



# Annual Report and Unaudited Financial Statements

Reporting Period  
For the year ended 30th September 2018



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“We have **ambitious** and **clear-sighted objectives** to deliver meaningful impact to communities in the UK, providing a **unique contribution to the charitable marketplace.**”

## Objectives and Activities

### Trustee Details

Trustees	Date of Appointment
Mr Haroon Rashid Sheikh	
Mr F R Sheikh	
Mr A R Sheikh	(Appointed 7 November 2017)
Mr M Adams	(Appointed 7 November 2017)
Mr N Cheffings	(Appointed 23 January 2018)
Mrs K L Dukes	(Appointed 23 January 2018)
Mrs L Arciuolo	(Appointed 23 January 2018)
Mrs A Kelbie	(Appointed 4 September 2018)

Registered Charity Number: 1173154

Charity's Principal Address: 7th Floor, Metropolitan House, 3 Darkes Lane, Potters Bar EN6 1AG

Independent Examiner: Francis Corbishley FCA, Nicholas House, River Front, Enfield, Middlesex EN1 3FG

## Chairman's Statement



Haroon Sheikh

### This has been an exciting first full year of operations for the Foundation!

My colleague trustees and I have ambitious objectives for the Foundation. We want it to deliver real impact. We

want the Foundation to make a unique contribution to the charitable marketplace. As the report sets out, in some 18 months since its establishment, the Foundation has hit the ground running and I am delighted with the progress that we have been able to achieve.

This report sets out an important range of achievements – from our ground-breaking strategic major partnerships with the likes of Barnardo's and The Care Workers Charity, to support for local disabled swimming clubs and STEM training in local special needs schools, to the many grants provided to charities to match the amazing fundraising efforts of CareTech staff and service users. It is clear that the Foundation is making a very positive difference through its support and meeting a clear need.

As important as what we have done is the way in which we have done it. The trustees set high standards for themselves and for the Foundation, not least in the values by which we want to operate. We have formalised the values of the Foundation as being:

- Integrity of people and process, ensuring that we always operate at the highest standards of probity and good governance.
- Collaboration with partners and stakeholders, proactively reaching out to forge new relationships and building alliances to deliver greater impact.
- Empowerment of our beneficiaries and people, pushing decision-making down to the lowest levels possible so that people are in greater control of their lives and careers.
- Commitment to outcomes, focusing on delivering meaningful impact in all that we do.

I am very pleased that this year we have recruited three very high-profile leaders to join the Board of trustees as independent members; Nicholas, Karen and Adrienne have added rigour and powerful insights to our deliberations over this last year. Complementing the independent trustees have been our staff trustees – Jon and Lucy – who joined the Board following their recognition as Overall Winner in the CareTech Care Awards for 2017 and 2018 respectively. Having the voice of staff involved in the front line of social care has been invaluable and ensured that the Foundation is authentically engaged in the grassroots of the sector. Very sadly, we were shocked at the untimely death of our Treasurer Michael Hill in December 2018 who played such a vital role in the establishment and success to date of the Foundation.

The trustees and I have been very pleased to have recruited a very experienced and highly effective team for the Foundation, led by Jonathan Freeman. The team have worked tirelessly to deliver the trustees' ambitions and ensure that the Foundation operates as an exemplar of best practice. It is a tribute to Jonathan, Sara and Karishma that they have exceeded the trustees' expectations this past year!

Underpinning everything we do is the desire to make a positive and important difference to the causes about which we care deeply. As the first corporate foundation in the care sector, we want to show the positive impact that we can make to vital issues facing the country. It is still early days for the Foundation, but I think we have made a very positive start!



Haroon Sheikh  
Chairman

# "This has been an exciting first full year of operations for the Foundation!"

Haroon Sheikh - Chairman

## Objectives and Activities

### Summary of the Purposes of the Charity

The following is a summary of the Foundation's purposes as set out in full in its governing document:

#### What

- General charitable purposes
- Education / Training
- The advancement of health or saving of lives
- Disability
- The prevention or relief of poverty

#### Who

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

#### How

- Makes grants to individuals
- Makes grants to organisations

The trustees have determined that the Foundation's work by which to deliver public benefit in relation to its Objects should be focused on the following three key objectives:

- **Physical and learning disabilities and mental health.** Supporting disabled people and those with long-term health difficulties, including those with mental health conditions and complex physical and learning disabilities
- **Skills development for the care sector.** Skills development for those from deprived and disadvantaged backgrounds for careers in the care sector
- **Supporting our communities and the CareTech family.** Supporting the family and friends of CareTech employees facing significant financial, health or similar challenges or for issues affecting local communities in which CareTech Holdings PLC operates

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

Main activities undertaken for the public benefit in relation to these Objects.

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

- **Partnership Grant-giving.** The Foundation supports a small number of significant partnerships with credible and high-quality charities and social enterprises consistent with its three priority impact areas.
- **Match-funding.** The Foundation provides match-funding to CareTech staff's individual fundraising efforts for charitable causes in line with the Foundation's Charitable Objectives.
- **Family & Friends grants.** This small grants programme provides support to the family and friends of CareTech staff facing significant challenges or for issues affecting local communities in which CareTech Holdings PLC operates.

### Charity Commission Guidance on Public Benefit

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

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



## Achievements and Performance

### Summary of main achievements

Since the formal registration of the Foundation with the Charity Commission, the following key successes have been achieved:

- Clear agreement of Foundation's focus secured
- Funding model for Foundation agreed
- Trustees recruited and solid governance foundations put in place
- Foundation team recruited and back-office systems operational
- Core programmes operational
- Brand, website and social media launched
- Public launch to staff and Partnerships launch delivered
- Grant-making operational

### Programme Delivery

All three grant-making streams have now been established and are operational, which is managed in line with the Foundation's Grant-Making Policy which the trustees approved at the start of this reporting year. Set out below are examples of the work the Foundation has been able to support this year

The grants application process is managed exclusively via the Foundation's website and, to date, this has worked well and appears popular with applicants. The Board's three-stage approval process for Partnership Fund grants has also worked well to date, enabling trustees to play an active role in the shaping of these partnerships whilst enabling the staff team to ensure that the detail of the agreements is in place.

### Partnership Grants

Over the period of this report, the Foundation has entered in to the following partnerships:

- Development of a Digital Resource for Care Leavers. The Foundation is partnering with Barnardo's on a £1 million project to develop a ground-breaking digital resource to support young people leaving care. Such young people face a variety of challenges as they transition into adulthood, including feeling lonely and finding it hard to make a home for themselves. It is all too easy for them to become isolated and find difficulty accessing available opportunities. In partnership with the app developer FutureGov, Barnardo's is developing a UK-wide innovative digital resource focused on the needs of care leavers, which will feature content on:
  - Information and advice on living independently such as what to wear for work, how to cook for themselves and what support they are entitled to;
  - Convenient access to, and reminders about, their Care Leaver Pathway Plan;
  - The ability to check in quickly and conveniently with support workers rather than making phone calls or having face-to-face meetings;
  - Access to tools to complete tasks as an adult, including collecting benefits, applying for a council house and keeping receipts.
- **Mental Health and Wellbeing for all in Pakistan.** The Foundation has partnered with the COSARAF Foundation to invest in a £1million partnership with the British Asian Trust by which they will deliver a step change in mental health and wellbeing provision in Pakistan. Mental health problems account for nearly 13% of all disease worldwide, with depression being the leading cause of disability. Prioritising mental health is fundamental for progress on all health indicators and for sustainable social and economic development. Years of unrelenting security situations, in-flow of refugees and economic uncertainty, have made Pakistan's population vulnerable to high levels of stress and disquiet. As a result, mental health problems affect 1 in every 4 people in Pakistan – over 50 million people.

Pakistan lacks the care and support services that people with mental health problems require and the country needs to respond to this looming crisis with urgency. The British Asian Trust is investing in solutions that will improve both the clinical and non-clinical services available to people with mental health problems, as well as the wider population's perception and understanding of mental health. Through this innovative programme, mental health and family wellbeing will improve through transformative solutions that are collaborative, scalable, sustainable and engage the private sector. The programme's solutions include:

- Working with clinical support centre Fountain House, to provide mental health screening and referral services, as well as basic counselling support
- Developing a Mental Health First Aid Training programme with BasicNeeds Pakistan to ensure professionals, such as teachers, doctors, and social workers, as well as wider community members have the knowledge and skills to support people with mental health problems
- Creating and testing innovations that could change the way mental health services and support are delivered in Pakistan, including an M-Health App and Online Counselling Service

● **Supporting Care Workers and promoting employment opportunities for care leavers.**

The Foundation is supporting sector-leading charity Skills for Care to run pilot projects that explore different ways of supporting people from traditionally under-represented groups into training or employment in adult social care. The latest State of the Adult Social Care Sector Report (September 2017), suggests that the number of adult social care jobs has increased by 19% since 2009; it predicts that this will continue to grow and that the sector could need up to 700,000 new jobs by 2030. This growing demand for care workers is coupled with challenges in staff recruitment. The report suggests that the turnover rate in the sector in 2016 was 27.8% – this equates to approximately 350,000 leavers over the year. This shows a steady increase from 2012-13 by 4.7%. Skills for Care makes the case that recruitment should be about talent, and not background. Some people face barriers to moving into work, and not everyone has recent experience or qualifications to support them – but many of these people might have the right values to work in adult social care.

The Foundation is providing match-funding to Skills for Care's programme of work that is also funded by the Department of Health and Social Care; this will increase the reach of their current projects which support people who are under-represented in the workforce, into training or employment. The Foundation has a particular interest in supporting pre-employment support for young care leavers and / or those from 'looked after' backgrounds and young people with learning disabilities.

- **Assisting the UK's Care Workers.** The Foundation is working with The Care Workers Charity (CWC) to support two CWC projects aimed at assisting the UK's care workers. This £120,000 partnership will support 360 care workers and their families with grants of up to £500, helping them whilst they are in financial hardship, as well as supporting the re-launch of CWC's Champions programme. CWC Champions represent a network of volunteers across the United Kingdom who work to raise awareness of CWC, signpost colleagues in need of CWC's services and undertake fundraising initiatives to raise money for CWC. With the Foundation's support, CWC aims to see the number of Champions increase by 50% over the first year of this partnership.



UK's Care Workers

## Friends and Families Grants

Over the period of this report, the Foundation has provided funding to 10 beneficiaries through this programme, including the following examples:

- **Every Parent & Child.** Every Parent & Child (EPC) is a respected local charity based in Enfield which provides much-needed services to children, young people and families. EPC is valued by families, professionals and other voluntary organisations for their expert and timely advice, practical help and emotional support they give to families. The Foundation's funding supports the Starfish project which supports children and young people with special educational needs and / or disability to improve communication, advocacy and life skills and develop their personal narrative story telling in order to be ready for transitions and reach their full potential. Children at risk of social exclusion have access to an enriching programme of support which enables them to practice and develop strategies in a small group environment. This leads to an improvement in emotional well-being, increased participation in school and the wider community and an increased belief in their capacity to progress and do well both socially and academically.
- **Leatherhead Swans.** The Leatherhead Swans Club was established in 1975 to offer disabled people a range of physical and social activities to engage them in the community, providing a positive focus on their abilities and what people can do, rather than their limitations. With over 100 members and 60 volunteers, it is the largest multi-activity sports club for the disabled in the south of England. 40 years on and 'The Swans' continue to play a vital role in the community by providing sport and recreation for disabled people. The club engages people with a range of permanent or temporary disabilities in physically and mentally stimulating activities that have an incredibly positive and life-enhancing effect. The Leatherhead Swans' primary activities are swimming, bowls and dry sports such as Boccia, new age Kurling and gym exercise. The Swans compete at swimming and bowls, and hold their own annual swimming gala to engage in friendly competition with other disability groups from the South of England. In addition to this, people coming to the Leatherhead Swans Club get to meet new people, make lasting friendships and be part of a thriving social scene that builds confidence and independence. The Foundation's donation has enabled The Swans to update its website, bringing the club into the digital age, and promote its work better to the local disability community and to potential new volunteers.

- **SATRO.** SATRO is a highly impactful education charity. Their hands-on programmes for young people of all abilities (from the disadvantaged to the high-achieving) from ages 5-19 reached over 7,500 young people last year. They work with young people to embed key employability skills and inspire young people into careers and further study in STEM (science, technology, engineering and maths). The Foundation provided a grant to SATRO to support their Computer Aided Design and 3D printing session courses which runs in special needs school across Surrey and helps build the self-esteem and provide a different type of stimulation for these young people. This programme gives the young people involved not only skills for life but helps them feel really confident and happy about their future.



## Match-Funding Grants

Over the period of this report, the Foundation has provided match-funding to support the charitable fund-raising efforts of 18 staff and service users of CareTech PLC 18 charities, including the following examples:

- A CareTech service user raised £200 by completing 60 lengths of a local swimming pool. The Foundation was delighted to match fund the donation to their chosen two charities: Cancer Research UK and Sue Ryder. The service user's amazing efforts were the first fundraising efforts by a service user that the Foundation match-funded!
- Lisa Kelly, Support Worker at CareTech Community Services' Carlisle Lodge, raised £1000 by running the Folkestone Coastal 10k run to support Pilgrims Hospices.
- Thomas Wark, a residential childcare worker with Spark of Genius, which is part of the CareTech Group, took part in Swim22, swimming the equivalent of the English Channel – 22 miles – in a 3-month period, for Diabetes UK. Thomas raised a total of almost £800!



## Governance

### Trustees

The trustees have placed a premium on ensuring a strong group of trustees is in place for the Foundation and that strong governance foundations are put in place. As of February 2019, the Board of trustees comprises:

- **Three suitable Senior Directors of CareTech PLC**

Haroon Sheikh (Chairman)

Michael Hill (Treasurer) (until December 2018)

Farouq Sheikh

- **Staff Members**

Jon Plummer – Care Awards 2017 Overall Winner (term of office ended November 2018)

Lucy Arciuolo – Care Awards 2018 Overall Winner

Mick Pratt – Care Awards 2019 Overall Winner (appointed February 2019)

- **Non-Executive Director of CareTech PLC**

Mike Adams OBE

- **Representative of the Sheikh family, the founders of CareTech PLC**

Akbar Sheikh

- **Independent Trustees**

Nicholas Cheffings

Karen Dukes

Adrienne Kelbie

This represents a strong group of trustees, well-placed to provide leadership to the Foundation, including its staff. The trustees have also established Terms of Reference, Role Descriptions, a Code of Conduct, a Conflict of Interests Policy, and a number of other policies and procedures for all of the Board's work and for the Foundation more generally, in line with best practice, so as to ensure that the Foundation operates at the highest standards of integrity and probity in line with its role as an independent charity.

The trustees have established a clear Grant-Making Policy by which they consider their grant-making powers. This is complemented by the Foundation's Financial Handling Manual which sets out those decisions delegated to staff, sub-committees and / or particular trustees and those which required consideration by the full board of trustees.

### Staffing

The trustees have been pleased to have recruited a strong staff team to manage the Foundation. The staff team comprises Jonathan Freeman (CEO), Sara Smith (Foundation Manager) and Karishma Patel (Grants Officer). This small but experienced team, alongside the expertise of CareTech PLC staff through the in-kind support arrangements agreed, is providing the core resources needed to enable the Foundation to deliver on its ambitions.

As set out in the Foundation's Financial Handling Manual, the CEO's salary is reviewed annually by the trustees' Remuneration Committee. The Remuneration Committee has yet to meet during this period as the CEO was new in post; the Committee will determine the criteria it will use to assess salary levels prior to the next annual review cycle. All other staff's performance and salary is reviewed regularly, including an annual salary review, by the CEO.

### Communications and Brand

It is particularly important that the Foundation ensures that its independence is clearly communicated externally. The Foundation's brand architecture has been designed to be in line with the corporate brand but suitably distinct, deployed across a wide range of marketing collateral, including the Foundation's new website and social media channels.

Strong coverage of the Foundation's establishment and the subsequent Partnerships launch has been secured. To date, coverage has been mainly in the care / health, charity and financial sectors, although wider interest is developing.



# CareTech foundation

An internal communications strategy is in place to ensure the effective engagement of CareTech staff, which includes:

- Staff trustees – the Overall Winner of the CareTech Care Awards is invited to become a trustee, ensuring that the Foundation can ensure that staff closest to the ground on the issues on which we care can contribute to the Foundation's development.
- Pro-active recruitment of staff to support grant recipients, utilising staff expertise to support relevant projects thereby adding significant additional value to our major partnerships.
- Staff Committee – representatives from across CareTech's operations come together to support the Foundation, promote its work and champion our mission.

### Diversity Equity and Inclusion

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

- The Foundation recognises that people from different backgrounds bring fresh ideas and a different approach which makes the way we work and learn more fun, more creative, more efficient and more innovative, bringing benefits to the organisation.
- The Foundation actively seeks to recognise, value and take account of individuals' different backgrounds, knowledge, skills and experience to create a more productive and effective organisation.
- The Foundation seeks to ensure that all who work for and deal with us feel valued and welcome.
- The Foundation strives to ensure that everyone has access to the same opportunities in their dealings with the Foundation but recognizes that advantages and barriers exist for different individuals. The Foundation recognises that individuals have unequal starting places and that we must make efforts to correct and address such imbalance.

Below we set out the concrete ways by which we seek to give effect to the Foundation's commitment to diversity, equity and inclusion.

Values: The trustees and staff team have agreed the set of Values by which we wish our behaviours and actions to be guided; they are:

- **INTEGRITY** of people and process, ensuring that we always operate at the highest standards of probity and good governance.
- **COLLABORATION** with partners and stakeholders, proactively reaching out to forge new relationships and building alliances to deliver greater impact.
- **EMPOWERMENT** of our beneficiaries and people, pushing decision-making down to the lowest levels possible so that people are in greater control of their lives and careers.
- **COMMITMENT** to outcomes, focusing on delivering meaningful impact in all that we do.

Trustees: Recruitment of trustees is by an open selection process, rooted in the Role Descriptions agreed by trustees, and trustees actively strive to ensure that collectively the board of trustees comprises individuals from a wide range of backgrounds.

Staff: The Foundation is committed to the provision of training and development of managers and employees to ensure a supportive working and home environment for all employees.

The Foundation endeavours to ensure that everyone is treated with dignity and respect; no person acting on our behalf shall discriminate in any situation against another individual or group, directly or indirectly.

All employees - whether part-time, full time or temporary - will be treated fairly and with respect. Selection for employment, promotion, training or any other benefit will be on the basis of their individual aptitude and ability to carry out duties expected of that post.

The Foundation seeks to ensure that our policies, procedures and practice within the organisation do not discriminate against any individual and that all individuals will be treated fairly and equally regardless of whom they are, their background or their lifestyle or the number of hours worked. We will actively encourage applications for roles from individuals from diverse backgrounds.

Services and Beneficiaries: The Foundation seeks to ensure that our policies, procedures and practice within the organisation do not discriminate against any individual and that all individuals will be treated fairly and equally regardless of whom they are, their background or their lifestyle.

We will monitor the backgrounds of the individuals who apply for grants from the Foundation, as well as the outcome of grant-making decisions in respect of applicants' backgrounds, to see how we can improve access to our services.

We will encourage partners with whom we work to examine their own policies, processes and delivery to see how they can improve access to individuals or groups of individuals under-represented in their work.

We will actively seek the views of those groups whom we seek to support, both directly and indirectly. In particular, we have established an Advisory Group to provide additional insights from those with expertise in the issues affecting the communities and individuals we seek to support.

## Plans for the Future

The trustees have established a Strategic Plan for the Foundation which will deliver the following three over-arching strategic aims:

- AIM 1: The Foundation will be a well-structured, ambitious and clear-sighted organisation, delivering meaningful impact to communities in the UK and overseas

- AIM 2: CareTech and its staff and service users will be strongly supportive of the Foundation
- AIM 3: The Foundation will be delivering a unique contribution to the charitable marketplace in the pursuit of its charitable objects.

Over the course of FY2018 / 19, the Foundation's Business Plan sets out a comprehensive set of objectives by which to support delivery of these strategic aims. Key priorities include:

- To grow the number of applications to the Foundation's small grants schemes.
- To ensure rigorous reporting and effective management of all current Partnerships, with well-evidenced impact evaluation plans and reports
- To ensure that the two small grants streams operate at full capacity, enthusing potential beneficiaries to take greater advantage of the schemes
- To build the Foundation's profile among its core audiences.
- To develop a clear and powerful Theory of Change, Impact Assessment Methodology and Approach by which to assess the real-world outcomes we hope to effect through our programmes.



## Financial Review

### Review of the charity's financial position at the end of the period

The Foundation is well-placed financially to deliver its long-term objectives, thanks to the funding agreed by CareTech Holdings PLC as set out in the letter of intent provided to the trustees in October 2018.

Providing the Foundation with sufficient clarity as to the likely funds at its disposal over at least the medium-term ensures the best possible opportunity for it to deliver impact. The Board of CareTech Holdings PLC, in establishing the Foundation, fully accepted the importance of settling clearly the funding basis for the Foundation moving forward, enabling it to focus on delivering impact and reinforcing its independence.

As announced in February 2018, CareTech Holdings PLC has agreed to fund the Foundation through an annual donation of 2% of its pre-tax profits; this is intended to rise to 2.5% after three years. In addition, the Board of CareTech Holdings PLC has also agreed its intention to make a one-off donation of shares to the Foundation; the investment value of these shares is anticipated to cover the majority of the Foundation's running costs.

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

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

The Foundation does not currently seek to raise funds from wider fundraising activities nor does it engage a professional fundraiser or commercial participator for such purposes. The trustees recognise the need to develop an income diversification strategy and such is planned to be completed in FY2018 / 19.

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

### Statement explaining the policy for holding reserves stating why they are held

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

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

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

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

### Amount of reserves held

None during this reporting period.

### Reasons for holding zero reserves

Over this reporting period, CareTech Holdings PLC agreed to make donations sufficient to cover all set-up and other costs pending decisions on longer-term financial support of the Foundation. For this reason, the trustees did not set a policy in respect of reserves.

### Details of fund materially in deficit

None.

### Explanation of any uncertainties about the charity continuing as a going concern

Not applicable.

### Additional information

Following a review of governance by the trustees, and with advice from our legal advisers, it has been agreed that steps should be taken to incorporate the Foundation; we anticipate this will take place in FY2018 / 19.

## Structure, Governance and Management

### Description of the charity's trusts

Type of governing document:  
Deed of Trust of 31st January 2017

How the charity is constituted:  
Unincorporated Trust

### Additional governance issues

In selecting individuals for appointment as trustees, the trustees are required by virtue of the Deed of Trust to have regard to the skills, knowledge and experience needed for the effective management of the Foundation. This has been complemented by undertaking a Trustee Skills Audit to inform future recruitment priorities.

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

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

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

### Management of Risks

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

- Not securing a third independent trustee, which was closed with appointment of Adrienne Kelbie;
- Cashflow issues, which was closed when the quarterly donations schedule was agreed and implemented;
- The need for an incorporated legal structure for the Foundation, in particular to enable the proposed gift of shares, which is ongoing until the final transfer to the new incorporated structure is completed; and,
- Poor delivery of grant-funded programmes due to partner issues and / or in-kind support provided by CareTech PLC, which is assessed as a moderate level risk and continues to be monitored.

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

## Annex: The Foundation's Charitable Objects

1. For the public benefit to promote the education (including social and physical training) of disadvantaged persons in such ways as the charity trustees think fit, by awarding to such persons scholarships, maintenance allowances or grants:-
  - 1.1 to underwrite the cost of attending any tenable place of learning, or
  - 1.2 to prepare for entry to any occupation, trade or profession, or
  - 1.3 to assist in developing their mental, physical and moral capabilities including assistance to find employment, or
  - 1.4 to develop the competencies and life skills of people precluded from obtaining any form of employment by virtue of their impaired mental or physical capacities.
2. The relief of the physical and mental sickness of persons in need, in particular by the provision of counselling and support.
3. Providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
4. The relief of financial need and suffering among victims of war or natural disaster, trouble, or catastrophe in the form of:-
  - 4.1 money (or other means deemed suitable) for persons, bodies, organisations and / or countries affected, or
  - 4.2 the supply of medical aid to such persons
5. The prevention or relief of poverty anywhere in the world by providing or assisting in the provision of education, training, healthcare projects and all the necessary support designed to enable individuals to generate a sustainable income and be self-sufficient.
6. Such other charitable objects or purposes as the trustees may from time to time determine.

## Reference and Administrative Details

### Charity Details

**Name:**

CareTech Charitable Foundation

**Other names charity is known by:**

CareTech Foundation

**Registered charity number:**

1173154

**Charity's principal address:**

5th Floor, Metropolitan House,  
3 Darkes Lane Potters Bar EN6 1AG

### Trustee Details

Name	Office	Date of Appointment
Haroon Sheikh	Chair	31st January 2017
Michael Hill	Treasurer	31st January 2017 - 9th December 2018
Farouq Sheikh		31st January 2017
Akbar Sheikh		7th November 2017
Mike Adams		7th November 2017
Jon Plummer		1st November 2017 - 1st November 2018
Mick Pratt		5th February 2019
Nicholas Cheffings		23rd January 2018
Karen Dukes		23rd January 2018
Lucy Arciuolo		23rd January 2018
Adrienne Kelbie		4th September 2018

### Adviser Details

The Foundation's bankers are Royal Bank of Scotland (PO Box 39952, 2½ Devonshire Square, London, EC2M 4XJ). The Foundation's legal advisers are Farrer & Co (66 Lincoln's Inn Fields, London, WC2A 3LH)

The Foundation's auditors are Moore Stephens Northern Home Counties Limited (Nicholas House, River Front, Enfield, Middlesex, EN1 3FG)

Eaarsbrook Consulting Limited (124 Eaarsbrook Road, Redhill, Surrey, RH1 6HZ) (company number 10650478) provided consultancy advice to the Foundation during this reporting period.

### Senior Staff

Jonathan Freeman acts as the Chief Executive Officer of the Foundation. Sara Smith is the Foundation Manager.

## Declaration

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees:



**Haroon Rashid Sheikh**

Chair of Trustees

Date:

**Karen Dukes**

Trustee and Chair, Audit and Risk Committee

Date:

I report to the trustees on my examination of the financial statements of CareTech Charitable Foundation (the charity) for the year ended 30 September 2018.

## Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

## Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the financial statements do not accord with those records; or grants:-
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Francis Corbishley FCA  
Independent Examiner  
Nicholas House, River Front  
Enfield, Middlesex EN1 3FG

Dated:

	Notes	£	Restricted funds £	Total 2018 £	Total 2017 £
<b>Income from:</b> Donations and legacies	2	480,000	29,888	509,888	11,880
<b>Expenditure on:</b> Charitable activities	3	363,692	29,888	393,580	11,143
<b>Net income for the year/ Net movement in funds</b>		116,308	-	116,308	737
Fund balances at 1 October		737	-	737	-
<b>Fund balances at 30 September 2018</b>		117,045	-	117,045	737

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

	Notes	2018 £	£	2017 £	£
<b>Current assets</b>					
Debtors	9	97		-	
Cash at bank and in hand		178,649		837	
<b>Creditors: amounts falling due within one year</b>	10	178,746 (61,701)		837 (100)	
Net current assets			117,045		737
<b>Income Funds</b>					
Unrestricted funds			117,045		737
			117,045		737

The financial statements were approved by the Trustees on

**Mr Haroon Rashid Sheikh**

Trustee

**Mrs L Dukes**

Trustee



	Notes	2018		2017	
		£	£	£	£
<b>Cash flows from operating activities</b>	<b>13</b>				
Cash generated from operations			117,812		837
<b>Net cash used in investing activities</b>			-		-
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			117,812		837
Cash and cash equivalents at beginning of year			837		-
<b>Cash and cash equivalents at end of year</b>			178,649		837

## 1. Accounting Policies

### Charity information

CareTech Charitable Foundation is an unincorporated charity whose principal address is 7th Floor, Metropolitan House, 3 Darkes Lane, Potters Bar, EN6 1AG.)

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Deed of Trust, 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 and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these

financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

## 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity 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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

## 1.5 Resources expended

Expenditure is recognised in the statement of financial activities on an accrual basis as a liability is incurred. Expenditure includes any VAT which can not be fully recovered.

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

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

## 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

## 1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the

charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Basic Financial Assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

### Basic Financial Liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

### 1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## 2. Donations and Legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Donations and gifts	480,000	29,888	509,888	11,880
<b>For the year ended 30 September 2017</b>	11,880	-		11,880



### 3. Charitable Activities

	2017 £	2018 £
Staff costs	73,200	-
Management fees	43,298	6,160
Bank charges	1,687	13
General expenses	5,060	-
Insurance	791	-
Printing and stationary	380	-
Website costs	3,330	-
Staff training	636	-
Subscriptions	115	-
Travel	2,668	-
PR costs	16,068	-
Advertising and marketing	360	-
Event costs	11,435	-
Telephone	225	-
	159,253	6,173
Grant funding activities (see note 4)	214,410	4,970
Share of governance costs (see note 5)	19,917	-
	393,580	11,143

## 4. Grants Payable

	2018 £	2017 £
Grants to institutions:		
Barnado's	75,00	-
British Asian Trust	75,00	-
Skills for Care	32,803	-
Care Workers Charity	15,000	-
Other	16,607	4,970
	214,410	4,970

## 5. Support Costs

	Support costs £	Governance costs £	2018 £	2017 £	Basis of allocation
Legal and professional	-	16,350	16,350	-	Governance
Accountancy and independent examiner fees	-	3,567	3,567	-	Governance
	-	19,917	19,917	-	
Analysed between Charitable activities	-	19,917	19,917	-	

## 6. Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but £87 of expenses were reimbursed to two trustees (2017- no expenses were reimbursed).

## 7. Employees

### Number of employees

The average monthly number employees during the year was:

	2018 Number	2017 Number
Management and administrative staff	3	-
<b>Employment costs</b>	<b>2018 £</b>	<b>2017 £</b>
Wages and salaries	66,438	-
Social and security costs	5,317	-
Other pension costs	1,445	-
	73,200	-

There were no employees whose annual remuneration was £60,000 or more.

## 8. Financial Instruments

	2018 £	2017 £
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	61,701	100

## 9. Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	97	-

## 10. Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	61,701	100

## 11. 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 October 2017 £	Incoming resources £	Movement in funds Resources expanded £	Balance at 30 September 2018 £
Gifts in kind	-	29,888	(29,888)	-

## 12. Related Party Transactions

There were no disclosable related party transactions during the year (2017 - none).

## 13. Cash generated from Operations

	2018 £	2017 £
Surplus for the year	116,308	737
Movements in working capital:		
(Increase) in debtors	(97)	-
Increase in creditors	61,601	100
<b>Cash generated from operations</b>	<b>117,812</b>	<b>837</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.



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