

Kaleidoscope Plus Group
(formerly Sandwell Mind)
Company Number 4660523
Registered Charity Number: 1096473
Annual Report
Year ended 31 March 2013

THURSDAY



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OFFICERS AND ADVISORS

Registered Office

First Floor
Hawthorns House
Halfords Lane
West Bromwich
West Midlands
B66 1BB

Management Committee and Trustees

Pauline Naughton (appointed 14 July 2012)	Chair
David Saunders (appointed 14 July 2012)	Treasurer
Jagdish Gill	Trustee
Emma Jane Harrison (resigned 27 February 2013)	Trustee
Edward Kuczerawy	Trustee
Teresa Mingay (resigned 27 February 2013)	Trustee
Caron Thompson	Trustee
Stephen Weaver	Trustee
Mark Wood (appointed 27 June 2012)	Trustee
Daniel DeSilva (appointed 27 March 2013)	Trustee

Bankers

HSBC
120 High Street
Smethwick
West Midlands
B66 3AN

Bank of Scotland
Pentland House
8 Lockside Avenue
Edinburgh
EH12 9DJ

Unity Trust Bank plc
Nine Brindley Place
Birmingham
B1 2HB

Auditor

BDO LLP
125 Colmore Row
Birmingham
B3 3SD

Registered Charity No

1096473

Registered Company No

4660523

Chief Executive and Company Secretary

Monica Shafaq

Executive Officers

Claire Dale – Director of Operations (Deputy Chief Executive)
Louise Biffin – Director of Finance
Kate Hepburn – Director of Human Resources

TRUSTEES' REPORT

1 Structure Governance and Management

Sandwell Mind was affiliated to Mind (the National Association for Mental Health) since 1973. Following much deliberation by the Trustees, it was felt that the affiliation to Mind no longer benefitted the direction the organisation needed to take in order to respond to a changing service "commissioning" environment and to the macro-economic environment changes which were being implemented. Therefore a resolution was passed by the Trustees to disaffiliate from Mind from 1 April 2013 and to operate as an independent organisation.

Kaleidoscope Plus Group, formerly Sandwell Mind, is a voluntary organisation constituted as a registered charity (charity registration number 1096476) and a company limited by guarantee (company registration number 04660523) governed by adopted Articles of Association. It is governed by a committee of voluntary Trustees (the Board) who are also directors of the company. The Board of Trustees passed a resolution to change the name to Kaleidoscope Plus Group from 26 March 2013.

The Trustees comprise the membership of the charity and each Trustee is given appropriate induction and training relevant to their responsibility. Trustees are encouraged to involve themselves in areas of particular interest through close involvement with the management, staff and users of the charity's services.

The Trustees elect officers at the Annual General Meeting including a Chair and a Treasurer from amongst their number. The Trustees set 'role descriptions' and 'person specifications' in respect of the officer roles (Chair, Treasurer) and the general Trustee role. During the year four new members have joined the board whilst two members have left the board for personal reasons. A structured recruitment and induction process will continue to take place in the forthcoming year to attract new members to widen the skills base among the board members.

The Trustees have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise. The systems of internal control are designed to provide reasonable, although not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by Trustees,
- regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and bench-marking reviews,
- delegation of authority and segregation of duties,
- identification and management of risks.

In addition to the AGM the Board meets four times a year. There is a Finance & General Purposes Committee which is chaired by the Treasurer and consists of four members with appropriate skills to consider issues relating to finances such as regular review of management accounts, service planning, and human resources. An Operations Committee operated until 31 March 2013 which met four times a year which is chaired by the Chair with attendance at the meetings being open to all Trustees with areas for discussion based around service delivery issues and development. The Trustees passed a resolution on 27 March 2013 to move the content of this meeting to the main board.

Responsibility for strategy, planning and the day-to-day management of operations is delegated to an executive team of managers led by the Chief Executive, who also acts as Company Secretary. Formal reporting by the Chief Executive to the Trustees takes place regularly throughout the year. The committee meeting protocol continues to be updated to ensure that there is a regular review of key issues, such as investment, risk management, performance data and regulatory monitoring.

A team of approximately 100 staff report to the Chief Executive through an executive management team consisting of the Director of Operations who is also the Deputy Chief Executive, Director of Finance and Director of Human Resources.

The organisation continues to develop its partnership working with statutory services and not-for-distribution organisations. The consortium arrangement with three other organisations continues to develop a wide range of service delivery in the Black Country area and is delivering on contracts since its inception.

TRUSTEES' REPORT (continued)

2. Objects and Activities

The objects of Kaleidoscope Plus Group are to
promote the preservation and the safeguarding of mental health and wellbeing and the relief of persons suffering from mental disorder

Our Mission to promote and support better mental health

Our Aims

- | | |
|------------------|--|
| Recovery | to deliver high quality and appropriate services for people who experience mental ill health, promoting recovery, independence and integration at all times |
| Inclusion | to facilitate and support community integration and participation for people with mental health problems |
| Awareness | to raise awareness of mental health across the communities, to challenge stigma associated with mental illness, to promote and support positive mental health across communities |

Kaleidoscope Plus Group's Core Values are as follows

Quality

We are committed to achieving and maintaining appropriate standards for the organisation and its services, and to building, supporting and maintaining a skilled, high quality workforce to ensure excellent service delivery and governance

Access and Equality

Our commitment to equality is reflected in our policies, practices and services. This commitment goes beyond our ethos to promote equality and challenge discrimination. It involves an active commitment to identifying areas where inequality of access to mental health services and support exists for individuals and groups across the diverse communities of Sandwell, and to developing structures to address this wherever possible.

Continuous Improvement and Development

We will carry out structured and regular review of the organisation and its services, their quality and their impact in order to inform and influence development. We will build skills and seek resources to implement new services and/or facilities in response to identified need.

Partnership

We are accountable to all our stakeholders and are committed to making sure the views and needs of our service users, funders and other partners are listened to. We will also continue to work with service providers and policy makers to have influence into the development of services and strategies which impact the communities we exist to serve. We formed a joint venture with three other organisations from the housing and social enterprise sectors which complements our own service provision and allows us to extend our service delivery in to sectors we would normally find difficult to enter.

Sustainability

Kaleidoscope Plus Commercial Ltd (the wholly owned subsidiary company) took ownership of a building in May 2013 costing £930,000 which will help secure sustainability and provide an additional income of rentals from tenancies as well as providing a new head office for the charity itself.

We have a responsibility to our service users and the communities in which they live to ensure that the services we develop and deliver are sustainable, and to ensure that resources are responsibly managed and allocated.

In addition, the trustees recognise there is a need to be innovative regarding income generation and to this end, a wholly owned trading subsidiary called Kaleidoscope Plus Commercial Ltd has been established which will carry out all non-primary purpose trading and donate its profits to the charity.

TRUSTEES' REPORT (continued)

3 How Our Activities Deliver Public Benefit

The Trustees have referred to the Charity Commission's general guidance on public benefit and feel that the existing aims and values meet the requirement set out for small charities. A review of the mission, aims and core values has been undertaken and it is felt that they remain relevant to the charity's purposes.

A review of the charity's governance structure and how it can support the charity's ability to meet these aims was undertaken at the early part of the financial year. It was clear to the Trustees that remaining affiliated to National Mind would restrict the charity's ability to deliver services.

The geographical name of the charity "Sandwell Mind" was proven to limit the charity's ability to reach a wider geographical area and the association with Mind limited the charity's ability to deliver a wider range of services which usually accompany mental health and wellbeing issues. Therefore, to reflect the wider geographical and service reach, the Trustees carried out a "rebranding" exercise at the latter part of the financial year that coincided with the disaffiliation from Mind. Stakeholders including Commissioners, Service Users and Staff were consulted throughout the rebranding exercise and their feedback was key in the developing a revised identity which kept mental health and wellbeing at the core of the charity's objectives and allowed the charity to impact upon a wider audience.

Mental Health covers a wide spectrum of illnesses from psychotic disorders such as bipolar through to the more common conditions like anxiety and depression. Around one in four people have suffered from a mental illness or are associated with someone who has and the annual cost of mental health problems in England is estimated at £77 billion. One in ten people in Europe have taken time off work with depression. Depressive illness is forecast by the World Health Organisation to be the second leading cause of global disability by 2020 if it is not addressed adequately.

Each week, around 104 people in the UK will take their own lives. A total of 2,038 adults will be admitted to hospitals in England and there will be around five million inpatient days per year. There will be 912 detentions under the Mental Health Act 1983 of which around 385 will be voluntary admissions.

Every year, 33 million prescriptions for anti-depressants are written in England and 16 million for sleeping pills, anti-anxiety drugs or tranquillisers. Mental health illness does not discriminate, it impacts people of all ages and economic backgrounds. Some illnesses are clinically diagnosed whereas others are not which makes it difficult to determine the number of people requiring mental health service provision.

Our affiliation to the Mind Network and funding limited the services we provided to those who are resident in Sandwell. However, we recognised that there is a wider call in terms of geographically and service delivery for both our expertise and services in addressing mental health, wellbeing and its associated issues. Therefore, the Trustees took the decision to leave the Mind network on 31st March 2013 and rebranded as the Kaleidoscope Plus Group to ensure we could serve and meet the needs of a wider network.

At Kaleidoscope Plus Group, equal access to all of our services is of paramount importance. We monitor our performance against both contractual and sector expectations across all service areas to ensure that effective services are implemented, any gaps are easily identified and work with a wide range of Commissioners to develop appropriate interventions.

Any weaknesses identified are included within the charity's Service Improvement Plan which is reviewed annually. We believe that equal access to our services is vital to our success and that successful outcomes must be shared by all sections of the community.

TRUSTEES' REPORT (continued)

4 Activities undertaken during the year

Our main activities for the year continued to meet Kaleidoscope Plus Group's Mission and Aims and were implemented through the provision of a number of services

Residential Care

Nicholl Grange Care Home

Residential care for 14 people structured to comprise a 10-bed unit with 4 one-bedroom flats in West Bromwich. The staff team provide care and support 24 hours a day. The home caters both for people who have a long-term need for such a setting, as well as for some who wish to develop their independent living skills prior to moving on. In addition there are four one-bedroom flats attached to this scheme where the residents receive support from the care home staff to facilitate a greater degree of long-term independent living. Without such a service, local people suffering from mental health illness would not be able to gain the support and confidence to live fulfilling and independent lives.

The Gables Care Home

Residential care for individuals in a 14-bed unit in Smethwick. The staff team provide care and support 24 hours a day. The home caters both for people who have a long-term need for such a setting as well as some who wish to develop their independent living skills prior to moving on. Again, services of such a nature are limited within the Sandwell borough meaning that its provision allows the organisation to meet its aims around recovery and inclusion.

Expenditure on Residential Care during the year was £1,001,947 an increase of £27,061 on the previous year.

Supported Accommodation

Parkside Place

This replaced The Willows in June 2010 and offers 10 units of accommodation for a period of up to two years for individuals who do not need residential care, but who do benefit from low-level support from staff who visit on a regular basis.

Gharana

This is a scheme of 13 one-bed roomed flats in Smethwick providing supported housing for a period of up to two years for people who have mental health challenges. This service is specifically aimed at the needs of the Asian community to who are traditionally excluded, to ensure their needs can be met. The service also helps to raise awareness of mental health issues in a community where often such illnesses are stigmatised. This in turn also helps the organisation to meet its aims of raising awareness.

Supported Flats Scheme

A scheme of 33 one-bed roomed flats dispersed throughout Sandwell providing long and short term supported housing for people who have mental health issues.

Expenditure on Supported Accommodation during the year was £907,841 a reduction of £92,761 on the previous year.

TRUSTEES' REPORT (continued)

Community Services

SORT Scheme

A Floating Support scheme supporting 135 people who have mental health issues and challenges which helps them maintain independent living in their own homes

Community Wellbeing

Community Wellbeing's services are available on a self-referral basis. They are well attended and open to anyone wishing to improve their wellbeing and to better manage their own mental health.

Community Wellbeing services include the following strands

- wellbeing group therapies — food & mood, yoga, tai chi, relaxation,
- self-help support groups,
- educational & vocational groups,
- social, leisure & physical groups and events,
- individual therapies — aromatherapy massage, reflexology,
- information, advice and signposting,
- ecotherapy groups,
- self-help skills development sessions and courses,
- specific interest groups — community drop-in, spirituality,
- creative and art therapies/groups,
- counselling services

Some groups are limited to specific demographic groups — for example gender specific, BME (Black & Minority Ethnic) groups and those who are experiencing specific mental health challenges

Community Engagement

During the year, the Community Engagement service which was introduced during the previous year to form connections and links between the community and the organisation and empowered service users to both engage with the organisation and the community, continued to develop

IAPT – Talking Therapies

The service is for individuals who are experiencing mild to moderate anxiety or depression and is delivered on a one-to-one basis using Cognitive Behaviour Therapy techniques. The service operates at step 2 of the stepped care model and referrals to the service are made via GP's

Khushi

The Khushi Service is a mental health and wellbeing support service aimed specifically at the Asian female community and assists them via providing support sessions on a group and one-to-one basis

Telephone Support

This service provides telephone support on a referral basis to service users who are leaving hospital care and require some support in adjusting from the hospital environment to being in a community environment

Expenditure on Community Services during the year was £837,779, an increase of £309,311 on the previous year

Awareness Raising and Publicity

During the year, Kaleidoscope Plus Group worked across the communities of the Black Country to raise awareness, challenge stigma, contribute to local policy and service development, and ensure that services are equally available and accessible to all members of the community

The organisation worked in partnerships throughout the year to ensure that various campaigns such as 'Time to Change' and National Mind week are all promoted

Expenditure on Awareness Raising and Publicity during the year was £25,959, an increase of £22,518 on the previous year

Training

There are two aspects to the training service. It provides an internal training service to all staff, in particular those staff who are in the forefront of the organisation's work, particularly in Care, Support & Community Services. Internal training offers a service which ensures our staff is well versed in the full range of legislative and specialist knowledge relevant to their area of work to enable them to provide competent services of a high standard.

There is also an external training service which offers training courses regarding specific mental health and wellbeing issues regarding mental health and related issues to a range of organisations. There are a number of staff who are now qualified trainers and carry out training in specific areas of mental health. Training for users of other services and the general public relating to mental health and the range of self help issues is also provided.

We also provide a programme of Student Placements for students in their first, second and third year of study and who attend a University in the Midlands area which sees students attend the organisation as part of their course and studies to work with different areas of Care, Support and Community Services for set periods of time.

Expenditure on Training provided externally during the year was £38,711 an increase of £20,309 on the previous year.

TRUSTEES' REPORT (continued)

Achievements and Performance

In addition to the performance mentioned above, a number of more general matters are worthy of note

- Nicholl Grange and The Gables continue to hold a 3 star rating, the highest that can be achieved
- Additional services are being tendered for and secured such as the Khushi Service and Telephone Service
- The Wellbeing Service continues to attract interest nationally from other providers as an example of excellence. This service is also being operated in other areas and funded from the charity's surpluses
- The delivery of an Improving Access to Psychological Therapies project, allows the organisation to employ one manager, ten trainee practitioners who are all now qualified and one data officer. Funding for this project is circa £378,000 per annum. In addition, the organisation has also taken on six additional trainee practitioners throughout the year who are fully funded by the NHS and PCT of which three are now fully qualified
- The housing services occupancy and service utilisation rates for the year to 31st March 2013 were as follows

	Year to 31/03/2013	Year to 31/03/2012
Project	Occupancy	Occupancy
	%	%
Nicholl Grange Care Home	90.6	88.5
The Gables Care Home	86.8	90.9
Supported Accommodation - Supported Housing	96.7	99.1
Average (weighted for no. of units)	91.4	92.8
	Service Utilisation	Service Utilisation
	%	%
Supported Accommodation - Supported Housing Long-Term	100.0	100.8
Supported Accommodation - Supported Housing Short-Term	98.1	117.1
Supported Accommodation - SORT Floating Support	103.3	125.3
Average (weighted for service capacity)	100.5	114.4

TRUSTEES' REPORT (continued)

5. Financial Review

The Trustees note that the results show that the Charity's total income before gains on investments of £2,897,662 exceeded its expenditure by £48,883. This compares with a figure of £306,394 in 2011/12. The excess of income over expenditure is primarily due to income generated via surpluses on individual project budgets, the delivery of training services external to the organisation and income from bank interest on funds held by the Association. Trustees are pleased to note the increase in the General (unrestricted) fund to £2,291,446 (2011/12 - £2,148,078).

Reserves and Investment

The reserves policy of the Charity, developed in line with the recommendations of the Charity Commission, has highlighted the need to maintain the level of reserves to equate to budgeted running costs for four months plus staff related contingency costs making the requirement approximately £950,000. At the year end, free reserves stood at £1,999,641 which is general funds after the financing of tangible fixed assets.

The charity's investment policy which was to invest in a low risk discretionary fund was implemented by the investment managers who report on a regular basis to the Board of Trustees. In light of the charity re-positioning, the investment policy will be reviewed to ensure it is operating to its full potential whilst remaining within the responsibility of the Trustees' stewardship.

Looking forward to future financial years, the Trustees are mindful of the fact that funding levels for specific services have been reduced, and that these parallel national reductions. Therefore, the Trustees are of the view that the organisation must positively respond to the large scale reduction and "shift" in public sector service funding and addressed the restrictive nature of the affiliation to the Mind network which they felt was preventing a re-positioning of the organisation.

The Trustees were of the view that to positively respond to the economic changes and improve the organisation's delivery and financial performance, it would need to widen both its geographical and service delivery areas beyond the boundaries of Sandwell and mental health. Following a positive response from Service Commissioners, Service Users, staff and the general community during the latter part of the financial year, the Trustees positively re-positioned the organisation by disaffiliating from Mind and expanding the service provision to include mental health and wellbeing to ensure sustainability and a sound financial future.

The Charity also continued its search for freehold premises and extended the search to include long leasehold premises due to the lack of freehold property available. In the latter part of the year and early part of the following year, the subsidiary company identified and subsequently purchased a property with a loan of £930,000 from the charity which has been given to the subsidiary company on commercial terms. The free reserve levels have subsequently reduced by £930,000 post balance sheet and ensures the contingency costs of £950,000 are retained.

Given the poor return being achieved on the bank deposit accounts, the Trustees continued to invest some of the reserves with investment managers. At the start of the financial year, there was £830,000 with the investment managers and a further £800,000 was invested soon after making a total of £1.63m in the investment funds. At the end of the financial year, a net withdrawal of £900,000 was made to enable the charity to make a loan to the subsidiary company to enable the purchase of the leasehold property which completed on 17th May 2013.

6. Risk Management

The Trustees have introduced a formal strategic risk management process to assess business risks and implement a risk management strategy. Operational risk assessment and management addresses the following areas, all of which are reviewed on an annual basis - Loss of income, Risk of Adverse Publicity, Loss of Key Staff, Loss of Management Committee Members, Lack of Organisational Vision, Breach of Health & Safety, Financial Fraud or Error, Business Interruption/Contingency, and ICT failure. A full scale review has been undertaken to ensure that all risks have been identified, are reported at agreed frequencies and as set out in the Risk Management Strategy, and that a risk register is adopted to evidence action against highlighted risks.

TRUSTEES' REPORT (continued)

7. Future Operations

In March 2013, the Trustees took the decision to leave the Mind network and rebrand as the Kaleidoscope Plus Group to ensure our services would meet and serve the needs of a wider geographical network and a wider service provision whilst ensuring mental health and wellbeing remains the key focus

Kaleidoscope Plus Group is continuing a process of an on-going service review to ensure that relevance of service and quality, remain a key focus. The charity has developed and positioned itself to flexibly respond to necessary major changes regarding public sector delivery and commissioning of services and recognises that this will be an on-going necessity for the foreseeable future whilst Commissioners develop their own response to the vast high level economic changes currently being implemented at Government departmental level

Following disaffiliation from the Mind network, the charity is making significant progress in developing its work in the wider Black Country region. Services currently in the form of a Wellbeing Service has been carried out in the Walsall and Wolverhampton areas and we continue to develop collaborative working with partners to both share and develop resources, skills and expertise in the wider Midlands area. In addition, Kaleidoscope Plus Group have also identified and secured opportunities for a wide range of services across the Midlands region which have a mental health connotation for which Tenders for service delivery continue to be submitted

When it reviewed its community engagement delivery and service model in 2011, Kaleidoscope Plus Group considered community engagement to be a key role in service development and implemented a methodology which addressed the unique potential of the organisation to promote and facilitate social inclusion and community integration, and the essential role of raising the profile and reducing stigma relating to mental health. This has proved fruitful with the growth of the community engagement model and a number of community engagement services now being delivered on behalf of the statutory agencies

This has also enabled the charity to continue to make good progress with the work of building a volunteering network and services both internal and commissioned services which are aimed at greater and more focussed emphasis on service user involvement to ensure that practices, from the development of policies and procedures to specific service provision actively takes on the views of those individuals whom the organisation aims to serve

Kaleidoscope Plus Group's training activities are being further developed to ensure internally, our organisational development plans ensure staff are well trained and equipped to deliver quality services

Our external training service is also being developed to the wider social and business communities to respond to a market demand for employee training requirements in mental health issues specifically from the corporate sector

It has been an objective of the Trustees to locate to a permanent base to operate from and as such, funds have been set aside for a number of years to serve this purpose. Towards the end of the financial period of 2012-13, a building was identified which will give the charity a base and also give an additional income stream for the future in the form of lease agreements with tenants. After the year end, the building has been purchased and is owned by the trading subsidiary, Kaleidoscope Plus Commercial Ltd and all profits will be donated to the charity

8. Statement Regarding Information Given to the Auditor

Each of the Trustees has confirmed that so far as s/he is aware, there is no relevant audit information of which the company's auditor is unaware, and that s/he has taken all the steps that s/he ought to have taken as a Trustee in order to make her/himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

9 Basis of Accounting

These accounts have been drawn up in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in November 2005 ("SORP 2005") revised in 2008, and in accordance with Part 15 of the Companies Act 2006 relating to small companies

This report was approved by the Executive Committee on 1st October 2013 and signed on its behalf by


P Naughton
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KALEIDOSCOPE PLUS GROUP

We have audited the financial statements of Kaleidoscope Plus Group for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet and the related notes. 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).

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 31 March 2013 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, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made,
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report

BDO LLP

Tobias Stephenson Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Birmingham
United Kingdom
Date 17 October 2013

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

STATEMENT OF FINANCIAL ACTIVITIES

	<u>Notes</u>	Unrestricted Funds Total 2013 £	Unrestricted Funds Total 2012 £
Incoming resources			
Incoming resources from generated funds			
Voluntary income			
Donations		670	1,124
Activities for generating funds			
Fundraising		1,194	3,577
Investment income			
Bank interest		3,282	3,225
Dividend income		45,277	43,352
Incoming resources from charitable activities			
Contract and charges			
Residential care		842,582	833,128
Supported accommodation		1,062,889	1,157,649
Community services		904,012	778,104
Training		37,756	48,664
Total incoming resources	2	2,897,662	2,868,823
Resources expended			
Charitable expenditure			
Residential care	4	1,001,947	974,886
Supported accommodation	4	907,841	1,000,512
Community services	4	837,779	528,468
Training	4	38,711	18,402
Awareness raising & publicity	4	25,959	3,441
Governance costs	4,5	36,542	36,720
Total Resources expended	4	2,848,779	2,562,429
Net incoming resources		48,883	306,394
Realised gains on investments		38,988	12,910
Unrealised gains / (losses) on investments		55,497	(45,798)
Net movement in funds		143,368	273,506
Fund balances brought forward at 1 April 2012		2,148,078	1,874,572
Fund balances carried forward at 31 March 2013		2,291,446	2,148,078

All amounts relate to continuing operations

INCOME AND EXPENDITURE ACCOUNT

	2013 £	2012 £
Income	2,849,103	2,822,246
Operating expenses	<u>2,848,779</u>	<u>2,562,429</u>
Operating Surplus	324	259,817
Interest and similar income receivable	48,559	46,577
Surplus before (losses) / gains on investments	<u>48,883</u>	<u>306,394</u>
Realised (losses) / gains on investments	<u>38,988</u>	<u>12,910</u>
Surplus for the year	<u>87,871</u>	<u>319,304</u>

All amounts relate to continuing operations

No provision for taxation is necessary The company is a registered charity and has no taxable income

BALANCE SHEET AS AT 31 MARCH 2013

	Notes	2013		2012	
		£	£	£	£
Fixed assets					
Tangible assets	7		291,805		27,916
Investments	8		720,642		830,780
Current assets					
Debtors	9	288,203		255,404	
Cash at bank and in hand		<u>1,195,997</u>		<u>1,246,811</u>	
		1,484,200		1,502,215	
Creditors: amounts falling due					
Within one year	10	<u>(205,201)</u>		<u>(192,833)</u>	
Net current assets			<u>1,278,999</u>		<u>1,309,382</u>
Total assets less current liabilities			2,291,446		2,168,078
Provisions for liabilities and charges	11		-		(20,000)
Net assets	12		<u>2,291,446</u>		<u>2,148,078</u>
Unrestricted funds	13				
Designated funds		750,000		750,000	
General funds		<u>1,551,446</u>		<u>1,398,078</u>	
			2,291,446		2,148,078
Total funds			<u>2,291,446</u>		<u>2,148,078</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The accounts were approved by the Trustees and authorised for issue on 1st October 2013 and signed on their behalf by

P Naughton

D Saunders




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TRUSTEES



NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The main accounting policies adopted in the preparation of these accounts are

a) Basis of accounting

These accounts have been drawn up under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in November 2005 ("SORP 2005" revised 2008) and the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company's subsidiary undertakings are both dormant companies and therefore the company is exempt from preparing consolidated financial statements under s402 of the Companies Act 2006

These financial statements therefore present information about the parent undertaking as an individual company and not about its group

b) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity and which have not been designated for other purposes

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes that do not contain legally binding restrictions

c) Incoming resources

Donations, legacies and grant income are on a receipts basis unless the subject of a contractual commitment by the donor when they are accounted for on a receivable basis

Income from rents and charges is recognised on an accruals basis according to chargeable occupancies

Income on bank deposits is accounted for on the accruals basis. Income from quoted investments is recognised at the date the dividend is due

d) Resources expended

Resources expended include all costs incurred and accrued as at the balance sheet date

Support costs, which include the central office functions such as general management, payroll administration budgeting and accounting, care and support services management, information technology and human resources are allocated across the categories of charitable expenditure, in proportion to total direct spend in each activity

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

Charitable activities

Costs of charitable activities comprise all costs identified as wholly or mainly attributable to achieving the charitable objects of the charity, including the costs of disseminating information in support of charitable activities. These costs include staff costs, wholly or mainly attributable support costs and an apportionment of general overheads.

Governance costs

Governance costs comprise all costs identified as wholly or mainly attributable to ensuring public accountability of the charity and its compliance with regulation. These costs include external and Trustee costs.

e) Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Assets costing less than £500 are fully expensed in the year of purchase. Assets costing above this amount are capitalised as tangible fixed assets.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives at the following annual rates using the straight-line method:

Furniture, fittings and equipment	20.0%
IT equipment	33.3%
Motor vehicles	25.0%

f) Gifts in kind

The value of the work done by volunteers is of significant value to Kaleidoscope Plus Group and to the people who use its services. The work of volunteers is greatly appreciated, but in accordance with the SORP no monetary value has been placed on their contribution in the financial statements.

g) Taxation

No corporation tax has been provided in these accounts because the income of the Charity is within the exemptions granted by Sections 466 to 493 of the Corporation Taxes Act 2010.

h) Operating lease rentals

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the lease term.

i) Investments

Investments, other than investments in subsidiary undertakings have been included at market value as at the balance sheet date. Gains and losses arising from the disposal of investments are calculated at net sales proceeds less carrying value. Unrealised gains and losses on the revaluation of investments are recognised in the statement of financial activities.

Investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

j) Pensions

The charity contributes to employees' personal pension plans. The pension charge in the accounts reflects contributions paid by the charity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 Incoming resources by source

	2013	2012
	£	£
Supporting people	832,842	957,694
Rents & charges received	1,007,926	976,284
Sandwell PCT and Sandwell MBC	779,439	755,108
Sandwell MBC - Voluntary Sector Support	77,899	75,629
Investment income & interest	48,559	46,577
Other income	148,810	52,830
Charitable donations	2,187	4,701
	<u>2,897,662</u>	<u>2,868,823</u>

3. Net incoming/outgoing resources

These are stated after charging

	2013	2012
	£	£
Auditor's remuneration		
Audit	9,500	9,200
Other	1,600	15,988
Depreciation	<u>82,541</u>	<u>44,467</u>

4. Total resources expended

	Staff Costs	Depre- ciation	Other costs	Total 2013	Total 2012
	£	£	£	£	£
Costs of charitable activities					
Residential care	736,176	17,885	247,886	1,001,947	974,886
Supported accommodation	618,251	28,265	261,325	907,841	1,000,512
Day services	677,328	34,652	125,799	837,779	528,468
External training	36,962	1,623	126	38,711	18,402
Awareness raising & publicity	3,660	25	22,274	25,959	3,441
Governance	5,462	91	30,989	36,542	36,720
	<u>2,077,839</u>	<u>82,541</u>	<u>688,399</u>	<u>2,848,779</u>	<u>2,562,429</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Support costs

	Finance/ admin & general manage- ment £	HR £	IT £	Internal training £	Total 2013 £	Total 2012 £
Cost of charitable activities						
Residential care	148,194	29,639	14,819	14,819	207,471	186,607
Supported accommodation	112,268	22,454	11,227	11,227	157,176	175,270
Day services	152,685	30,537	15,269	15,269	213,760	130,039
External training	4,491	898	449	449	6,287	5,654
Awareness raising & publicity	337	67	34	34	472	425
Governance costs	14,898	2,980	1,490	1,490	20,858	21,023
	432,873	86,575	43,288	43,288	606,024	519,018

Governance costs comprise

	2013 £	2012 £
Apportionment of costs supporting governance activities	20,858	21,023
Professional fees	-	1,921
Trustees costs	171	632
Audit fees	11,400	9,200
Other	4,113	3,944
	36,542	36,720

6 Staff costs

	2013 £	2012 £
Wages and salaries		
Payroll	1,838,918	1,549,255
Employers social security costs	149,543	128,211
Employers pension costs	16,765	13,413
	2,005,226	1,690,879
Agency costs	69,759	237,770
Recruitment costs	2,854	12,845
	2,077,839	1,941,494

One employee earned in excess of £60,000 per annum (2012 – one) with associated pension costs being £2,707 for the period (2012 – £2,156)

The average number of full-time employees excluding agency workers, analysed by function is

	2013 Number	2012 Number
Direct charitable services	67	57
Management and administration	17	14
	84	71

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 Tangible fixed assets

	Assets Under Construction	Leasehold Improve- ments	Centre Furniture and equipment	Office furniture and equipment	Total 2013
	£	£	£	£	£
Cost					
At 1 April 2012	-	-	259,982	101,866	361,848
Additions	38,009	102,218	13,458	192,745	346,430
Disposals	-	-	-	(792)	(792)
Cost at 31 March 2013	38,009	102,218	273,440	293,819	707,486
Depreciation					
At 1 April 2012	-	-	245,913	88,019	333,932
Charge for year	-	26,671	17,415	38,455	82,541
Disposals	-	-	-	(792)	(792)
Depreciation at 31 March 2013	-	26,671	263,328	125,682	415,681
Net book amount at 31 March 2013	38,009	75,547	10,112	168,137	291,805
Net book amount at 1 April 2012	-	-	14,069	13,847	27,916

Included in tangible fixed assets are assets with a net book value of £44,375 (2012 -£10,864) used for management and administration

8 Investments

	2013 £	2012 £
Opening Balance at 1 April 2012	826,307	1,042,074
Additions at cost	876,073	625,466
(Losses) / gains on investments	55,497	(45,798)
Disposals	(1,041,276)	(795,435)
Market value at 31 March 2013	716,601	826,307
Cash Held on Deposit	3,941	4,473
	720,542	830,780
Investment in subsidiary undertakings	100	-
	720,642	830,780
	2013 £	2012 £
Market value at 31 March 2013 comprises		
Listed investments - UK	200,648	478,263
- Overseas	515,953	348,044
Cash held on deposit	3,941	4,473
	720,542	830,780

There are 6 investments that are between 5% and 15% of the total portfolio value

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Investments (continued)

The Charity acquired 100% interest in the following dormant subsidiary undertakings

	Capital & Reserves 2013 £	Capital & Reserves 2012 £
Kaleidoscope Plus Commercials Ltd (formerly Black Country Consulting Ltd) – Sandwell Mind	100	-
(formerly Kaleidoscope Plus Group) – limited by guarantee	-	-
	<u>100</u>	<u>-</u>

The charity own 100% of the ordinary share capital of Kaleidoscope Plus Commercials Ltd and is the sole member of Sandwell Mind

9 Debtors

	2013 £	2012 £
Rents, charges and housing benefit	87,822	26,310
Prepayments and accrued income	55,793	63,193
Other debtors	144,588	165,901
	<u>288,203</u>	<u>255,404</u>

10. Creditors: amounts falling due within one year

	2013 £	2012 £
Rents, charges and housing benefit	24,530	4,919
Other taxation and social security	41,063	48
Accruals	30,779	15,573
Deferred income	31,964	96,959
Other creditors	76,865	75,334
	<u>205,201</u>	<u>192,833</u>

	2013 £	2012 £
Deferred Income		
Brought forward	96,959	-
Released in year	(147,959)	-
Received	82,964	96,959
	<u>31,964</u>	<u>96,959</u>

Pension contributions of £2,816 (2012 - Nil) were outstanding at the year end

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Provisions for liabilities and charges

	2013 £	2012 £
Opening balance	20,000	67,363
(Decrease)/Increase in provision	(20,000)	(47,363)
Closing balance	-	20,000

The provision relates to obligations under contractual liabilities

12 Analysis of net assets between funds

	Unrestricted fund £	Restricted fund £	Total funds £
Fund balances at 31 March 2013			
Are represented by:			
Fixed assets	1,012,447	-	1,012,447
Net Current assets	1,278,899	-	1,278,899
Provisions	-	-	-
	<u>2,291,446</u>	<u>-</u>	<u>2,291,446</u>

13 Statement on movement of funds

	Balance at start of year £	Incoming £	Outgoing £	Transfers/ gains £	Balance at end of year £
Unrestricted funds					
Designated fund	750,000	-	-	-	750,000
General funds	1,398,078	2,897,662	2,848,779	94,485	1,541,446
Total unrestricted fund	<u>2,148,078</u>	<u>2,897,662</u>	<u>2,848,779</u>	<u>94,485</u>	<u>2,291,446</u>

Designated funds relate to funds set aside for the purpose of making a loan to a subsidiary undertaking to enable it to purchase a leasehold property – see Note 17

14 Transactions with Trustees

The Trustees received total expenses of £500 (2012 £632) in the period as reimbursement of the costs of travelling to meetings

The Trustees received no remuneration in the year (2012 £nil)

Insurance to indemnify the Trustees against default on their part is included as part of the overall insurance package purchased by the charity

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 Operating leases

Annual rentals payable under operating leases are due as follows

	2013		2012	
	Land and buildings £	Office Equipment £	Land and Buildings £	Office Equipment £
Within one year	20,795	-	9,012	2,212
Within two to five years	-	12,557	-	6,486
	<u>20,795</u>	<u>12,557</u>	<u>9,012</u>	<u>8,698</u>

Operating lease rentals of £34,875 (2012 - £21,239) were spent in the period in relation to land and buildings and £8,734 (2012 - £6,487) in relation to office equipment

16 Joint venture

During the prior year, the charity entered in to a joint venture arrangement in Health for Living Limited, a company limited by guarantee, with three other parties. The company is engaged in carrying out activities which are for the betterment of health and wellbeing.

The charity owns 25% of the company and its share of the trading results and assets and liabilities are as follows

	2013 £	2012 £
Turnover	95,580	29,685
Operating expenses	(86,600)	(18,333)
Operating profit / (loss)	<u>8,980</u>	<u>11,352</u>
Taxation	(1,732)	(2,270)
Profit after tax	<u>7,248</u>	<u>9,082</u>
Fixed assets	568	-
Current assets	22,973	11,352
Current liabilities	(7,138)	(2,270)
Liabilities due after more than one year	-	-
Net assets	<u>16,403</u>	<u>9,082</u>

17 Post Balance Sheet Events.

Following taking investment advice from independent professionals, on 17 May 2013, the charity made a loan of £930,000 to a subsidiary undertaking, Kaleidoscope Plus Commercial Ltd to enable it to acquire a 99 year lease of Hawthorns House, the premises from which the group operates

The loan is secured by a debenture over the assets and a charge over the property. It is repayable over a period of 15 years at an interest rate of 5% above the base rate of The Bank of England as varied from time to time

Following agreement of the Board of Trustees and consultation with the Charity Commission and Companies House, two members of the Executive Team have joined the Board of Trustees. Monica Shafaq, Chief Executive & Company Secretary, and Louise Biffin, Director of Finance joined the Board of Trustees in August 2013