

THE CALDECOTT FOUNDATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Registered Charity No: 307889

Registered Company No: 00419256 (England and Wales)

THE CALDECOTT FOUNDATION LIMITED

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THE CALDECOTT FOUNDATION LIMITED

LEGAL AND ADMINISTRATIVE DETAILS

Trustees	Mr Michael Lauerman (Chair) Mr John Fletcher (Treasurer) Mr Michael Buchanan Mr Jeremy Burke Mr Jerome Flechais Mr Colin Green Ms Ebony Hughes Mr Charles Lister	
Secretary	Mr Steve Anderson	
Key Management Personnel	Clive Lee Nicholas Barnett Stacey McShane Steve Anderson Damion Napier	
Charity Number	307889	
Company Number	00419256	
Registered office	Caldecott House Hythe Road Smeeth Ashford Kent TN25 6SP	
Independent Auditors	Wilkins Kennedy LLP Greytown House 221-227 High Street Orpington Kent BR6 0NZ	
Bankers	Barclays Bank Plc 66 High Street Ashford Kent TN24 8TL	National Westminster Bank Plc PO Box No. 4NU London W1A 4NU
	Santander UK Plc Bridle Road Bootle Merseyside L30 4GB	
Solicitors	Kingsfords 2 Elwick Road Ashford Kent. TN23 1PD	

THE CALDECOTT FOUNDATION LIMITED

CHAIR OF TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The Caldecott Foundation has continued to achieve outstanding outcomes for young people across its services despite the background of austerity which continues to loom large over children's social care.

We are constantly striving to improve our services and to this end placed substantial resources into the implementation of our School Improvement Plan. This took a holistic approach and covered Leadership and Management and Teaching and Learning. At the start of the year the Board of Governors was reconstituted with a new group of dedicated Governors to lead on the plans for change. We were extremely pleased that the hard work of school leaders and staff was recognised by Ofsted who awarded us an overall 'Good' rating.

We have also had great news in our children's homes with two retaining their overall 'Outstanding' Ofsted rating for the second year in a row.

Earlier in the year we embarked on a project to codify our philosophy for caring and educating those vulnerable and traumatised children placed in our care. Our new Relational Model of Care clearly places relationships at the very heart of the work undertaken by our highly skilled and dedicated staff teams. Working with our young people we build a secure base from which they can feel safe enough to develop strong relationships with adults and other children.

This year also saw the completion of a project to develop two new children's homes in the East Midlands. Both homes were registered with Ofsted in December 2016 and both have received a 'Good' overall rating in their first inspections by Ofsted.

Towards the end of the year we saw Nick Barnett take on the leadership of the organisation following Clive Lee's retirement. Nick had already proved himself an invaluable member of the team having worked for Caldecott over two years and leading on a number of significant projects which contributed to our improved regulatory performance and outcomes. Nick brought with him over 20 years of experience of residential care and education working with a range of children with highly challenging and complex needs. As this is being written Nick is working with the Board to undertake a review of our long term plans. I look forward to reporting the outcome of this in next year's report.

Finally I would like to take this opportunity to thank all those individuals, companies and charitable foundations who have supported Caldecott over the last year. Your generosity has helped us to enhance the care and education that we provide to our children and for that we remain extremely grateful.



.....
M Lauerman, Chairman

THE CALDECOTT FOUNDATION LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The trustees present herewith their report and the financial statements for the year ended 31 March 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published on 16 July 2014.

Objectives and activities

The principal objects for which the Foundation was established as a Company Limited by Guarantee and not having a share capital are:-

- To provide residential care, therapy, education and fostering placements for children and young people who have faced deprivation, cruelty or neglect, and who may have emotional, behavioural or educational difficulties.
- To place children and young people at the centre of everything that we do.
- To provide a 'best value', quality service which meets and exceeds the requirements of our purchasers and OFSTED.
- To maximise the quality of our staff through personal development and training.
- To evaluate the potential of providing other services to our client group.
- To operate profitably, enabling us to re-invest in services and facilities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

Public benefit statement

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

Strategic Report

Review of the year

2016/17 was the third year of our current strategic plan which will run up to 2020. The primary aim of this plan is to complete a comprehensive programme of continuous improvements to the care we provide our children and young people whilst ensuring that the organisation is financially sustainable.

One of our highest priorities for the year was the establishment of two new children's homes in the East Midlands. Whilst a complete refurbishment of the properties was being completed two new staff teams were recruited and trained. Registration of both services with Ofsted was finalized in December 2016 and young people were placed shortly afterwards. More recently both of the services have received their first inspection from Ofsted and were rated as 'Good' in all areas.

Alongside the development of these new services we also continued to identify improvements within our existing provision and the outcomes for the young people placed in our care. As part of this work we brought together the most up to date thinking and best practice to produce a new Model of Care. This sets out our philosophy on how to help our children recover from the traumas they have experienced in their early childhood. Central to our model is the idea that relationships are essential in providing care and in the formation of a child's secure base. It is only once this secure base is in place that our children's can feel safe enough to address their early experiences and then work to build a brighter future.

"Children benefit from good and nurturing relationships with the staff caring for them. Staff enjoy the time that they spend with the children. For example, mealtimes are fun and interactive. Staff bake cakes with children, and there is a lot of laughter,"
Ofsted Inspection Report May 2017.

THE CALDECOTT FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Review of the year

Our in-house therapy team, which includes clinical psychology, continues to provide a wealth of support both directly to our young people and also through developing the skills and knowledge within our staff teams. They also have a lead role in the application of our new 'Assessment Roadmap' which underpins each child's individual care plan. This process is key to our ability to provide a bespoke service which is tailored to each child's needs.

Within the period Ofsted have continued to recognise the high quality of our children's homes awarding both Hornbeam and Summer House with 'Outstanding' ratings. All of our other children's homes received 'Good' ratings which we strive to improve on in the next period. The Inspector noted within their report on Hornbeam that one of our children said, "I don't want to ever move because I love this place, it has such a homely feel and I wouldn't be the person that I am now if I wasn't here".

It is not just within our children's homes that Ofsted have recognised the quality of our services but also within our education provision. At their inspection of Caldecott School in March 2017 the Ofsted inspector acknowledged the huge improvements made since the previous report and highlighted our vocational courses for particular praise. We are also very proud of the educational outcomes that are achieved by our students at Caldecott School and so were delighted that the inspector wrote in their report:

"In the last three years, all pupils leaving the school at the end of Year 11, or from the sixth form, have gone on to further education, training or employment." Ofsted Inspection Report, Caldecott Foundation School, March 2017.

The provision of fostering remains an important part of the services we provide. We have been working with the fostering team to further develop our carer's understanding of a therapeutic approach to fostering and how to embed this within their daily practice. This investment into our carers will support them in achieving the best possible outcomes for those children and young people placed in their care.

At the end of the year we saw the retirement of our Chief Executive, Clive Lee who had been in his post for nearly 13 years. During this time Clive transformed the organisation through initiatives such as the development of vocational education, our fostering service and the growth of our residential care services outside Kent.

In his place the trustees appointed Nick Barnett who had already been heavily involved with Caldecott since 2014. Nick is a qualified social worker with over 24 years' experience working with children and young people. Prior to joining Caldecott he had held roles including Regional Manager, Registered Manager, Fostering Social Worker, Foster Carer, Head of School and School Governor. This combination of experience across residential care, fostering and education along with a passion for achieving the best outcomes made Nick the perfect choice to lead the organisation.

It is our belief that we are a significantly stronger organisation now than at the start of the year and that over the next few years we will be continuing with and indeed accelerating this progress.

Financial review

Income for the year was £6,223,821, a decrease of £427,768 on the previous year. Expenditure decreased by £351,516 to £6,423,552. The resulting loss before adjustments to the Pension Scheme increased slightly from £123,461 in 2016 to £199,731 in 2017.

This was substantially in line with expectation following the introduction of a comprehensive reorganisation of the structure of the Caldecott Foundation, its cost base, and its expansion into the East Midlands. This restructuring has continued through 2017. Residential numbers have stabilised, and costs have been reduced to a level which enables the Foundation to operate at a surplus. As our programme of expansion in the East Midlands continues, together with consolidation in the South East, we expect our financial performance to improve steadily.

The Balance Sheet:

There has been a decline from a Net Asset position of £8,058 to negative £1,398,789. This primarily reflects an increase in the Pension Scheme liability of £1.191m.

THE CALDECOTT FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Financial review

Cash Flow:

The Bank overdraft peaked in 2015 at close to £1m. Since then we have moved into credit with the Bank and expect future cash flows to further enhance our liquidity position. This improvement reflects the changes referred to above in the operational structure at Caldecott, together with the planned disposal of assets. The comprehensive improvement in our financial operating results makes the attainment of one of our primary financial goals (a liquid reserve of 3 months of operating costs) a realistic objective in the foreseeable future. There will be demands on our cash reserve periodically as we complete our reorganisation in the next 3 years. We do not expect these to impact negatively on our ability to maintain improvements in our liquidity.

Pension Scheme:

The Pension Scheme deficit has increased in the year by £1.191m to £7m. This remains a major issue for the Foundation to manage. The Board and Finance Committee have taken professional advice and keep the issue under constant appraisal. We believe we have appropriate plans in place. It is a particularly difficult time for Pension Schemes. Actuarial factors, Interest rates, and Bond Yields have, for some time, behaved in ways which are unusual in the long term. The Caldecott Scheme deficit is a long term deficit which allows us many years to resolve it. Contributions continue to be paid in line with the Actuary's advice.

Outlook:

The Trustees are very conscious of the need to maintain the improvements which have been made in the last 2 years. The reorganisation of Caldecott has, so far, progressed in line with expectation. Some outcomes have outperformed our hopes. However there remains the need to consolidate what has so far been achieved with further improvements and expansion. Plans are in hand to achieve this. We are greatly encouraged by the outstanding improvements in the Ofsted ratings of our Residential Houses and the school. This lays the foundation not only for financial improvement, but also celebrates the wonderful service we provide to the children who come into our care.

Reserves policy

The Foundation's target is to achieve and maintain unrestricted, undesignated reserves to cover a minimum of 3 months' committed running costs. This equates to approximately £1.5 million based on budgeted running costs for the next 12 months. At the year end the Foundation had total reserves of £5.6 million before the pension fund provision, much of which is tied up in property which cannot be easily realised. At the year end the Foundation had negative unrestricted reserves of £203,493 (2016: £24,542). However it remains our intention to build free reserves towards the target.

At 31 March 2017, restricted funds amounted to £93,354 (2016: £224,219) and further details can be found in note 20 to the financial statements.

At 31 March 2017 designated funds amounted to negative £1,288,650 (2016: negative £207,735) and further details can be found in note 21 to the financial statements. The main elements of the designated funds are the fixed asset reserve, amounting to £5,612,043 (2016: £5,488,572) and the LGPS deficit amounting to £7,000,000 (2016: £5,809,000).

Funds in deficit

As detailed above the unrestricted fund is in a negative position of £203,493 at 31 March 2017. The Foundation has taken a series of steps to reduce costs and improve financial performance. This progress is expected to continue through the coming year and will be enhanced by the opening of two new services in the East Midlands where demand for our services is high.

The Foundation continues to be supported by the company's bankers and meets its day to day working capital requirements primarily through its cash reserves. Use of the overdraft facility has reduced during the year and this trend is expected to continue.

On this basis, the trustees consider it appropriate to prepare the accounts on the going concern basis.

THE CALDECOTT FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Investment policy

Any cash deemed to be surplus by the Trustees, other than for the day-to-day running of the charity, is held in assets which are available to the Foundation at short to medium term notice. The trustees regularly review the requirements of the Foundation through cash flow forecasting to ensure that sufficient funds are readily available at short notice to meet day-to-day needs, and that returns are maximised on the remaining funds through longer term investment. To minimise the risk to the charity and its funds, surplus cash is held with a number of rated UK financial institutions.

Principal risks and uncertainties

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable the charity to lessen or mitigate those risks.

The key controls used by the Foundation include:

- Internal and External Quality Assurance teams who undertake audits and support the development and improvement of the organisation in line with our own policies and best practice.
- Risk management process that informs strategic planning resulting in major developments to reduce or eliminate risks.
- Dedicated Referrals and Commissioning team whose function is to ensure that we take in as many children and young people who need our services as we can.
- A governance structure which includes sub-committees providing oversight of Care & Therapy, Education, Finance and Audit & Risk.
- Clear internal policies and procedures and a thorough induction and training programme for all new staff.

Plans for the future

In line with our overall strategic plan we will continue to develop the organisation in order to increase the number of children who benefit from our services and improve the quality of care they receive.

We believe that we can achieve more with the existing resources we have, particularly on our site in Kent. We will therefore be developing plans to reopen two properties to provide services for more children and young people. We will be considering how to utilise the fantastic grounds we have available for the provision of new therapeutic interventions which will enhance our current offer. We also feel that we can increase the usability of the site whilst also improving the environment through the planting of new woodland and creation of animal habitats.

We recognise the huge positive impact on long term outcomes that comes from supporting our children and young people after they have left our care. We will therefore be developing plans to grow our existing support service and ensure that we have the resources to effectively support all those who have made the move to independent living.

Structure, governance and management

The Foundation is a company limited by guarantee and is governed by its Memorandum and Articles of Association. The Council shall consist of the officers of the company, namely the Chair, Deputy Chair and Treasurer, not less than 6 and not more than 25 (including the officers of the company) members of the company. At every Annual General Meeting, one third of the members, excluding the Chair, Deputy Chair and Treasurer, shall retire by rotation. Any retiring member is eligible for immediate re-election. With respect to the Chair, Deputy Chair and Treasurer, at every third Annual General meeting they shall retire from office. They may stand for re-election. However if the Chair and Deputy Chair have completed more than five years in office and the Treasurer has completed more than eight years in office they may not stand for re-election.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr Michael Lauerman (Chairman)	Mr Colin Green
Mr Michael Buchanan	Mr David Hayes (resigned 24 November 2016)
Mr Jeremy Burke	Mr John Heskett (Treasurer until 16 July 2015, resigned 20 November 2016)
Mr Jerome Flechais (appointed 27 April 2017)	Ms Ebony Hughes
Mr John Fletcher	Mr Charles Lister (appointed 27 April 2017)

THE CALDECOTT FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Appointment and recruitment of Trustees

A recruitment and appointment procedure for Trustees has been adopted. When a Trustee vacancy occurs the Nominations Committee conducts a skills audit and seeks out, by a variety of means including open advertisement, prospective Trustees with the requisite skills and experience. Candidates are invited to meet with the Managing Director and senior managers prior to being interviewed by members of the Nominations Committee. A recommendation is then made to the Board for approval.

Committee structure, induction and training

The Trustees' responsibilities in respect of accounting records, safeguarding of assets and the prevention and detection of fraud and other irregularities are set out in the Statement of Trustees' Responsibilities. Trustee induction and training have been developed. As part of the process of satisfying these obligations, the Foundation has reviewed its present system of internal control to ensure that the controls are appropriate to the Foundation's activities. The Internal Control Manual has been further developed.

Committee structure, induction and training - continued

During the year the Board of Trustees meets at least 4 times and a number of committees also meet. These include as a minimum:-

- Audit and Risk Committee (2 times a year)
- School Governors (3 times a year)
- Finance Committee (3 times a year)
- Nominations committee (ad hoc basis)
- Care and Therapy Committee (3 times a year)
- Remunerations committee (annually)

Each committee has defined Terms of Reference which have been agreed by the Board of Trustees. Occasionally a task focused group will be convened and disbanded once the task has been achieved.

Day to day management

The day to day management of the charity is delegated to the Senior Management Team consisting of:

Chief Executive	Clive Lee (resigned March 2017)
Managing Director	Nicholas Barnett (from March 2017)
Change Management Director	Nicholas Barnett (to March 2017)
Head of Education	Stacey McShane
Head of Finance	Steve Anderson
Referrals and Commissioning Manager	Damion Napier

Annually, in September, all trustees and officers of the organisation will declare any relevant pecuniary information which may affect their independence or ability to discharge their duties.

Pay policy for key management personnel

The trustees consider the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Foundation on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. The pay of the senior staff is reviewed annually and normally increased in accordance with market rates.

THE CALDECOTT FOUNDATION LIMITED

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Trustees responsibilities

The trustees (who are also directors of The Caldecott Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

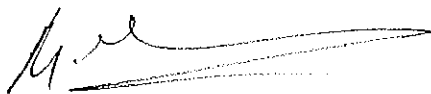
Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the charitable company will continue in business.

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

Disclosure of information to auditors

Each of the Trustees have confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.



By Order of the Board of Trustees

Date: 13/12/2017

M Lauerman, Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CALDECOTT FOUNDATION LIMITED

We have audited the financial statements of The Caldecott Foundation Limited for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Charitable Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, 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.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report⁴ to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017, and of the 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 properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CALDECOTT FOUNDATION LIMITED

Matters on which we are required to report by exception

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

Wilkins Kennedy LLP

Michelle Wilkes FCA
(Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Statutory Auditor
Date: 18 December 2017

Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

THE CALDECOTT FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2017 Total £	2016 Total £
Income from:						
Donations	2	805	40,278	83,364	124,447	150,610
Charitable activities	3	6,026,125	-	37,322	6,063,447	6,396,009
<i>Investment income</i>						
Income from listed investments		103	-	-	103	11
Interest receivable		1,722	-	-	1,722	58
Other	4	34,102	-	-	34,102	104,919
Total Income		6,062,857	40,278	120,686	6,223,821	6,651,607
Expenditure on:						
Raising funds		-	520	-	520	998
Charitable activities						
Social care		4,741,017	53,144	231,548	5,025,709	5,251,486
School		1,377,320	-	20,003	1,397,323	1,522,584
Total expenditure	5	6,118,337	53,664	251,551	6,423,552	6,775,068
Net income/(expenditure) and net movement in funds before gains		(55,480)	(13,386)	(130,865)	(199,731)	(123,461)
Revaluation gains/(losses) on fixed asset investment	13	-	-	-	-	(1,488)
Remeasurement gain on current asset investments	14	-	-	-	-	89,861
Net income/(expenditure) before transfers		(55,480)	(13,386)	(130,865)	(199,731)	(35,088)
Transfers between funds	21	(123,471)	123,471	-	-	-
Net income/(expenditure) after transfers		(178,951)	110,085	(130,865)	(199,731)	(35,088)
Other recognised gains / (losses):						
Remeasurement gain/(loss) on defined benefit pension scheme	18	-	(1,191,000)	-	(1,191,000)	1,114,000
Net movement in funds		(178,951)	(1,080,915)	(130,865)	(1,399,731)	1,078,912
Reconciliation of funds:						
Fund balances at 1 April 2016		(24,542)	(207,735)	224,219	(8,058)	(1,086,970)
Fund balances at 31 March 2017		(203,493)	(1,288,650)	93,354	(1,398,789)	(8,058)

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

THE CALDECOTT FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017

Comparative information only

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2016 Total £
Income from:					
Donations	2	-	27,737	122,873	150,610
Charitable activities	3	6,379,936	-	16,073	6,396,009
<i>Investment income</i>					
Income from listed investments		11	-	-	11
Interest receivable		58	-	-	58
Other	4	104,919	-	-	104,919
Total Income		6,484,924	27,737	138,946	6,651,607
Expenditure on:					
Raising funds		-	998	-	998
Charitable activities					
Social care		5,148,540	8,141	94,805	5,251,486
School		1,522,584	-	-	1,522,584
Total expenditure	5	6,671,124	9,139	94,805	6,775,068
Net income/(expenditure) and net movement in funds before gains		(186,200)	18,598	44,141	(123,461)
Revaluation gains/(losses) on fixed asset investment	13	-	(1,488)	-	(1,488)
Remeasurement gain on current asset investments	14	89,861	-	-	89,861
Net income/(expenditure) before transfers		(96,339)	17,110	44,141	(35,088)
Transfers between funds	21	609,600	(609,600)	-	-
Net income/(expenditure) after transfers		513,261	(592,490)	44,141	(35,088)
Other recognised gains / (losses):					
Remeasurement gain/(loss) on defined benefit pension scheme	18	-	1,114,000	-	1,114,000
Net movement in funds		513,261	521,510	44,141	1,078,912
Reconciliation of funds:					
Fund balances at 1 April 2015		(537,803)	(729,245)	180,078	(1,086,970)
Fund balances at 31 March 2016		(24,542)	(207,735)	224,219	(8,058)

All transactions are derived from continuing activities.

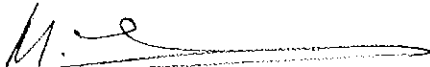
All recognised gains and losses are included in the Statement of Financial Activities.

THE CALDECOTT FOUNDATION LIMITED

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	12		6,108,638		6,049,862
Investments	13		2,842		2,842
Programme related investments	13		1,000		1,000
			<u>6,112,480</u>		<u>6,053,704</u>
Current assets					
Debtors	15	397,295		480,143	
Investment	14	-		320,912	
Cash at bank and in hand		<u>132,443</u>		<u>119,565</u>	
		529,738		920,620	
Creditors: amounts falling due within one year	16	<u>(605,264)</u>		<u>(663,194)</u>	
Net current (liabilities)/assets			<u>(75,526)</u>		<u>257,426</u>
Total assets less current liabilities			6,036,954		6,311,130
Creditors: amounts falling due after more than one year	17		<u>(435,743)</u>		<u>(510,188)</u>
			5,601,211		5,800,942
Defined benefit pension liability	18		(7,000,000)		(5,809,000)
Net funds			<u>(1,398,789)</u>		<u>(8,058)</u>
Funds					
Restricted funds	20		93,354		224,219
Unrestricted funds:					
Designated funds:	21				
Fixed asset reserve		5,612,043		5,488,572	
Pension Liability		(7,000,000)		(5,809,000)	
Extras' fund		<u>99,307</u>		<u>112,693</u>	
			(1,288,650)		(207,735)
Other charitable funds	22		<u>(203,493)</u>		<u>(24,542)</u>
			<u>(1,398,789)</u>		<u>(8,058)</u>

The accounts were approved by the board on 23/11/2017


Mr Michael Lauerman (Chair)
Trustee


Trustee

Company Number: 00419256

THE CALDECOTT FOUNDATION LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Net cash flow from operating activities	23	<u>261,936</u>	<u>(106,538)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(322,686)	(36,789)
Proceeds on disposal of tangible fixed assets		320,912	783,024
Interest received		<u>1,825</u>	<u>69</u>
Net cash flow from Investing activities		<u>51</u>	<u>746,304</u>
Cash flow from financing activities			
Repayments of borrowing		<u>(64,694)</u>	<u>(54,944)</u>
Net increase in cash and cash equivalents		197,293	584,822
Cash and cash equivalents at 1 April 2016		(147,770)	(732,592)
Cash and cash equivalents at 31 March 2017		<u><u>49,523</u></u>	<u><u>(147,770)</u></u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		132,443	119,565
Overdraft facility repayable on demand		(82,920)	(267,335)
Cash and cash equivalents at 31 March 2017		<u><u>49,523</u></u>	<u><u>(147,770)</u></u>

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(a) Basis of accounting

The Caldecott Foundation Limited is a registered charitable company in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities is to provide residential care, therapy and education for children and young people who have faced deprivation, cruelty or neglect, and who may have emotional, behavioural or educational difficulties.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Fund accounting

Unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restriction arises when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds represent funds invested in fixed assets. The designated fund balance has been represented to ensure that the fund balance accurately reflects the designation policy adopted by the trustees.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

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

Voluntary income, including donations, gifts and grants that provide core funding or are of a general nature, is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Care services and fees are included in the Statement of Financial Activities when receivable;

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (continued)

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes all expenditure incurred by the Foundation to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading; and
- Expenditure on charitable activities comprises those costs incurred by the Foundation in the delivery of its activities and services for beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Other costs have been allocated on the basis of staff time spent.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 6.

(f) Tangible fixed assets and depreciation

With the exception of freehold property, tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment losses. Freehold property is stated in the balance sheet at deemed cost being the fair value on the date of transition to FRS102 less any subsequent depreciation and impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Fixed assets below £1,000 are not capitalised.

Depreciation is provided on all tangible assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life, as follows:

Freehold land	Not depreciated
Freehold buildings & improvements	2% or 5% straight line
Assets under construction	Not depreciated until asset is in use
Fixtures, fittings & equipment	10%, 20% or 33% straight line
Motor Vehicles	20% straight line

(g) Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in joint ventures are measured at cost less impairment.

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (continued)

(h) Current asset investments

Investments represent charity assets which are on the open market for resale and are valued at the cash or other consideration expected to be paid or received and are not discounted.

(i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(j) Loans and borrowings

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

(k) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Retirement benefits to employees of the Foundation are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The charity also operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Foundation in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Foundation in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

(l) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (continued)

(m) Judgements and key sources of estimation uncertainty

Accounting estimates and judgements 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. The Foundation 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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1(g) for the useful economic lives for each class of assets.

LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 March 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Bad debt provision

The value of trade debtors is sensitive to the recoverability in full of any invoices issued to each customer. Once the debt becomes overdue it is chased and periodically reviewed to ensure it is recoverable in full. If a provision is deemed necessary this is included on an annual basis. No provision for bad and doubtful debts is currently included in the accounts.

(n) Going concern

The Foundation meets its day to day working capital requirements through an overdraft facility which is repayable on demand.

The nature of the Foundation's activities are such that there can be considerable unpredictable variation in the timing of cash inflows. The trustees have prepared projected cash flow information for the period ending 31 March 2020. On the basis of this cash flow information and discussions with the Foundation's bankers, the trustees consider that the Foundation will continue to operate within the facility currently agreed and within that which they expect will be agreed in October, when the Foundation's bankers are due to consider renewing the facility for a further year.

On this basis, the trustees consider it appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that would result from a withdrawal of the overdraft facility by the Foundation's bankers.

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

2 DONATIONS			2017	2016	
			£	£	
Unrestricted donations			805	-	
Designated funds			40,278	27,737	
			<u>41,083</u>	<u>27,737</u>	
Restricted funds:					
Other restricted donations and gifts			18,964	32,873	
The Samworth Foundation			36,900	-	
John Swire Charitable Trust			7,500	-	
Bernard Sunley Charitable Trust			10,000	-	
29th May 1961 Charitable Trust			5,000	-	
Weinstock Fund			5,000	-	
Garfield Weston			-	30,000	
The Henry Smith Charity			-	50,000	
The Band Trust			-	10,000	
			<u>83,364</u>	<u>122,873</u>	
Total			<u>124,447</u>	<u>150,610</u>	
3 CHARITABLE ACTIVITIES	Unrestricted funds	Restricted funds	Total 2017	Total 2016	
	£	£	£	£	
Local Authority Contract	5,722,289	18,570	5,740,859	6,189,019	
Statutory Funding	303,836	18,752	322,588	206,990	
	<u>6,026,125</u>	<u>37,322</u>	<u>6,063,447</u>	<u>6,396,009</u>	
4 OTHER INCOME			2017	2016	
			£	£	
Other income			34,102	39,138	
Profit on sale of fixed asset			-	65,781	
			<u>34,102</u>	<u>104,919</u>	
5 EXPENDITURE	Staff Costs	Depreciation	Other costs	Total 2017	Total 2016
	£	£	£	£	£
Costs of raising funds	-	-	520	520	998
Charitable activities					
<u>Residential care</u>					
Activities undertaken directly	3,130,679	129,836	1,053,652	4,314,167	4,329,340
Support costs (note 6)	330,681	48,770	332,091	711,542	922,146
Total social care	<u>3,461,360</u>	<u>178,606</u>	<u>1,385,743</u>	<u>5,025,709</u>	<u>5,251,486</u>
<u>School</u>					
Activities undertaken directly	773,413	73,112	372,912	1,219,437	1,292,047
Support costs (note 6)	82,670	12,192	83,024	177,886	230,537
Total school	<u>856,083</u>	<u>85,304</u>	<u>455,936</u>	<u>1,397,323</u>	<u>1,522,584</u>
Total charitable activities	<u>4,317,443</u>	<u>263,910</u>	<u>1,841,679</u>	<u>6,423,032</u>	<u>6,774,070</u>
	<u>4,317,443</u>	<u>263,910</u>	<u>1,842,199</u>	<u>6,423,552</u>	<u>6,775,068</u>

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

6 SUPPORT COSTS	Residential care	School	Total 2017	Total 2016
	£	£	£	£
Management	474,586	118,647	593,233	813,818
Finance	104,714	26,179	130,893	128,729
IT	59,489	14,872	74,361	86,196
Human resources and training	72,753	18,188	90,941	123,940
	<u>711,542</u>	<u>177,886</u>	<u>889,428</u>	<u>1,152,683</u>

7 GOVERNANCE COSTS	2017	2016
	£	£
Staff costs	95,700	95,700
Travel and subsistence	5,363	655
Auditors' remuneration	17,310	16,930
Legal fees	7,512	(2,486)
	<u>125,885</u>	<u>110,799</u>

Governance costs are included within support costs detailed above and have been allocated on the basis of time spent in respect of staff costs and direct apportionment basis for other costs.

8 SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

This table shows the cost of the main charitable activities and the sources of income directly to support those activities.

	Residential care	School	Total
	£	£	£
Costs	(4,990,663)	(1,397,323)	(6,387,986)
Direct Income	4,553,859	1,472,266	6,026,125
Net cost funded from other income	<u>(436,804)</u>	<u>74,943</u>	<u>(361,861)</u>

9 NET MOVEMENT IN FUNDS

	2017	2016
	£	£
This is stated after charging		
Depreciation of tangible fixed assets	263,910	324,865
Auditors' remuneration	17,310	16,930
(Profit) / loss on tangible assets	-	(65,781)

10 TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

None of the trustees (or any persons connected with them) received any remuneration during the year, but 4 of them were reimbursed a total of £509 travelling expenses (2016: 4 were reimbursed £1,459).

11 EMPLOYEES

Number of employees

The number of employees during the year was:

	2017	2016
	Number	Number
Senior management team	5	6
School	29	34
Residential care	104	107
Administration	9	8
Support services	10	16
	<u>157</u>	<u>171</u>

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

11 EMPLOYEES

Employment costs	2017	2016
	£	£
Wages and salary costs	3,724,246	3,941,818
Social Security costs	349,782	339,390
Other pension costs - defined contribution	59,633	53,500
Other Pension costs - defined benefit	128,285	194,158
Other pension costs - other	55,497	14,981
	<u>4,317,443</u>	<u>4,543,847</u>

The number of employees whose annual emoluments were £60,000 or more were:

	2017	2016
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£100,001 - £110,000	-	1
£140,000 - £150,000	1	-

Of the employees whose emoluments exceed £60,000, 1 (2016: 1) has retirement benefits accruing under defined benefit pension schemes and 1 (2016:1) have retirement benefits accruing under defined contribution schemes.

Redundancy costs totalling £12,000 were paid during the year under normal statutory terms.

The senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Foundation on a day to day basis and are detailed on page 1. The aggregate remuneration paid to the key management personnel totalled £446,000 (2016: £480,500).

12 TANGIBLE ASSETS

	Land and buildings	Improvements to buildings	Fixtures, fittings and equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost / deemed cost					
As at 1 April 2016	7,505,385	225,830	845,525	148,507	8,725,247
Additions	-	-	291,034	31,652	322,686
Disposals	-	-	(3,492)	-	(3,492)
At 31 March 2017	<u>7,505,385</u>	<u>225,830</u>	<u>1,133,067</u>	<u>180,159</u>	<u>9,044,441</u>
Depreciation					
As at 1 April 2016	1,756,631	58,902	739,031	120,821	2,675,385
On disposals	-	-	(3,492)	-	(3,492)
Charge for period	152,077	-	94,671	17,162	263,910
At 31 March 2017	<u>1,908,708</u>	<u>58,902</u>	<u>830,210</u>	<u>137,983</u>	<u>2,935,803</u>
Net book values					
At 31 March 2017	<u>5,596,677</u>	<u>166,928</u>	<u>302,857</u>	<u>42,176</u>	<u>6,108,638</u>
At 31 March 2016	<u>5,748,754</u>	<u>166,928</u>	<u>106,494</u>	<u>27,686</u>	<u>6,049,862</u>

Certain freehold properties were revalued in July 2004 and this valuation was incorporated into the financial statements for the year ended 31 March 2005.

The trustees have not commissioned a full external valuation as after having consulted with an independent property valuer they have been advised that any increase or decrease in the value of freehold land and buildings would not be material in the charity's financial statements. This valuation amount was brought into the accounts as part of the transition to FRS102.

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

12 TANGIBLE ASSETS

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017	2016
	£	£
Cost	1,688,095	1,688,095
Accumulated depreciation	(463,760)	(429,998)
At March 2017	<u>1,224,335</u>	<u>1,258,097</u>

All other tangible fixed assets are stated at historical cost.

13 FIXED ASSET INVESTMENTS

	Listed Investments £	Programme related investments £	Total £
Market value at 1 April 2016 and at 31 March 2017	2,842	1,000	3,842
Historical cost:			
At 31 March 2017	<u>1,008</u>	<u>1,000</u>	<u>2,008</u>
At 31 March 2016	<u>1,008</u>	<u>1,000</u>	<u>2,008</u>

The fair value of the listed investments is determined by reference to the mid-market value of shares at the Balance Sheet date and represents the shareholding in Santander plc.

Programme related investment

The Caldecott Foundation Limited and The Stone Soup Project CIC entered into a joint venture agreement to set up Caldecott Fostering Limited, where each party owns 50% of the issued ordinary shares. The principal activity of Caldecott Fostering Limited is the provision of the foster care for children on behalf of local authorities. The investment is measured at cost less impairment on the basis that they represent shares in entities that are not publicly traded and the fair value cannot otherwise be measured reliably.

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

14 CURRENT ASSET INVESTMENTS	2017	2016
	£	£
As at 1 April 2016	320,912	571,826
Disposed of in year	(320,912)	(571,826)
Transfer from tangible assets	-	231,051
Remeasurement to expected selling price	-	89,861
As at 31 March 2017	<u>-</u>	<u>320,912</u>

Current asset investments represented one of the charity's properties which was on the market for sale and subsequently sold in the year.

15 DEBTORS	2017	2016
	£	£
Trade debtors	365,674	420,338
Amounts owed by joint venture	-	38,504
Other debtors	398	2,304
Prepayments and accrued income	31,221	18,997
	<u>397,293</u>	<u>480,143</u>

Amounts falling due after more than one year and included in the debtors above are:

	2017	2016
	£	£
Amounts owed by joint venture	-	30,000

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2017	2016
	£	£
Bank loans	64,694	54,944
Bank overdrafts	82,920	267,335
Trade creditors	164,054	146,408
Taxes and social security costs	96,277	92,185
Fees invoiced in advanced	-	16,589
Other creditors	175,319	59,054
Accruals	22,000	26,679
	<u>605,264</u>	<u>663,194</u>

The bank loan and overdraft are secured over Caldecott House.

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2017	2016
	£	£
Bank loans	<u>435,743</u>	<u>510,188</u>
Analysis of loans		
Wholly repayable within five years	500,437	565,132
Included in current liabilities	(64,694)	(54,944)
	<u>435,743</u>	<u>510,188</u>

The bank loan is secured over Caldecott House.

The loan financing is in the form of a secured loan with a fixed interest rate of 3.36% above base rate and is due for repayment in December 2018. The loan has financial covenants which may require the loan to be repaid in full. During the year these covenants were breached. The lender is aware of these breaches but has not sought repayment of the loan in full and continues to support the Foundation.

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Loan maturity analysis	2017	2016
	£	£
Debt due in one year or less	64,694	54,944
In more than one year but not more than two years	435,743	510,188
In more than two years but not more than five	-	-
	<u>500,437</u>	<u>565,132</u>

18 PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

The Foundation's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Pension contributions amounting to £7,027 (2016: £8,653) were unpaid at 31 March 2017.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

18 PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

(Continued)

Valuation of the Teachers' Pension Scheme

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £59,634 (2016: £53,500).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Kent County Council Pension Fund

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 March 2017 was £178,644 (2016: £271,803), of which employer's contributions totalled £128,285 (2016: £194,158) and employees' contributions totalled £50,359 (2016: £77,645). The minimum contribution rates for future years are 18.8 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

Pension contributions amounting to £12,546 (2016: £21,233) were unpaid at 31 March 2017.

Principal actuarial assumptions	2017 %	2016 %	2015 %
Rate of increase in salaries	4.20	4.30	4.30
Rate of increase in pension payment	2.70	2.50	2.50
Discount rate	2.80	3.80	3.40
Inflation assumption - RPI	3.60	3.40	3.30
Inflation assumption - CPI	2.70	2.50	2.50

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2017	2016
<i>Retiring today</i>		
Males	23.0	22.9
Females	25.0	25.3
<i>Retiring in 20 years</i>		
Males	25.1	25.2
Females	27.4	27.7

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

18 PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

(Continued)

The Foundation's share of the assets in the scheme were:

	2017	2016	2015
	£	£	£
Equities	12,130,000	9,569,000	9,704,000
Bonds	1,674,000	1,575,000	1,594,000
Property	2,142,000	2,084,000	1,779,000
Gilts	128,000	127,000	149,000
Other assets	439,000	369,000	389,000
Target return portfolio	674,000	624,000	617,000
Total market value of assets	<u>17,187,000</u>	<u>14,348,000</u>	<u>14,232,000</u>

For accounting years beginning on or after 1 January 2015, the expected return and the interest cost has been replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

The actual return on scheme assets was £2,981,000 (2016: £154,000)

Amount recognised in the Statement of Financial Activities

	2017	2016
	£	£
Current service cost	183,000	249,000
Net interest cost	218,000	233,000
Administration expenses	9,000	10,000
Total operating charge	<u>410,000</u>	<u>492,000</u>

Changes in the present value of defined benefit obligations were as follows:

	2017	2016
	£	£
At 1 April 2016	20,157,000	21,155,000
Current service cost	183,000	249,000
Interest cost	760,000	716,000
Change in financial assumptions	5,163,000	(1,780,000)
Change in demographic assumptions	(287,000)	-
Experience loss on defined benefit obligation	(1,481,000)	-
Estimated benefits paid	(359,000)	(244,000)
Contributions by Scheme participants	51,000	61,000
At 31 March 2017	<u>24,187,000</u>	<u>20,157,000</u>

Changes in the fair value of academy's share of scheme assets:

	2017	2016
	£	£
At 1 April 2016	14,348,000	14,232,000
Interest on assets	542,000	483,000
Return on assets less interest	2,439,000	(329,000)
Other actuarial gains	45,000	-
Administration expenses	(9,000)	(10,000)
Employer contributions	130,000	155,000
Contributions by Scheme participants	51,000	61,000
Estimated benefits paid	(359,000)	(244,000)
At 31 March 2017	<u>17,187,000</u>	<u>14,348,000</u>

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

18 PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS (Continued)

Other defined contribution schemes

The company operates a stakeholder scheme into which it contributes a percentage of employees salary. In addition the company also contributes into certain employees own personal pension schemes.

	2017	2016
	£	£
Contributions payable by the company for the year	115,131	68,481

Pension contributions amounting to £6,452 (2016: £2,100) were unpaid at 31 March 2017.

19 COMPANY STATUS

The Foundation is a company limited by guarantee. In the event of a winding-up the liability of each member will not exceed £1.

20 RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2016	Income	Expenditure	Balance at 31 March 2017
	£	£	£	£
Homes (Improvement fund)	1,990	-	-	1,990
Holidays / Camps / Trips	4,933	8,186	(13,041)	78
Independent Living fund	6,092	-	8,056	14,148
Sponsor a book	3,730	350	-	4,080
School grant	(83)	18,752	(11,571)	7,098
Other fundraised funds	11,840	2,490	(4,312)	10,018
East Midlands Residential start-up	191,324	29,500	(218,823)	2,001
East Midlands Mental Health Nurse	-	36,900	-	36,900
Pupil premium	-	18,570	(8,432)	10,138
Other	4,393	5,938	(3,428)	6,903
	<u>224,219</u>	<u>120,686</u>	<u>(251,551)</u>	<u>93,354</u>

Homes (Improvement fund)	For improvements to the physical environment within the house
Holidays / Camps /Trips out	For annual holidays, camps and trips out to theatres etc
Independent Living fund	To support former care leavers to achieve full independence
Sponsor a book	For sponsorship of children's special interest books and other reading material
East Midlands Residential fund	To establish specialist residential homes in the East Midlands
East Midlands mental health fund	To fund a specialist mental health post in the East Midlands
Other fundraised funds	To fund a range of specific small items including leavers packs, art, play & music equipment, hardship grants, sport & challenge activities and vocational education
School grants	To improve standards in the school and for capital expenditure in the school
Pupil premium	Funds received from Local Authorities which are provided for the education needs of individual school pupils
Other restricted funds	Funds received from Local Authorities and statutory bodies which are provided for individual children and care leavers

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

21 DESIGNATED FUNDS

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2016	New Designations designations	released	Gains / (losses)	Balance at 31 March 2017
	£	£	£	£	£
Fixed asset reserve	5,488,572	123,471	-	-	5,612,043
Pension reserve	(5,809,000)	(1,191,000)	-	-	(7,000,000)
Extras' fund	112,693	40,278	(53,664)	-	99,307
	(207,735)	(1,027,251)	(53,664)	-	(1,288,650)

The fixed asset reserve - represents the net book value of fixed assets held net of any associated borrowings.

The pension reserve - represents the pension scheme liability at the year end.

The Extras fund - to be used for additional activities over and above those funded by core funding.

21 UNRESTRICTED FUNDS - REVENUE RESERVE

	2017	2016
	£	£
Balance at 1 April 2016	(24,611)	(537,803)
Net expenditure	(55,411)	(96,408)
Transfer from/(to) fixed asset reserve	(123,471)	609,600
Balance at 31 March 2017	(203,493)	(24,611)

22 ANALYSIS OF NET ASSETS

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2017				
Tangible fixed assets	-	6,108,638	-	6,108,638
Investments	-	3,842	-	3,842
Current assets	337,077	99,307	93,354	529,738
Creditors:amount falling due	(540,570)	(64,694)	-	(605,264)
Creditors:amount falling due after Defined benefit pension	-	(435,743)	-	(435,743)
	-	(7,000,000)	-	(7,000,000)
	(203,493)	(1,288,650)	93,354	(1,398,789)

23 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net expenditure for year	(199,731)	(123,461)
Interest receivable	(1,825)	(69)
Depreciation of tangible fixed	263,910	324,865
(Profit)/loss on disposal of fixed assets	-	(65,781)
Decrease/(Increase) in debtors	82,850	(16,085)
Increase/(Decrease) in creditors	116,732	(226,007)
Net cash flow from operating activities	261,936	(106,538)

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

24 CAPITAL COMMITMENTS

At 31 March 2016 the company had capital commitments as follows:

	2017	2016
	£	£
Expenditure contracted for but not provided in the accounts	-	60,000

25 COMMITMENTS UNDER OPERATING LEASES

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	2017	2016	2017	2016
	£	£	£	£
Within one year	66,920	48,690	37,741	31,979
Between two and five years	186,690	120,000	3,377	51,958
In over five years	619,500	450,000	-	-
	<u>873,110</u>	<u>618,690</u>	<u>41,118</u>	<u>83,937</u>

26 RELATED PARTIES

On 1 July 2012 The Caldecott Foundation Limited entered into a joint venture with The Stone Soup Project CIC to produce a fostering agency by the name of Caldecott Fostering Limited.

During the year ended 31 March 2013 The Caldecott Foundation Limited loaned Caldecott Fostering Limited £30,000. This was repaid in the year to 31 March 2017.

Included within debtors is a balance of £240 (2016: £11,534).

During the year finance support charges of £Nil (2016: £5,269), rent of £2,060 (2016: £6,000) and staff costs of £2,874 (2016: £13,470) and loan interest of £Nil (2016: £Nil) was charged to Caldecott Fostering Limited.