

THE CALDECOTT FOUNDATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

Registered Charity No: 307889

Registered Company No: 00419256 (England and Wales)

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	Nicholas Barnett Stacey McShane Steve Anderson Damion Napier Richard Leonard Tim Allison	
Charity Number	307889	
Company Number	00419256	
Registered office	Caldecott House Hythe Road Smeeth Ashford Kent TN25 6SP	
Independent Auditors	Wilkins Kennedy Audit Services 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 2018

I'm pleased to report that 2017/18 has seen continued improvement in both outcomes for our young people and financial performance. Despite many years of extremely challenging conditions for providers of children's social care and education the Caldecott Foundation is going from strength to strength.

Over this last year we have reviewed the leadership and management of the organisation and a number of changes have been made within the leadership team including both Board and senior management. Following the appointment of Nick Barnett as Managing Director in April 2017 we have been joined by several new members of the team including Christopher Bennett in the critically important role of Therapy Manager.

There have also been important changes at Board level. As Chair I have held individual meetings with each Trustee and commissioned a skills audit. This has helped to clarify areas of strength but also identify where the Board would benefit from additional knowledge and expertise. Using the results of this work we undertook a targeted recruitment campaign for new Trustees. We were overwhelmed by both the number and quality of those who responded to our advertisements and I'm pleased to report that we are now in the process of bringing four new Trustees onto the Board. Their appointments will be finalised later in the year.

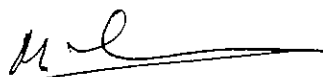
As mentioned in last year's report we completed work establishing two new children's homes in the East Midlands region. The set-up costs of these two new services were funded entirely by grants from charitable trusts and foundations. This was followed up by a further major two-year grant from Samworth Foundation which enabled us to meet the salary costs of a senior mental health professional in the East Midlands to work with our staff and the children directly on long-term psychological recovery. We are extremely grateful to those funding bodies who had the vision and commitment to invest in us and thereby enable us to support more young people with the most complex and challenging needs.

Individuals, companies, charitable trusts and local organisations have continued to support Caldecott during the last year. This has enabled us to improve and enrich the lives of our young people with special days out and experiences and to give them the kind of childhood we would wish all young people to have. Thanks to this support we have once again fully funded our key regular projects, such as our annual summer camp and Christmas theatre trip, as well as many other educational and fun activities. It has also enabled us to continue our work to improve outcomes for those who leave our care at eighteen years old, but are still very vulnerable.

In addition we were extremely grateful to receive the proceeds of a substantial legacy and are working to ensure that this incredibly generous donation is used to best effect to enrich and improve the lives of our young people.

In addition to purely financial help, we have been overwhelmed by the kindness of many organisations and individuals who have donated gifts, toys, their time as well as festive goodies at Christmas and Easter – times of the year which are often particularly difficult for our children. We do appreciate the generosity of all our donors this year which has helped make such a difference to the children in our care.

I would like to thank all those individuals both inside and outside of the organisation who have given their time, money and energy to this incredibly important cause. Together we are undertaking truly life changing work and helping children build a future.



M Lauerman, Chairman

THE CALDECOTT FOUNDATION LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The trustees present herewith their report and the financial statements for the year ended 31 March 2018. 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 as amended by Bulletin 1.

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

Over the last four years the organisation has undertaken a comprehensive programme of change to improve the care and education we provide our children and young people whilst ensuring that the organisation is financially sustainable.

During this period we have achieved better outcomes for children across our care and education services and improved our financial performance as reflected in this year's financial statements. In terms of outcomes our own internal assessment has been externally validated by Ofsted who have now awarded four of our seven children's homes with 'Outstanding' judgements and the remaining three with 'Good' overall ratings. One of our children's homes has recently received its fourth 'Outstanding' judgement in a row with Ofsted highlighting the exceptional work being undertaken. The Inspection commented in the report that:

"Children thrive as a result of warm and nurturing relationships with staff. Interactions are genuinely caring and consistent across the staff team. Staff are demonstrably caring towards each child, including physical affection. They have created a culture of an extended family within the home. Children regard it as their home," Ofsted Inspection Report.

Following the improvements made over the last four years we felt that the key goals of our existing strategic plan had been achieved. Given this and the changes in the leadership team we undertook a review which led to the development of a new strategic plan. This was facilitated through a series of strategic workshops led by both Trustees and senior managers with input from key stakeholders. This new plan is designed to take the organisation forward over the next five years and further our vision of, 'Helping children build a future'.

THE CALDECOTT FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Review of the year

Our new strategic plan, which focuses on growing the organisation to meet the needs of more young people, has already started to be implemented across our services. We recognised that the skills and expertise at The Caldecott School could be used to benefit a wider number of young people with a broader range of needs. As a result we have started offering placements to those pupils whose primary need is Autistic Spectrum Disorder. This has resulted in a steady increase in pupil numbers over the year. We have also looked at how pupils from further afield can access our school and to this end have invested in a new weekday boarding provision which will be launched in September 2018.

We have also looked at how we are using our school facilities and whether we can improve the pupil experience. With a growing number of primary aged pupils and after listening to feedback from our young people, we have made the decision to separate out our primary and secondary education. We are in the process of converting one of our existing properties into a primary provision and are confident that this will provide all pupils with a better experience during the school day.

As we continue to strive for the best possible outcomes we have given serious consideration to our overall service offering and how to facilitate the best experience for each young person. As a result we made the decision to purchase 100% of Caldecott Fostering Limited which, up to this point, had been delivered as part of a joint venture. The purchase of the shares was concluded after year end on 30th June 2018 and has made Caldecott Fostering Limited a wholly owned subsidiary of the organisation. It is felt that this will allow better joint working across these important services linking together a child's journey through their time in our care. With integration of our Relational Model and delivery of our therapeutic support we will be better placed to provide the very best outcomes for our children and young people.

It is our belief that we are a significantly stronger organisation now than at the start of the year and with our new strategic plan in place are in a good position to grow in order to meet the needs of more young people.

Financial review

Income for the year was £7,167,203, an increase of £943,382 on the previous year. Expenditure increased by £179,754 to £6,603,306. The resulting surplus before adjustments to the Pension Scheme was £563,897, compared to a loss of £199,731 in 2017, an overall improvement of £763,628.

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 2018. 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 continue to improve.

The Balance Sheet:

There has been an improvement from a negative position of £1,398,789 to negative £273,892. This is half due to the improved operating position, and half due to the decrease in the Pension Scheme liability of £561,000.

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 cashflows 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.

THE CALDECOTT FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Financial review

Pension Scheme:

The Pension Scheme deficit has decreased in the year by £561k to £6.439m. 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 3 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 £1.8 million based on budgeted running costs for the next 12 months. At the year end the Foundation had total reserves of £6.165 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 unrestricted reserves of £302,857 (2017: negative £203,493). It remains our intention to build free reserves towards the target.

At 31 March 2018, restricted funds amounted to £89,592 (2017: £93,354) and further details can be found in note 19 to the financial statements.

At 31 March 2018 designated funds amounted to negative £666,341 (2017: negative £1,288,650) and further details can be found in note 20 to the financial statements. The main elements of the designated funds are the fixed asset reserve, amounting to £5,657,767 (2017: £5,612,043) and the LGPS deficit amounting to £6,439,000 (2017: £7,000,000).

Funds position

As detailed above the unrestricted fund has a positive balance of £302,857 at 31 March 2018. 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 re-opening of two new services in Kent where demand for our education provision 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.

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.

THE CALDECOTT FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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.

Fundraising

The Foundation does not employ any professional fundraisers to fund raise on its behalf but all staff members and any volunteers involved in fundraising activities are trained in accordance with recognised standards so as to ensure that the public, including vulnerable people, are protected from unreasonable or intrusive approaches. The Foundation has not received any complaints about its fund raising activities.

Plans for the future

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

Our new primary education provision and weekday boarding home will shortly be open allowing us to extend our education offer to more pupils. We will also look to invest in our facilities to improve the environment and opportunities for all young people in our care and education.

We will be developing enhanced transition planning arrangements for young people moving between our residential care and foster families to improve outcomes. We will also seek to improve our ability to provide ongoing emotional and practical support to those who have left our care and moved into independent or semi-independent living in the community.

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 CALDECOTT FOUNDATION LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

Structure, governance and management (continued)

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 John Fletcher
Mr Michael Buchanan	Mr Colin Green
Mr Jeremy Burke	Ms Ebony Hughes
Mr Jerome Flechais (appointed 27 April 2017)	Mr Charles Lister (appointed 27 April 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.

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:

Managing Director	Nicholas Barnett
Executive Head of Education	Richard Leonard
Head of Education	Stacey McShane
Head of Finance	Steve Anderson
Referrals and Commissioning Manager	Damion Napier
Business Manager	Tim Allison

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 2018

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:



M Lauerman, Chairman

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

Opinion

We have audited the financial statements of The Caldecott Foundation Limited for the year ended 31 March 2018 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK (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 31 March 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's 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.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the [strategic report and the] directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report and the directors' report.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the 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, 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.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

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

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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.

Wilkins Kennedy Audit Services

Michelle Wilkes FCA
(Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services
Statutory Auditor
Date: 30 October 2018

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 2018**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2018 Total £	2017 Total £
Income from:						
Donations and legacies	2	480,000	29,633	69,501	579,134	124,447
Charitable activities	3	6,228,871	-	353,172	6,582,043	6,063,447
<i>Investment income</i>						
Income from listed investments		124	-	-	124	103
Interest receivable		89	-	-	89	1,722
Other	4	5,813	-	-	5,813	34,102
Total Income		6,714,897	29,633	422,673	7,167,203	6,223,821
Expenditure on:						
Raising funds		-	2,007	-	2,007	520
Charitable activities						
Social care		4,661,751	12,041	394,482	5,068,274	5,025,709
School		1,501,072	-	31,953	1,533,025	1,397,323
Total expenditure	5	6,162,823	14,048	426,435	6,603,306	6,423,552
Net income/(expenditure) before transfers		552,074	15,585	(3,762)	563,897	(199,731)
Transfers between funds	20	(45,724)	45,724	-	-	-
Net income/(expenditure) after transfers		506,350	61,309	(3,762)	563,897	(199,731)
Other recognised gains / (losses):						
Remeasurement gain/(loss) on defined benefit pension scheme	17	-	561,000	-	561,000	(1,191,000)
Net movement in funds		506,350	622,309	(3,762)	1,124,897	(1,390,731)
Reconciliation of funds:						
Fund balances at 1 April 2017		(203,493)	(1,288,650)	93,354	(1,398,789)	(8,058)
Fund balances at 31 March 2018		302,857	(666,341)	89,592	(273,892)	(1,398,789)

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 2018**

Comparative information only

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2017 Total £
Income from:					
Donations	2	805	40,278	83,364	124,447
Charitable activities	3	6,026,125	-	37,322	6,063,447
<i>Investment income</i>					
Income from listed investments		103	-	-	103
Interest receivable		1,722	-	-	1,722
Other	4	34,102	-	-	34,102
Total income		6,062,857	40,278	120,686	6,223,821
Expenditure on:					
Raising funds		-	520	-	520
Charitable activities					
Social care		4,741,017	53,144	231,548	5,025,709
School		1,377,320	-	20,003	1,397,323
Total expenditure	6	6,118,337	53,664	251,551	6,423,552
Net income/(expenditure) before transfers		(55,480)	(13,386)	(130,865)	(199,731)
Transfers between funds	20	(123,471)	123,471	-	-
Net income/(expenditure) after transfers		(178,951)	110,085	(130,865)	(199,731)
Other recognised gains / (losses):					
Remeasurement gain/(loss) on defined benefit pension scheme	17	-	(1,191,000)	-	(1,191,000)
Net movement in funds		(178,951)	(1,080,915)	(130,865)	(1,390,731)
Reconciliation of funds:					
Fund balances at 1 April 2016		(24,542)	(207,735)	224,219	(8,058)
Fund balances at 31 March 2017		(203,493)	(1,288,650)	93,354	(1,398,789)

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 2018**

	Note	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	12		6,088,126		6,108,638
Investments	13		2,842		2,842
Programme related investments	13		1,000		1,000
			<u>6,091,968</u>		<u>6,112,480</u>
Current assets					
Debtors	14	477,877		397,295	
Cash at bank and in hand		<u>416,363</u>		<u>132,443</u>	
		894,240		529,738	
Creditors: amounts falling due within one year	15	<u>(821,100)</u>		<u>(605,264)</u>	
Net current assets/(liabilities)			<u>73,140</u>		<u>(75,526)</u>
Total assets less current liabilities			6,165,108		6,036,954
Creditors: amounts falling due after more than one year	16		<u>-</u>		<u>(435,743)</u>
			6,165,108		5,601,211
Defined benefit pension liability	17		(6,439,000)		(7,000,000)
Net funds			<u>(273,892)</u>		<u>(1,398,789)</u>
Funds					
Restricted funds	19		89,592		93,354
Unrestricted funds:					
Designated funds:	20				
Fixed asset reserve		5,657,767		5,612,043	
Pension Liability		(6,439,000)		(7,000,000)	
Extras' fund		<u>114,892</u>		<u>99,307</u>	
			(666,341)		(1,288,650)
Other charitable funds			<u>302,857</u>		<u>(203,493)</u>
	21		<u>(273,892)</u>		<u>(1,398,789)</u>

The accounts were approved by the board on 27/09/2018



Mr Michael Lauerman (Chair)
Trustee



Name
Trustee

Company Number: 00419256

THE CALDECOTT FOUNDATION LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Net cash flow from operating activities	22	<u>666,410</u>	<u>261,936</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(233,647)	(322,686)
Proceeds on disposal of tangible fixed assets		100	320,912
Interest received		213	1,825
Net cash flow from investing activities		<u>(233,334)</u>	<u>51</u>
Cash flow from financing activities			
Repayments of borrowing		<u>(66,236)</u>	<u>(64,694)</u>
Net increase in cash and cash equivalents		366,840	197,293
Cash and cash equivalents at 1 April 2017		49,523	(147,770)
Cash and cash equivalents at 31 March 2018		<u><u>416,363</u></u>	<u><u>49,523</u></u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		416,363	132,443
Overdraft facility repayable on demand		-	(82,920)
Cash and cash equivalents at 31 March 2018		<u><u>416,363</u></u>	<u><u>49,523</u></u>

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

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 (FRS 102) issued on 16 July 2014 as amended by Bulletin 1 and the Financial Reporting Standard applicable in the United Kingdom (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 income is 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 2018

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 2018

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 2018

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 17, 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 2016 has been used by the actuary in valuing the pensions liability at 31 March 2018. 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 2018

2 DONATIONS		2018	2017			
		£	£			
Unrestricted donations		-	805			
Legacies		480,000	-			
Designated funds		29,633	40,278			
		<u>509,633</u>	<u>27,737</u>			
Restricted funds:						
Other restricted donations and gifts		19,101	18,964			
The Samworth Foundation		36,900	36,900			
29th May 1961 Charitable Trust		5,000	5,000			
Swiss RE		8,500	-			
John Swire Charitable Trust		-	7,500			
Bernard Sunley Charitable Trust		-	10,000			
Weinstock Fund		-	5,000			
		<u>69,501</u>	<u>83,364</u>			
Total		<u>579,134</u>	<u>111,101</u>			
3 CHARITABLE ACTIVITIES		Unrestricted funds	Restricted funds	Total 2018	Total 2017	
		£	£	£	£	
Local Authority Contract		6,228,871	16,230	6,245,101	5,740,859	
Statutory Funding		-	336,942	336,942	322,588	
		<u>6,228,871</u>	<u>353,172</u>	<u>6,582,043</u>	<u>6,063,447</u>	
4 OTHER INCOME				2018	2017	
				£	£	
Other income				5,713	34,102	
Profit on sale of fixed asset				100	-	
				<u>5,813</u>	<u>34,102</u>	
5 EXPENDITURE		Staff Costs	Depreciation	Other costs	Total 2018	Total 2017
		£	£	£	£	£
Costs of raising funds		-	-	2,007	2,007	520
Charitable activities						
<u>Residential care</u>						
Activities undertaken directly		3,167,762	140,940	1,116,468	4,425,170	4,314,167
Support costs (note 6)		310,842	32,600	299,662	643,104	711,542
Total social care		<u>3,478,604</u>	<u>173,540</u>	<u>1,416,130</u>	<u>5,068,274</u>	<u>5,025,709</u>
<u>School</u>						
Activities undertaken directly		734,261	72,480	565,507	1,372,248	1,219,437
Support costs (note 6)		77,710	8,140	74,927	160,777	177,886
Total school		<u>811,971</u>	<u>80,620</u>	<u>640,434</u>	<u>1,533,025</u>	<u>1,397,323</u>
Total charitable activities		<u>4,290,575</u>	<u>254,160</u>	<u>2,056,564</u>	<u>6,601,299</u>	<u>6,423,032</u>
		<u>4,290,575</u>	<u>254,160</u>	<u>2,058,571</u>	<u>6,603,306</u>	<u>6,423,552</u>

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

6 SUPPORT COSTS	Residential care	School	Total 2018	Total 2017
	£	£	£	£
Management	420,620	105,155	525,775	593,233
Finance	104,198	26,050	130,248	130,893
IT	61,715	15,429	77,144	74,361
Human resources and training	56,571	14,143	70,714	90,941
	<u>643,104</u>	<u>160,777</u>	<u>803,881</u>	<u>889,428</u>

7 GOVERNANCE COSTS	2018	2017
	£	£
Staff costs	75,800	95,700
Travel and subsistence	4,293	5,363
Auditors' remuneration	17,359	17,310
Legal fees	5,214	7,512
	<u>102,666</u>	<u>125,885</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	(5,068,274)	(1,533,025)	(6,601,299)
Direct Income	4,979,010	1,603,033	6,582,043
Net cost funded from other income	<u>(89,264)</u>	<u>70,008</u>	<u>(19,256)</u>

9 NET MOVEMENT IN FUNDS	2018	2017
	£	£
This is stated after charging		
Depreciation of tangible fixed assets	254,160	263,910
Auditors' remuneration	17,359	17,310
(Profit) on disposal of tangible assets	<u>(100)</u>	<u>-</u>

10 TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

None of the trustees (or any persons connected with them) received any remuneration during the year, but 3 were reimbursed a total of £1,074 travelling expenses (2017: 4 were reimbursed £509).

11 EMPLOYEES

Number of employees

The number of employees, by headcount, during the year was:

	2018	2017
	Number	Number
Senior management team	5	5
School	29	29
Residential care	106	104
Administration	8	9
Support services	10	10
	<u>158</u>	<u>157</u>

THE CALDECOTT FOUNDATION LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2018**

11 EMPLOYEES

Employment costs	2018	2017
	£	£
Wages and salary costs	3,733,958	3,724,246
Social Security costs	340,361	349,782
Apprenticeship levy	3,060	-
Other pension costs - defined benefit	61,822	59,633
Other Pension costs - defined benefit	99,160	128,285
Other pension costs - other	52,214	55,497
	4,290,575	4,317,443

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

	2018	2017
£60,001 - £70,000	1	2
£90,001 - £100,000	1	-
£140,000 - £150,000	-	1

Of the employees whose emoluments exceed £60,000, 0 (2017: 1) has retirement benefits accruing under defined benefit pension schemes and 2 (2017: 1) have retirement benefits accruing under defined contribution schemes.

Redundancy costs totalling £6,980 (2017: £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 £368,564 (2017: £465,000). In addition costs of £74,280 (2017: £35,100) were paid to MAL Consultancy Ltd / Sheenways Group Limited in respect of School Development services.

12 TANGIBLE ASSETS

	Land and buildings	Improvements to buildings	Fixtures, fittings and equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost / deemed cost					
As at 1 April 2017	7,505,385	225,830	1,133,067	180,161	9,044,443
Additions	150,000	-	64,847	18,800	233,647
Disposals	-	-	(30,893)	(28,997)	(59,890)
Transfers between categories	(2,762)	240,928	(238,166)	-	-
At 31 March 2018	7,652,623	466,758	928,855	169,964	9,218,200
Depreciation					
As at 1 April 2017	1,908,709	58,902	830,210	137,983	2,935,804
On disposals	-	-	(30,893)	(28,997)	(59,890)
Charge for period	152,077	46,676	40,010	15,397	254,160
Transfers between categories	-	(22,361)	22,361	-	-
At 31 March 2018	2,060,786	83,217	861,688	124,383	3,130,074
Net book values					
At 31 March 2018	5,591,837	383,541	67,167	45,581	6,088,126
At 31 March 2017	5,596,676	166,928	302,857	42,178	6,108,639

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

12 TANGIBLE ASSETS

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.

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:

	2018 £	2017 £
Cost	1,578,982	1,688,095
Accumulated depreciation	(466,970)	(463,760)
At 31 March 2018	<u>1,112,012</u>	<u>1,224,335</u>

Land and buildings additions includes land valued at its probate value, being £150,000.

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 2017 and at 31 March 2018	<u>2,842</u>	<u>1,000</u>	<u>3,842</u>
Historical cost:			
At 31 March 2018	<u>1,008</u>	<u>1,000</u>	<u>2,008</u>
At 31 March 2017	<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 2018

14 DEBTORS	2018	2017
	£	£
Trade debtors	432,371	365,674
Other debtors	10,390	398
Prepayments and accrued income	35,116	31,221
	<u>477,877</u>	<u>397,293</u>

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

	2018	2017
	£	£
Other debtors	<u>3,812</u>	<u>-</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2018	2017
	£	£
Bank loans	434,201	64,694
Bank overdrafts	-	82,920
Trade creditors	114,636	164,054
Taxes and social security costs	99,830	96,277
Other creditors	143,841	175,319
Fees invoiced in advanced	4,225	-
Accruals	24,367	22,000
	<u>821,100</u>	<u>605,264</u>

The bank loan and overdraft are secured over Caldecott House.

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2018	2017
	£	£
Bank loans	<u>-</u>	<u>435,743</u>
Analysis of loans		
Wholly repayable within five years	434,201	500,437
Included in current liabilities	<u>(434,201)</u>	<u>(64,694)</u>
	<u>-</u>	<u>435,743</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 met.

Loan maturity analysis	2018	2017
	£	£
Debt due in one year or less	434,201	64,694
In more than one year but not more than two years	-	435,743
	<u>434,201</u>	<u>500,437</u>

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

17 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 2016.

Pension contributions amounting to £9,125 (2017: £7,027) were unpaid at 31 March 2018.

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

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 2018

17 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 is currently underway based on April 2016 data, 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 £61,822 (2017: £59,633).

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 2018 was £134,396 (2017: £178,644), of which employer's contributions totalled £99,160 (2017: £128,285) and employees' contributions totalled £35,236 (2017: £50,359). 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 £10,481 (2017: £12,546) were unpaid at 31 March 2018.

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.80	4.20
Rate of increase in pension payment	2.30	2.70
Discount rate	2.55	2.80
Inflation assumption - RPI	3.30	3.60
Inflation assumption - CPI	2.30	2.70

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

	2018	2017
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.2	25.0
<i>Retiring in 20 years</i>		
Males	25.3	25.1
Females	27.5	27.4

THE CALDECOTT FOUNDATION LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2018**

17 PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

(Continued)

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

	2018	2017
	£	£
Equities	11,630,000	12,130,000
Bonds	1,666,000	1,674,000
Property	2,191,000	2,142,000
Gilts	133,000	128,000
Other assets	578,000	439,000
Absolute return fund	1,230,000	674,000
Total market value of assets	17,428,000	17,187,000

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 £585,000 (2017: £2,981,000)

Amount recognised in the Statement of Financial Activities

	2018	2017
	£	£
Current service cost	206,000	183,000
Net interest cost	194,000	218,000
Administration expenses	8,000	9,000
Total operating charge	408,000	410,000

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

	2018	2017
	£	£
At 1 April 2017	24,187,000	20,157,000
Current service cost	206,000	183,000
Interest cost	671,000	760,000
Change in financial assumptions	(761,000)	5,163,000
Change in demographic assumptions	-	(287,000)
Experience loss on defined benefit obligation	-	(1,481,000)
Estimated benefits paid	(472,000)	(359,000)
Contributions by Scheme participants	36,000	51,000
At 31 March 2018	23,867,000	24,187,000

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

	2018	2017
	£	£
At 1 April 2017	17,187,000	14,348,000
Interest on assets	477,000	542,000
Return on assets less interest	108,000	2,439,000
Other actuarial gains	-	45,000
Administration expenses	(8,000)	(9,000)
Employer contributions	100,000	130,000
Contributions by Scheme participants	36,000	51,000
Estimated benefits paid	(472,000)	(359,000)
At 31 March 2018	17,428,000	17,187,000

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

17 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.

	2018	2017
	£	£
Contributions payable by the company for the year	114,036	115,131

Pension contributions amounting to £7,228 (2017: £6,452) were unpaid at 31 March 2018.

18 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.

19 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 2017	Income	Expenditure	Balance at 31 March 2018
	£	£	£	£
Homes (Improvement fund)	1,990	-	(1,079)	911
Holidays / Camps / Trips	78	14,500	(6,997)	7,581
Independent Living fund	14,148	-	(7,514)	6,634
Sponsor a book	4,080	-	-	4,080
ESFA	7,098	336,942	(340,145)	3,895
Other fundraised funds	10,018	1,075	(3,373)	7,720
East Midlands Residential start-up	2,001	5,000	(7,001)	-
East Midlands Mental Health Nurse	36,900	36,900	(41,940)	31,860
Pupil premium	10,138	16,230	(12,307)	14,061
Woodclose Farm equipment	-	3,074	(3,070)	4
Care leavers hardship fund	-	1,750	-	1,750
Smeeth School Resources	-	421	-	421
Fledborough Therapy Centre	-	564	-	564
Other	6,903	6,217	(3,009)	10,111
	93,354	422,673	(426,435)	89,592

COMPARATIVE YEAR	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
	224,219	120,686	(251,551)	93,354

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

19 RESTRICTED FUNDS - CONTINUED

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
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
ESFA	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
Woodclose Farm equipment	Funds to acquire leisure equipment for Woodclose Farm.
Care leavers hardship fund	A fund for care leavers to request support from.
Smeeth School Resources	Funding towards resources for the Smeeth school.
Fledborough Therapy Centre	Funding towards a new therapy centre at Fledborough.
Other restricted funds	Funds received from Local Authorities and statutory bodies which are provided for individual children and care leavers

20 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:

CURRENT YEAR	Balance at 1 April 2017 £	New Designations designations £	released £	Gains / (losses) £	Balance at 31 March 2018 £
Fixed asset reserve	5,612,043	45,724	-	-	5,657,767
Pension reserve	(7,000,000)	-	-	561,000	(6,439,000)
Extras' fund	99,307	29,633	(14,048)	-	114,892
	(1,288,650)	75,357	(14,048)	561,000	(666,341)

COMPARATIVE YEAR	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)	163,749	(53,664)	(1,191,000)	(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.

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2018 are represented by:				
Tangible fixed assets	-	6,088,126	-	6,088,126
Investments	-	3,842	-	3,842
Current assets	689,756	114,892	89,592	894,240
Creditors: amount falling due within one year	(386,899)	(434,201)	-	(821,100)
Creditors: amount falling due after more than one year	-	-	-	-
Defined benefit pension	-	(6,439,000)	-	(6,439,000)
	<u>302,857</u>	<u>(666,341)</u>	<u>89,592</u>	<u>(273,892)</u>

COMPARATIVE YEAR	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2017 are represented by:				
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 within one year	(540,570)	(64,694)	-	(605,264)
Creditors: amount falling due after more than one year	-	(435,743)	-	(435,743)
Defined benefit pension	-	(7,000,000)	-	(7,000,000)
	<u>(203,493)</u>	<u>(1,288,650)</u>	<u>93,354</u>	<u>(1,398,789)</u>

22 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASHFLOW FROM OPERATING ACTIVITIES	2018	2017
	£	£
Net expenditure for year	563,897	(199,731)
Interest receivable	(213)	(1,825)
Depreciation of tangible fixed assets	254,160	263,910
(Profit) on disposal of fixed assets	(100)	-
(Increase)/decrease in debtors	(80,584)	82,850
(Decrease)/increase in creditors	(70,750)	116,732
Net cash flow from operating activities	<u>666,410</u>	<u>261,936</u>

23 COMMITMENTS UNDER OPERATING LEASES

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

	Land and buildings		Other	
	2018	2017	2018	2017
	£	£	£	£
Within one year	65,334	66,920	10,425	37,741
Between two and five years	181,600	186,690	12,800	3,377
In over five years	604,000	619,500	-	-
	<u>850,934</u>	<u>873,110</u>	<u>23,225</u>	<u>41,118</u>

THE CALDECOTT FOUNDATION LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

24 RELATED PARTIES

Caldecott Fostering Limited

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.

Included within debtors is a balance of £479 (2017: £240).

During the year finance support charges of £2,874 (2017: £Nil), rent of £Nil (2017: £2,060) and staff costs of £Nil (2017: £2,874) was charged to Caldecott Fostering Limited.

During the year finance support charges of £2,874 (2017: £Nil), rent of £Nil (2017: £2,060) and staff costs of £Nil

Sheenways Group Limited

Richard Leonard is a director of Sheenways Group Limited and a member of the Key Management Team of The Caldecott Foundation. During the year, Sheenways Group Limited invoices the Caldecott Foundation £142,280 (2017: £60,100) for school development services.

25 POST BALANCE SHEET EVENTS

The Trustees made the decision to purchase 100% of Caldecott Fostering Limited which, up to this point, had been delivered as part of a joint venture. The purchase of the shares was concluded after year end on 30th June 2018 and has made Caldecott Fostering Limited a wholly owned subsidiary of the organisation.