



Kaleidoscope Plus Group

Trustees' Report and Financial Statements

For the Year Ended 31 March 2018

Company Number 04660523
Registered Charity Number: 1096473



CONTENTS	PAGES
REFERENCE & ADMINISTRATION INFORMATION	3
TRUSTEES' ANNUAL REPORT	4 - 12
STATEMENT OF TRUSTEES' RESPONSIBILITIES	13
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS	14-17
STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)	18
BALANCE SHEET	19
STATEMENT OF CASHFLOWS	20
ACCOUNTING POLICIES	21-23
NOTES TO THE FINANCIAL STATEMENTS	24-32

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
Park View
One Central Boulevard
Blythe Valley Park
Solihull
B90 8BG

Bankers

Unity Trust Bank plc
Nine Brindley Place
Birmingham
B1 2HB

Investment Managers

Quilter Cheviot
Two Snowhill
Birmingham
B4 6GA

Chief Executive and Company Secretary

Monica Shafaq

Executive Officers

Claire Dale – Director of Operations (Deputy Chief Executive)

TRUSTEES' ANNUAL REPORT for the year ended 31 March 2018

The Trustees present their report and accounts for the year ended 31 March 2018.

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:

Benjamin Purkiss (Chair)	Trustee
Mark Wood (Deputy Chair)	Trustee
Monica Shafaq	Trustee
Darren Moore	Trustee
Clarke Carlisle (resigned 13 December 2017)	Trustee
Christopher Mills	Trustee
Faye Hingley (appointed 11 May 2017)	Trustee
David Clarke (appointed 13 July 2017)	Trustee
Surrinder Bains (appointed 13 July 2017)	Trustee
Angela Watkins (appointed 13 July 2017)	Trustee
David Saunders (appointed 13 December 2017)	Trustee
Sharon Rowe (resigned 4 July 2017)	Trustee
John Levy (resigned 4 July 2017)	Trustee

The Kaleidoscope Plus Group (KPG) 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.

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:

Recovery	To deliver high quality and appropriate services for people who experience ill health, promoting recovery, independence and integration at all times.
Inclusion	To facilitate and support community integration and participation for people with health problems.
Awareness	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:

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.
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TRUSTEES' ANNUAL REPPRT (continued)

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 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.

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 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.

Sustainability

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.

Organisational Structure

KPG is governed by a voluntary Board of Trustees (the Board) who are also directors of the company. Board members are recruited through an open procedure requiring all those appointed to apply and be interviewed.

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.

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.

As at 31 March 2018, KPG employed 70 FTE members of staff based in mainly in West Bromwich but also situated in Walsall and Bedfordshire.

The key management staff are the Chief Executive and Director of Operations (who is also the Deputy Chief Executive) to whom the board give delegated authority for strategy, planning and the day-to-day management of operations of the charity. There is a senior management team who each lead on and manage a specific service area. The Chief Executive is also the 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.

TRUSTEES' ANNUAL REPRT (continued)

Risk Management

The Trustees introduced a formal strategic risk management process and a full scale review to assess business risks and implement a risk management strategy. Operational risk assessment and management addresses the following areas: 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. These are all reviewed on a quarterly basis and are set out in the Risk Management Strategy, which adopts a risk register 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 one of the 35 risks are identified as red (down from three red risks in the previous year). This risk relates to the financial sustainability of the charity and trustees feel that this should remain a red rated risk given the economic climate the charity operates in. Having said that, the charity continues to do well in securing alternative contracts and maintain a similar level of income as previous years. Six risks have been rated as amber.

TRUSTEES' ANNUAL REPPRT (continued)

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

Risk Description	Vulnerability	Impact / Consequence	Mitigation
Government Policy changes reduce the level of funding available for registered residential mental health service delivery by Third Sector organisations.	KPG operates one Registered Care Home which makes up one fifth of income which is largely funded via Care & Support contracts	Public sector agencies could withdraw service delivery contracts impacting on both service users and KPG	<ul style="list-style-type: none"> • Ensure KPG keep up to date with government policy, • Develop partnerships and consortiums with other similar organisations and consider/review possibilities of economies of scale • Review expenditure streams to ensure VFM is still achieved, • Prepare "back up" plan for continuity of care including exploring personal budgets with existing and potential future clients • Review structure and viability of care home should income levels decrease
The charity's 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"> • Continue to raise the profile of the Group at regional and local events • Develop / manage partnership working with key statutory agencies • Develop a diverse portfolio of health projects and delivery • Ensure KPG is at the forefront of the development of new service provision • Use high profile media channels to help raise the profile of KPG • Ensure the relevant bid writing skills are deployed to put together the bids to retain services • Ensure adequate time to develop bids is allocated
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"> • Review the governance structure to ensure all activity meets the charity's objectives • Review the business activity to ensure it remains a charitable object • Inform and discuss with Trustees any necessary mitigation governance solutions
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"> • Contract an experienced portfolio investment organisation • Take references before appointing • Board to receive regular investment evidenced reviews • Regularly review other possible investment opportunities to ensure the most appropriate ways are being maximised • Review the Investment Management team to ensure they are implementing appropriate investments for charities.
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	<ul style="list-style-type: none"> • Create a management structure which is capable of delivering the objectives of the charity, • The management structure needs to be able to "grow" the business • Employ personnel who are able to deliver the charitable objectives and develop the business • Review structure on a regular basis to ensure "fit for purpose"
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	<ul style="list-style-type: none"> • Ensure a reputable and able IT system support organisation are contracted for IT support • 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 • 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 • Ensure the systems are secure and free from any unauthorised access • Carryout a scoping exercise bi-annually to ensure current IT infrastructure is adequate

TRUSTEES' ANNUAL REPPRT (continued)

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.

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 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.

TRUSTEES' ANNUAL REPRT (continued)

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.

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

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.

TRUSTEES' ANNUAL REPPT (continued)

Primary Mental Health Workers

Primary Mental Health Workers (PMHWs) come from a range of professional backgrounds having specialist training and experience in helping children, young people and their families and carers when there are emotional or mental health concerns.

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. A new Fundraising and Campaigns Manager was employed during the year whose role it is to ensure our fundraising and brand awareness is delivered in a structured manner. We also secured a number of high profile ambassadors who will assist in this element of our work.

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 provides 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 work in different parts of the organisation.

The charity also offers training externally regarding specific mental health, suicide prevention and wellbeing issues. There are a number of staff who are now qualified trainers and carry out training externally.

ACHIEVEMENTS AND PERFORMANCE

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

- Secured an annual Charity of the Year fundraising partnership with West Bromwich Building Society which raised in excess of £20K for the charity
- Secured an ongoing Charity of the Year partnership with New Square Shopping Centre
- A number of high profile ambassadors have joined the organisation in a bid to raise brand and fundraising activities
- Secured a place at number 19 on the national Sunday Times Best 100 Non for Profit organisations to work for as well as winning the 'Special Wellbeing' award in recognition of the importance the charity places on employee wellbeing. The Sunday Times have produced regional lists for the first time and the charity appeared at number 35 of the top 75 across all sectors in the Midlands.

TRUSTEES' ANNUAL REPORT (continued)

FINANCIAL REVIEW

The Trustees note overall it has been a positive year for which is demonstrated in the results presented. The Charity's income of £3,130,350 exceeded its total expenditure before exceptional items and gains on investments of £2,893,016 by £237,334 (2016-17 £266,750).

The changing market and environment the charity operates in has restricted its access to new business although we are committed to reduce expenditure and identified efficiencies.

Reserves and Investment

We hold general reserves in order to provide cover for unexpected changes in income and expenditure, allowing us to continue key activities in the event of:

- A temporary loss of income, giving time to adjust the business model or source alternative income streams
- Manage short term financial commitments the Charity is exposed to in the event of loss of income

The target level of general reserves is £1,100,000 with an aspirational target of £1,500,000. This is based on a review of the financial risk associated with our income streams. The current reserve levels meet the target with the free reserves being £1,499,885.

Quilter Cheviot manage the portfolio of equity and fixed interest investments in accordance with our ethical investment and low risk policy, they report on a regular basis to the Board of Trustees.

Future Operations

In March 2013, the Trustees took the decision to leave the Mind network and rebrand as The Kaleidoscope Plus Group to ensure that services met and served 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. 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 Bedfordshire.

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 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.

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 auditor is 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 auditor is aware of that information.

TRUSTEES' ANNUAL REPORT (continued)

Auditors

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

This report was approved by the Executive Committee on 12th July 2018 and signed on its behalf by;

A handwritten signature in black ink, consisting of a stylized 'C' followed by several vertical and diagonal strokes.

Christopher Mills
Treasurer

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 company 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 2015 (FRS 102);
- 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 company 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.

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

Opinion

We have audited the financial statements of The Kaleidoscope Plus Group for the year ended 31 March 2018 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our Auditors report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KALEIDOSCOPE PLUS GROUP (cont.)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KALEIDOSCOPE PLUS GROUP (cont.)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KALEIDOSCOPE PLUS GROUP (cont.)**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Cooper Parry Group Limited

Simon Atkins FCA

Senior Statutory Auditor
for and on behalf of:

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Date

12/1/18

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) For the year ended 31 March 2018

	<u>Notes</u>	Unrestricted Funds Total 2018 £	Unrestricted Funds Total 2017 £
Incoming and endowments from:			
<i>Generated funds</i>			
Voluntary income			
Donations		3,184	1,769
Activities for generating funds			
Fundraising		29,004	27,598
Investment income			
Rental income and service charges		519,795	195,282
Bank interest	3	430	147
Dividend income	3	15,475	14,715
<i>Charitable activities</i>			
Contract and charges			
Residential care		427,962	407,254
Supported accommodation		457,153	416,096
Community services		1,658,707	1,696,767
Training		18,640	85,640
Total income and endowments	2	3,130,350	2,845,268
Expenditure on:			
<i>Charitable activities</i>	4	2,893,016	2,578,518
Total expenditure before exceptional items	4	2,893,016	2,578,518
Net income for the year before exceptional items and other recognised gains and losses		237,334	266,750
Exceptional item	19	45,112	(441,918)
Net income / (expenditure) for the year before other recognised gains and losses		282,446	(175,168)
Other recognised (losses)/gains			
Realised gains/(losses) on investments	10	1,420	3,426
Unrealised (losses)/gains on investments	10	(4,496)	52,475
Net income / (expenditure) for the year		279,370	(119,267)
Fund balances brought forward at 1 April 2017		2,068,681	2,187,948
Fund balances carried forward at 31 March 2018		2,348,051	2,068,681

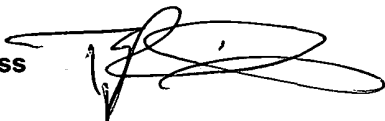
The charity has unrestricted funds only in both 2017 and 2018.

BALANCE SHEET AS AT 31 MARCH 2018

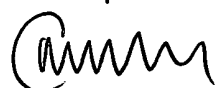
	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	9		73,270		70,100
Listed investments	10		584,805		575,840
Current assets					
Debtors: amounts falling due after one year	11	738,162		745,284	
Debtors: due within one year	11	762,068		826,510	
Cash at bank and in hand		953,657		501,342	
		2,453,887		2,073,136	
Creditors: amounts falling due within one year	12	(763,911)		(650,395)	
Net current assets			1,689,976		1,422,741
Total assets less current liabilities			2,348,051		2,068,681
Net assets			2,348,051		2,068,681
Unrestricted funds	14				
Designated funds		811,432		815,384	
Revaluation Reserve		36,734		49,657	
General funds		1,499,885		1,203,640	
Total funds			2,348,051		2,068,681

The financial statements were approved by the Trustees and authorised for issue on 12th July 2018 and signed on their behalf by:

B Purkiss



C Mills



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TRUSTEES

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	506,805	161,460
Cashflows from investing activities:			
Purchase of property, plant and equipment		(58,354)	(4,340)
Net transfer of property, plant and equipment		-	(56,701)
Purchase of investments		(123,125)	(92,059)
Proceeds from sale of investments		104,449	98,771
Interest received		430	147
Dividend income		15,475	14,715
Net cash from investing activities		(61,125)	(39,467)
Change in cash and cash equivalents in the reporting period		445,680	121,993
Cash and cash equivalents at the beginning of the year		540,120	418,127
Cash and cash equivalents at the end of the year		985,800	540,120
Cash is represented by:			
Cash held by investment managers		32,143	38,778
Cash at bank and in hand		953,657	501,342
		985,800	540,120

	2018 £	2017 £
A) Reconciliation of net income to net cash flow from operating activities		
Surplus/(deficit) for the financial year	279,370	(119,267)
Adjustments for:		
Depreciation	55,184	38,856
Decrease/(increase) in trade and other receivables	71,564	(96,909)
Write offs	-	100
Increase/(decrease) in trade payables	113,516	409,443
Interest received	(430)	(147)
Dividend Income	(15,475)	(14,715)
Realised gain on investments	(1,420)	(3,426)
Unrealised gain on investments	4,496	(52,475)
	506,805	161,460

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Accounting policies (continued)

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

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.

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 arrangement constitutes a finance transaction it is measured at present value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 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 the Statement of Financial Activity unless the asset is carried at revalued amount where the impairment loss is a revaluation decrease.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Incoming resources by source

	2018	2017
	£	£
Supporting people	300,030	300,030
Rents & service charges received	438,566	421,680
Sandwell CCG and Sandwell MBC	1,240,671	1,145,092
Sandwell MBC - Voluntary Sector Support	83,914	83,083
Investment income & interest	15,905	14,862
Investment income: rental and service charges	533,924	197,533
Other income	514,156	681,219
Charitable donations	3,184	1,769
	3,130,350	2,845,268

3. Investment Income

	2018	2017
	£	£
Dividend Income	15,475	14,715
Interest on bank accounts and short term deposits	430	147
	15,905	14,862

4. Total resources expended

	Staff Costs	Deprecia- tion / Lease Amortis- ation	Other costs (including support costs)	Total 2018	Total 2017
	£	£	£	£	£
Costs of charitable activities:					
Residential care	271,912	4,886	102,643	379,441	398,885
Supported accommodation	408,470	6,244	78,920	493,634	389,833
Community/Commercial services	1,124,946	50,235	731,583	1,906,764	1,721,580
Awareness raising & publicity	5,781	468	50,189	56,438	10,314
Governance (note 6)	5,781	468	50,490	56,739	57,906
	1,816,890	62,301	1,013,825	2,893,016	2,578,518

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Support costs

	Finance/ admin & general manage- ment £	IT £	Internal training £	Total 2018 £	Total 2017 £
Residential care	76,985	4,642	372	81,999	86,346
Supported accommodation	109,619	6,609	529	116,757	93,481
Community/Commercial services	271,570	16,374	1,311	289,255	314,930
Awareness raising & publicity	8,350	503	40	8,893	8,856
Governance costs	8,350	503	40	8,893	8,856
	474,874	28,631	2,292	505,797	512,469

6. Governance costs comprise

	2018 £	2017 £
Apportionment of costs supporting governance activities	6,249	5,608
Professional fees	37,218	40,065
Trustees costs	633	40
Audit fees	11,880	12,180
Other	759	13
	56,739	57,906

7. Net (expenditure) / income

	2018 £	2017 £
Net (expenditure) / income stated after charging:		
Auditor's remuneration		
Audit	11,880	12,180
Other	4,080	3,240
Depreciation	55,184	38,856
Leasehold Building Amortisation	7,121	2,085
Operating Leases – Land and Buildings	90,706	90,202
Operating Leases – Office Equipment	11,045	5,329

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Staff costs

	2018		2017	
	£	£	£	£
Wages and Salaries	1,652,392		1,455,304	
Employer's Social security costs	140,066		118,039	
Employer's Pension costs	23,772		20,427	
		1,816,230		1,593,770
Agency costs		-		5,332
Outsourced costs		-		138,000
Recruitment costs		660		200
		1,816,890		1,737,302

Staff Costs per function as follows:

	2018	2017
	£	£
Costs of generating charitable activities	1,488,108	1,451,590
Management and administration	328,782	285,712
	1,816,890	1,737,302

Trustees' and key management personnel remuneration

No employees had employee benefits in excess of £60,000 (2017: Nil). In 2017/18 the organisation had two senior managers whose total pay remuneration costs amounted to £108,299 (2017 £102,141). Pension contributions in respect of these individuals were £3,345 (2017 £3,187). One employee was a Trustee on the board. During their time on the board, their emoluments were as follows:

	2018	2018	2018	2017
	£	£	£	£
	Basic	Pension	TOTAL	TOTAL
Monica Shafaq	56,544	2,827	59,371	56,848
Chief Executive & Company Secretary				
	56,544	2,827	59,371	56,848

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

	2018	2017
	Number	Number
Direct charitable services	55	56
Management and administration	15	11
	70	67

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Tangible fixed assets

	Leasehold Improvements	Centre Furniture and equipment	Office furniture and equipment	Total
	£	£	£	£
Cost				
At 1 April 2017	225,400	278,276	397,531	901,207
Additions	-	575	57,779	58,354
Disposals	-	(252,917)	(193,756)	(446,673)
Cost at 31 March 2018	225,400	25,934	261,554	512,888
Depreciation				
At 1 April 2017	195,535	277,708	357,864	831,107
Charge for year	16,606	664	37,914	55,184
Disposals	-	(252,917)	(193,756)	(446,673)
Depreciation at 31 March 2018	212,141	25,455	202,022	439,618
Net book amount at 31 March 2018	13,259	479	59,532	73,270
Net book amount at 1 April 2017	29,865	568	39,667	70,100

10. Investments

	2018 £	2017 £
Opening Balance at 1 April	537,062	487,873
Additions at cost	123,125	92,059
Realised gains / (losses) on investments	1,420	3,426
Unrealised (losses) / gains on investments	(4,496)	52,475
Disposals	(104,449)	(98,771)
Market value at 31 March	552,662	537,062
Cash Held on Deposit	32,143	38,778
Total investments	584,805	575,840

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Investments (continued)

	2018 £	2017 £
Market value at 31 March comprises:		
Listed investments - UK	350,958	310,974
- Overseas	201,704	226,088
Cash held on deposit	32,143	38,778
	<u>584,805</u>	<u>575,840</u>
Historic cost value 31 March	515,928	487,405

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 2018 £
Artemis	6.0%	32,935
AXA Investments	6.0%	33,068
M & G Corporate Bond I Inc (inst)	5.6%	30,795
PIMCO Global Advis	6.1%	33,443
UK (GOVT OF) 0.125%	7.0%	38,454

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Investments (continued)

Health for Living Limited

The charity participates in a joint venture arrangement in Health for Living Limited, a company limited by guarantee and incorporated in England and Wales, 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 trading results and assets and liabilities are as follows:

	2018 £	2017 £
Turnover	216,334	309,040
Operating expenses	(216,334)	(309,040)
Operating profit	-	-
Taxation	-	-
Profit after tax	-	-
Fixed assets	1,903	1,179
Current assets	187,248	229,684
Current liabilities	(97,971)	(139,683)
Net assets	91,180	91,180

11. Debtors

	2018 £	2017 £
Amounts falling due after more than one year		
Lease premium	738,162	745,284
Amounts falling due within one year		
Rents, charges and housing benefit	12,963	61,361
Prepayments and accrued income	261,472	294,111
Other debtors	487,633	471,038
Total debtors	1,500,230	1,571,794

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Creditors

	2018 £	2017 £
Amounts falling due within one year		
Rents, charges and housing benefit	49,793	47,523
Other taxation and social security	53,925	38,257
Accruals	211,669	120,619
Deferred income	145,627	181,758
Other creditors	302,897	262,238
	<u>763,911</u>	<u>650,395</u>
	2018 £	2017 £
Deferred Income:		
Brought forward	181,758	103,720
Released in year	(181,758)	(102,406)
Received	145,627	180,444
	<u>145,627</u>	<u>181,758</u>

No pension contributions (2018 - nil) were outstanding at the year-end.

13. Analysis of net assets between funds

	General fund £	Revaluation fund £	Designated £	Total funds £
Fund balances at 31 March 2018				
Are represented by:				
Fixed assets	-	-	73,270	73,270
Investments	548,071	36,734	-	584,805
Debtors amount falling due after one year	-	-	738,162	738,162
Current assets amounts due within one year	1,715,725	-	-	1,715,725
Current Liabilities	(763,911)	-	-	(763,911)
	<u>1,499,885</u>	<u>36,734</u>	<u>811,432</u>	<u>2,348,051</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Statement on movement of funds

	Balance at start of year £	Incoming £	Outgoing £	Transfers/ gains/ £	Balance at end of year £
Unrestricted funds					
Designated fund	815,384	-	-	(3,952)	811,432
Revaluation reserve	49,657	-	-	(12,923)	36,734
General funds	1,203,640	3,130,350	(2,893,016)	58,911	1,499,885
Total unrestricted fund	2,068,681	3,130,350	(2,893,016)	42,036	2,348,051

Designated funds relates to the net book value of tangible fixed assets and lease premium, future depreciation and amortisation will be charged against the fund.

The revaluation reserves represents the movement of the investment portfolio against the historic acquisition price.

General reserves are to be used for any of the charitable aims of the charity. The use of general funds is not restricted to any particular purpose of the charity.

15. Transactions with Trustees

The Trustees received total expenses of £633 (2017: £40) in the period as reimbursement of the costs of travelling to meetings. Tablets at cost of £8,200 (2017: Nil) have been issued to each Trustee for use at board meetings.

Trustee remuneration is disclosed in Note 8.

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

16. Operating leases

At 31 March 2018, the charitable company had future minimum lease payments under non – cancelable operating leases as follows:

	2018		2017	
	Land and buildings £	Office Equipment £	Land and Buildings £	Office Equipment £
Operating leases which expire:				
Within one year	92,520	9,505	90,706	6,132
Within two to five years	388,959	23,829	381,332	8,802
After more than five years	30,457,630	-	30,557,777	-
	<u>30,939,109</u>	<u>33,334</u>	<u>31,029,815</u>	<u>14,934</u>

17. Related Parties

Kaleidoscope Plus Group is one of four members providing services to Health for Living Limited. Health for Living delivers a range of services which promote and support public health and wellbeing. Kaleidoscope Plus Group received a imbursement of staff salaries and management fee to deliver two contacts £70,000 (2017 £73,000), as well providing administrative services to Health for Living £4,000 (2017 £4,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. 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 £23,772 (2017 £20,427).

19. Exceptional item

On 15 December 2016 the charitable company's subsidiary undertaking Kaleidoscope Plus Commercials Limited was placed into voluntary liquidation. The proceeds received during the year related to distributions paid out by the liquidators to Kaleidoscope Plus Group as the sole shareholder of this company.

