial Statements - continued for the Year Ended 31 March 2018

### 13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
Net movement in funds	123,968	53,455	191,250	368,673
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	1,741,007	1,673,784	-	3,414,791
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>1,864,975</u>	<u>1,727,239</u>	<u>191,250</u>	<u>3,783,464</u>

### 14. CHARITABLE COMPANY RESULTS

The Charitable Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure in these financial statements. The results of Kaleidoscope Project (the Charitable Company) are:

	Total 2018 £	Total 2017 £
Total income resources	7,963,608	7,425,969
Total resources expended	(7,717,629)	(7,347,633)
Net gains on investments	-	64,707
Net	245,979	143,043
Funds:		
At 1 April 2017	<u>3,557,834</u>	<u>3,414,791</u>
At 31 March 2018	<u>3,803,813</u>	<u>3,557,834</u>

### 15. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 April 2017	2,215,056	-	1,069,480	51,589	3,336,125
Additions	-	245,481	-	-	245,481
Reclassification	<u>(530,905)</u>	-	-	-	<u>(530,905)</u>
At 31 March 2018	<u>1,684,151</u>	<u>245,481</u>	<u>1,069,480</u>	<u>51,589</u>	<u>3,050,701</u>
<b>DEPRECIATION</b>					
At 1 April 2017	355,353	-	933,668	51,589	1,340,610
Charge for year	32,421	-	25,732	-	58,153
Reclassification	<u>(76,215)</u>	-	-	-	<u>(76,215)</u>
At 31 March 2018	<u>311,559</u>	-	<u>959,400</u>	<u>51,589</u>	<u>1,322,548</u>
<b>NET BOOK VALUE</b>					
At 31 March 2018	<u>1,372,592</u>	<u>245,481</u>	<u>110,080</u>	-	<u>1,728,153</u>
At 31 March 2017	<u>1,859,703</u>	-	<u>135,812</u>	-	<u>1,995,515</u>

# KALEIDOSCOPE PROJECT

## Notes to the Financial Statements - continued for the Year Ended 31 March 2018

### 15. TANGIBLE FIXED ASSETS - continued

#### CHARITABLE FIXED ASSETS (CHARITABLE COMPANY)

	Freehold property £	Long leasehold £	Fixtures & fittings £
<b>COST</b>			
At 1 April 2017	1,684,151	-	733,658
Additions	-	245,481	-
At 31 March 2018	1,684,151	245,481	733,658
<b>DEPRECIATION</b>			
At 1 April 2017	279,138	-	697,566
Charge for the year	32,421	-	5,790
Reclassification	-	-	-
At 31 March 2018	311,559	-	703,356
<b>NET BOOK VALUE</b>			
At 31 March 2018	1,372,592	245,481	30,302
At 31 March 2017	1,405,013	245,481	36,090

	Motor Vehicles £	Total £
<b>COST</b>		
At 1 April 2017	51,589	2,469,398
Additions	-	245,381
At 31 March 2018	51,589	2,714,879
<b>DEPRECIATION</b>		
At 1 April 2017	51,589	1,028,293
Charge for the year	-	38,211
Reclassification	-	-
At 31 March 2018	51,589	1,066,504
<b>NET BOOK VALUE</b>		
At 31 March 2018	-	1,648,375
At 31 March 2017	-	1,441,105

#### Charitable Company DEPRECIATION

The Group, and Charitable Company, received grants of £1,331,269 and £66,697 in prior years for property and fixtures and fittings expenditure respectively. These grants have been deducted from the cost of the assets brought forward.

# KALEIDOSCOPE PROJECT

## Notes to the Financial Statements - continued for the Year Ended 31 March 2018

### 15. TANGIBLE FIXED ASSETS - continued

The Welsh Assembly Government has a legal charge over the property at Powells Place, Newport which has a net book value of £615,438 (2017: £630,349) at the balance sheet date.

### 16. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
<b>MARKET VALUE</b>	
At 1 April 2017	1
Disposals	(1)
At 31 March 2018	-
<b>NET BOOK VALUE</b>	
At 31 March 2018	-
At 31 March 2017	1

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

#### Arch Initiatives (Company number: 02812012, Charity number: 1024945).

Registered office: England and Wales

Nature of business: Drug addiction prevention

	% holding	31.3.18 £	31.3.17 £
Class of share:			
Limited by guarantee - control	100		
Aggregate capital and reserves		203,290	27,134
Profit/(loss) for the year		<u>176,156</u>	<u>(390,188)</u>

Arch Initiatives is wholly controlled by Kaleidoscope Project.

#### Arch 4 Enterprise Limited (Company number 09692328)

Nature of business: Catering services

	% holding	31.3.18 £	31.3.17 £
Class of share:			
Ordinary	100		
Aggregate capital and reserves		<u>-</u>	<u>(78,024)</u>

This subsidiary was dissolved on 20 March 2018.

# KALEIDOSCOPE PROJECT

## Notes to the Financial Statements - continued for the Year Ended 31 March 2018

### 16. FIXED ASSET INVESTMENTS - continued

**Nightingale Social (Company number 10049991)**  
Registered office: England and Wales  
Nature of business: Catering services

	% holding		
Class of share:			
Limited by guarantee - control	100		
		31.3.18	31.3.17
		£	£
Aggregate capital and reserves		-	(4,005)
Profit/(loss) for the year		<u>-</u>	<u>(4,005)</u>

This subsidiary was dissolved on 20 March 2018.

The above is the Group's and Charitable Company's fixed asset investments.

### 17. INVESTMENT PROPERTY

	£
<b>MARKET VALUE</b>	
At 1 April 2017	1,465,965
Reclassification	<u>454,690</u>
At 31 March 2018	<u>1,920,655</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u>1,920,655</u>
At 31 March 2017	<u>1,465,965</u>
<b>Charitable Company</b>	
	£
<b>MARKET VALUE</b>	
As at 1st April 2017 and 31 March 2018	<u>647,500</u>
	<u>647,500</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u>647,500</u>
At 31 March 2017	<u>647,500</u>

The trustees do not consider the valuation of the properties to be materially different to the valuation by Keppie Massie, an independent valuer, on 24th March 2016.

### 18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Trade debtors	1,809,694	1,442,198
Other debtors	169,165	166,686
Prepayments and accrued income	<u>43,421</u>	<u>71,222</u>
	<u>2,022,280</u>	<u>1,680,106</u>



# KALEIDOSCOPE PROJECT

## Notes to the Financial Statements - continued for the Year Ended 31 March 2018

### 18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued Charitable Company

	31.3.18	31.3.17
	£	£
Trade debtors	1,591,643	1,195,371
Amounts owed by group undertakings	1,122,342	687,760
Other debtors	169,165	140,196
Prepayments and accrued income	<u>43,421</u>	<u>26,490</u>
	<u>2,926,571</u>	<u>2,049,817</u>

Included within other debtors, in both the Group and Charitable Company, is £79,110 (2017: £84,875) due from Kaleidoscope (Kingston) Housing Association Limited.

### 19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Trade creditors	1,417,929	935,032
Social security and other taxes	119,918	305,208
Other creditors	190,001	12,501
Accruals and deferred income	<u>1,270,350</u>	<u>1,326,060</u>
	<u>2,998,198</u>	<u>2,578,801</u>

#### Charitable Company

	31.3.2018	31.3.2017
	£	£
Trade creditors	1,070,621	657,345
Social security and other taxes	93,656	84,614
Other creditors	190,001	10,499
Accruals and deferred income	<u>1,191,496</u>	<u>935,809</u>
	<u>2,545,774</u>	<u>1,688,267</u>

### 20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.18	31.3.17
	£	£
Other creditors	<u>264,433</u>	<u>198,737</u>

#### Charitable Company

	31.3.2018	31.3.2017
	£	£
Other creditors	<u>264,433</u>	<u>198,737</u>
	<u>264,433</u>	<u>198,737</u>

# KALEIDOSCOPE PROJECT

## Notes to the Financial Statements - continued for the Year Ended 31 March 2018

### 21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.18 £	31.3.17 £
Within one year	98,068	91,543
Between one and five years	<u>247,627</u>	<u>49,082</u>
	<u>345,695</u>	<u>140,625</u>

### 22. MOVEMENT IN FUNDS

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
<b>Unrestricted funds</b>				
General fund	1,864,975	315,898	(13,789)	2,167,084
<b>Restricted funds</b>				
Public Health England Grant	112,739	(54,169)	34,227	92,797
Elderly	-	79	(79)	-
Property Funds	-	(5,746)	5,746	-
Asset Fund	1,536,673	(32,421)	(5,740)	1,498,512
Legacy Income	<u>77,827</u>	<u>-</u>	<u>(9,115)</u>	<u>68,712</u>
	1,727,239	(92,257)	25,039	1,660,021
<b>Endowment funds</b>				
Wirral PCT	191,250	-	(11,250)	180,000
<b>TOTAL FUNDS</b>	<u>3,783,464</u>	<u>223,641</u>	<u>-</u>	<u>4,007,105</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	11,515,341	(11,199,443)	315,898
<b>Restricted funds</b>			
Public Health England Grant	1,193,717	(1,247,886)	(54,169)
Elderly	163,417	(163,338)	79
Legacy Income	-	(32,421)	(32,421)
Property Funds	<u>-</u>	<u>(5,746)</u>	<u>(5,746)</u>
	1,357,134	(1,449,391)	(92,257)
<b>TOTAL FUNDS</b>	<u>12,872,475</u>	<u>(12,648,834)</u>	<u>223,641</u>

# KALEIDOSCOPE PROJECT

## Notes to the Financial Statements - continued for the Year Ended 31 March 2018

### 22. MOVEMENT IN FUNDS - continued

#### Comparatives for movement in funds

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
<b>Unrestricted Funds</b>				
General fund	1,741,007	105,019	18,949	1,864,975
<b>Restricted Funds</b>				
Asset Fund	1,568,866	(55,816)	23,623	1,536,673
Legacy Income	104,918	15,000	(42,091)	77,827
Capital Grants	-	(10,769)	10,769	-
Public Health England Grant	-	112,739	-	112,739
	<u>1,673,784</u>	<u>61,154</u>	<u>(7,699)</u>	<u>1,727,239</u>
<b>Endowment funds</b>				
Wirral PCT	-	202,500	(11,250)	191,250
	<u>-</u>	<u>202,500</u>	<u>(11,250)</u>	<u>191,250</u>
<b>TOTAL FUNDS</b>	<u>3,414,791</u>	<u>368,673</u>	<u>-</u>	<u>3,783,464</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	10,915,394	(10,875,082)	64,707	105,019
<b>Restricted funds</b>				
Residential Services	422,826	(422,826)	-	-
Elderly	159,360	(159,360)	-	-
Asset Fund	-	(55,816)	-	(55,816)
Legacy Income	15,000	-	-	15,000
Capital Grants	269,347	(280,116)	-	(10,769)
Public Health England Grant	150,313	(37,574)	-	112,739
	<u>1,016,846</u>	<u>(955,692)</u>	<u>-</u>	<u>61,154</u>
<b>Endowment funds</b>				
Wirral PCT	202,500	-	-	202,500
	<u>202,500</u>	<u>-</u>	<u>-</u>	<u>202,500</u>
<b>TOTAL FUNDS</b>	<u>12,134,740</u>	<u>(11,830,774)</u>	<u>64,707</u>	<u>368,673</u>

## KALEIDOSCOPE PROJECT

### Notes to the Financial Statements - continued for the Year Ended 31 March 2018

#### 22. MOVEMENT IN FUNDS - continued

##### Charitable Company

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
<b>Unrestricted funds</b>				
General fund	1,943,334	318,294	(25,039)	2,236,589
<b>Restricted funds</b>				
Residential services		(34,227)	34,227	-
Elderly		79	(79)	-
Capital grants		(5,746)	5,746	-
Asset fund	1,536,673	(32,421)	(5,739)	1,498,513
Legacy income	77,827	-	(9,116)	68,711
<b>TOTAL FUNDS</b>	<b>3,557,834</b>	<b>245,979</b>	<b>-</b>	<b>3,803,813</b>

##### Unrestricted funds

These comprise those funds which the trustees are free to use in accordance with the charitable objectives.

##### Restricted funds

Restricted funds are funds which have been given for a particular purpose:

Capital grants - Grants received relating to items of a capital nature are treated as restricted funds and separately accounted for to ensure the grant is used for the purpose it was given.

Asset fund - The asset fund represents property and fixtures and fittings which have been secured with the help of grant funding. The fund increases each year with the receipt of further capital grants and reduces by an amount each year equivalent to the depreciation charges on those assets and /or by repair costs treated as revenue expenditure.

Legacy income - On occasion, legacies have been left to the Alfriston Day Centre by users of the service. These legacies are kept in a separate restricted fund to be used for the future benefit of the Alfriston Day Centre service.

#### 23. CONTINGENT LIABILITIES

The Group may be required to repay funding if it fails to comply with conditions laid down by the various funding providers.

Included in Investment properties is the purchase and refurbishment costs of a building on Argyle Street, Birkenhead. A grant of £500,000 was received from the Wirral Primary Care Trust (WPCT) towards these costs. WPCT hold a legal charge over the property dated 31 March 2009, the terms of which are that should the property be sold within 20 years a set percentage of the sales proceeds will revert back to WPCT. The percentage remittable is tapered down to 0% over 20 years. As at 31 March 2018 the percentage repayable would be 80% of the sale proceeds (31 March 2017 - 85%).

#### 24. RELATED PARTY DISCLOSURES

The Charitable Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Group.

During the year, Kaleidoscope Project Limited paid management fees to Kaleidoscope (Kingston) Housing Association Limited of £45,000 (2017: £45,000). At the year end, included in debtors is a balance of £79,110 (2017: £84,875) which remained outstanding from Kaleidoscope (Kingston) Housing Association Limited. This amount is repayable on demand and is non-interest bearing.

There were no other related party transactions in either the year ended 31 March 2018 or the year ended 31 March 2017.

#### 25. LEGAL STATUS OF THE CHARITABLE COMPANY

The Charitable Company is a private company limited by guarantee, incorporated in England and Wales, and consequently does not have any share capital. In the event of the company being wound up, the members of the company are required to contribute an amount not exceeding £10.