



## **Kaleidoscope Plus Group**

### **Trustees' Report and Group Financial Statements**

#### **For the Year Ended 31 March 2016**

**Company Number 04660523**  
**Registered Charity Number: 1096473**



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**REFERENCE & ADMINISTRATION INFORMATION****Charity Name:**

Kaleidoscope Plus Group

**Registered Charity No**

1096473

**Registered Company No**

04660523

**Registered Office**

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

**Auditor**

PKF Cooper Parry Group Limited  
8 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1QT

**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

**Investment Managers**

Quilter Cheviot  
39 Bennetts Hill  
Birmingham  
B2 5SN

**Chief Executive and Company Secretary**

Monica Shafaq

**Executive Officers**

Claire Dale – Director of Operations (Deputy Chief Executive)  
Kate Hepburn – Director of Human Resources (resigned 30 June 2015)

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## **TRUSTEES' ANNUAL REPORT**

### **For the year ended 31 March 2016**

The Trustees present their report and accounts for the year ended 31 March 2016

#### **1. Structure Governance and Management**

##### **Board of Trustees**

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are set out as follows:

Clarke Carlisle	Chair
Jagdish Gill (resigned 10 December 2015)	Trustee
Stephen Weaver (resigned 22 October 2015)	Trustee
Mark Wood	Trustee
Monica Shafaq	Trustee
Darren Moore	Trustee
Benjamin Purkiss	Trustee
Thomas Fletcher (appointed 21 May 2015 and resigned 10 August 2016)	Trustee
Sharon Rowe (appointed 21 May 2015)	Trustee
John Levy (appointed 14 July 2016)	Trustee

##### **Trustee and Directors induction and training**

Trustees who are new to the Board are inducted in their responsibilities as a Trustee together with the history and intended direction of the charity. They are provided with a copy of the constitution, current business plan and policies relating to confidentiality, safeguarding, terms of reference and our code of conduct amongst other overarching governance related information. Throughout the year, all Trustees are given regular training in key issues arising which are pertinent to the charity and their duties and responsibilities as trustees. They also receive training in Mental Health First Aid and Applied Suicide Intervention Skills Training for which we have accredited trainers.

On an annual basis, an "away day" is organised which concentrates on the key issues for the charity, allowing the board to take stock and consider future development, along with reviewing updates in charitable law, governance and how they impact on the duties of the Trustees.

All Trustees are encouraged to involve themselves in areas of particular interest to them through close involvement with the management, staff and users of the charity's services. This helps Trustees to develop the overall strategic direction and does not detract from the Trustees primary responsibilities to the charity.

##### **Organisational Structure**

The Kaleidoscope Plus Group 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 Trustees elect officers at the Annual General Meeting including a Chair from amongst their number. The Trustees set 'role descriptions' and 'person specifications' in respect of the officer roles (Chair) and the general Trustee role.

##### **Pay Policy for senior staff**

All Trustees give their time freely and no trustee with the exception of travel expenses, received remuneration in the year.

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**TRUSTEES' ANNUAL REPORT (continued)**  
**For the year ended 31 March 2016**

The key management staff are the Chief Executive and Director Of Operations. Due to the challenging economic environment, staff pay including key staff was not reviewed during the year and with the exception of the contractual incremental increases due, no cost of living awards were applied. The charity aims to review pay in the forthcoming year.

During the year, two new members have joined the board whilst two members have left the board. A structured recruitment is taking place to attract new members to the board.

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 also a Finance & General Purposes Committee which meets 'virtually' ensuring all board members are able to participate and contribute.

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 61 staff report to the Chief Executive through a Director of Operations who is also the Deputy Chief Executive.

### **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 a quarterly 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.

A total of 35 risks are currently being monitored. A traffic light system is used to rate them. Risks scoring between 15 – 24 (based on likelihood and impact) are rated as red. Those scoring between 8 – 14 are rated amber and risks scoring below 7 are rated as Green.

Only three of the 35 risks are identified as red, two of which relate to the charities subsidiary company, Kaleidoscope Plus Commercials. The third red risk identified is the possibility that commissioned contracts could end without replacement, however we recognise that this is a risk which is unlikely to change in the foreseeable future due to the economic climate the third sector is currently working in. Having said that, the charity has done well to secure alternative contracts and maintain a similar level of income as previous years.

See below the risk register where the key risks have been identified:

**TRUSTEES' ANNUAL REPORT (continued)**  
**For the year ended 31 March 2016**

<b>Risk Description</b>	<b>Vulnerability</b>	<b>Impact / Consequence</b>	<b>Mitigation</b>
Adverse publicity appears in the media.	The reputation of KPG could be damaged	Public sector agencies could withdraw service delivery contracts impacting on both service users and KPG	<ul style="list-style-type: none"> <li>• Ensure quality services at all times,</li> <li>• Ensure adequately experienced and trained staff are employed to deliver service contracts</li> <li>• Ensure accurate and timely data is reported</li> </ul>
The Long Term sustainability is threatened	With the exception of the Registered Care Home, the contract services are relatively short term.	As service contracts expire, there is no continuity of service or funding.	<ul style="list-style-type: none"> <li>• Continue to raise the profile of the Group at regional and local events</li> <li>• Develop / manage partnership working with key statutory agencies</li> <li>• Develop a diverse portfolio of health projects and delivery</li> <li>• Ensure KPG is at the forefront of the development of new service provision</li> <li>• Use high profile media channels to help raise the profile of KPG</li> <li>• Ensure the relevant bid writing skills are deployed to put together the bids to retain services</li> <li>• Ensure adequate time to develop bids is allocated</li> </ul>
Governance structure is not adequate to support the objectives and development plans for the charity	The charitable status is put at risk if non charitable activity is carried out under the charity umbrella	The charity could lose the charitable status and be subject to Corporation Tax	<ul style="list-style-type: none"> <li>• Review the governance structure to ensure all activity meets the charity's objectives</li> <li>• Review the business activity to ensure it remains a charitable object</li> <li>• Inform and discuss with Trustees of necessary mitigation governance solutions</li> </ul>
Advice on Treasury exposes the charity to unnecessary risk	Treasury Investments are over exposed to risk of either under-performing or loss of principle investment	Cash reserves invested in higher interest investments are diminished	<ul style="list-style-type: none"> <li>• Contract an experienced portfolio investment organisation</li> <li>• Take references before appointing</li> <li>• Board to receive regular investment evidenced reviews</li> <li>• Regularly review other possible investment opportunities to ensure the most appropriate ways are being maximised</li> <li>• Review the Investment Management team to ensure they are implementing appropriate investments for charities.</li> </ul>

**TRUSTEES' ANNUAL REPORT (continued)**  
**For the year ended 31 March 2016**

The management structure is not adequate to manage the organisation under the direction of the Board.	Inadequate Management structure is put in place and posts are vacant and not filled	The charity is unable to deliver objectives, contracts and projects	The charity is unable to retain current business and unable to attract new business.	<ul style="list-style-type: none"> <li>• Create a management structure which is capable of delivering the objectives of the charity,</li> <li>• The management structure needs to be able to "grow" the business</li> <li>• Employ personnel who are able to deliver the charitable objectives and develop the business</li> <li>• Review structure on a regular basis to ensure "fit for purpose"</li> </ul>
IT infrastructure is not adequate to support the operation	The IT equipment fails	The security and accessibility of the information held on the IT system	There is a breakdown of IT equipment due to age and / or inadequacy of the equipment resulting in a breach of security of the data held and / or loss of data	<ul style="list-style-type: none"> <li>• Ensure a reputable and able IT system support organisation are contracted for IT support</li> <li>• Contract them to carry out regular reviews of the condition and capacity of the equipment to ensure it is still service worthy and report back to CEO on a regular basis</li> <li>• Ensure system back-ups are carried out at a minimum of daily and there is a policy for storage of the data which is adhered to</li> <li>• Ensure the systems are secure and free from any unauthorised access</li> <li>• Carryout a scoping exercise bi-annually to ensure current IT infrastructure is adequate</li> </ul>

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**TRUSTEES' ANNUAL REPORT (continued)**  
**For the year ended 31 March 2016**

**OBJECTIVES AND ACTIVITIES**

The objects of The Kaleidoscope Plus Group are:

*.... to promote and support better health and wellbeing across our area of operation...*

**Our Aims:**

<b>Recovery</b>	To deliver high quality and appropriate services for people who experience ill health, promoting recovery, independence and integration at all times.
<b>Inclusion</b>	To facilitate and support community integration and participation for people with health problems.
<b>Awareness</b>	to raise awareness of health issues across the communities we serve; to challenge stigma associated with mental illness; to promote and support positive health and wellbeing across communities.

The Kaleidoscope Plus Group's Core Values are as follows:

<b>Quality</b>	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.
<b>Access and Equality</b>	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 health services and support exists for diverse communities and to develop structures to address them 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.

<b>Partnership</b>	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 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.
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<b>Sustainability</b>	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.
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**TRUSTEES' ANNUAL REPORT (continued)**  
**For the year ended 31 March 2016**

The trustees recognise there is a need to be innovative regarding income generation and to this end, the wholly owned trading subsidiary Kaleidoscope Plus Commercials Ltd was established which carries out all non-primary purpose trading and donates its profits to the charity.

The trading subsidiary took ownership of a building in May 2013 on a long lease, at a total cost of £773,172. Due to the poor trading results of Kaleidoscope Plus Commercials Ltd the directors of the charity have made a decision to exercise the debenture and effectively call in the loan. This will result in Kaleidoscope Plus Commercials Ltd being liquidated in the 2016/17 financial year and therefore the financial statements are not prepared on a going concern basis. The property, plant and equipment will transfer to the parent company the charity.

**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. This will remain under review.

Mental Health covers a wide spectrum of illnesses from psychotic disorders such as bipolar through to the more common conditions such as 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.

At The 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.

Our main activities for the year continued to meet The 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

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**TRUSTEES' ANNUAL REPORT (continued)**  
**For the year ended 31 March 2016**

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.

**Supported Accommodation**

*Parkside Place*

This offers 10 units of accommodation for a period of up to two years for individuals who are returning to independent living and who do not need residential care, but who do benefit from low-level support from staff who visit on a regular basis. The service provision here was remodelled in October 2015 to meet the support need priorities identified by the Local Authority.

*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 and are returning to independent living. This service specifically met the needs of the Asian community, however was included within a redesigned service by the local authority. The Kaleidoscope Plus Group was not successful in winning the service and the units were handed back to the landlord in October 2015.

**Community Services**

*SORT Scheme*

A Floating Support scheme which supports 100 people. Those who receive support have mental health issues and challenges and the SORT scheme helps them maintain independent living in their own homes.

*Community Wellbeing & Wellbeing + Service*

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. They are currently delivered in Sandwell, Walsall, Wolverhampton and Dudley. The services are funded by Sandwell Metropolitan Borough Council and the National Lottery respectively.

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.

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**TRUSTEES' ANNUAL REPORT (continued)**  
**For the year ended 31 March 2016**

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.

*Over 55's*

This service, similar to the Community Wellbeing Services is delivered in Wolverhampton to any individual aged over 55 and is directly delivered to support the public.

*Community Offer*

Again, as service directly for the benefit of the community in Sandwell, the Community Offer provides support, befriending and assistance with household chores/appointments to individuals aged over 65.

*Community Engagement*

The Community Engagement service was introduced in 2012 to form connections and links between the community and the organisation and empowered service users to both engage with the organisation and the community which continued to successfully develop. The service user groups have secured small project funding throughout the year and deliver a number of peer led groups, which not only helps participants but also aids and supports the recovery of those delivering the sessions,

*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 GPs. This service is delivered to adults in Sandwell and Children and Young People in Staffordshire.

*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.

*Suicide Awareness and Prevention Campaign*

This service offers accredited Mental Health First Aid and accredited Applied Suicide Intervention Skills Training to communities in Nottinghamshire. In addition a number of community workshops and bespoke frontline workers mental health training is delivered to raise awareness of mental ill health and suicide related issues.

In January 2016, the SOS – Silence of Suicide initiative founded by Michael Mansfield QC and his partner Yvette Greenway, following the death of Michael's daughter by suicide joined forces with The Kaleidoscope Plus Group. The aim of the initiative is to raise awareness of suicide and suicide related issues giving individuals the 'permission' to speak freely about any concerns without the fear of reprisal or stigma, this initiative works nationally.

**Awareness Raising and Publicity**

During the year, The Kaleidoscope Plus Group worked across the communities of the Black Country and beyond 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 Mental Health week are all promoted. The annual Charity Gala Ball held around World Mental Health Day also aims to raise awareness of these issues.

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## **TRUSTEES' ANNUAL REPORT (continued)**

### **Training**

The charity 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 are 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.

The charity also provide a programme of Student Placements for students in their first, second and third years 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.

There is also an external training service which is provided via the subsidiary company Kaleidoscope Plus Commercials Ltd, which offers training courses regarding specific mental health and wellbeing issues including 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.

**TRUSTEES' ANNUAL REPORT (continued)**  
**For the year ended 31 March 2016**

**ACHIEVEMENTS AND PERFORMANCE**

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

- Nicholl Grange continues to hold a 3 star rating, the highest that can be achieved.
- We have successfully remodelled the services delivered at Parkside Place to meet Local Authority priorities meaning we could retain a redesigned service following the loss of the original service through an unsuccessful tendering process.
- Additional services have been successfully tendered for such as a contract to deliver Mental Health First Aid and Applied Suicide Intervention Skills training in Nottinghamshire
- The Kaleidoscope Plus Group has successfully worked with our partners in our Health For Living consortium to transfer two services originally delivered by the NHS. One of these services is being directly managed by the charity.
- The charity has been recognised as one of Sunday Times Best 100 Companies to work for being placed at number 31 of the list in February 2016.
- We also continue to retain our Gold Investors In People Accreditation.

	Year to 31/03/16	Year to 31/03/15
Project	Occupancy	Occupancy
	%	%
Nicholl Grange Care home	97.1%	91.9%
Supported Accommodation - Supported Housing	96.0%	95.3%
Average (Weighted for no. units)	96.3%	94.2%
	Service Utilisation	Service Utilisation
	%	%
Supported Accommodation - Supported Housing Long Term	93.8%	100.0%
Supported Accommodation - Supported Housing Short Term	96.6%	94.6%
Supported Accommodation - SORT Floating Support	100.0%	100.0%
Average (Weighted for no. units)	99.1%	99.0%

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**TRUSTEES' ANNUAL REPORT (continued)**  
**For the year ended 31 March 2016**

**FINANCIAL REVIEW**

The Trustees note overall it has been a positive year for the group which is demonstrated in the results presented. The Group's income of £2,881,566 exceeded its total expenditure before gains on investments of £2,744,889 by £136,677. This compares with a deficit figure of £410,103 in 2014/15. The changing market and environment the charity operates in has restricted its access to new business. Public austerity has also adversely impacted on the performance, although action was taken during the year to reduce expenditure and identified efficiencies which helped the group produce a surplus. The General (unrestricted) fund has increased to £900,171 (2014-15, £661,013).

The trustees of Kaleidoscope Plus Group recognise that Kaleidoscope Plus Commercial Ltd the subsidiary has experienced a difficult period since it acquired the lease on the Hawthorns House Building. Due to the poor trading results of Kaleidoscope Plus Commercial Ltd the directors of the parent company The Kaleidoscope Plus Group have made a decision to exercise the debenture and effectively call in the loan. This will result in Kaleidoscope Plus Commercial Ltd being liquidated in the 2016/17 financial year and therefore the financial statements are not prepared on a going concern basis. The property, plant and equipment will transfer to the parent company the charity.

**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 a level of reserves equal to budgeted running costs including staff costs for four months (approximately £725,000). The current reserve levels meet this target.

The charity's investment policy was reviewed in the 2012/13 year and remains as investing in a low risk discretionary fund which was implemented by the investment managers who report on a regular basis to the Board of Trustees.

Looking forward to future financial years, the Trustees are mindful of the fact that funding levels for specific services have reduced, and that these parallel national reductions.

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 £518,000 with the investment managers which ended the year as £516,000. Due to tough economic conditions the investment portfolio value has been adversely affected.

**Future Operations**

In March 2013, the Trustees took the decision to leave the Mind network and rebrand as The Kaleidoscope Plus Group to ensure services met and serve the needs of a wider geographical network and a wider service provision whilst ensuring mental health and wellbeing remains the key focus. This has proven beneficial to the organisation as we have been able to react to the wider economical effects of government policy.

The 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. Over the past year, the charity has re-developed and re-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 excellent progress in developing its work in the wider Black Country region and beyond, including Staffordshire, Stoke On Trent and Cambridgeshire.

Kaleidoscope Plus Group also considers community engagement to have a key role in service development and has harnessed its unique potential to promote and facilitate social inclusion and community integration

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**TRUSTEES' ANNUAL REPORT (continued)**  
**For the year ended 31 March 2016**

by continuing to develop the bank of volunteers to help deliver the essential role of raising the profile and reducing the stigma related 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 by our pool of volunteers.

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

**Disclosure of information to auditors**

In so far as the directors are aware:

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

**Auditors**

The business of Clement Keys LLP merged with PKF Cooper Parry Group Limited on 8 January 2016. Clement Keys LLP has resigned as auditor and the merged firm, PKF Cooper Parry Group Limited, has been appointed in its place.

PKF Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Basis of Accounting**

This report was approved by the Executive Committee on 15 December 2016 and signed on its behalf by

**C Carlisle**  
**Chair**



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## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### Statement of trustees' responsibilities

The trustees (who are also directors of Kaleidoscope Plus Group for the purpose of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that year. In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.



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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KALEIDOSCOPE PLUS GROUP**

We have audited the financial statements of Kaleidoscope Plus Group for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, Cashflow Statement and 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) including FRS 102, "The Financial Reporting applicable in the UK and Republic of Ireland".

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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the charitable company's trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that the financial statements give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify any material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
KALEIDOSCOPE PLUS GROUP (continued)**

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable group's and the parent charitable company's affairs as at 31 March 2016 and of the charitable group's 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 and the Charities Act 2011.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual 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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

  
**Simon Atkins FCA (Senior Statutory Auditor)**

for and on behalf of  
PKF Cooper Parry Group Limited

Chartered Accountants  
Statutory Auditors  
No. 8 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1QT

**Date: 15 December 2016**

PKF Cooper Parry Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**GROUP STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)**  
**For the year ended 31 March 2016**

	<u>Notes</u>	<b>Unrestricted Funds Total 2016 £</b>	<b>Unrestricted Funds Total 2015 £</b>
<b>Incoming and endowments from:</b>			
<b>Generated funds</b>			
Voluntary income			
Donations		4,776	4,596
Activities for generating funds			
Fundraising		24,275	21,333
Commercial trading operations	12	501,298	593,173
Investment income			
Bank interest	5	812	435
Dividend income	5	19,122	18,442
<b>Charitable activities</b>			
Contract and charges			
Residential care		436,595	401,247
Supported accommodation		612,152	674,686
Community services		1,281,540	1,346,147
Training		996	4,358
<b>Total income and endowments</b>	<b>4</b>	<b>2,881,566</b>	<b>3,064,417</b>
<b>Expenditure on:</b>			
<b>Generating funds</b>			
Commercial trading operations	6	563,403	650,788
Interest Payable		-	-
<b>Charitable activities</b>	<b>6,8</b>	<b>2,181,486</b>	<b>2,823,732</b>
<b>Total expenditure</b>	<b>5</b>	<b>2,744,889</b>	<b>3,474,520</b>
<b>Net outgoing resources for the year being net expenditure before other recognized gains and losses</b>		<b>136,677</b>	<b>(410,103)</b>
<b>Other recognised (losses)/gains</b>			
Realised gains/(losses) on investments	12	(1,511)	33,589
Unrealised gains/(losses) on investments	12	(24,076)	19,398
Net gain from joint ventures	12	19,880	8,293
<b>Net movement in income / (expenditure) for the year</b>		<b>130,970</b>	<b>(348,823)</b>
<b>Fund balances brought forward at 1 April 2015</b>		<b>1,771,867</b>	<b>2,120,690</b>
<b>Fund balances carried forward at 31 March 2016</b>		<b>1,902,837</b>	<b>1,771,867</b>

The charity has unrestricted funds only.

**GROUP BALANCE SHEET AS AT 31 MARCH 2016**

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		878,172		982,837
Investments	12		597,501		587,296
<b>Current assets</b>					
Debtors	13	484,149		508,971	
Cash at bank and in hand		455,438		253,272	
		939,587		762,283	
<b>Creditors: amounts falling due within one year</b>	14	(512,423)		(560,549)	
<b>Net current assets</b>			427,164		201,734
<b>Total assets less current liabilities</b>			1,902,837		1,771,867
<b>Net assets</b>	15		1,902,837		1,771,867
<b>Unrestricted funds</b>	16				
Designated funds		878,172		982,837	
Revaluation Reserve		124,494		128,017	
General funds		900,171		661,013	
<b>Total funds</b>			1,902,837		1,771,867

The financial statements were approved by the Trustees and authorised for issue on 15 December 2016 and signed on their behalf by:

C Carlisle (Chair)

M Wood

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TRUSTEES

**CHARITY BALANCE SHEET AS AT 31 MARCH 2016**

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		47,915		111,996
Listed investments	12		508,252		517,927
Investments in subsidiaries	12		100		100
<b>Current assets</b>					
Debtors: amounts falling due after one year	13	911,795		911,795	
Debtors: due within one year	13	563,090		545,272	
Cash at bank and in hand		397,748		202,394	
		1,872,633		1,659,461	
<b>Creditors: amounts falling due within one year</b>	14	(240,952)		(326,502)	
<b>Net current assets</b>			1,631,681		1,332,959
<b>Total assets less current liabilities</b>			2,187,948		1,962,982
<b>Net assets</b>			2,187,948		1,962,982
<b>Unrestricted funds</b>	16				
Designated funds		47,915		111,996	
Revaluation Reserve		35,065		58,468	
General funds		2,104,968		1,792,518	
<b>Total funds</b>			2,187,948		1,962,982

The financial statements were approved by the Trustees and authorised for issue on 15 December 2016 and signed on their behalf by:

C Carlisle (Chair)

M Wood

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TRUSTEES

**STATEMENT OF CASHFLOWS SHEET AS AT 31 MARCH 2016**

	Notes	2016 £	2015 £
<b>Net cash generated from operating activities</b>	<b>A</b>	<b>195,817</b>	<b>(51,311)</b>
<b>Cashflows from investing activities</b>			
Purchases of property, plant and equipment		(3,380)	(34,549)
<b>Net cash from investing activities</b>		<b>(3,380)</b>	<b>(34,549)</b>
<b>Cashflows from financing activities</b>			
Increase in investments		(10,205)	193,411
Interest received		812	435
Dividends Income		19,122	18,442
<b>Net cash generated from financing activities</b>		<b>9,729</b>	<b>212,288</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>202,166</b>	<b>126,428</b>
Cash and cash equivalents at the beginning of the year		253,272	126,844
<b>Cash and cash equivalents at the end of the year</b>		<b>455,438</b>	<b>253,272</b>

	2016 £	2015 £
<b>A) Cashflows from operating activities</b>		
Surplus/ (deficit) for the financial year	130,970	(348,823)
Adjustments for:		
Depreciation	106,990	148,900
(Profit)/Loss on disposal of property, plant and equipment	1,056	0
Decrease (increase) in trade and other receivables	24,822	(41,786)
Write offs	39	(40)
Increase (decrease) in trade payables	(48,126)	209,315
Interest received	(812)	(435)
Dividends Income	(19,122)	(18,442)
	<b>195,817</b>	<b>(51,311)</b>

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## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

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

**a) Basis of accounting**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted practice as it applies from 1 January 2015.

The charity adopted SORP (FRS 102) in the current year.

The subsidiary, Kaleidoscope Plus Commercials, traded during the year so the company has, this year, prepared consolidated financial statements under s402 of the Companies Act 2006.

**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.

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. Accounting policies (continued)

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 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 audit 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:

Leasehold Property and improvements	Over the remaining Lease Term
Furniture and Equipment	20.0%
I.T. Equipment (within Furniture and Equipment)	33.3%
Motor vehicles (within Furniture and Equipment)	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.



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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**k) Financial Instruments**

The trust 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**l) Loans and borrowing**

Loans and borrowing are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an enagement constitutes a finance transaction it is measured at present value.

**m) Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**n) Impairments**

Assets are not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of an asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at revalued amount where the impairment loss is a revaluation decrease.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**3. Financial activities of the parent charitable company**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Gross incoming resources	<b>2,430,080</b>	2,535,507
Total expenditure on charitable activities	<b>(2,152,443)</b>	(2,809,175)
Governance costs	<b>(27,083)</b>	(33,723)
Net incoming Resources	<b>250,554</b>	(307,391)
Realised gains and losses	<b>(1,511)</b>	19,398
Unrealised gains and losses	<b>(24,077)</b>	33,589
Net movement in funds	<b>224,966</b>	(254,404)
Total funds brought forward	<b>1,962,982</b>	2,217,386
Total funds carried forward	<b>2,187,948</b>	1,962,982

**4. Incoming resources by source**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Supporting people	<b>415,603</b>	482,930
Rents & charges received	<b>548,731</b>	577,110
Sandwell CCG and Sandwell MBC	<b>841,065</b>	931,344
Sandwell MBC - Voluntary Sector Support	<b>82,261</b>	81,045
Investment income & interest	<b>19,934</b>	18,877
Commercial Trading Operations	<b>501,298</b>	593,173
Other income	<b>467,898</b>	375,342
Charitable donations	<b>4,776</b>	4,596
	<b>2,881,566</b>	3,064,417

**5. Investment Income**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Dividend Income	<b>19,122</b>	18,442
Interest on bank accounts and short term deposits	<b>812</b>	435
	<b>19,934</b>	18,877

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**6. Total resources expended**

	Staff Costs	Depre- ciation	Other costs	Total 2016	Total 2015
	£	£	£	£	£
Costs of Generating Funds					
Commercial Trading Operations	52,347	41,583	469,473	563,403	650,788
Costs of charitable activities:					
Residential care	298,829	12,410	107,962	419,201	659,958
Supported accommodation	378,157	15,503	165,486	559,146	854,662
Community services	912,102	35,130	216,532	1,163,764	1,239,195
Awareness raising & publicity	5,794	1,182	2,816	9,792	36,194
Governance	5,794	1,182	22,607	29,583	31,656
	1,653,023	106,990	984,876	2,744,889	3,474,520

**7. Support costs**

	Finance/ admin & general manage- ment	HR	IT	Internal training	Total 2016	Total 2015
	£	£	£	£	£	£
Residential care	95,936	1,137	-	371	97,444	190,546
Supported accommodation	118,172	1,401	-	457	120,030	236,817
Community Services	269,258	3,192	-	1,041	273,491	371,519
Awareness raising & publicity	9,619	114	-	37	9,770	23,867
Governance costs	9,619	114	-	37	9,770	11,933
	502,604	5,958	-	1,943	510,505	834,682

**8. Governance costs comprise**

	2016 £	2015 £
Apportionment of costs supporting governance activities	6,976	11,924
Professional fees	10,313	2,846
Trustees costs	568	30
Audit fees	11,400	11,809
Other	326	7,114
	29,583	33,723

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**9. Net (outgoing)/incoming resources**

	2016 £	2015 £
Net (outgoing)/incoming resources are stated after charging:		
Auditor's remuneration		
Audit	11,400	11,809
Other	-	-
Depreciation	106,990	148,900
Operating Leases – Land and Buildings	88,122	86,394
Operating Leases – Office Equipment	5,329	5,329

**10. Staff costs**

	2016 £	2015 £
Wages and Salaries	1,371,627	1,750,006
Employer's Social security costs	109,686	145,224
Employer's Pension costs	22,452	21,407
	<u>1,503,765</u>	<u>1,916,637</u>
Agency costs	9,227	125,466
Outsourced costs	138,000	-
Recruitment costs	2,033	1,282
	<u>1,653,025</u>	<u>2,043,385</u>

Staff Costs per function as follows:

	2016 £	2015 £
Costs of generating voluntary income	1,297,926	1,366,498
Commercial trading activity	52,347	93,437
Management and administration	302,752	583,450
	<u>1,653,025</u>	<u>2,043,385</u>

**Trustees' and key management personnel remuneration**

No employees had employee benefits in excess of £60,000 (2015: Two employees earned in between £60,000 and £70,000 per annum). One employee was a Trustee on the board. During their time on the board, their emoluments were as follows:

	2016 £ Basic	2016 £ Pension	2015 £ TOTAL	2014 £ TOTAL
Monica Shafaq Chief Executive & Company Secretary	54,943	2,200	69,300	56,848
Louise Biffin (resigned 05 February 2015) Director of Finance	-	-	61,607	47,936
	<u>54,943</u>	<u>2,200</u>	<u>130,907</u>	<u>104,784</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	2016 Number	2015 Number
Direct charitable services	50	54
Management and administration	11	19
	<u>61</u>	<u>73</u>

### 11. GROUP Tangible fixed assets

	Leasehold Property	Leasehold Improve- ments	Centre Furniture and equipment	Office furniture and equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2015	773,172	225,400	281,738	389,977	1,670,287
Additions	-	-	-	3,381	3,381
Disposals	-	-	(3,462)	-	(3,462)
<b>Cost at 31 March 2016</b>	<b>773,172</b>	<b>225,400</b>	<b>278,276</b>	<b>393,358</b>	<b>1,670,206</b>
<b>Depreciation</b>					
At 1 April 2015	13,648	143,183	259,824	270,795	687,450
Charge for year	7,121	35,746	2,319	61,804	106,990
Disposals	-	-	(2,406)	-	(2,406)
<b>Depreciation at 31 March 2016</b>	<b>20,769</b>	<b>178,929</b>	<b>259,737</b>	<b>332,599</b>	<b>792,034</b>
<b>Net book amount at 31 March 2016</b>	<b>752,403</b>	<b>46,471</b>	<b>18,539</b>	<b>60,759</b>	<b>878,172</b>
Net book amount at 1 April 2015	759,524	82,217	21,914	119,182	982,837

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**11. CHARITY Tangible fixed assets**

	Leasehold Improvements	Centre Furniture and equipment	Office furniture and equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2015	142,370	281,738	315,532	<b>739,640</b>
Additions	-	-	2,381	<b>2,381</b>
Disposals	-	(3,462)	-	<b>(3,462)</b>
<b>Cost at 31 March 2016</b>	<b>142,370</b>	<b>278,276</b>	<b>317,913</b>	<b>738,559</b>
<b>Depreciation</b>				
At 1 April 2015	123,231	259,824	244,589	<b>627,644</b>
Charge for year	19,139	2,319	43,947	<b>65,405</b>
Disposals	-	(2,405)	-	<b>(2,405)</b>
<b>Depreciation at 31 March 2016</b>	<b>142,370</b>	<b>259,738</b>	<b>288,536</b>	<b>690,644</b>
<b>Net book amount at 31 March 2016</b>	<b>-</b>	<b>18,539</b>	<b>29,377</b>	<b>47,915</b>
Net book amount at 1 April 2015	<b>19,139</b>	<b>21,914</b>	<b>70,943</b>	<b>111,996</b>

**12. Investments**

	2016 £	2015 £
Opening Balance at 1 April	<b>496,348</b>	655,426
Additions at cost	<b>43,577</b>	276,638
Realised gains / (losses) on investments	<b>(1,511)</b>	52,988
Unrealised gains / (losses) on investments	<b>(24,076)</b>	52,988
Disposals	<b>(26,465)</b>	(488,703)
Market value at 31 March	<b>487,873</b>	496,349
Cash Held on Deposit	<b>20,379</b>	21,578
<b>Total charitable company investments</b>	<b>508,252</b>	517,927
Investment in Joint Venture undertaking:		
Share of gross assets	<b>153,312</b>	124,010
Share of gross liabilities	<b>(64,063)</b>	(54,641)
<b>Total group investments</b>	<b>597,501</b>	587,296

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. Investments (continued)

	2016 £	2015 £
Market value at 31 March comprises:		
Listed investments - UK	213,294	263,271
- Overseas	274,579	233,078
Cash held on deposit	20,379	21,578
	<b>508,252</b>	<b>517,927</b>
Historic cost value 31 March	<b>459,594</b>	<b>459,459</b>

Included within the portfolio are the following investments which comprise more than 5% of the market value of the portfolio:

	Percentage of Portfolio	Market Value 2016 £
Artemis	6.0%	29,288
Majedie Asset Mgt UK Income X Inc Nav	6.1%	29,498
M & G Coporate Bond I Inc (inst)	6.1%	29,955
Pimco Global Investors	9.0%	43,973
Uk (Govt) of Idx Ltd	8.4%	41,000

The Charity has 100% interest in the following subsidiary undertakings:

	Capital & Reserves 2016 £	Capital & Reserves 2015 £
Kaleidoscope Plus Commercials Ltd (formerly Black Country Consulting Ltd) – Sandwell Mind – limited by guarantee	(374,261)	(260,424)
	<b>(374,261)</b>	<b>(260,424)</b>

The charity owns 100% of the ordinary share capital of Kaleidoscope Plus Commercials Ltd, a company engaged in property rental and provision of training and conferencing facilities. The charity recognises the difficult early years the subsidiary has experienced since the company was created. The Kaleidoscope Plus Group have made a decision to exercise the debenture and effectively call in the loan. This will result in Kaleidoscope Plus Commercials Ltd being liquidated in the 2016/17 financial year and therefore the financial statements are not prepared on a going concern basis. The property, plant and equipment will transfer to the parent charitable company.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. Investments (continued)

During the year to 31 March 2016 the results of Kaleidoscope Plus Commercials Limited were as follows:

	2016 £	2015 £
Turnover	495,431	545,811
Cost of Sales	(430,034)	(458,267)
Gross Profit	65,397	87,544
Administrative expenses	(200,571)	(259,894)
Other operating income	71,149	119,545
Other interest receivable and similar income	337	242
Interest payable and similar charges	(50,149)	(50,149)
<b>Loss on ordinary activities before taxation</b>	<b>(113,837)</b>	<b>(102,712)</b>
Tax on loss on ordinary activities	-	-
<b>Loss for the financial year</b>	<b>(113,837)</b>	<b>(102,712)</b>
<b>The assets and liabilities of the subsidiary as at 31 March were:</b>		
Fixed Assets	830,257	870,842
Net Current Assets	(292,723)	(219,471)
Long Term Liability:	(911,795)	(911,795)
<b>Total Net Assets</b>	<b>(374,261)</b>	<b>(260,424)</b>
<b>Aggregate Share Capital and Reserves</b>	<b>(374,261)</b>	<b>(260,424)</b>

### Going Concern Note

The directors recognise that after the third year of trading KPC has not yet achieved profitability. Due to the poor trading results of Kaleidoscope Plus Commercials Ltd the directors of the parent company The Kaleidoscope Plus Group have made a decision to exercise the debenture and effectively call in the loan. This will result in Kaleidoscope Plus Commercials Ltd being liquidated in the 2016/17 financial year and therefore the financial statements are not prepared on a going concern basis. The property, plant and equipment will transfer to the parent company the charity.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. Investments (continued)

#### Health for Living Limited

The charity also participates in 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. This share of trading results and assets and liabilities is shown in the Consolidated Statement of Financial Activities and are as follows:

	2016 £	2015 £
Turnover	247,354	142,678
Operating expenses	(222,680)	(132,169)
Operating profit	24,674	10,509
Taxation	(4,794)	(2,216)
<b>Profit after tax</b>	<b>19,880</b>	<b>8,293</b>
Fixed assets	347	694
Current assets	152,965	111,191
Current liabilities	(64,063)	(42,516)
<b>Net assets</b>	<b>89,249</b>	<b>69,369</b>

The share of joint venture Income, £247,354 (2015: £142,678) and joint venture Expenditure, £222,680 (2015: £134,385) is shown within the Group Statement of Financial Activities as a net gain from joint ventures of £19,880 (2015: £8,293).

### 13. Debtors

	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
<b>Amounts falling due after one year</b>				
Loan to subsidiary undertaking	-	911,795	-	911,795
<b>Amounts falling due within one year</b>				
Rents, charges and housing benefit	108,283	16,909	86,586	7,467
Prepayments and accrued income	132,870	73,147	124,484	81,489
Amounts due from subsidiary undertakings	-	396,198	-	285,628
Other debtors	242,996	76,836	297,901	170,688
	<b>484,149</b>	<b>1,474,885</b>	<b>508,971</b>	<b>1,457,067</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 14. Creditors:

	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
<b>Amounts falling due within one year</b>				
Rents, charges and housing benefit	118,328	39,549	54,844	10,633
Other taxation and social security	28,493	28,493	37,743	37,743
Accruals	38,889	38,889	75,964	75,963
Deferred income	145,418	103,720	205,303	148,115
Other creditors	181,295	30,301	186,695	54,048
	<u>512,423</u>	<u>240,952</u>	<u>560,549</u>	<u>326,502</u>
<b>Deferred Income:</b>				
Brought forward	205,303	148,115	72,012	15,072
Released in year	(205,303)	(148,115)	(72,012)	(15,072)
Received	145,418	103,270	205,303	148,115
	<u>145,418</u>	<u>103,270</u>	<u>205,303</u>	<u>148,115</u>

No pension contributions (2015 - nil) were outstanding at the year-end in both the Group and the Charity.

### 15. Analysis of net assets between funds

	General fund £	Revaluation fund £	Designated £	Total funds £
<b>Fund balances at 31 March 2016</b>				
<b>Are represented by:</b>				
Fixed assets	-	-	878,172	878,172
Investments	473,007	124,494	-	597,501
Current assets	939,587	-	-	939,587
Current Liabilities	(512,423)	-	-	(512,423)
	<u>900,171</u>	<u>124,494</u>	<u>878,172</u>	<u>1,902,837</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 16. Statement on movement of funds

Group	Balance at start of year £	Incoming £	Outgoing £	Transfers/ gains £	Balance at end of year £
<b>Unrestricted funds</b>					
Designated fund	982,837	-	-	(104,665)	878,172
Revaluation Reserve	128,017	-	-	(3,523)	124,494
General funds	661,013	2,881,566	(2,735,734)	93,326	900,171
<b>Total unrestricted fund</b>	<b>1,771,867</b>	<b>2,881,566</b>	<b>(2,735,734)</b>	<b>(14,862)</b>	<b>1,902,837</b>

Designated funds relate to the net book value of tangible fixed assets, future depreciation will be charged against this fund.

Charity	Balance at start of year £	Incoming £	Outgoing £	Transfers/ gains £	Balance at end of year £
<b>Unrestricted funds</b>					
Designated fund	111,996	-	-	(64,081)	47,915
Revaluation Reserve	58,468	-	-	(23,403)	35,065
General funds	1,792,518	2,430,080	(2,179,526)	61,896	2,104,968
<b>Total unrestricted fund</b>	<b>1,962,982</b>	<b>2,430,080</b>	<b>(2,179,526)</b>	<b>(25,588)</b>	<b>2,187,948</b>

### 17. Transactions with Trustees

The Trustees received total expenses of £568 (2015: £30) in the period as reimbursement of the costs of travelling to meetings.

Trustee remuneration is disclosed in Note 10.

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

### 18. Operating leases

At 31 March 2016, the group had future minimum lease payments under non – cancelable operating leases as follows:

	2016		2015	
	Land and buildings £	Office Equipment £	Land and Buildings £	Office Equipment £
Operating leases which expire:				
Within one year	-	-	-	-
Within two to five years	-	7,549	-	12,878
After more than five years	31,410,231	-	31,498,352	-
	<b>31,410,231</b>	<b>7,549</b>	<b>31,498,352</b>	<b>12,878</b>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**19. Related Parties**

Kaleidoscope Plus Group is part of a group that prepares consolidated financial statements. The company has taken advantage of not disclosing transactions with group entities.

**20. Pensions and other post retirement benefits**

The charity operates a defined contribution plan for its employees. The amount recognised as an expense in the period was £22,452 (2015 £21,407).