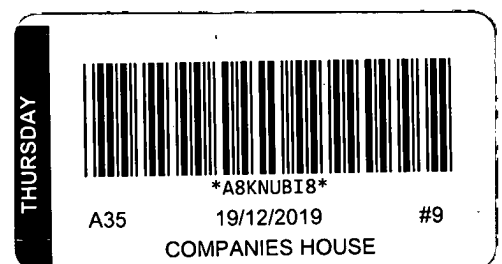


REGISTERED COMPANY NUMBER: 05480423 (England and Wales)
REGISTERED CHARITY NUMBER: 1115017

**Report of the Trustees and Group
Financial Statements for the Year Ended 31 March 2019
for
KALEIDOSCOPE PROJECT**

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



KALEIDOSCOPE PROJECT
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for the Year Ended 31 March 2019

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KALEIDOSCOPE PROJECT

Report of the Trustees for the Year Ended 31 March 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity for the year ended 31 March 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

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

To be a successful service we recognise:

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

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

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

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

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

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

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

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

Public Benefit

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

KALEIDOSCOPE PROJECT

Report of the Trustees for the Year Ended 31 March 2019

STRATEGIC REPORT

Achievement and performance

Charitable activities

Kaleidoscope has set out its strategic plan for 2016-2019, and has been clear on how to progress its aims over the past year. There now is a new strategic plan in place from 2019 to 2022 which will guide our future planning. There are 6 key elements to its plan; Service User Engagement, People Development, Partnership Working, Quality Management, Sustainable business and Campaigning.

Kaleidoscope has had another good year with both Birchwood and the North Wales contracts now successfully imbedded within the Kaleidoscope Project. Kaleidoscope did bid for the Shropshire service when it came up for tender but sadly was not successful with this. So although an ARCH Project, it did contribute to central management charges. So a restructure of our central services was undertaken to cover any loss that would otherwise occurred by losing this contract. This was a quiet year in terms of contracts although whilst writing this report we have been successful in re-tender for North Wales and have won a couple of Housing First contracts with partners.

Kaleidoscope recognises that as a business it needs to continue to maintain existing services as well as look to new opportunities. We continue to see many of our services given extensions because of high satisfaction with our service delivery.

The key contracts of Kaleidoscope continued with GDAS which has once more been extended until 2020 and it is understood when it comes out for tender at the end of 2020 it will be for a 10 years contract, which, if successful, would provide real stability for us.

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

Partnership working is critical for the success of Kaleidoscope in terms of growth as certain contracts such as Gwent require a turnover which exceeds that which Kaleidoscope has alone but can achieve by partnering. Kaleidoscope's partnership with Barod and G4S means we continue to jointly work with them in delivering the Dyfed Drug and Alcohol Service (DDAS). The service lead for this is Barod. The DDAS Service has just come out for tender for the new service to go from April 2020. Kaleidoscope provides the lead in the contract for the criminal Justice element of the service as well as providing intervention workers in Pembrokeshire and Ceredigion. Kaleidoscope did receive lottery money to provide a counselling service in the region Pathways to Change (P2C). The funding for this came to an end in 2019 although we have maintained some work through the postcode lottery.

The partnership with Barod has also led us to deliver Drink Wise Age Well with them which supports people over 50 who have alcohol issues. We provide the prevention element of this service. The Service is funded by a National Lottery Fund obtained on a UK basis by Addaction. This service is due to end at the end of March 2020 and as a lottery funded scheme it means there will be no extension.

Kaleidoscope is part of Dyfodol which provides criminal justice services across South Wales led by G4S. The contract is for 9 years and Kaleidoscope delivers the medical support part of the service. This service continues to run well although nurse recruitment is challenging.

Kaleidoscope also works closely with CAIS in Powys. Kaleidoscope lead on this service with CAIS supporting us in delivering the young peoples service. This is a critical service because like our Gwent provision we both lead and have the opportunity to provide the full service.. CAIS lead on the ESF Funded project called Cyfle Cymru. This is a Peer Mentoring Service where we lead in Gwent and Powys in delivering this service and has been extended until 2020 and is likely now to continue until 2022.

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

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

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

At the end of 2019 we heard that we have been awarded Gold status for Investors in People.

Going Concern

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

KALEIDOSCOPE PROJECT

Report of the Trustees for the Year Ended 31 March 2019

STRATEGIC REPORT *continued*

Financial review

Financial position

Total incoming resources continued to rise by 18% (2018: 6%) to £9.43m compared with £7.96m in the previous year. Margins on all contracts remained very tight but the increase in income together with effective control over costs enabled the charity to achieve an unrestricted surplus for the year of £110,879. This surplus was then decreased by £202,500, which relates to the provision against a debt owed by the charity's subsidiary company, ARCH Initiatives, but increased by £735,321 due to a revaluation of the K2 property in Kingston and Resolven House in Newport. The total unrestricted surplus for the year was therefore £648,800, which has improved the charity's reserves position as shown below:

	2019 £	2018 £	2017 £
Total incoming resources	12,368,932	12,868,471	12,134,740
Unrestricted incoming resources	10,937,948	11,511,337	10,915,394
Unrestricted surplus	746,504	514,394	105,019

Reserves policy

It is the opinion of the directors that the charity should hold financial reserves:

- (i) because it requires protection against financial risks, as identified by the annual financial risk review;
- (ii) to provide for expansion of the charity's business;
- (iii) to provide funds for investment in fixed assets;
- (iv) to provide funds for unfunded 'board approved' special projects which enhance services and meet charitable objectives.

The definition of financial reserves for this purpose is the amount of unrestricted reserves not invested in fixed or other long term assets (net current assets excluding long term debtors).

The charity carried out an annual financial risk review during the year. This review has identified that the charity requires reserves to protect itself against the following principal risks:

- Delayed payment of amounts due on major contracts causing unanticipated operational cash flow requirements
- Loss of major contracts and a resulting reduction in the contribution to central fixed costs
- Loss of contracts where TUPE does not apply
- Unforeseen cost pressures on contracts
- Properties requiring urgent repairs or refurbishment

In the light of the financial risk review, the trustees concluded that the charity should hold a minimum level of reserves of £750,000 in order to provide protection against its financial risks. At the balance sheet date, the charity's reserves, as calculated by the above definition, amounted to £650,000. Future financial planning will take this into account to ensure the charity covers reserves policy requirements.

Principal funding sources

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

Investment policy and objectives

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

Plans for Future Periods

Kaleidoscope continues to look at developing its Kingston service by providing a new hostel in partnership with the Royal Kingston Borough. There is however much work to do if this is to happen.

We have a new strategy and some changes to our Board where there continues to be a focus on developing a sustainable business with improved quality both in terms of staff support and the services we provide. We are delighted we go into the future in a healthy position by obtaining Gold in Investors in People and we were also pleased to maintain our ISO9001 status in Powys.

We are delighted in providing services in every part of Wales and we feel we are very much part of the Welsh community where we can work to influence policy. We look to develop further Birchwood and what it can offer and as a service we want to ensure we can look to support all aspects on a person's drug or alcohol issues from prevention, managing harm to recovery.

In terms of business we will look to continue to provide the services we already have and work in partnership to further expand our offering. In particular we have embraced the Health and Wellbeing Act in Wales and want to apply the thinking there into our own services. In essence we believe that by working in partnership with a range of services we can enhance the service users opportunities in life.

KALEIDOSCOPE PROJECT

Report of the Trustees for the Year Ended 31 March 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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

Recruitment and appointment of new trustees

The Project has an independent Board of Trustees drawn from a variety of backgrounds thus ensuring a diverse Board with a strong mix of skills and experience to take the charity forward. When appropriate, vacancies on the Board are advertised through media outlets and interviews conducted, to ensure new appointments will add to the skills and experience of the existing Board.

Organisational structure

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

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

Induction and training of new trustees

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

Key management remuneration

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

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

The remuneration of key management personnel is summarised in Note 12 of the financial statements. Kaleidoscope's highest paid employee is the Chief Executive and, in the year to 31 March 2019, his salary was £68,100. This is approximately 3 times the average salary paid to other employees.

Risk Management

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

The Board of Trustees has conducted a review of the major external risks to which the charity is exposed. These risks are discussed at meetings of the Board and strategy developed accordingly. Internal risks are minimised through systems of internal control which are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include an annual budget approved by the Board, regular consideration by the Board of financial results and budget variances, delegation of authority and segregation of duties, and identification and management of risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05480423 (England and Wales)

Registered Charity number

1115017

Registered office

1 Resolven House
Fortran Road
St. Mellons
Cardiff
Cardiff
CF3 0EY

KALEIDOSCOPE PROJECT

Report of the Trustees for the Year Ended 31 March 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

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

Company Secretary

Auditors

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

Solicitors

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

Key Management Personnel

Chief-Executive - Martin Blakeborough

KEY MANAGEMENT PERSONNEL

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

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

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

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

KALEIDOSCOPE PROJECT

Report of the Trustees for the Year Ended 31 March 2019

STATEMENT OF TRUSTEES RESPONSIBILITIES continued

In so far as the trustees are aware:

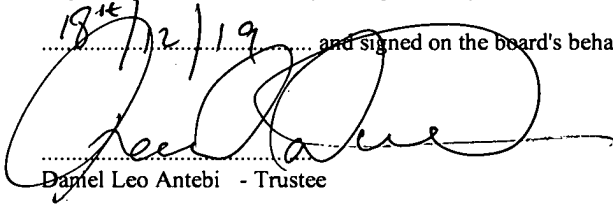
- there is no relevant audit information of which the Group's and parent charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on

18th / 12 / 19 and signed on the board's behalf by:

A large, stylized handwritten signature in black ink, appearing to read 'Daniel Leo Antebi', is written over a dotted line.

Daniel Leo Antebi - Trustee

Report of the Independent Auditors to the Members of Kaleidoscope Project

Opinion

We have audited the financial statements of Kaleidoscope Project Group (and the 'parent charitable company') for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, the Parent Charitable Company Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Charitable Company Balance Sheet the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 charitable 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 Group annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

Report of the Independent Auditors to the Members of KALEIDOSCOPE PROJECT

Responsibilities of trustees

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

G. Francis.

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

Date: *19th December 2019.*

KALEIDOSCOPE PROJECT

Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31 March 2019

		Unrestricted fund £	Restricted funds £	Endowment fund £	31.3.19 Total funds £	31.3.18 Total funds £
	Notes					
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	102,477	-	-	102,477	758
Charitable activities	5					
Drug and alcohol treatment services		10,248,881	-	-	10,248,881	11,245,630
Residential Services		-	1,285,407	-	1,285,407	1,175,873
Elderly		-	145,541	-	145,541	162,858
Other trading activities	3	55,878	-	-	55,878	94,892
Investment income	4	328,248	-	-	328,248	188,460
Other income	6	-	-	-	-	4,004
Total		10,735,484	1,430,948	-	12,166,432	12,872,475
EXPENDITURE ON						
Raising funds	7	52,088	-	-	52,088	63,515
Charitable activities	8					
Drug and alcohol treatment services		10,469,713	15,900	-	10,485,613	11,097,630
Residential Services		-	1,333,845	-	1,333,845	1,280,284
Education and Training		-	-	-	-	5,900
Elderly		-	163,887	-	163,887	163,338
Capital Grants		-	-	-	-	38,167
Total		10,521,801	1,513,632	-	12,035,433	12,648,834
Net gains/(losses) on investments		(202,500)	-	-	(202,500)	-
NET INCOME/(EXPENDITURE)		11,183	(82,684)	-	(71,501)	223,641
Transfers between funds	21	16,350	(5,100)	(11,250)	-	-
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets		735,321	-	-	735,321	-
Net movement in funds		762,854	(87,784)	(11,250)	663,820	223,641
RECONCILIATION OF FUNDS						
Total funds brought forward		2,167,084	1,660,021	180,000	4,007,105	3,783,464
TOTAL FUNDS CARRIED FORWARD		2,929,938	1,572,237	168,750	4,670,925	4,007,105

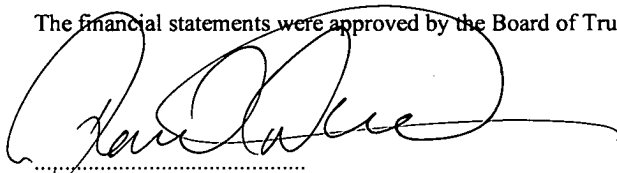
The notes form part of these financial statements

KALEIDOSCOPE PROJECT

Consolidated Balance Sheet At 31 March 2019

		Unrestricted fund £	Restricted funds £	Endowment fund £	31.3.19 Total funds £	31.3.18 Total funds £
	Not es					
FIXED ASSETS						
Tangible assets	15	245,292	1,408,514	-	1,653,806	1,728,154
Investment property	16	<u>2,279,405</u>	<u>-</u>	<u>191,250</u>	<u>2,470,655</u>	<u>1,920,655</u>
		2,524,697	1,408,514	191,250	4,124,461	3,648,809
CURRENT ASSETS						
Debtors	17	1,865,665	-	-	1,865,665	2,022,280
Cash at bank and in hand		<u>1,464,388</u>	<u>163,723</u>	<u>(22,500)</u>	<u>1,605,611</u>	<u>1,598,648</u>
		3,330,053	163,723	(22,500)	3,471,276	3,620,928
CREDITORS						
Amounts falling due within one year	18	(2,677,200)	-	-	(2,677,200)	(2,998,199)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>652,853</u>	<u>163,723</u>	<u>(22,500)</u>	<u>794,076</u>	<u>622,729</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,177,550	1,572,237	168,750	4,918,537	4,271,538
CREDITORS						
Amounts falling due after more than one year	19	(247,612)	-	-	(247,612)	(264,433)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u>2,929,938</u>	<u>1,572,237</u>	<u>168,750</u>	<u>4,670,925</u>	<u>4,007,105</u>
FUNDS	21					
Unrestricted funds					2,929,938	2,167,084
Restricted funds					1,572,237	1,660,021
Endowment funds					<u>168,750</u>	<u>180,000</u>
TOTAL FUNDS					<u>4,670,925</u>	<u>4,007,105</u>

The financial statements were approved by the Board of Trustees on 18th/12/19 and were signed on its behalf by:


Daniel Leo Antebi -Trustee

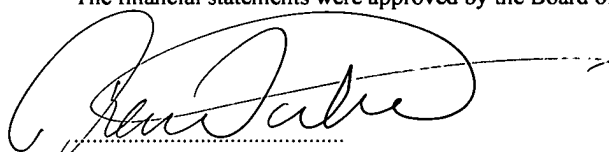
The notes form part of these financial statements

KALEIDOSCOPE PROJECT (REGISTERED NUMBER: 05480423)

**Company Balance Sheet
At 31 March 2019**

		Unrestricted fund	Restricted funds	31.3.19 Total funds	31.3.18 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	15	245,289	1,344,690	1,589,979	1,648,374
Investment property	16	<u>1,400,000</u>	<u>-</u>	<u>1,400,000</u>	<u>647,500</u>
		1,645,289	1,344,690	2,989,979	2,295,874
CURRENT ASSETS					
Debtors	17	2,931,380	1	2,931,381	2,926,572
Cash at bank		<u>1,045,436</u>	<u>155,169</u>	<u>1,200,605</u>	<u>1,391,574</u>
		3,976,816	155,170	4,131,986	4,318,146
CREDITORS					
Amounts falling due within one year	18	(2,489,104)	(4,520)	(2,493,624)	(2,545,774)
NET CURRENT ASSETS		<u>1,487,712</u>	<u>150,650</u>	<u>1,638,362</u>	<u>1,772,372</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,133,001	1,495,340	4,628,341	4,068,246
CREDITORS					
Amounts falling due after more than one year	19	(247,612)	-	(247,612)	(264,433)
NET ASSETS		<u>2,885,389</u>	<u>1,495,340</u>	<u>4,380,729</u>	<u>3,803,813</u>
FUNDS	21				
Unrestricted funds				2,885,389	2,236,589
Restricted funds				<u>1,495,340</u>	<u>1,567,224</u>
TOTAL FUNDS				<u>4,380,729</u>	<u>3,803,813</u>

The financial statements were approved by the Board of Trustees on 18/12/19 and were signed on its behalf by:


Daniel Leo Antebi -Trustee

The notes form part of these financial statements

KALEIDOSCOPE PROJECT

Consolidated Cash Flow Statement for the Year Ended 31 March 2019

	Notes	31.3.19 £	31.3.18 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>29,089</u>	<u>424,713</u>
Net cash provided by (used in) operating activities		<u>29,089</u>	<u>424,713</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(22,126)	(245,481)
Sale of fixed asset investments		<u>-</u>	<u>1</u>
Net cash provided by (used in) investing activities		<u>(22,126)</u>	<u>(245,480)</u>
Change in cash and cash equivalents in the reporting period		<u>6,963</u>	<u>179,233</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,598,648</u>	<u>1,419,415</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,605,611</u></u>	<u><u>1,598,648</u></u>

The notes form part of these financial statements

KALEIDOSCOPE PROJECT

Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2019

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

	31.3.19	31.3.18
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(71,501)	223,641
Adjustments for:		
Depreciation charges	79,295	58,153
Impairment of investments	202,500	
Decrease/(increase) in debtors	156,615	(342,174)
(Decrease)/increase in creditors	<u>(337,820)</u>	<u>.485,093</u>
Net cash provided by (used in) operating activities	<u>29,089</u>	<u>424,713</u>

KALEIDOSCOPE PROJECT

Notes to the Financial Statements for the Year Ended 31 March 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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

Basis of consolidation

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

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

Income

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

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

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

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

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

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

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

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

1. ACCOUNTING POLICIES - continued

Expenditure

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

Employee benefits

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

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

Allocation and apportionment of costs

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

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

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. As the charitable company has only one charitable activity all costs are allocated directly to this activity.

Tangible fixed assets

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

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

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

Investments

Fixed asset investments in subsidiaries are held at cost.

Investment property

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

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

Taxation

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

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

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

Leasing commitments

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

Pension costs and other post-retirement benefits

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

Critical accounting estimates and judgements

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

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

2. DONATIONS AND LEGACIES

	31.3.19	31.3.18
	£	£
Donations	2,285	758
Management income	<u>100,192</u>	<u>-</u>
	<u>102,477</u>	<u>758</u>

3. OTHER TRADING ACTIVITIES

	31.3.19	31.3.18
	£	£
Miscellaneous income	<u>55,878</u>	<u>94,892</u>

4. INVESTMENT INCOME

	31.3.19	31.3.18
	£	£
Rents received	326,341	188,304
Bank Interest	<u>1,907</u>	<u>156</u>
	<u>328,248</u>	<u>188,460</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.19	31.3.18
		£	£
Service Level Agreements	Drug and alcohol treatment services	10,248,881	11,245,630
Cairn House	Residential Services	1,214,183	1,175,873
Service Level Agreements	Residential Services	71,224	-
Alfriston day centre	Elderly	<u>145,541</u>	<u>162,858</u>
		<u>11,679,829</u>	<u>12,584,361</u>

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

6. OTHER INCOME

	31.3.19	31.3.18
	£	£
Nightingale social	-	4,004
	<u>-</u>	<u>4,004</u>

7. RAISING FUNDS

Raising donations and legacies

	31.3.19	31.3.18
	£	£
Staff costs	14,175	19,346
Premises costs	34,887	41,143
Telephone	<u>3,026</u>	<u>3,026</u>
	<u>52,088</u>	<u>63,515</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 9)	Totals
	£	£	£
Drug and alcohol treatment services	10,082,450	403,163	10,485,613
Residential Services	1,306,239	27,606	1,333,845
Elderly	<u>163,215</u>	<u>672</u>	<u>163,887</u>
	<u>11,551,904</u>	<u>431,441</u>	<u>11,983,345</u>

9. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Drug and alcohol treatment services	392,851	10,312	403,163
Residential Services	27,606	-	27,606
Elderly	<u>672</u>	<u>-</u>	<u>672</u>
	<u>421,129</u>	<u>10,312</u>	<u>431,441</u>

10. NET INCOME/(EXPENDITURE)

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

	31.3.19	31.3.18
	£	£
Auditors' remuneration	10,312	4,800
Depreciation - owned assets	79,295	58,152
Hire of plant and machinery	31,504	34,225
Deficit on disposal of fixed asset	<u>-</u>	<u>1</u>

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

11. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

During the year, four (2018: two) trustees were reimbursed travel expenses amounting to £444 (2018: £332).

12. STAFF COSTS

	31.3.2019	31.3.2018
	£	£
Wages & salaries	10,258,151	8,435,232
Social security costs	594,034	516,184
Other pension costs	217,358	137,763
	<u>11,069,543</u>	<u>9,089,179</u>

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

	31.3.19	31.3.18
Charitable activities	258	310
Management and administration	<u>55</u>	<u>14</u>
	<u>313</u>	<u>324</u>

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

	31.3.19	31.3.18
£60,001 - £70,000	<u>1</u>	<u>1</u>

The total employee benefits including pension contributions of the key management personnel were £318,611 (2018: £304,471).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Endowment fund	Total funds
	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and legacies	758	-	-	758
Charitable activities				
Drug and alcohol treatment services	11,245,630	-	-	11,245,630
Residential Services	-	1,175,873	-	1,175,873
Elderly	-	162,858	-	162,858
Other trading activities	76,645	18,247	-	94,892
Investment income	188,304	156	-	188,460
Other income	<u>4,004</u>	<u>-</u>	<u>-</u>	<u>4,004</u>
Total	11,515,341	1,357,134	-	12,872,475

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
EXPENDITURE ON				
Raising funds	63,515	-	-	63,515
Charitable activities				
Drug and alcohol treatment services	11,077,688	19,942	-	11,097,630
Residential Services	52,340	1,227,944	-	1,280,284
Education and Training	5,900	-	-	5,900
Elderly	-	163,338	-	163,338
Capital Grants	-	38,167	-	38,167
Total	11,199,443	1,449,391	-	12,648,834
NET INCOME/(EXPENDITURE)	315,898	(92,257)	-	223,641
Transfers between funds	(13,789)	25,039	(11,250)	-
Net movement in funds	302,109	(67,218)	(11,250)	223,641
RECONCILIATION OF FUNDS				
Total funds brought forward	1,864,975	1,727,239	191,250	3,783,464
TOTAL FUNDS CARRIED FORWARD	2,167,084	1,660,021	180,000	4,007,105

14. CHARITABLE COMPANY RESULTS

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

	Total 2019 £	Total 2018 £
Total income resources	9,433,316	7,963,608
Total resources expended	(9,591,721)	(7,717,627)
Net gains on investments	735,321	-
Net	576,916	245,981
Funds:		
At 1 April 2017	<u>3,803,815</u>	<u>3,557,834</u>
At 31 March 2018	<u>4,380,729</u>	<u>3,803,815</u>

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

15. TANGIBLE FIXED ASSETS

	Freehold property	Long Leasehold	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST OR VALUATION					
At 1 April 2018	1,684,151	245,481	1,069,480	51,589	3,050,701
Additions	-	-	22,126	-	22,126
Impairment	(17,179)	-	-	-	(17,179)
At 31 March 2019	<u>1,666,972</u>	<u>245,481</u>	<u>1,091,606</u>	<u>51,589</u>	<u>3,055,648</u>
DEPRECIATION					
At 1 April 2018	311,559	-	959,399	51,589	1,322,547
Charge for year	<u>32,421</u>	<u>3,008</u>	<u>43,866</u>	<u>-</u>	<u>79,295</u>
At 31 March 2019	<u>343,980</u>	<u>3,008</u>	<u>1,003,265</u>	<u>51,589</u>	<u>1,401,842</u>
NET BOOK VALUE					
At 31 March 2019	<u>1,322,992</u>	<u>242,473</u>	<u>88,341</u>	<u>-</u>	<u>1,653,806</u>
At 31 March 2018	<u>1,372,592</u>	<u>245,481</u>	<u>110,081</u>	<u>-</u>	<u>1,728,154</u>

CHARITABLE FIXED ASSETS (CHARITABLE COMPANY)

	Freehold Property	Long Leasehold	Fixtures and fixtures	Motor vehicles	Totals
	£	£	£	£	£
COST OR VALUATION					
At 1 April 2018	1,684,151	245,481	733,658	51,589	2,714,879
Additions	-	-	22,126	-	22,126
Impairment	(17,179)	-	-	-	(17,179)
At 31 March 2019	<u>1,666,972</u>	<u>245,481</u>	<u>733,784</u>	<u>51,589</u>	<u>2,719,826</u>
DEPRECIATION					
At 1 April 2018	311,559	-	703,357	51,589	1,066,505
Charge for year	<u>32,421</u>	<u>3,008</u>	<u>27,913</u>	<u>-</u>	<u>63,342</u>
At 31 March 2019	<u>343,980</u>	<u>3,008</u>	<u>731,270</u>	<u>51,589</u>	<u>1,129,847</u>
NET BOOK VALUE					
At 31 March 2019	<u>1,322,992</u>	<u>242,473</u>	<u>24,514</u>	<u>-</u>	<u>1,589,979</u>
At 31 March 2018	<u>1,372,592</u>	<u>245,481</u>	<u>30,301</u>	<u>-</u>	<u>1,648,374</u>

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

15. TANGIBLE FIXED ASSETS - continued

DEPRECIATION

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

The Welsh Assembly Government has a legal charge over the property at Powells Place, Newport which has a net book value of £600,527 (2018: £615,438) at the balance sheet date.

16. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 April 2018	1,920,655
Fair value adjustment	752,500
Impairments	<u>(202,500)</u>
At 31 March 2019	<u>2,470,655</u>
NET BOOK VALUE	
At 31 March 2019	<u>2,470,655</u>
At 31 March 2018	<u>1,920,655</u>
Charitable Company	
	£
MARKET VALUE	
At 1 April 2018	647,500
Revaluation	752,500
At 31 March 2019	<u>1,400,000</u>
NET BOOK VALUE	
At 31 March 2019	<u>1,400,000</u>
At 31 March 2018	<u>647,500</u>

The investment property has been revalued to £1.4 million by Sneller Commercial Chartered Surveyors in November 2019.

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.19	31.3.18
	£	£
Trade debtors	1,632,355	1,809,694
Other debtors	188,116	169,165
Prepayments and accrued income	45,194	43,421
	<u>1,865,665</u>	<u>2,022,280</u>

Charitable Company

	31.3.19	31.3.18
	£	£
Trade debtors	1,589,028	1,591,642
Amounts owed by group undertakings	1,109,041	1,122,342
Other debtors	188,116	169,165
Prepayments and accrued income	45,196	43,422
	<u>2,926,571</u>	<u>2,926,572</u>

Included within other debtors, in both the Group and Charitable Company, is £74,786 (2018: £79,110) due from Kaleidoscope (Kingston) Housing Association Limited.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.19	31.3.18
	£	£
Trade creditors	1,196,197	1,417,929
Social security and other taxes	120,055	119,918
Other creditors	331,869	190,001
Accruals and deferred income	1,029,079	1,270,351
	<u>2,677,200</u>	<u>2,998,199</u>

Charitable Company

	31.3.19	31.3.18
	£	£
Bank loans and overdrafts (see note 19)	4,520	-
Trade creditors	1,076,086	1,070,621
Social security and other taxes	105,973	93,656
Other creditors	331,869	190,001
Accruals and deferred income	975,176	1,191,496
	<u>2,493,624</u>	<u>2,545,774</u>

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.19	31.3.18
	£	£
Other creditors	<u>247,612</u>	<u>264,433</u>

Charitable Company

	31.3.19	31.3.18
	£	£
Other creditors	<u>247,612</u>	<u>264,433</u>
	<u>247,612</u>	<u>264,433</u>

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

20. LEASING AGREEMENTS

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

	31.3.19 £	31.3.18 £
Within one year	103,850	98,068
Between one and five years	<u>230,806</u>	<u>247,627</u>
	<u>334,656</u>	<u>345,695</u>

21. MOVEMENT IN FUNDS

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
Unrestricted funds				
General fund	2,167,084	746,504	16,350	2,929,938
Restricted funds				
Residential Services	-	(48,438)	48,438	-
Elderly	-	(18,346)	18,346	-
Asset Fund	1,498,513	-	(38,233)	1,460,280
Legacy Income	68,711	-	(33,651)	35,060
Public Health England Grant	<u>92,797</u>	<u>(15,900)</u>	<u>-</u>	<u>76,897</u>
	1,660,021	(82,684)	(5,100)	1,572,237
Endowment funds				
Wirral PCT	<u>180,000</u>	<u>-</u>	<u>(11,250)</u>	<u>168,750</u>
TOTAL FUNDS	<u>4,007,105</u>	<u>663,820</u>	<u>-</u>	<u>4,670,925</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	10,937,984	(10,724,301)	532,821	746,504
Restricted funds				
Residential Services	1,285,407	(1,333,845)	-	(48,438)
Elderly	145,541	(163,887)	-	(18,346)
Public Health England Grant	<u>-</u>	<u>(15,900)</u>	<u>-</u>	<u>(15,900)</u>
	1,430,948	(1,513,632)	-	(82,684)
TOTAL FUNDS	<u>12,368,932</u>	<u>(12,237,933)</u>	<u>532,821</u>	<u>663,820</u>

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

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

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

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

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

21. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
Unrestricted funds				
General fund	1,864,975	1,062,402	2,561	2,929,938
Restricted funds				
Residential Services	112,739	(102,607)	82,665	92,797
Elderly	-	(18,267)	18,267	-
Property Funds	-	(5,746)	5,746	-
Asset Fund	-	-	(38,233)	(38,233)
Legacy Income	1,536,673	(32,421)	(39,391)	1,464,861
Capital Grants	77,827	-	(9,115)	68,712
Public Health England Grant	-	(15,900)	-	(15,900)
	1,727,239	(174,941)	19,939	1,572,237
Endowment				
Wirral PCT	191,250	-	(22,500)	168,750
TOTAL FUNDS	<u>3,783,464</u>	<u>887,461</u>	<u>-</u>	<u>4,670,925</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	22,453,325	(21,923,744)	532,821	1,062,402
Restricted funds				
Residential Services	2,479,124	(2,581,731)	-	(102,607)
Elderly	308,958	(327,225)	-	(18,267)
Property Funds	-	(5,746)	-	(5,746)
Legacy Income	-	(32,421)	-	(32,421)
Public Health England Grant	-	(15,900)	-	(15,900)
	2,788,082	(2,963,023)	-	(174,941)
TOTAL FUNDS	<u>25,241,407</u>	<u>(24,886,767)</u>	<u>532,821</u>	<u>887,461</u>

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

21. MOVEMENT IN FUNDS - continued

Charitable Company

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
Unrestricted funds				
General fund	2,236,589	643,700	5,100	2,885,389
Restricted funds				
Residential services fund	-	(48,438)	48,438	-
Elderly fund	-	(18,346)	18,346	-
Asset fund	1,498,513	-	(38,233)	1,460,280
Legacy fund	68,711	-	(33,651)	35,060
TOTAL FUNDS	3,803,813	576,916	-	4,380,729

Unrestricted funds

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

Restricted funds

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

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

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

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

22. CONTINGENT LIABILITIES

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

Included in Investment properties is the purchase and refurbishment costs of a building on Argyle Street, Birkenhead. A grant of £500,000 was received from the Wirral Primary Care Trust (WPCT) towards these costs. WPCT hold a legal charge over the property dated 31 March 2009, the terms of which are that should the property be sold within 20 years a set percentage of the sales proceeds will revert back to WPCT. The percentage remittable is tapered down to 0% over 20 years. As at 31 March 2018 the percentage repayable would be 75% of the sale proceeds (31 March 2018 - 80%).

23. RELATED PARTY DISCLOSURES

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

During the year, Kaleidoscope Project Limited paid management fees to Kaleidoscope (Kingston) Housing Association Limited of £45,000 (2018: £45,000). At the year end, included in debtors is a balance of £74,786 (2018: £79,110) which remained outstanding from Kaleidoscope (Kingston) Housing Association Limited. This amount is repayable on demand and is non-interest bearing.

There were no other related party transactions in either the year ended 31 March 2019 or the year ended 31 March 2018.

24. LEGAL STATUS OF THE CHARITABLE COMPANY

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

KALEIDOSCOPE PROJECT

Notes to the Financial Statements - continued for the Year Ended 31 March 2019

25. POST BALANCE SHEET EVENTS

Kaleidoscope Project have merging with Arch Initiatives, a subsidiary entity with common objectives whose net assets at 31 March 2019 were £290,194.

The property K Force House situated at Powells Place, Newport was sold for £150,000 will be sold in October 2019 and the proceeds will be reinvested in services within Newport.

The charity has had a firm offer for the sale of the Kaleidoscope and Church Buildings in Kingston of £5.7 million which is currently under consideration.