
CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Trustees	Mr H R Sheikh, Chairman Mr F R Sheikh Mr A Sheikh Mr M J Adams Mrs L Arciuolo Mr N Cheffings, External Trustee Mr C K Dickinson Mr N Jaffer, External Trustee Mrs A Kelbie, External Trustee Mr M Pratt Mrs J Taplin, External Trustee
Company registered number	11651094
Charity registered number	1182567
Registered office	7th Floor, Metropolitan House 3 Darkes Lane Potters Bar Hertfordshire EN6 1AG
Chief executive officer	Jonathan Freeman
Independent auditors	Peters Elworthy & Moore Chartered Accountants Salisbury House Station Road Cambridge CB1 2LA
Bankers	Royal Bank of Scotland 49 Bishopsgate London EC2N 3AS
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

The chairman presents his statement for the year.

Having established the Foundation and put in place our strategic framework and all of the supporting platforms necessary to deliver our ambitious objectives, the trustees and staff team were ready for a year of significant delivery. A year in which we were able to deliver powerful social impact across all aspects of our work, encouraged by the strength of the partnerships we had developed and the place we had created for the Foundation within the social care and charity sectors.

And then COVID-19 arrived...

It is now well-documented just how hard the social care sector has been challenged by COVID-19. Equally, the charitable sector has been rocked, hit by the perfect storm of unparalleled demand for its services at the same time as plummeting income. In the middle of this, as the leading corporate foundation in the social care sector, my colleague trustees and I recognised that we had a weighty moral duty to do everything in our power to support our charitable partners and, crucially, the millions of individuals working in and supported by the social care sector.

As I hope that this report conveys adequately, our response to the COVID-19 pandemic demonstrated the strength and relevance of the Foundation's mission – and its agility to respond to this unprecedented challenge. From supporting our Partnership Grant charities to maintain their services, to the quadrupling of the funds made available to individuals facing significant hardship through our Staff Hardship Fund, to supporting a powerful set of new initiatives directly responding to the COVID-19 crisis, the Foundation came in to its own.

Lessons learned...

We have learned many lessons in this last year and are as committed like never before to improving the impact that we deliver to society through the funds available to us. Whilst we know that COVID-19 will, sadly, remain with us for some time yet and continue to challenge all of us for years to come, the Foundation is confident that it is well-placed to deliver on its powerful mission to champion and support the social care sector.

Moving forward...

The significant increase in the generous donation from CareTech plc, for which we are incredibly grateful, places a heavy responsibility on all of the trustees and staff team to ensure that the Foundation delivers far-reaching impact across all of its activities. We accept that responsibility readily, knowing that our strategy is more relevant than ever and that we have the team in place to deliver powerful change.



Haroon Sheikh

Chairman

Date: 19 February 2021

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CEO's STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

CEO's STATEMENT

This was always going to be an important year for the Foundation; we just didn't know how important...

The social care sector has been rocked by the COVID-19 pandemic. Despite their very best efforts, social care providers have dealt with the most tragic of challenges, struggling to keep their residents and staff safe in the face of a virus that not even the world's leading scientific experts can properly understand.

The charity sector, just when so many of its services have been most needed, has been knocked sideways by a catastrophic cliff edge fall in income. Great charities delivering excellent support to the most vulnerable members of society have had to lay off swathes of staff at the same time as re-inventing themselves and their operations almost overnight to deliver their work in a COVID-19 environment.

COVID-19 was far from being the only challenge over this last year. The appalling death of George Floyd in Minneapolis and the powerful response of the Black Lives Matter movement challenged all of us to reinvigorate the actions we all need to take to shift the dial in respect of diversity, equity and inclusion. Tackling climate change also remains, of course, a global priority that every organisation has to address if we are to safeguard the planet for future generations.

Amidst the sometimes overwhelming and frightening challenges of the last year, I am proud that, in its modest way, the CareTech Foundation in many respects came in to its own. We have been able to support some of the amazing new charitable initiatives that ingenious individuals have come up to address issues triggered by COVID-19. We have been able to significantly scale up the support we could provide to those hit by the economic challenges of the pandemic. We have supported all of our partners to continue to deliver their incredible programmes through this difficult year.

One of the golden threads of the charity sector and its people is a powerful optimism, a belief that things can and will be better. In this last year, we have witnessed a public awakening to the value of the social care system. We hope that our work in supporting the #SparkleForSocialCare campaign and, more recently, the hosting of the new cross-sector Championing Social Care campaign will ensure a wider and deeper public understanding, appreciation and respect for social care.

The achievements of the Foundation have been borne out of the inspirational leadership of our trustees, who have been incredible in steering us through this turbulent year, and the amazing efforts of my incredible hard-working staff team. Thank you!

Jonathan Freeman
Chief Executive Officer

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Trustees, who are also directors under the Companies Act, present their annual report together with the audited financial statements of the Charity for the year 1 October 2019 to 30 September 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (second edition - October 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

● Policies and objectives

Our purposes

The following is a summary of the Foundation's purposes as set out in full in its governing document and as available on the Charity Commission register at <https://www.gov.uk/find-charity-information>.

What

- General charitable purposes
- Disability
- The prevention or relief of poverty

Who

- Children/young people
- Elderly/old people
- People with disabilities
- Other charities or voluntary bodies
- The general public/mankind

How

- Makes grants to individuals
- Makes grants to organisations

Our aims and the difference we seek to make

The trustees have determined that the Foundation's work by which to deliver public benefit in relation to its Objects should be focused on supporting and championing the social care sector, care workers and those living in care. In particular, the Foundation's support is particularly targeted on the following three impact areas:

- Physical and learning disabilities and mental health. Supporting disabled people and those with long-term health difficulties, including those with mental health conditions and complex physical and learning disabilities.
- Skills development for the care sector, especially for those from deprived and disadvantaged backgrounds to equip them for careers in the care sector.
- Supporting communities, including the family and friends of CareTech plc employees facing significant financial hardship or for issues affecting local communities.

The trustees have further confirmed that the Foundation's support should be devoted to supporting those in need in the UK and in developing countries overseas.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Objectives and activities (CONTINUED)

• **Strategies for achieving objectives**

The Foundation delivers its key objectives through the following key approaches:

- **Partnership Grants.** The Foundation supports a small number of significant partnerships with credible and high-quality charities and social enterprises consistent with its three priority impact areas.
- **Match-Fund Grants.** The Foundation provides match-funding to CareTech plc staff's individual fundraising efforts for charitable causes in line with the Foundation's Charitable Objectives.
- **Community Grants.** This small grants programme provides support to the family and friends of CareTech plc staff facing financial hardship or for issues affecting local communities.
- **Staff Hardship Fund.** The Foundation receives a restricted donation from CareTech plc to enable us to provide small grants to CareTech plc staff and those who may recently have left the company who find themselves in significant financial hardship or at serious risk of becoming in significant financial hardship.

The Foundation's Grant-Making Policy sets out the approach and procedures by which trustees will assess all applications for grants, which are received via an open online application process. The most significant of the Foundations grants (in terms of both spend and complexity) are its Partnership Grants. The Grant-Making Policy establishes that to be considered for the Foundation's support all partnerships should:

- involve medium- to long-term investments in innovative and high-impact programmes that will deliver one or more of the Foundation's objectives;
- demonstrate and be contingent upon any investment by the Foundation leveraging additional investment; and,
- where appropriate, enable the Foundation to provide wider in-kind support through the expertise of CareTech Holdings plc's staff, supply chain and wider network.

As noted above, a key vehicle by which the Foundation is able to add value to its financial commitment to its partnerships is the in kind support provided by the staff of CareTech plc. CareTech plc staff are invited to volunteer to support projects supported by the Foundation, bringing their expertise and understanding to bear for the benefit of the project and the delivery partner(s) involved. The Foundation helps to broker such volunteering opportunities as well as recording the extent and value of this support.

The Trustees well understand the imperative of ensuring that the work of the Foundation is undertaken entirely independently of its corporate founder and that its activities are focused exclusively on advancing the Foundation's charitable purposes for the benefit of the public. We set out below the achievements made over this last year of the Foundation's operations in delivering our charitable mission.

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (CONTINUED)

● **How we measure success**

With the support of Bean Research, the Foundation established its Theory of Change last year and accompanying Impact Assessment Framework. A Theory of Change is a powerful tool, particularly for social impact organisations, to describe the need an organisation is trying to address, the changes it wants to realise and the activities which it will deliver to create these changes. A good Theory of Change can provide a clear and succinct encapsulation of the purpose of the organisation and how every aspect of its work contributes to delivering its vision. Crucially, a Theory of Change should underpin a robust impact assessment methodology.

Our Theory of Change is set out in the schematic below that seeks to articulate the value that the Foundation can provide, as summarised in our updated Purpose Statement:

“The CareTech Foundation delivers meaningful impact to communities in the UK and overseas by supporting and championing the social care sector, care workers and those living in care.”

Sitting below the Theory of Change is the Foundation's new Impact Assessment Methodology which provides a common set of indicators by which we assess the impact of our work. This includes a sub-set of common indicators that are used to assess the impact of the work we are funding through our Major Partnerships grants.

The Foundation published its first Impact Report based on the new Theory of Change last year (see <https://www.caretechfoundation.org.uk/impact-report-2018-2019/>) and this year's Impact Report accompanies this Annual Report.

● **Charity Commission guidance on public benefit**

The Trustees have complied with their duty pursuant to Section 4 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission regarding Public Benefit, a copy of which is provided to all trustees on appointment and on an annual basis thereafter.

Achievements and performance

● **The year in context**

This has been a year like no other. The onset of the COVID-19 global pandemic just a few months in to this reporting period presented the Foundation with a set of challenges – and opportunities – that go to the heart of what we are about. Those in need of care – the elderly, those with disabilities, those with serious medical issues – have been most at risk of the virus's cruel effects. As never before, the social care sector has had to deal with so many issues in order to protect some of the most vulnerable members of our society. Care workers and their families have often felt the brunt of the seismic economic impacts of the pandemic. The impacts of the lockdown and other restrictions on mental health have been enormous. The charitable sector, with demand for their services more needed than ever, has witnessed a catastrophic decline in income levels.

In the midst of this tumultuous year, the rationale for the Foundation's very existence has been tested more closely than we could ever have imagined. Whilst we have learned a number of very important lessons, we believe that the Foundation's response to the COVID-19 pandemic has demonstrated the strength and relevance of the Foundation's mission – and its agility to respond to this unprecedented challenge.

It is important to acknowledge, as dominant as COVID-19 has been this year, there have been other hugely important challenges relevant to the Foundation and the context in which we have operated. The tragic death of George Floyd in Minneapolis in May 2020 and the global resurgence of the Black Lives Matter movement threw – quite rightly – a bright light on all organisations and their approach to diversity, equity and inclusion. For the

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Achievements and performance (CONTINUED)

Foundation, these developments resolved trustees' determination to pursue their commitment to these issues as set out in the Foundation's Diversity, Equity and Inclusion statement (see <https://www.caretechfoundation.org.uk/about-us/diversity/>) published in December 2018.

● **Our objectives for this year**

Trustees agreed a set of key objectives for this reporting year, the most notable of which were as follows:

- To continue to manage effectively a portfolio of major partnerships, ensuring that they deliver the impact expected and that there is a strong and trusting relationship between the Foundation and its partners;
- To continue to grow the number of applications to the Foundation's small grants schemes, with a spread across all areas of CareTech plc's operations;
- To ensure rigorous reporting and effective management of all current Partnerships, with well-evidenced impact evaluation plans and reports using the new Impact Assessment Framework informed by the updated Monitoring & Evaluation Report;
- To undertake the first annual review of the Foundation using the new Impact Assessment Framework;
- To build the Foundation's profile among its core audiences;
- To support the training and development needs of trustees and staff;
- To ensure that all necessary changes in the light of the Foundation's incorporation run smoothly;
- To implement the action plan by which to improve further compliance with the Charity Commission's Guidance for charities associated with non-charities;
- To implement the action plan by which to further improve compliance with the Code of Good Governance.

As set out in this Report, trustees are pleased with the progress that has been made against all of these objectives.

● **Main achievements**

Since its establishment in 2017, the Foundation has distributed approximately £1,328,000 in grants and donations. The Foundation is now recognised as the leading corporate foundation in the social care sector.

With three years of operations now completed, the Foundation has made significant progress in delivering its vision. Building on the strong foundations of good governance, an effective trustee board and a high-achieving staff team, over the last year the Foundation has delivered the following key achievements:

- A developing portfolio of Partnership Grant recipients is now in place, with Birmingham Disability Resource Centre and EY Foundation's new Beyond Your Limits programme (co-designed with the Foundation) having been added in this last year. This developing portfolio is, as planned, enabling the Foundation to deliver greater impact across its priorities and providing useful insights as to how we can best direct funding in the future. We are pleased to see a growing number of applications to this funding stream, highlighting the growing recognition of the Foundation's distinctive positioning in the wider grant-making sector.
- The Foundation's first Impact Report (see <https://www.caretechfoundation.org.uk/impact-report-2018-2019/>) was published, earning strong praise from partners and the wider sector as demonstrating a commitment to transparency and accountability.
- The Foundation's response to the COVID-19 pandemic, especially given the highlighting of the social care sector, demonstrated the strength and relevance of the Foundation's mission as well as its agility to respond to this unprecedented challenge. Swift commitment to the London Funders' commitments to our partners, as well as trustees' willingness to fast-track new partnerships, have helped to cement the Foundation's strong reputation.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Achievements and performance (CONTINUED)

- As well as continued support of the Care Sector Fundraising Ball, the Foundation played a key role in the #SparkleforSocialCare campaign and, at the end of the reporting period, the launch of the new cross-sector Championing Social Care initiative, which is being hosted by the Foundation.
- An increasingly strong external brand, with growing online and offline media recognition, enabling the Foundation to use its influence to further impact upon its core concerns.

• **Partnership Grants**

The Foundation supports a small number of significant partnerships with credible and high-quality charities and social enterprises consistent with its three key focus areas.

To be considered for the Foundation's support, any partnership should:

- involve medium- to long-term investments in innovative and high-impact programmes that will deliver one or more of the Foundation's objectives;
- demonstrate and be contingent upon on any investment by the Foundation leveraging additional investment; and,
- where appropriate, enable the Foundation to provide wider in-kind support through the expertise of CareTech plc staff, supply chain and wider network.

Over the period of this report, we entered into the following new partnerships:

EY Foundation – Beyond Your Limits. This exciting new programme has been co-designed with the Foundation and professionals in the care sector, including those of CareTech plc, national employers and 80 care-experienced young people across England. Young people will receive support in enhancing the opportunities available to them, employability skills, quality work experience, budgeting / life skills, mental wellbeing alongside 1 to 1 tailored support through business mentoring and a bespoke careers bursary.

Beyond Your Limits will have five key pillars of qualitative evaluation for the programme and we would expect all the young people to report an enhanced level of the following benchmarks post programme:

- o enhanced self-confidence and skills and qualities;
- o better knowledge of careers and job application skills;
- o improved self-awareness including larger personal and professional networks;
- o stronger self and career ambition; and,
- o financial literacy skills.

Targeting 16-17 year olds in care who are in full / part time education, the programme will deliver a range of guaranteed interventions, including paid work experience and employability training, amounting to 21 days of paid support and training. Linked to this, the programme will provide each participant with a business mentor and a progression coach from EY Foundation who will conduct a strength and needs analysis and, where needed, refer or deliver bespoke interventions, such as conflict management or effective use of a career bursary. A key element of the programme will involve business mentors who can lend their experience and expertise to the young people.

The programme overall will seek to support 210 young people over three years with our support going towards three cohorts of 10 young people each.

Birmingham Disability Resource Centre – Positive Pathways. Positive Pathways aims to help any person with disabilities or person with a long-term condition who is looking to enter or return to employment, training or volunteering. Most beneficiaries are unemployed, and many are likely to lack basic skills including literacy, numeracy, and core skill training. They also lack relevant and recent work experience, appropriate qualifications and current vocational skills.

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Achievements and performance (CONTINUED)

This programme will engage with 270 adults with disabilities across the West Midlands and South Staffordshire, working with them on individually-tailored pathways towards recovery using a person-centred approach through education, volunteering, and employment.

The programme offers support in three ways:

- o A two-day a week, six-week 'Opportunities for Life' programme that gives disabled people the skills, knowledge and confidence to move towards employment.
- o The Opportunities Hub, where anyone who is on or who has been on one of employment programmes can drop-in for additional support.
- o Mentoring and guidance, ensuring that disabled people engaged through Positive Pathways are receiving their full entitlements and any wider barriers preventing them from participating are resolved.

We have also continued to support the following partnerships below, through which we have (directly and indirectly) supported over 275,000 beneficiaries by the end of this reporting period since the programmes' inception, representing a significant increase from the 105,000 beneficiaries supported at the same point last year:

British Asian Trust - Mental health and wellbeing for all in Pakistan. We partnered with the COSARAF Foundation to jointly invest in a £1million partnership with the British Asian Trust by which they will deliver a step change in mental health and wellbeing provision in Pakistan.

In the last year, the British Asian Trust has entered into partnerships with four local partners. These partners provide incredible access and support in leading community activities, engaging schools and businesses and providing training and recruitment opportunities for local communities.

In an effort to be more accessible and increase their impact, British Asian Trust and their partners have set-up community clinics using containers, carried out door-knocking engagement exercises, began building better relationships with and educating faith healers and set-up women specific groups to provide a safe and open environment to share and discuss their experiences.

The programme has now had 40,362 attendees at their awareness-raising sessions, supporting 274,468 individuals indirectly through their various engagement activities and improved the access to support for 25,855 individuals. Overall, this represents a solid achievement towards the programme's targets.

We were delighted that the programme continues to secure high-level support, from high-profile 'influencers' across the country, including the Pakistan cricket team, mental health experts and actors.

COVID-19 impacted Pakistan in February, which caused the British Asian Trust to re-think the mental health programme. In response to the pandemic, British Asian Trust and their partners launched COVID-19 related emergency programmes to tackle the mental health challenges caused by the pandemic, temporarily halting the mental health and wellbeing programme in an effort to re-focus their efforts on the immediate needs of their beneficiaries.

Skills for Care - Supporting care workers and promoting employment opportunities for care leavers. We supported sector-leading charity Skills for Care to run pilot projects that explore different ways of supporting people from traditionally under-represented groups into training or employment in adult social care.

The Seeing Potential programme was delivered by four delivery partners, one partner having dropped out early on in the programme. Preliminary results suggest the programme has been successful in encouraging wider recruitment, with delivery partners reporting higher than expected engagement results. Skills for Care engaged 123 individuals directly through the programme, with 105 receiving employability training and support. 26

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Achievements and performance (CONTINUED)

individuals have been employed as a direct result of the programme.

The partnership also included support for Value Based Recruitment workshops for recruiting staff in the care sector and the I Care...Ambassadors programme, a voluntary role to promote working in the social care sector. We were pleased that, as part of the added value provided by the company to all Partnership Grant projects, CareTech plc staff participated in both the workshops and promotion of the I Care...Ambassadors programme.

Our partnership with Skills for Care ended in December 2019.

Care Workers Charity - Assisting the UK's care workers. The Foundation is working with The Care Workers Charity to support care workers facing financial hardships. The Care Workers Charity continue to deliver a much-needed service for individual workers in the sector hitting hard times. The Foundation's support for this Grant remains vital as the only crisis grants fund that covers the entirety of the sector. The Care Workers Charity Crisis Grant Fund supported over 274 care workers for an average of £372 per grant award in the first half of 2019 alone, which was an important step up in its delivery although demand significantly outstrips available resources.

Barnardo's - Development of 'Journey', a digital resource for care leavers. We continue to partner with Barnardo's on a £1 million project to develop a ground-breaking digital resource to support young people leaving care. Barnardo's has developed the online resource and started testing internally. Conversations with CareTech plc have already started on expanding testing to CareTech plc and Cambian services. Due to initial delays to the programme, a new Project Plan was agreed with a greater focus on commerciality of 'Journey' and greater emphasis on wider testing ahead of official roll-out.

The Barnardo's team opted to bring development in-house which has allowed them to closely monitor, test and develop the App and thereby saving time. They have benefitted from CareTech plc's resources, talking to staff and service-users relevant to the App, throughout this development period. With the support of the Foundation, Barnardo's has expanded their engagement, testing and data collection nationally, attending multiple events and workshops in England and Scotland.

EY Foundation – Promoting careers in the care sector and helping care leavers in to employment. Our partnership with EY Foundation has seen the first programme of its kind with a specific focus on the care sector and those in care. The programme has been delivered in Potters Bar, Birmingham and Manchester with 25 young people aged 16-19 gaining work experience in CareTech plc offices and services. The three cohorts of young people have also benefitted from the 10-month mentorship by CareTech plc staff.

The young people were given intensive training in core employability skills and the confidence to enable them to transition successfully from school to work or into further education. They received quality paid work experience within the care sector to help them practise their skills and learn about careers in the care sector.

We are delighted by the progress of the Smart Futures and Our Future programmes, which have had an 80% success rate compared to the national average of 55% of similar programmes.

Birkbeck University of London – The ToddlerLab - understanding the development of autism. Breakthroughs in the understanding of the development of autism and other behavioural conditions could be made thanks to a new laboratory to study toddlers, funded in part by the CareTech Foundation.

Research at the £3.7m Wohl Wolfson ToddlerLab at Birkbeck, University of London will increase understanding of developmental disorders, hopefully leading to new interventions and transforming the outlook for people with these conditions. Using the latest wireless technologies, the ToddlerLab will enable the advanced scientific study of brain development for children from 18 months to three or four years in an environment simulating familiar surroundings for toddlers.

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Achievements and performance (CONTINUED)

The new ToddlerLab will build on discoveries made at Birkbeck's BabyLab, which has led to breakthroughs in the understanding of babies' brain development but its facilities are less well suited to studying toddlers, who require more space as they carry out various daily activities, including walking and playing. Research previously carried out at the BabyLab has included a study showing that babies who react more strongly to sudden changes in light intensity may be more likely to be diagnosed with autism spectrum disorder. It is hoped that the ToddlerLab will lead to similar breakthroughs in the understanding of young children's brain development, so that conditions can be identified and addressed earlier.

Construction of the ToddlerLab has now been completed and Birkbeck remain confident of beginning use of this incredible new facility in early-2021.

DePaul UK – Improving the mental health of homeless young people in North East. Our partnership with Depaul UK has seen 100 young people experiencing homelessness in the North East receive crucial mental health support. Depaul UK supports young people aged 16-25 who find themselves homeless by providing emergency accommodation, supported housing and other services which help young people rebuild their lives.

Young people who experience homelessness often struggle with a variety of different pressures, with poor mental health often being a major factor. The organisations continue to explore ways of working together to improve the mental health and wellbeing of young people living in Depaul's supported accommodation across the region. The appointment of a specialist mental health worker has focused support provided to the young people by growing their personal confidence and ability to cope. Through a number of workshops and activities, the programme has built resilience and offered techniques for maintaining positive wellbeing and mental health. Throughout the pandemic, with restrictions in face-to-face engagement, this has included digital engagement with the young people, offering guidance on how to manage their day-to-day activities and develop schedules to cope with the stress of isolation and restricted mobility.

Beyond the financial support provided by the Foundation, the support in kind provided by CareTech plc staff to these partnerships is significant. Harnessing the expertise and skills of CareTech plc staff in this way often brings the partnership to life and our partners comment on how much they value this contribution. Over the course of this financial year, this support in kind equates to just over 36 days, at an estimated value of over £11,800 (compared to some £8,400 last year).

• **Small Grants**

The Foundation added its new Hardship Fund to its product offerings in late-2018, enabling it to support staff facing financial hardship. Since their introduction, demand for these grants has increased steadily and the company agreed a doubling of their contribution in FY2019/20 to £50,000. Demand was significantly stimulated because of the COVID19 pandemic and the trustees agreed to divert additional funds to this grant stream from an underspend on the Partnership Grants, taking the total available to £100,000. This year, the Foundation has supported 134 grant applications to a total amount of £97,759, processing over 200 applications.

The impact of these relatively small awards to the beneficiaries is significant as indicated by the following comments from beneficiaries:

- "I would like to thank the Foundation for helping me at this difficult time. I have been struggling financially and worrying for some time and this has lifted a huge weight off my shoulders. I am so very grateful. Thank you."
- "This act of kindness does not go unnoticed and I do hope that one day when all this is behind me and I start living again I will be able to walk in and thank the Foundation face to face for the generous support they have given me"

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (CONTINUED)

Demand for the Foundation's Community Grants increased steadily again this year. During 2019/20 the CareTech Foundation has supported 33 grants to a value of £39,175. To cope with the increased demand, it was agreed that £4,000 was to be redirected from the Match Funding grant stream. Examples of grants made this year include:

- £2,150 towards an inclusive playground at Weston Park Primary School
West Park Primary School, based in Hornsey, has a higher than average percentage of pupils with Special Educational Needs who require specialised support. The school undertook the development of an inclusive infant playground to encourage physical activity and to make it easier for pupils at the school with sensory needs to access opportunities for equal to that of non-SEN children in November 2019. Through the Community Grants scheme, the Foundation supported the school with a donation of £2,150 to go towards the development of a sensory tunnel that would meet pupils' sensory needs and promote their wellbeing.
- £1,000 towards a hand cycle for a foster child with Cerebral Palsy
The Foundation donated £1,000 to go towards a special hand cycle for a foster child who has cerebral palsy. This gave a little girl the chance to ride a bicycle, something that she had never been able to do before.
- £2,500 to support a family home destroyed by the Yorkshire Floods
The Foundation was able to support the friend of an employee whose home was following the floods in Yorkshire in early 2020. The Foundation made a donation to go towards the cost of refurbishing the floors to their home, which was heavily damaged after their home was submerged in 5ft of water.
- £2,500 to support five local community projects in Wales
The Foundation was delighted to have supported five community grants submitted by the staff team at CareTech plc's Greenfields organisation, which provides therapeutic residential care and education to young people aged between 11 and 18 years. Each charity was awarded a grant of £500 to support the community work they are doing in the area, such as the work of the Montgomeryshire Family Crisis Centre which helps local young people and children who have experienced adverse childhood experiences and witnessed domestic violence.
<https://www.caretechfoundation.org.uk/funding-recipient/greenfields-services/>

Due to COVID19, demand for the Match Fund Grants increased only modestly this year because so many charity fundraising challenges were cancelled; we expect this grant stream to pick up again as fundraising challenges are re-instated. During 2019/20, the Foundation supported 28 Match Fund grants to a total of £7,395. Examples of grants made this year include:

- £237 was donated to Alzheimer's Society for a service user who undertook a 5km challenge mile walk (<https://www.caretechfoundation.org.uk/funding-recipient/alzheimers-society-2-2/>);
- £1,220 was donated to Love Musgrove for a team of employees who organized a charity raffle at Carrs Farm; and
- £1,767 was donated to Macmillan Cancer Support for various coffee mornings organised across the company
(<https://www.caretechfoundation.org.uk/funding-recipient/macmillan-coffee-mornings/>).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Achievements and performance (CONTINUED)



We shine a light on the incredible value of the social care to society and those who live and work within it.

Championing Social Care is a volunteer-led group of leaders from across the social care sector.

Our vision is to ensure a wider and deeper public understanding, appreciation and respect for the 1.6 million people who care for some of the most vulnerable people in our society.

We deliver positive stories and initiatives about the sector about which we all care so passionately. Core to our work is fundraising for care sector-relevant charitable causes.



Launched in 2018 at the iconic Grosvenor House hotel, the Ball celebrates the incredible work of our sector & most importantly, raises funds for care-related charities. To date we have raised an incredible £348,000 & in 2021, we are proud to again support the valuable work of the Alzheimer's Society and The Care Workers Charity.



Established in 2020 at the height of the COVID-19 lockdown, our #SparkleForSocialCare social media campaign was launched to highlight the incredible efforts of the nation's 1.6 million care workers caring for some of the most vulnerable members of our society.



Established by Care England, the Care Home Open Day encourages people to visit their local care homes. Our aim is to enrich the lives of the unique, intelligent & charming residents and those special people who care for them through building long-standing and joyous relationships within the local community.



Care Sector's Got Talent! is a fantastic virtual event to showcase the amazing talents of the social care sector. From singing, dancing, comedy, magic or music this will be a talent extravaganza with the winner/s performing live at our 2021 Care Sector Fundraising Ball.

Our Leadership

To underpin the ethos of volunteer leadership, our work is overseen by a small cross-sector Organising Committee, drawn from a wider volunteer group of Ambassadors. Our Ambassadors are senior leaders from a wide range of organisations across the care sector, supported by our Executive who marshals our efforts and manages our day-to-day operations.

We are supported by our Founding Patrons and others and hosted by the CareTech Foundation



Championing Social Care is hosted by
the CareTech Charitable Foundation
Charity Number 1182567
Company Number 11651094

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (CONTINUED)

● **Investment policy and performance**

Trustees remain extremely grateful to the Board and shareholders of CareTech plc for the company's generous contributions to the Foundation that account for the vast majority of its funds. Whilst the company has confirmed its ongoing support of the Foundation through its Donation Agreement, trustees recognise the importance of diversifying its income streams and in investing wisely for the long-term financial future of the Foundation's work.

At the start of this year, trustees approved an ambitious Income Diversification Strategy that outlined a series of measures by which to develop new income streams. Unfortunately, the onset of the COVID-19 pandemic has hampered much of the planned activity, such as encouraging donations from other corporates engaged in the social care sector and developing a new Give As You Earn scheme for CareTech plc staff. In particular, the plans for fundraising through challenge events was significantly hampered by the cancellation and postponement of all the events for which the Foundation had secured places and participants. Nonetheless, our CEO's participation in the 2.6 Challenge and the open swimming fundraising challenge undertaken by Richard Hawkes, the CEO of our partner charity the British Asian Trust together raised £4,156. The Foundation was also very grateful to the CareTech plc team which competed in the Yorkshire Three Peaks Challenge and raised a further £1,003 for the Foundation's work.

We were also delighted to secure significant additional funds from three other Founding Partners alongside the Foundation's own contribution to fund the new Championing Social Care initiative, demonstrating that the Foundation is well-placed to support other organisation's charitable ambitions in our sphere of influence.

The most significant development in our fundraising and investment performance of this year was completion of the acquisition of one million shares in CareTech plc, thanks to an incredibly generous deal agreed with the company. As well as providing a significant boost to the Foundation's income stream from future dividends, this new asset has significant potential for the Foundation's long-term financial sustainability.

With the projected increase in the Foundation's income stream through both CareTech plc's annual charitable donation and dividend income from the Foundation's new shareholding will enable the Foundation to build for a long-term future. Trustees agreed at the end of the year a new target to establish an investment fund of £1M within the next five years as a key element of its approach to building long-term financial sustainability for the Foundation.

● **Our response to COVID-19**

As a Foundation, we recognised quickly that responding to the challenges of COVID-19 had to be our top priority. Our approach covered three key areas:

- Supporting our grantee partners
- Identifying new funding opportunities to address the challenges
- Ensuring continuity of our own operations

Supporting our partners

With trustees' agreement, the Foundation signed up to the commitments to our grant beneficiaries set out by London Funders (see <http://covid19funders.org.uk/>). The commitments are:

- Adapting activities – we recognise that you may experience difficulties achieving some of the outputs or outcomes we agreed for your grant during the outbreak, and would like to be able to maintain our grant payments to you at originally-agreed levels during this period, so please have a conversation with us if you are affected in this way;
- Discussing dates – we don't want to add pressure, so if you think you will struggle to meet a reporting deadline please get in touch with us so that we can agree a more realistic time for you to

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (CONTINUED)

- get things to us wherever possible;
- Financial flexibility – we know you may need to use your funding to help cover sickness, purchase equipment, or deliver services differently, and we will be reasonable if you need to move money between budget headings to ensure your work can continue; and,
- Listening to you – we are here if you want to talk to us about the situation you're facing, but we'll wait for you to call us so that these conversations are at the right time for you.

In line with these commitments, we worked with all the Partnership Fund grantees to agree the most appropriate support we could provide. For a number of grantees, we agreed revised delivery plans in recognition that they simply could not meet existing timetables for reasons completely outside of their control. For other partners, we agreed alternative plans by which to deliver their agreed objectives, such as through online delivery or indeed completely new approaches by which to deliver their objectives. For others, we agreed to revised payment schedules to reflect the impact of the pandemic.

Identifying new funding opportunities to address the challenges

The Foundation was particularly aware of the huge strains that the crisis was likely to have on those individuals and communities we seek to serve. We launched an extensive social media campaign to promote the availability of support through our small grants funds so that CareTech plc staff were aware that we stand ready to support them, their families and communities at this difficult time. In addition, we worked with the CareTech plc team to promote the availability of this support via their new COVID-19 microsite which is being used to coordinate messages to all staff about the situation.

Recognising the significant economic impacts of the public health crisis, trustees took an early decision to increase the funding available through the Foundation's Staff Hardship Fund, more than doubling the funds originally budgeted for this grant stream. As set out in more detail in this year's accounts below, the Foundation ended this financial year supporting 134 applications to the Staff Hardship Fund with a total of £97,759 distributed. This is a very significant increase on last year, when we made 19 grants with a total value of £25,000.

A particularly important element of the Foundation's approach was proactively reaching out to new national and community projects established in response to the Coronavirus challenge. As a result of using the Foundation's increasingly-strong networks across the social care sector and beyond, trustees were able to support a series of important new initiatives:

- **National Care Force** was established to provide an online tool that matches volunteers with social care providers. Endorsed by Care England and the National Care Forum, the easy-to-use National Care Force platform will address the urgent need faced by the social care sector during the COVID-19 pandemic. The free online platform is a not-for-profit organisation, powered by healthcare staffing technology firm Florence. By the end of this reporting period, National Care Force has successfully enlisted over 1,500 care providers and over 2,300 volunteers to their platform. The platform has also received a £50,000 award from InnovateUK.
- **Connect the Love** was a new charitable initiative established to support people who are isolated in care homes, hospitals and vulnerable situations by providing devices to keep them digitally connected to friends, families and loved ones. Connect the Love's mission is to alleviate loneliness, improve mental health and prevent isolation during the pandemic and beyond. By the end of this reporting period, Connect the Love had donated 142 tablets to care homes. <https://www.connectthelove.com/>
- **Kit4Carers** was set up by an impressive group of healthcare and other professionals to ensure that carers in the UK and overseas have access to essential PPE to protect them and those for whom they care from COVID19. By the end of this reporting period, Kit4Carers has provided PPE to four UK-based hospices, enabling over 3,100 stakeholders to access PPE, and provided employment to 25 unemployed carers and four people with disabilities in India. <https://kit4carers.org/>
- Our local community has also been hard hit by the lockdown and the Foundation has been able to

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Achievements and performance (CONTINUED)

provide help to people living near our offices in Potters Bar. Thanks to funds from the Foundation a community radio station was set up for people struggling in the local area. The aim of the Potters Bar Radio station is to help combat isolation and offer a source of comfort and hope to the many people locally who are finding the experience of the lockdown lonely and difficult. By the end of this reporting period, the radio station had secured £1,000 of additional funding from a local County Councillor, increased its programming to seven shows, representative of the Potters Bar community, and is providing live commentary on Potters Bar Town FC matches.

It is worth noting that, in the case of both Connect the Love and Kit4Carers, the Foundation agreed to support directly both new initiatives through the Foundation, providing administrative and governance support. In this way, as well as financial support, both organisations were supported to deliver their programmes with all the appropriate standards expected of charities. This enabled the teams involved to focus on the operational aspects of their initiatives, with the appropriate guidance of the Foundation's trustees, as well as avoiding unnecessary additional financial and administrative burdens of seeking separate charitable status for their work.

Alongside a wide range of partners across the social care sector, the Foundation played a key role in calls for greater recognition of the UK's two million frontline care workers and the part they play in tackling Coronavirus. The #SparkleForSocialCare social media campaign was launched to build awareness of the incredible efforts of care workers during this time of crisis. The campaign seeks to bring to life the amazing work of the 1.6 million care workers up and down the country in coping with some of the most vulnerable members of our community. The social campaign has sparked a number of fantastic initiatives to support our wider efforts, such as the fundraising and community programme launched by Dudley Town FC (see <https://www.caretechfoundation.org.uk/dudley-town-fc/>), a bespoke set of colouring-in sheets to celebrate the care sector (<https://www.caretechfoundation.org.uk/sparkleforsocialcare-in-your-colours/>) as well as a fundraising day for the Care Workers Charity's COVID-19 Emergency Appeal (<https://www.thecareworkerscharity.org.uk/coronavirus-covid-19/>).

Ensuring continuity of our own operations

In order to be able to rise to the challenges of the pandemic, the Foundation had to ensure that its own operations could operate effectively and safely in the new environment.

A key factor throughout this period has been to ensure the health and safety of the Foundation's staff. The demands of the pandemic on staff members, particularly those with caring responsibilities, has put a premium on flexibility and sensitivity.

The Foundation was well-equipped in terms of its technology to operate remotely, with all key systems available online. This enabled the staff team to switch to remote operations ahead of the national lockdown smoothly and effectively. As a result, all of the Foundation's grant streams remained fully operational throughout the year.

Importantly, trustees were able to adjust their own working practices to accommodate the restrictions of the pandemic. As well as switching to video meetings as standard, trustees agreed effective approaches to enable swift decision-making outside of formal scheduled meetings to enable the Foundation to respond quickly and effectively to new demands and opportunities.

• Our commitment to Diversity Equity and Inclusion

The Foundation is fully committed to promoting Diversity, Equity and Inclusion across all aspects of its work:

- The Foundation recognises that people from different backgrounds bring fresh ideas and a different approach which makes the way we work and learn more fun, more creative, more efficient and more innovative, bringing benefits to the organisation.
- The Foundation actively seeks to recognise, value and take account of individuals' different backgrounds, knowledge, skills and experience to create a more productive and effective

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Achievements and performance (CONTINUED)

- organisation.
- The Foundation seeks to ensure that all who work for and deal with us feel valued and welcome.
- The Foundation strives to ensure that everyone has access to the same opportunities in their dealings with the Foundation but recognizes that advantages and barriers exist for different individuals. The Foundation recognises that individuals have unequal starting places and that we must make efforts to correct and address such imbalance.

The Foundation has published its Diversity Equity and Inclusion Statement on its website (see www.caretechfoundation.org.uk/about-us/diversity/). In line with the approach set out in this Statement, we implemented a new monitoring information approach for all grant applications in 2019. With the benefit of a full year of information, we are currently assessing the success or otherwise of our approach. Trustees will consider the results of this review early in the new financial year and consider the need for further action.

In addition to this review, key developments this year on these important issues have included:

- a joint trustee and staff training session on unconscious bias;
- a trustee recruitment exercise in which we actively sought to broaden the diversity of the candidates, carefully scrutinising our recruitment approach to ensure as inclusive an approach as possible; and,
- enhancing the accessibility of the Foundation's website and introducing subtitles for all Foundation videos, in line with the web accessibility guidelines produced by Purple, as part of the Foundation's commitments to the Purple Tuesday (<https://purpletuesday.org.uk>) initiative.

Financial review

• **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

• **Reserves policy**

As a medium-sized charity, trustees recognise that we need to invest our funds wisely and safely but have also agreed that we wish to back innovative programmes. With innovation comes higher potential impact but also, of course, higher risk. As trustees, we have agreed that we have:

- a reasonably high risk appetite in respect of the projects we support, although will always seek a balanced portfolio of projects of varying risk levels;
- a low risk appetite in respect of the reputation of the organisations with which we partner, preferring to work with credible and respected partners; and,
- a low risk appetite in terms of process, having put in place rigorous due diligence procedures to safeguard the Foundation's funds and reputation.

In line with the above risk statement, the Foundation maintains free unrestricted reserves:

- to provide a level of working capital that protects the continuity of its core work;
- to provide a level of funding for unexpected opportunities; and,
- to provide cover for risks such as unforeseen expenditure or unanticipated loss of income.

Trustees budgeted for a surplus of £70,000 for the full year ending September 2020 to allow for unforeseen expenditure. At the end of this Financial Year, the Foundation held £167,310 of free reserves.

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This year, trustees quantified updated the Foundation's Reserves Policy to establish a target of maintaining free reserves equal to six months of staff and associated costs. The agreed Business Plan for FY2020/21 includes plans for £100,000 to be allocated to free reserves which will ensure that this target has been substantially met,

The Foundation confirmed a formal long-term Donation Agreement with CareTech plc to provide the Foundation with the required confidence as to the quantum of donations to ensure that the Foundation could meet its long-term commitments. The trustees' budgeting is currently based on conservative estimates and a small amount of in-year unallocated funds, in addition to the Reserves target noted above, to allow for any significant unforeseen expenditure.

As noted above, CareTech plc has over the last two years made a restricted donation to the Foundation – over and above its main annual donation – to support the Foundation's Staff Hardship Fund. This year's restricted donation in this regard was £50,000, all of which was committed during the year. No other restricted funds were received or held this reporting period.

● **Our financial position**

The Foundation remains well-placed financially to deliver its long-term objectives, thanks to the funding agreed by CareTech plc as set out in the Donation Agreement between CareTech plc and the Foundation settled in July 2019.

This year saw a welcome growth in income from the plc's annual donation and an additional restricted donation to support the growth of the Foundation's Staff Hardship Fund. Of most importance, however, was the settling of one million shares in CareTech plc with the Foundation. This very significant addition will enable the Foundation to ensure its long-term financial sustainability in the longer term, as well as boosting short-term income thanks to the dividend yield expected from the shares.

Providing the Foundation with sufficient clarity as to the likely funds at its disposal over at least the medium-term ensures the best possible opportunity for it to deliver impact. The Board of CareTech plc, in establishing the Foundation, fully accepted the importance of settling clearly the funding basis for the Foundation moving forward, enabling it to focus on delivering impact and reinforcing its independence. For the year ahead, the Donation Agreement provides for an increase in the plc's annual donation from 2% to 2.5% of pre-tax profits, following the success of the Foundation over the first three years of its support by the plc.

CareTech plc complements its financial donations by supplying significant in-kind support, such as office accommodation, back office systems and staff expertise. We have established systems to capture and attribute the full value of CareTech plc's support to the Foundation, which includes:

- the value of all in-kind support provided (accommodation, back-office support, staff salaries for seconded staff, etc.)
- the value of employee volunteering hours
- any other value added/leveraged support provided by the Foundation

In this current year, the overall value of this in-kind support has been valued at just over £23,000 (compared to £15,568.63 last year).

As noted elsewhere in this Report, trustees have established an Income Diversification Strategy. The benefits of diversification of income go far beyond simply achieving an income surplus; diversification also gives organisations the security needed to focus more on long-term strategies and ultimately have more impact for their beneficiaries. The aims of the Foundation's income diversification strategy, therefore, are:

- to increase the capacity of the Foundation's grant-making capacity
- to reduce its reliance on a single income stream (however reliable)
- to provide greater certainty on future income levels to encourage longer-term investment

Unfortunately, the COVID19 pandemic has thwarted a number of elements of the implementation of the Income

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Diversification Strategy, notably the planned fundraising challenges as a result of so many events being cancelled due to COVID-19. Despite this, the Foundation surpassed its internal target with £5,158.09 raised through fundraising challenges this year and there are good plans in place for the resumption of fundraising challenges next year. The Foundation team also had good success in securing additional income for the Championing Social Care initiative, securing £90,000 over three years from three other organisations to match the Foundation's own commitment. Beyond the actual income raised, this move shows that other organisations trust the Foundation to deliver programmes of mutual interest.

A formal budgeting process, scrutinised by the Trustees' Audit & Risk Committee and approved by the full board of trustees, is in place. The Foundation uses the xero.com accountancy system, with additional accountancy and payroll support provided by Cater Chartered Accountants Ltd, to manage the Foundation's finances and monitor performance against budget. The trustees have also approved a Financial Handling Manual that sets out all necessary financial systems for the Foundation.

Trustees are provided with a monthly financial report as part of the CEO's regular report and further scrutiny is undertaken by the Audit & Risk Committee as well as the full Board of trustees.

● **Other financial matters**

The Foundation has no material pension liability.

To date, the Foundation has had no material and trustees have not considered the extent to which the Foundation takes social, environmental or ethical consideration into account in investment policy. However, trustees established a new investments target towards the end of this reporting year and have agreed to update the Foundation's investment policy to reflect trustees' commitment to pursuing an ethical investment strategy.

The shares in CareTech plc acquired during this period can only be disposed of with the express written approval of the Directors of CareTech plc. Trustees accepted this restriction when approving the terms of the acquisition of the shares.

● **Our approach to fundraising**

The main source of income for the Caretech Foundation is the annual donation gifted by its founding company, Caretech Plc. Over the past year, there has been emphasis for the Foundation to diversify their income stream to ensure sustainability of the Foundation in its delivery of public benefit.

In line with the Foundation's Income Diversification Strategy, we secured places in a number of fundraising challenge events, including the Vitality 10k Run, the Welsh Dragon Ride and Swim Serpentine, in this financial year. These places were made available to Caretech Plc employees and external stakeholders with the purpose that all donations would go towards the Foundation's grants. Despite the COVID-19 pandemic, which forced several events to be postponed, supporters of the Foundation rallied and raised £5,158:

- The Foundation's CEO, Jonathan Freeman, successfully completed the 2.6 Challenge in April 2020, raising £712 for the Foundation.
- Richard Hawkes, CEO of the Foundation's partner, the British Asian Trust, completed an open water outdoor swim of 4km in September 2020. Out of the total of £6,388 that was raised for the mental health programme in Pakistan, £3,444 was raised for the Caretech Foundation
- Caretech plc employees raised £1,003 by successfully completing the Yorkshire 3 Peaks event in September 2020.

Over the course of this year, the Foundation has supported two new initiatives established in response to the COVID-19 pandemic: Connect the Love and Kit4Carers. These initiatives are supported by groups of volunteers who fundraise specifically for them, within the over-arching approach of the Foundation. The two initiatives fundraise through individual donations and through applications to other grant-making bodies. The Foundation

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monitors the activities of these volunteers and ensures that all involved operate in line with the highest possible standards of fundraising. In addition to the commitments made by the Foundation, Connect the Love raised £512 and Kit4Carers raised £11,702 over this reporting period.

The Foundation did not collaborate with any professional fundraisers or commercial participators to carry out any activities.

● **Regulatory issues**

In developing its fundraising efforts, the Foundation has sought to apply the best practice standards of The Code of Fundraising Practice issued by the Fundraising Regulator. In recognition of the planned growth in its fundraising efforts, the Foundation is completing its registration with the Fundraising Regulator to ensure that all fundraising efforts comply with current regulations and best practice set out by regulators and professional membership bodies. Once registration is completed, the Foundation will share codes of best practice with supporters and relevant partners to ensure these standards are applied across all activities.

To date, we are not aware of any breach of The Code of Fundraising Practice. Due to the nature of delivering fundraising across multiple sites through volunteer effort, the Foundation is aware that there is a risk of breaching fundraising compliances. The Foundation is currently in the process of engaging with the Fundraising Regulator to establish a Compliance Policy to ensure all concerns are raised as a priority. The Foundation is currently in the process of reviewing its policies to ensure that they are fit for purpose for its expanded fundraising efforts.

Fundraising activities for the Foundation are available to Caretech plc employees as well as external shareholders. All information relating to fundraising challenges are promoted on the Foundation's website with links to the official website to ensure transparency. Fundraising agreements are shared with interested participants at the earliest possible time. The Foundation understands that, due to inexperience in fundraising for charities, some of our supporters may require additional training and support. These services are offered to fundraisers once they enter into agreement with the Foundation.

All fundraising donations are processed through the Virgin Money Giving website, which allows the Foundation to monitor fundraising efforts. The Foundation actively communicates with supporters and engages on their social media to encourage transparency.

The Foundation has a Complaints Policy that outlines how complaints should be dealt with within the charity and when the complaints should be escalated to senior management. The Complaints Policy is available on the Foundation's website at www.caretechfoundation.org.uk/complaints/. The Foundation has taken active steps to ensuring the Policy is shared at the earliest opportunity with the fundraising agreements for individuals undertaking fundraising challenges. The Caretech Foundation has received no complaints with regard to fundraising over the past 12 months.

The Foundation engages with those in vulnerable positions as part of their day-to-day activities. The Foundation has a Safeguarding Policy in place and a nominated Safeguarding Trustee as part of its efforts to protect vulnerable people. To ensure our vulnerable supporters are able to undertake safe and effective fundraising, the Foundation is currently reviewing its Safeguarding Policy. The nature of the work undertaken by the Foundation ensures all employees are comfortable recognising and working with those in vulnerable positions.

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Structure, governance and management

• **Constitution**

The Foundation's governing documents are its Memorandum & Articles of Association incorporated on 30 October 2018, as amended by Special Resolution and registered at Companies House on 18 March 2019, and as further amended by Special Resolution on 21 April 2020.

The Foundation is constituted as a Company limited by guarantee, number 11651094.

• **Legal status**

The CareTech Foundation was established as an unincorporated body, registered with the Charity Commission. Following a review supported by the Foundation's legal advisers, it was agreed that an incorporated structure is more suitable. Incorporated status and fresh registration with the Charity Commission was secured in March 2019. In May 2020, changes were made to the Foundation's membership to enhance its independence still further with membership being transferred from CareTech plc as the sole corporate member to the four independent trustees.

• **Organisational structure and decision-making policies**

Trustees are responsible for establishing the strategic direction of the Foundation and for all key decisions as to its operations. These decisions are made by the full board of trustees as provided for in the Trustees' Terms of Reference in line with their overall duty "To provide direction and stewardship for the CareTech Charitable Foundation for the benefit of current and future beneficiaries".

The quorum for decision-making at Board meetings for normal business is five members, of which at least two members should be those appointed as external members. In respect of any decisions regarding the relationship and any specific arrangements between the Foundation and CareTech Holdings PLC, any trustees who are directors, officers or senior staff of CareTech Holdings PLC should not count in the quorum or vote. In these circumstances, the quorum for decision-making shall be four members.

The Board of Trustees has established three committees, with delegated authority for specific aspects of the Foundation's work set out in Terms of Reference for each committee. These committees are:

- Remuneration Committee
- Audit & Risk Committee
- Investment Committee

The trustees have delegated day-to-day management and administration of the Foundation to the Chief Executive Officer and their staff team. Specific delegated authority in respect of the award of grants and other spending commitments are set out in the Foundation's Financial Handling Manual.

The Foundation employs a small staff team responsible for day-to-day management of its business. Over this reporting period, the staff team comprised:

- Chief Executive Officer (0.6FTE)
- Foundation Manager
- Grants & Finance Officer (0.6FTE)

• **Recruitment and support of trustees**

In selecting individuals for appointment as trustees, the trustees are required by virtue of the Articles to have regard to the skills, knowledge and experience needed for the effective management of the Foundation. This

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Structure, governance and management (CONTINUED)

has been complemented by undertaking regular Trustee Skills Audits to inform future recruitment priorities.

The Foundation's Trustee Terms of Reference provide for a mix of trustees, covering independent trustees, senior representatives of CareTech plc and other staff employed by CareTech plc. Independent trustees are recruited via open selection exercises to ensure as broad a range of candidates as possible. Senior CareTech plc trustees are suggested by the company for consideration by the full board of trustees, bearing in mind the mix of skills and experience required. Two staff members are normally recruited by inviting the Overall Winner of the CareTech plc Care Awards to become a trustee, subject to the full trustee board ensuring that the individual is suitable using the above criteria – and ensuring that the individual in question wants to accept this important role! The Foundation's Articles also provide that at least one Trustee shall be a Sheikh Family Member, willing to serve as a Trustee and deemed by the Trustees to be suitable to act as a Trustee.

Terms of Reference for the Board of Trustees are in place as well as Role Descriptions for the Chair, Treasurer and all trustees. All Trustees have also signed up to the Foundation's Trustee Code of Conduct.

All new trustees receive a full induction programme, provided by the staff team, familiarising new trustees with the work of the Foundation, the policies and procedures in place, introductions to key stakeholders. This programme is also used to ascertain any training and development needs which feeds in to a wider trustee learning and development programme.

As well as participation in bespoke and paid-for training for trustees, the Foundation is a member of the Association of Charitable Foundations (ACF) and the National Council of Voluntary Organisations (NCVO) to ensure that trustees and staff are up to date on best practice aware of developments and are well networked with other leaders within the sector.

● **Our arrangements for setting pay and remuneration of key personnel**

The overall allowance for paybill increases are set by trustees as part of the annual business planning and budget setting process, providing a ceiling for the maximum overall increase in staff salaries.

A Remuneration Committee of trustees sets the remuneration provided to the Foundation's Chief Executive Officer, with delegated authority provided by the full board of trustees. The Committee's decision is based on the following criteria and benchmarks:

- The performance of the CEO as reported through the annual performance system, including an assessment of the extent to which agreed objectives have been delivered
- Inflation (CPI)
- General wage inflation
- Reported average pay awards in 2019 in the not-for-profit sector

Remuneration levels for other Foundation staff are set by the Chief Executive Officer using the same criteria, taking in to account the decisions of the Remuneration Committee.

● **Our relationship with CareTech plc and with other organisations**

The Foundation was founded by and is principally funded by CareTech plc. Trustees and staff are made fully aware of the independent nature of their role and a Conflicts of Interest Policy is in place and actively monitored to ensure that any potential conflicts of interest – particularly those concerning the Foundation and CareTech plc – are appropriately managed.

A Communications Protocol has also been agreed between the Foundation and the company to ensure that the independent nature of the Foundation is properly recognised in all communications materials.

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FOR THE YEAR ENDED 30 SEPTEMBER 2020

Structure, governance and management (CONTINUED)

The trustees undertook a formal review of the Foundation's compliance with the Charity Commission's Guidance for charities with a connection to a non-charity (www.gov.uk/guidance/guidance-for-charities-with-a-connection-to-a-non-charity), using the Charity Commission's recommended checklist. Trustees were confident that the Foundation meets the expectations of the Guidance. Through this review, trustees identified a number of actions by which to improve further the Foundation's compliance with the Guidance. The key improvements identified were: to include formal review statement in Annual Report; to finalise the Donations Agreement with CareTech plc; and, to agree a Communications Protocol with CareTech plc. All of these actions have been completed. Trustees will undertake an annual review of the Guidance to ensure continued compliance.

More generally, the Foundation seeks to work alongside a range of charities and organisations, principally through its grant-funding streams, to maximise its impact whilst ensuring that there is clarity as to each organisation's roles and responsibilities. In particular, formal grant agreements are in place with all Partnership Fund recipients.

The Foundation is keen to work alongside other funders where the interests of both are aligned and such collaboration can improve the impact of our work. A key mechanism by which this is achieved is the requirement for Partnership Fund grants to leverage additional funding as a result of the Foundation's investment. We are also working with other funders to explore joint approaches and investment on issues of mutual interest.

● **Management of Risks**

A Management of Risks Policy is in place and an Audit & Risk Committee provides detailed oversight of the effective management of risk. The principal risks recognised over this period in the Foundation's Risk Register were:

- dependency on limited income sources income diversification, with the result that the trustees have focussed on the delivery of the Foundation's Income Diversification Strategy; and,
- poor delivery of grant-funded programmes due to partner issues and/or in-kind support provided by CareTech plc, which is assessed as a moderate level risk and continues to be monitored.

Monthly reports from the CEO to trustees highlight the current top three risks, following internal review. The full Risk Register is reviewed regularly by the Audit & Risk Committee as well as the full Board of trustees.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Structure, governance and management (CONTINUED)

• **Charity Governance Code**

In keeping with our commitment to good governance, trustees undertook a formal assessment of the Foundation's compliance with the Charity Governance Code (www.charitygovernancecode.org). The aim of the Governance Code is to help charities and their trustees develop high standards of governance. The Code is not a legal or regulatory requirement but is intended to be a tool for continuous improvement towards the highest standards. The review used the recommended checklist to assess performance and to identify areas for improvement.

In general, we consider the Foundation to be well-placed in most areas of recommended practice. We identified a number of areas for improvement, the majority of which were already planned to be implemented. The principal areas for improvements we have identified through the review (mapped against the Code criteria – references in brackets below) were:

- ensuring implementation of the new Impact Assessment Framework (1.4.2 and 4.6.2);
- developing an Income Diversification Strategy (1.5.1);
- benchmark performance against other similar organisations (4.6.4);
- review effectiveness of Board (5.5.3, 5.8.2 and 5.8.3);
- to consider unconscious bias training for trustees (6.3.1);
- implement annual trustee review meetings (6.3.2 and 6.3.3); and,
- consider putting Complaints Policy on website (7.6.2)

We have now implemented all of these identified improvements. Trustees will undertake an annual review of the Foundation's performance against the Code to ensure continued compliance.

Plans for future periods

Trustees remain confident that the strategic aims established in the Foundation's Strategic Plan 2018-2023 still hold good. These three strategic aims are:

- The Foundation will be a well-structured, ambitious and clear-sighted organisation, delivering meaningful impact to communities in the UK and overseas
- The staff of CareTech plc and its service users will feel proud of and be strongly engaged in the Foundation
- The Foundation will be delivering a unique contribution to the charitable marketplace, consistent with CareTech plc's values and approach.

Lessons learned

As part of our annual strategic review and reflecting three years of operations, trustees identified the following key lessons which the Foundation has learned:

- Our response to the COVID19 pandemic has demonstrated strength and relevance of the Foundation's mission – and its agility to respond to this unprecedented challenge
- Clarity of purpose is essential to decide what to support; and similar clarity as to timelines and objectives of those supported is vital.
- There is growing interest in our areas of focus but we have carved out a clear position; there is much scope to contribute more widely to key social debates relevant to the Foundation's work.
- Increasing engagement with other sector players is powerful
- The blend of plc and independent trustees is really important; we are increasingly comfortable in managing the creative tension!
- Improved meeting management and engagement improves decision-making
- When Caretech plc staff are engaged, projects can really come alive – but this can be difficult given the nature of the sector.
- Regular and meaningful performance monitoring is key but getting balance right between monitoring performance effectively and micro-management is tricky.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Plans for future periods (CONTINUED)

Plans for the future

For the year ahead, trustees have identified the following key objectives:

- To continue to effectively manage a portfolio of major partnerships, ensuring that they deliver the impact expected and that there is a strong and trusting relationship between the Foundation and its partners.
- To continue to grow the number of applications to the Foundation's small grants schemes, with a spread across all areas of CareTech plc's operations.
- To agree the terms by which the Foundation can appropriately support CareTech plc's CSR agenda.
- To establish and successfully manage the new cross-sector Championing Social Care initiative as well as to continue support of the other hosted initiatives, which currently includes Connect the Love and Kit4Carers,
- To continue to build the Foundation's profile among its core audiences.
- To ensure rigorous reporting and effective management of all current Partnerships, with well-evidenced impact evaluation plans and reports using the Impact Assessment Framework informed by the updated Monitoring & Evaluation Report. In particular, we will focus greater attention and at an earlier stage to those partnerships falling short of expectations.
- To effectively manage the demand for new Partnerships, ensuring that the Foundation has a pipeline of powerful and innovative opportunities.
- To implement the agreed Income Diversification Strategy, noting that the COVID19 pandemic had a significant impact on plans this year.
- To review the Foundation's investment strategy, especially in the light of the acquisition of the CareTech plc shares.
- To establish the Foundation's free reserves, in line with its updated policy.
- To develop at least one new co-funding partnership with another grant-making body.
- To work with the Foundation's new auditors on the full audit to identify opportunities to further improve the charity's systems and operations.
- To ensure continued high levels of compliance with the Charity Commission's Guidance for charities associated with non-charities and with the Code of Good Governance.
- To continue to support the ongoing training and development of trustees and staff.
- To engage trustees further outside of formal business in the work of the Foundation and its communications activity.
- To continue roll-out of the new Monitoring & Evaluation form for existing and new partners.
- To publish our second Impact Report.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

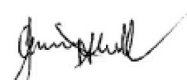
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Peters Elworthy & Moore, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mr H R Sheikh
Chairman
Date: 19 February 2021

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARETECH CHARITABLE FOUNDATION

OPINION

We have audited the financial statements of Caretech Charitable Foundation (the 'charitable company') for the year ended 30 September 2020 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 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 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 United Kingdom, including the Financial Reporting Council'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 MATTERS - COMPARATIVES

We were appointed as auditors of the charitable company in August 2020 and because the charitable company did not meet the criteria for an audit at 30 September 2019, so that one was neither required nor undertaken, we have been unable to obtain sufficient audit evidence to satisfy ourselves with respect to the opening balances of the period or the comparative figures, including the allocation between restricted and unrestricted funds.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARETECH CHARITABLE FOUNDATION
(CONTINUED)

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the 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.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which 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' Report and from the requirement to prepare a Strategic Report.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARETECH CHARITABLE FOUNDATION
(CONTINUED)

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, 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.

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.

AUDITORS' 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 Auditors' 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.

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 Auditors' Report.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jayne Rowe (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 10 March 2021

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:					
Donations and legacies	4	4,827,542	126,281	4,953,823	347,647
Other income	5	-	-	-	70,507
TOTAL INCOME		4,827,542	126,281	4,953,823	418,154
EXPENDITURE ON:					
Charitable activities	6	495,454	164,083	659,537	346,184
TOTAL EXPENDITURE		495,454	164,083	659,537	346,184
Net gains on investments	11	130,000	-	130,000	-
NET INCOME/(EXPENDITURE)		4,462,088	(37,802)	4,424,286	71,970
Transfers between funds	15	(65,570)	65,570	-	-
NET MOVEMENT IN FUNDS		4,396,518	27,768	4,424,286	71,970
RECONCILIATION OF FUNDS:					
Total funds brought forward		71,970	-	71,970	-
Net movement in funds		4,396,518	27,768	4,424,286	71,970
TOTAL FUNDS CARRIED FORWARD		4,468,488	27,768	4,496,256	71,970

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 33 to 47 form part of these financial statements.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 11651094

BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Investments	11	4,300,000	-
		<u>4,300,000</u>	<u>-</u>
CURRENT ASSETS			
Debtors	12	5,237	37,243
Cash at bank and in hand		275,276	106,382
		<u>280,513</u>	<u>143,625</u>
Creditors: amounts falling due within one year	13	(84,257)	(71,655)
NET CURRENT ASSETS		<u>196,256</u>	71,970
TOTAL NET ASSETS		<u><u>4,496,256</u></u>	<u><u>71,970</u></u>
CHARITY FUNDS			
Restricted funds	15	27,768	-
Unrestricted funds	15	4,468,488	71,970
TOTAL FUNDS		<u><u>4,496,256</u></u>	<u><u>71,970</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



Mr H R Sheikh
Chairman
Date: 19 February 2021

The notes on pages 33 to 47 form part of these financial statements.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	17	173,894	106,382
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(5,000)	-
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		(5,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH PROVIDED BY FINANCING ACTIVITIES		-	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		168,894	106,382
Cash and cash equivalents at the beginning of the year		106,382	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18	275,276	106,382

The notes on pages 33 to 47 form part of these financial statements

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. GENERAL INFORMATION

CareTech Charitable Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 7th Floor, Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG.

The functional and presentational currency is GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements 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) (second edition - October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Caretech Charitable Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 INCOME

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.3 EXPENDITURE (CONTINUED)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.4 TAXATION

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.5 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.6 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 CASH AT BANK AND IN HAND

Cash at bank and 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.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.8 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.9 FINANCIAL INSTRUMENTS

The Company 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.

2.10 PENSIONS

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.11 FUND ACCOUNTING

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

- Valuation of donated shares
- Valuation of gifts in kind

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions 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 financial year are discussed below.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	662,542	103,215	765,757	335,412
Donation of shares	4,165,000	-	4,165,000	-
Gifts in kind	-	23,066	23,066	12,235
	<u>4,827,542</u>	<u>126,281</u>	<u>4,953,823</u>	<u>347,647</u>
 TOTAL 2019	 <u>335,412</u>	 <u>12,235</u>	 <u>347,647</u>	

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other income	-	-	-	70,507
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL 2019	<u>52,257</u>	<u>18,250</u>	<u>70,507</u>	

Other income in 2019 represents the transfer value at fair value of the assets of the assets and liabilities of CareTech Charitable Foundation, registered charity number 1173154, upon its incorporation on 3 April 2019.

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Skills development in care sector	4,198	36,902	18,096	59,196	128,836
Disabilities and mental health	7,630	192,785	88,253	288,668	135,410
Supporting communities	27,947	188,439	95,287	311,673	81,938
	<u>39,775</u>	<u>418,126</u>	<u>201,636</u>	<u>659,537</u>	<u>346,184</u>
TOTAL 2019	<u>5,231</u>	<u>229,301</u>	<u>111,652</u>	<u>346,184</u>	

In 2019 £30,485 was attributable to restricted funds and £315,699 was attributable to unrestricted funds.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Skills development in care sector 2020 £	Disabilities and mental health 2020 £	Supporting communities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	12,113	59,069	63,774	134,956	66,316
Management fees	560	2,731	2,949	6,240	6,240
Bank charges	42	205	222	469	206
General expenses	451	2,200	2,375	5,026	1,830
Insurance	158	770	831	1,759	719
Printing and stationery	63	307	332	702	505
Website costs	468	2,283	2,466	5,217	150
Staff training	158	771	832	1,761	360
Travel	222	1,086	1,173	2,481	2,451
PR cost	1,400	6,828	7,372	15,600	7,200
Marketing	837	4,081	4,407	9,325	246
Legal and professional	434	2,117	2,285	4,836	20,990
Audit and accountancy services	1,038	5,063	5,466	11,567	573
Independent examiner fees	-	-	-	-	3,282
Subscriptions	75	367	397	839	-
Postage	2	10	11	23	-
Admin support	75	365	395	835	584
	18,096	88,253	95,287	201,636	111,652
TOTAL 2019	41,553	43,672	26,427	111,652	

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

7. ANALYSIS OF GRANTS

	Grants to Institutions 2020 £	Grants to Individuals 2020 £	Total funds 2020 £	Total funds 2019 £
Improving skills	36,902	-	36,902	82,120
Supporting people	192,785	-	192,785	91,670
Supporting employees and local communities	70,402	118,037	188,439	55,511
	<u>300,089</u>	<u>118,037</u>	<u>418,126</u>	<u>229,301</u>
TOTAL 2019	<u>203,001</u>	<u>26,300</u>	<u>229,301</u>	

The Company has made the following material grants to institutions during the year:

NAME OF INSTITUTION	2020 £	2019 £
Barnardo's	-	50,000
British Asian Trust	100,000	50,000
Birkbeck College	83,332	41,670
Hemraj Goyal Foundation	-	12,500
Care Workers Charity	12,500	10,000
EY Foundation	30,000	9,840
Skills for Care	6,900	9,780
National Care Force	12,500	-
Depaul UK	9,453	-
Other	45,404	19,211
	<u>300,089</u>	<u>203,001</u>

8. AUDITORS' REMUNERATION

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>7,900</u>	<u>-</u>

CARETECH CHARITABLE FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

9. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	119,202	59,553
Social security costs	8,670	3,285
Contribution to defined contribution pension schemes	7,084	3,478
	134,956	66,316

The average number of persons employed by the Company during the year was as follows:

	2020	2019
	No.	No.
Management and administrative staff	3	3

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

	2020	2019
	No.	No.
In the band £70,001 - £80,000	1	-

The key management personnel of the Charity comprise the CEO, Foundation Manager and the Trustees. The total remuneration, including pension contributions and employers national insurance contributions of key management personnel was £120,091 (2019 - £37,637).

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 30 September 2020, expenses totalling £492 were reimbursed or paid directly to 3 Trustees (2019 - £59 to 1 Trustee). All expenses relate to travel expenses for their role as a Trustee.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

11. FIXED ASSET INVESTMENTS

	Listed investments £
COST OR VALUATION	
Additions	5,000
Cost of donated shares	4,165,000
Unrealised gains	130,000
AT 30 SEPTEMBER 2020	4,300,000

All listed investments are listed on recognised stock exchanges.

12. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
Prepayments and accrued income	5,237	37,243
	5,237	37,243

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other taxation and social security	3,333	3,820
Other creditors	-	1,137
Accruals and deferred income	10,500	3,282
Grants accrued	70,424	63,416
	84,257	71,655

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

14. FINANCIAL INSTRUMENTS

	2020	2019
	£	£
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>4,300,000</u>	<u>-</u>

Financial assets measured at fair value through income and expenditure comprise investments.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 October 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2020 £
UNRESTRICTED FUNDS						
General Funds	71,970	4,827,542	(495,454)	(65,570)	130,000	4,468,488
RESTRICTED FUNDS						
Staff hardship fund	-	50,000	(100,570)	50,570	-	-
Gifts in kind	-	23,066	(23,066)	-	-	-
Kit4Carers	-	20,703	(24,217)	10,000	-	6,486
Connect the Love	-	512	(3,730)	5,000	-	1,782
Championing Social Care	-	32,000	(12,500)	-	-	19,500
	-	126,281	(164,083)	65,570	-	27,768
TOTAL OF FUNDS	71,970	4,953,823	(659,537)	-	130,000	4,496,256

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Income £	Expenditure £	Balance at 30 September 2019 £
UNRESTRICTED FUNDS			
General Funds	387,669	(315,699)	71,970
	<hr/>	<hr/>	<hr/>
RESTRICTED FUNDS			
Gifts in kind	12,600	(12,600)	-
Staff hardship fund	18,250	(18,250)	-
	<hr/>	<hr/>	<hr/>
	30,850	(30,850)	-
	<hr/>	<hr/>	<hr/>
TOTAL OF FUNDS	418,519	(346,549)	71,970
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. STATEMENT OF FUNDS (CONTINUED)

Staff hardship fund

The Foundation receives a restricted donation from CareTech Holdings plc to enable us to provide small grants to CareTech Holdings plc staff and those who may have recently left the company who find themselves in significant financial hardship or at risk of becoming in significant financial hardship.

Gifts in kind

The gifts in kind comprise the rentable value of property and the apportioned salary costs of workers for services provided free of charge.

Kit4Carers

The Foundation receives restricted donations which support the work of Kit4Carers, a charitable project to raise funds, procure and distribute personal protective equipment (PPE) to carers of vulnerable members of society who are at increased risk of infection with COVID19.

Connect the Love

The Foundation receives restricted donations which enable Connect the Love, a charitable initiative to support digitally unconnected people, who are isolated in care homes, hospitals and vulnerable positions by providing devices to allow them to communicate with their loved ones.

Championing Social Care

The Foundation receives restricted funds for the Championing Social Care campaign, which strives to ensure a wider and deeper public understanding and appreciation for the social care sector.

Transfers

Transfers represent amounts contributed to restricted funds from the charity's unrestricted funds.

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Fixed asset investments	4,300,000	-	4,300,000
Current assets	252,745	27,768	280,513
Creditors due within one year	(84,257)	-	(84,257)
TOTAL	4,468,488	27,768	4,496,256

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Total funds 2019 £
Current assets	143,625	143,625
Creditors due within one year	(71,655)	(71,655)
TOTAL	71,970	71,970

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	4,424,286	71,970
ADJUSTMENTS FOR:		
(Losses)/gains on investments	(130,000)	-
Decrease/(increase) in debtors	32,006	(37,243)
Increase in creditors	12,602	71,655
Share donation	(4,165,000)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	173,894	106,382

CARETECH CHARITABLE FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	275,276	106,382
TOTAL CASH AND CASH EQUIVALENTS	275,276	106,382

19. ANALYSIS OF CHANGES IN NET DEBT

	At 1 October 2019 £	Cash flows £	Changes in market value and exchange rate movements £	At 30 September 2020 £
Cash at bank and in hand	106,382	38,894	130,000	275,276
	106,382	38,894	130,000	275,276

20. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £7,084 (2019 - £3,478) were payable to the fund at the balance sheet date and are included in creditors.

21. RELATED PARTY TRANSACTIONS

During the year purchases totalling £2,550 (2019 - £Nil) were made from Earlsbrook Consulting Limited, a company controlled by the CEO, no amounts were outstanding at the year end.

During the year Caretech Holdings plc, a company with three mutual Trustees/Directors, made donations to the Charity of £702,004 (2019 - £516,412) and donated shares valued at £4,165,000 (2019 - £Nil).

During the year, 2 trustees made donations to the Charity totalling £408 (2019 - £Nil).