

The Foundation for Conductive Education

Report and Financial Statements

Year ended

31 July 2015

Company Number 2083754

Charity Number 295873

The Foundation for Conductive Education

Report and financial statements
for the year ended 31 July 2015

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The Foundation for Conductive Education

Report of the trustees for the year ended 31 July 2015

1 Financial Summary of the Year's Performance

In the year, we achieved a surplus of £26,669 compared to a surplus of £9,191 in the previous year. The key factors were:

- Income at £1,088,482 increased by 3.7% - primarily due an increase of 14.2% in voluntary income. We continued to see a continued reduction in children's fees, which was offset by increases in adult fee and grant income. There is a new strategy in place for children's services to change this trend over time.
- Reserves increase to £728,667 with unrestricted reserves increasing by 9.1% to £451,881.
- During the year we changed our image and logo to the Centre for Movement Disorders to give a clearer definition of the population we work with. Details of this and other achievements are set out in the report below.

2 Objectives and Activities:

Charitable objects:

The objects for which the Foundation is established, all of which shall be exclusively charitable, are for the development and advancement of the science and skill of Conductive Education and especially the teaching thereof.

Mission, Vision and Values:

Our vision is of a society where children and adults with neurological motor disorders are respected as having potential to learn and are supported in achieving this.

Our mission:

1. To push the boundaries of human potential for children and adults with neurological movement disorders by teaching them, through Conductive Education, a range of skills that promote an active lifestyle and new opportunities in society.
2. To deliver training activities which challenge perceptions on the abilities of children and adults with neurological movement disorders and the ensure standards of excellence in Conductive Education.

Our values:

1. Children and adults with neurological motor disorders have the right to highly specialised teaching relevant to their individual needs and wishes.
2. Conductive Education should be made more readily available and accessible as a choice for education and/or rehabilitation.
3. Families of children and adults with motor disorders should be viewed as experts and play a role in developing services to meet their needs.
4. To provide a safe environment in which children and adults can thrive, learn and develop, where all aspects of their welfare will be protected and where they feel valued and listened to.

The Foundation for Conductive Education

Report of the trustees
for the year ended 31 July 2015

2 Objectives and Activities (continued)

How do we achieve this?

All our work is achieved through the practice of Conductive Education (CE). CE originated in Hungary in the late 1940's as a unique form of education and rehabilitation for people with neurological motor disorders (e.g. cerebral palsy, Parkinson's, stroke, multiple sclerosis).

CE is based on a 'simple' concept of human potential; meaning that everyone has the capability to learn and develop irrespective of their starting point. Whilst most of us agree with this statement in practice many systems place barriers and boundaries on this learning. People with disabilities frequently spend much of their time being assessed for what they 'cannot do' rather than what potential they have. Conductors are highly trained to observe this potential in a person; to nurture their development and devise structured programmes to enable success. CE combines education, psychology and medical science and considers all aspects of the person simultaneously.

Who can benefit?

Conductive Education focuses on children and adults who have a primary neurological movement disorder. In children this is typically cerebral palsy, global developmental delay or developmental co-ordination disorders. It does however not preclude children with genetical or rare conditions which present a primary movement problem.

In adulthood this will also include acquired conditions such as Parkinson's, stroke, multiple sclerosis or brain injury.

Alongside the person with the disability we believe that families also need support throughout their journey. With this in mind we provide a range of additional workshops, support sessions and training for parents, carers, guardians and wider family members.

Public benefit:

We have taken account of the Charity Commission guidance in our strategy to ensure that we deliver benefit to the public not only to the children and adults that we help through conductive education but also to their families and carers who support them. The numbers of people we help directly are set out in this report.

3 Key Achievements

In February 2015 we changed our image and logo from The National Institute of Conductive Education to:



Centre for Movement Disorders

This was a strategic move to give a clearer definition of the population we work with. Whilst Conductive Education remains the philosophy by which our practice is delivered we also recognised that our target audience did not necessarily understand our terminology. Equally we are in the process of developing our services to broaden our remit and work towards longer term sustainability through a range of activities.

Simultaneously we also launched a more focussed social media campaign on both Facebook and Twitter and are now gradually increasing our followers and hence our marketing.

The Foundation for Conductive Education

Report of the trustees for the year ended 31 July 2015

3 Key Achievements (continued)

Children's Services

Over the year we worked with over 70 children across our pre-school, school and off-site services. We also held 36 initial consultations for new families to attend our services.

Our pre-school services increased their capacity by 75% enabling up to 50 children to attend services. This was primarily due to an improved connection with Children's Centres across the City of Birmingham leading to an increase in professional referrals.

We recognise the challenge of gaining LA funding for full time children in our school age services and started the process of offering a wider range of services to enable families to access our centre. In April 2015 we started a new 'intensive movement training' service which is designed for children post-surgery or those who require a boost in their physical development. Typically children will attend for two week blocks and work alongside our current school aged children. This service is slowly developing and we aim to continue to promote this in the future.

Adults Services

We retained our service level agreement with Birmingham City Council to provide free session for adults with a range of neurological conditions. This grant has helped the service continue to grow and over the year we worked with 387 adults; including 98 initial consultations for new families.



With the continued support of the Big Lottery we have been able to run the first year of our reablement programme for adults. This has been enormously successful and all of our outcomes have been successfully met over the first year. This grant enables adults, and their carers, to attend additional practical based activities alongside their CE sessions. Activities include writing skills, developing speech, carers support groups, dressing and eating skills, use of the Nintendo Wii, art and brain games. This has added significant value to the service we offer. The project will continue to run until 2018 subject to successful annual monitoring reports. This year the service was attended by 161 people and 52 carers.



The Conductive College

The Conductive College has continued with a range of accredited and non-accredited training programmes throughout the year. June 2015 saw the qualification of 4 graduates successfully completing their BA Hons Conductive Education and the professional qualification of Qualified Conductor Status (QCS). This course is validated by Birmingham City University and remains the only one of its kind in the UK. We now have 10 CE centres across the UK accredited to facilitate the practical training for these students.

In 2014-2015 we started the first runs of post-graduate modules, in conjunction with Birmingham City University. These modules form a part of the MA Education course and successful completion of subject specific modules can lead to a named MA Conductive Education. This is the first of its kind worldwide. Over the year 10 students completed the first module of this course.

In conjunction with OCN West Midlands we have also successfully trained 18 conductor assistants across the UK, all receiving OCN Level 3 Certificate in Conductive Education and now have courses running at base as well as at other CE centres nationally.

The Foundation for Conductive Education

Report of the trustees for the year ended 31 July 2015

3 Key Achievements (continued)

We successfully accredited two new OCN Level 3 courses for carers specialising in work with people with Parkinson's and stroke. We aim to recruit to these courses in the coming year. This was as a direct result of a project "Inside Out; Outside In" which we completed in January 2015 following support from The Sobell Foundation, The Rayne Foundation and The James Tudor Foundation.



Comenius Project

During the period 2013-2015 we were a partner in a project "Evidence Based Conductive Practice – Towards Whole School Improvement". This project was based around discussing and agreeing outcome measures to be used within the field of Conductive Education. A handbook was produced by partners from Austria, Hungary, Belgium, Sweden, Germany and the UK. This handbook is available on <http://evibace.jimdo.com/> and can now be accessed and used by professionals internationally to help improve quantitative research data around the benefits of Conductive Education. As a result of this project we are now using a range of measurement tools (GMFM, PEDI-CAT) to provide impact reports in the future.

Voluntary Income

Over the year we raised £428,253 through our fundraising activities. In order to achieve this we have focussed our fundraising activities across four main areas:

- Trust funds
- Corporate funding
- Individuals and Communities
- Events

To maximise our fundraising opportunities we seek new and innovative projects to help sustain and develop our work as well as engaging our corporate and individual supporters. In 2014-2015 we decided to fund all services for children under the age of 5 years through voluntary income to make them free of charge for parents. This was done primarily to support parents/families at this critical time in their child's life. The start of this funding came from our first Red Boots Ball which raised in excess of £50,000 and we are very grateful to all our supporters who helped us not only sustain but significantly grow this service over the year.

We are reliant on the generosity of our supporters to keep our valuable work going and also to enable us to develop in line with the needs and wishes of the families with whom we work. We would like to thank our volunteers, who give so much of their time to support us and are a crucial part of our organisation. We would also like to thank every individual, corporate and trust who have helped us over this year in so many different ways.

The Foundation for Conductive Education

Report of the trustees for the year ended 31 July 2015

4 Strategic Aims

In order to ensure the continued sustainability and development of our organisation we have produced a strategic plan "A NICE Future" for the period 2015-2018. The main objective of this strategy is:

To establish NICE as The Centre for Movement Disorders in the West Midlands Region

- As a service provider for children, adults and their families
- As a training provider
- As a centre for research and development.

This will involve a range of new activities:

- Increasing service provision to 46 weeks of the year to provide a full range of conductive services
 - o Including after school services, holiday clubs and summer schools for professionals and people with movement disorders
- Working in partnership with other organisations supporting people with movement disorders
- Developing training activities to influence practice and service delivery more broadly
- Developing research and evaluation processes to articulate the impact of Conductive Education.

Throughout the strategic plan the overarching aim is to ensure financial stability and a model of services which both meets needs and is financially viable.

5 Financial Review

In the financial year, we achieved a surplus of £26,669 compared to a surplus of £9,191 in the previous year. Excluding depreciation this represents a surplus of £76,067 in the year.

This was largely brought about by the cost reduction in the year of £218,866, which is a 17.4% reduction, as a result of the management restructure implemented in July 2013.

Income increased by 3.7% from £1,049,190 to £1,088,482. Overall fees were down by 2% as children's fees continued to reduce as has been the trend over the last few years but this was offset by continued increases in adult fees and in grant income. Voluntary income at £428,253 was 14.2% higher than the previous year

Our total reserves now stand at £728,667 compared to £701,998 at July 2014. Within this unrestricted reserves (free reserves) have increased by 9.1% to £451,881.

We have fixed rate term loans of £477,029 with Lloyds Banking Group. All due payments on these have been maintained.

Lloyds Banking Group continue to give us ongoing support with an overdraft facility of £120k.

Our forward financial projections show a positive cash flow position at the end of the next period. No matters have come to the attention of the trustees which might suggest the charity will not be able to maintain its current activities for the foreseeable future, and given the bank have confirmed their ongoing support of the Foundation to July 2016 and have indicated that there is no reason for this support not to continue on the same basis beyond that point, they have therefore considered that it is appropriate for the financial statements to be prepared on the going concern basis.

The Foundation for Conductive Education

Report of the trustees for the year ended 31 July 2015

5 Financial Review (Continued)

Reserves Policy

Reserves will be spent at the trustees' discretion in furtherance of any of the charity's objects. The Foundation's policy on reserves includes detailed procedures and covers the following:

- the reasons why the Foundation needs reserves;
- the level of reserves which the Trustees believe the Foundation needs;
- the steps which the Foundation takes to establish/maintain its reserves at the agreed level;
- procedures to monitor and review the policy.

Unrestricted funds are required by the Foundation to:

- cover administration, fundraising & marketing and support costs without which the Foundation could not function
- provide funds which can be designated to specific projects to enable these to be undertaken at short notice

The trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission and believe that the unrestricted reserve should be £783k, made up as follows:

- | | | |
|---|---|-------|
| - to cover a collapse in voluntary income over a six month period | - | £150k |
| - to cover a delay in fee payment of half a term | - | £ 33k |
| - to fund unrestricted fixed assets less borrowings | - | £600k |

Trustees believe that reserves should be at least at this level to ensure the charity can run efficiently and meet the needs of its beneficiaries.

Unrestricted reserves are currently £451k and are therefore insufficient to satisfy our current reserve policy.

Given our high dependency upon local authority fees and grant income, we are continually working to increase our reserves through voluntary income sources and by developing fee-paying services.

The level of reserves will be monitored and reviewed by the trustees annually.

Statement on Risk

During the year the CEO identifies the major risks facing the Foundation. These are assessed in terms of their likelihood of occurrence and potential impact. Corrective actions are set out to mitigate these risks and responsibility for their monitoring and implementation put in place. This is reviewed regularly at the quarterly trustees' meetings through the CEO's report to the Trustees.

A major risk to the organisation is financial stability, given our high dependency on voluntary income. This is monitored through rigorous cash flow forecasting on a weekly basis, regular meetings with our bank relationship manager and quarterly reports to the Trustee Board. The CEO meets monthly with a trustees finance sub-committee.

With reference to operational risk, we work with a wide range of operational policies (eg Health and Safety; Safeguarding and POVA) which set out to identify potential risks and actions to mitigate them. Where necessary we undertake individual risk assessments.

We also have full insurance cover for public, employer, product and professional liability.

The Foundation for Conductive Education

Report of the trustees
for the year ended 31 July 2015

6 Structure, Governance and Management

The Foundation for Conductive Education ("the Foundation") is a company limited by guarantee. Its governing document is the Memorandum of Articles and Association. The charity registration number is 295873. The company registration number is 2083754.

The registered office is:

NICE
Cannon Hill House
Russell Road
Moseley
Birmingham
B13 8RD

Governance

Ultimate responsibility for the Foundation resides with the membership, which exercises its power through a Board of Trustees. The Board comprises both elected members and the nominees of certain institutions with elected members always in the majority. The Board meets routinely four times a year and is joined in its discussion by co-optees from users and staff and by the Foundation's directorate. A vital function of the Board is to review at every meeting the progress of the Foundation's development plan.

Trustees

All trustees are the directors of the company. During the year 2014/15 the Foundation has maintained indemnity insurance for trustees and officers.

Recruitment, Induction and Training of Trustees

We draw on a wide range of skills mix for our Trustee Board ranging from specialist skills (education, local government, working with partner charities such as Parkinson's UK), professional skills (law and accountancy) and broad commercial skills.

All our Trustees have current or past experience of being a trustee, director or partner in either a charity, commercial or professional organisation.

Elected trustees

The following have been appointed to the Board of Trustees by election in accordance with the Foundation's Articles of Association and except where stated have served throughout the period since 1 August 2014

Anthony Coombs
David Wood (Chair)
Jayne Titchener
Keith Dudley
Andrew Moss
Lillemor Jernqvist
Les Lawrence
Ian Sharp
Graham Coombs
Sara Collett

The Foundation for Conductive Education

Report of the trustees for the year ended 31 July 2015

6 Structure, Governance and Management (continued)

Appointed trustees

The following have been appointed to the Board of Trustees by their respective Appointing Bodies in accordance with the Foundation's Articles of Association.

VACANT	The University of Birmingham
VACANT	Parkinson's UK
Martin Straker Welds	Birmingham City Council
Anne Hollinshead	University of Wolverhampton

Company Secretary

Marie McCann	Company Secretary
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Senior Staff Members

Dr Melanie Brown	CEO
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Professional advisors

Bankers

Lloyds TSB Bank plc
University of Birmingham branch
142 Edgbaston Park Road
Birmingham
B15 2TY

Auditors

BDO LLP
125, Colmore Row
Birmingham
B3 3SD

Solicitors

Martineau Johnson
No 1 Colmore Square
Birmingham
B4 6AA

Staff

Our thanks must go to all the staff for their loyalty and dedication over the past year. They have continued to work tirelessly to improve the quality of life for the families we work with. They are also fully involved in the charitable arm of the organisation and we thank them for their commitment.

7 Other matters

Provision of Information to the Auditor

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

- So far as that trustee is aware, there is no relevant audit information of which the company's auditor is unaware, and
- Each trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charity's auditor in connection with preparing its report and to establish that the charity's auditor is aware of that information.

The Foundation for Conductive Education

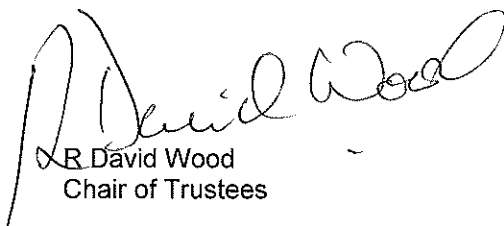
Report of the trustees
for the year ended 31 July 2015

7 Other Matters (continued)

Basis of Preparation

The Trustees' Report is prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (revised 2005 and 2008).

This report was approved by the board of trustees on *5 November 2015* and signed on its behalf.



R. David Wood
Chair of Trustees

The Foundation for Conductive Education

Trustees' responsibilities for the year ended 31 July 2015 (*continued*)

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

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

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Foundation for Conductive Education

Independent auditor's report to the members of The Foundation for Conductive Education

We have audited the financial statements of The Foundation for Conductive Education for the year ended 31 July 2015 which comprise the statement of financial activities, the income and expenditure account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2015 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

The Foundation for Conductive Education

Independent auditor's report to the members of The Foundation for Conductive Education *(continued)*

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report or the exemption from the requirements to prepare a strategic report.

BDO LLP

Kyla Bellingall (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

Date: 10 November 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Foundation for Conductive Education

Statement of financial activities for the year ended 31 July 2015

	Note	Unrestricted 2015 £	Restricted 2015 £	Total 2015 £	Total 2014 £
Incoming resources from generated funds					
Voluntary income	6	145,904	175,290	321,194	356,711
Activities for generating funds		107,059	-	107,059	18,411
Investment income		-	-	-	1
		<hr/>	<hr/>	<hr/>	<hr/>
		252,963	175,290	428,253	375,123
Incoming resources from charitable activities					
Fees	4	427,895	-	427,895	444,335
Grants and service contracts		178,328	40,040	218,368	209,991
Other income		13,966	-	13,966	19,741
		<hr/>	<hr/>	<hr/>	<hr/>
		620,189	40,040	660,229	674,067
Total incoming resources					
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		873,152	215,330	1,088,482	1,049,190
Resources expended					
Costs of generating funds	6	159,413	-	159,413	138,267
Charitable activities	4	642,221	226,453	868,674	875,701
Governance costs	7	33,726	-	33,726	26,031
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended					
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		835,360	226,453	1,061,813	1,039,999
Net (outgoing)/incoming resources before transfers					
		37,792	(11,123)	26,669	9,191
Transfers					
		-	-	-	-
Net (outgoing)/incoming resources before other recognised gains and losses					
		37,792	(11,123)	26,669	9,191
Revaluation gains					
					165,245
Net movements in funds					
		<hr/>	<hr/>	<hr/>	<hr/>
		37,792	(11,123)	26,669	174,436
Balances at beginning of year					
		<hr/>	<hr/>	<hr/>	<hr/>
		414,089	287,909	701,998	527,562
Balances at end of year					
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		451,881	276,786	728,667	701,998

All income and expenditure relates to continuing activities.

The Foundation has no recognised gains or losses other than the result for the year.

The notes on pages 16 to 27 form part of these financial statements.

The Foundation for Conductive Education

Income and expenditure account for the year ended 31 July 2015

	2015 £	2014 £
Income	1,088,482	1,038,200
Operating expenses	<u>(1,029,723)</u>	<u>(1,004,569)</u>
Operating surplus	58,759	33,631
Interest payable	<u>(32,090)</u>	<u>(35,430)</u>
(Deficit)/surplus for the year	<u>26,669</u>	<u>(1,799)</u>

All amounts relate to continuing operations.

The income and expenditure account is prepared under the Companies Act 2006 which requires grants received for capital expenditure, including donated assets, to be deferred and amortised over the life of the asset.

The notes on pages 16 to 27 form part of these financial statements.

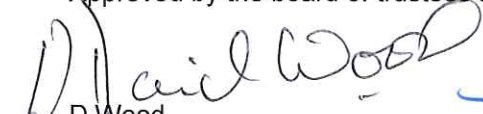
The Foundation for Conductive Education

Balance sheet at 31 July 2015

<i>Registered number 2083754</i>	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	8		1,406,266		1,455,660
Investments	9		1		1
			<u>1,406,267</u>		<u>1,455,661</u>
Current assets					
Debtors	10	72,871		33,364	
Cash at bank and in hand		222		409	
		<u>73,093</u>		<u>33,773</u>	
Current liabilities					
Creditors - amounts falling due within one year	11	195,094		179,420	
Deferred income	13	112,209		127,344	
		<u>307,303</u>		<u>306,764</u>	
Net current liabilities			(234,210)		(272,991)
Total assets less current liabilities			1,172,057		1,182,670
Creditors: amounts falling due after more than one year	12		(443,390)		(480,672)
Net assets	14		728,667		701,998
Funds					
Restricted funds	16		276,786		287,909
General fund			451,881		414,089
			<u>728,667</u>		<u>701,998</u>

These financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 applicable to small companies.

Approved by the board of trustees and authorised for issue on 5 November 2015


D Wood
Trustee


I Sharp
Trustee

The notes on pages 16 to 27 form part of these financial statements.

The Foundation for Conductive Education

Notes forming part of the financial statements for the year ended 31 July 2015

1 Accounting policies

The principal accounting policies of the Foundation are as follows:

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006. The Foundation has adopted the provisions of the Statement of Recommended Practice, "Accounting and Reporting by Charities" (revised 2005 and 2008).

The charity's activities, together with factors that are likely to affect its future development and financial position and commentary on its financial results are set out in the report of the trustees. The trustees have concluded that no matters have come to their attention that would prevent the charity from being able to maintain its current charitable activities, given the bank's ongoing support of the charity as detailed in the report of the trustees on page 5, and therefore consider that it is appropriate for the financial statements to be prepared on the going concern basis.

The trustees consider the subsidiary undertaking as immaterial and so the Foundation has taken advantage of exemptions provided by section 405 of the Companies Act 2006 not to prepare group accounts. The financial statements present information about the Foundation as an individual undertaking and not about its group.

Income

Fees and grants for services are recognised as the services are being performed. Income received in advance of the service being performed is deferred.

Voluntary income is accounted for on the earlier of when it is received or at the time the Foundation receives a legally binding promise of a donation. Income is deferred where there is a pre-condition to spend the grant in a future period.

Legacy income is accounted for on the earlier of when it is received or when it is reasonably certain that income will be received and its amount can be estimated with sufficient reliability.

Other income includes membership fees, which are recognised evenly over the membership period, conferences and sales of merchandise, which are accounted for when the conference takes place or merchandise has been delivered to the purchaser.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation. Depreciation is calculated to write off the cost or valuation of fixed assets to their estimated residual value on a straight line basis at the following rates:

Freehold buildings	-	2 - 6.67%
Fixtures and fittings	-	20%
Computer equipment	-	25%
Motor vehicles	-	20%

Freehold land is not depreciated.

The Foundation for Conductive Education

Notes forming part of the financial statements for the year ended 31 July 2015 (*continued*)

1 Accounting policies (*continued*)

Leases

Leasing charges in respect of operating leases are recognised over the lives of the lease agreements using the straight line method. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the new lease.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives.

Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Freehold property

Depreciation of the buildings is charged to unrestricted and restricted funds in proportion to the element of costs funded by restricted and unrestricted income.

Investments

Investments are stated at cost less provision for permanent diminution in value.

Restricted funds

Where income is received for purposes specified by the donor or by the terms of appeal under which it was raised, that income is shown as restricted in the Statement of Financial Activities. Expenditure for the specified purposes is shown as restricted fund expenditure. Any unexpended balances at the balance sheet date are carried forward as restricted funds.

Explanation of the categories of expenditure

Allocation of costs

Costs directly attributable to the activities below are allocated to the activity to which they relate. Where employees work for more than one activity, their salary cost is apportioned on the basis of time spent on each activity.

Cost of generating funds includes direct expenditure incurred on fund-raising applications and activities and a proportion of management overheads.

Conductive services comprises all direct costs which have been incurred by the charity in providing Conductive Education services and meeting its charitable objects.

Promotion and publicity includes expenditure incurred in promoting the work of the charity and generally raising awareness of Conductive Education.

Support costs represent the costs of supporting, monitoring and controlling the specialist services provided by the charity along with the central and core administrative activities of the Foundation. Support costs are analysed to the activities in proportion to the direct salary costs of each activity.

Governance costs represent the costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

The Foundation for Conductive Education

Notes forming part of the financial statements for the year ended 31 July 2015 (*continued*)

1 Accounting policies (*continued*)

Pension costs

The charity makes contributions into two pension schemes, a defined benefit scheme and a defined contribution scheme, the assets of both are held separately from those of the charity in independently administered funds. The defined benefit scheme, which is the Teachers' Pension Scheme, is an unfunded multi-employer scheme and the charity is unable to identify its share of the underlying assets and liabilities and so accounts for the contributions to the scheme in accordance with FRS 17 as if it was a defined contribution scheme. The total pension contributions for the year are given in note 2.

Gifts in kind

Where the Foundation receives goods or services by way of gifts in kind the market value of the gift is accounted for in the Statement of Financial Activities as an incoming and outgoing resource.

Where the charity receives a donated fixed asset, the market value of the asset is treated as an incoming resource and capitalised as a fixed asset in the balance sheet.

Volunteers' time is not recognised in the accounts.

2 Employees

	2015 £	2014 £
Wages and salaries	635,596	655,699
Social security costs	49,565	53,455
Other pension costs	46,899	53,104
	<hr/>	<hr/>
	732,060	762,258
	<hr/>	<hr/>
Average number of employees	Number	Number
Conductors	20	21
Other staff	11	10
	<hr/>	<hr/>
	31	31
	<hr/>	<hr/>

No employee earned more than £60,000 during the year (2014 - Nil).

3 Trustees' emoluments

The trustees did not receive any remuneration during the year (2014 - £Nil). The trustees received £373 reimbursement for expenses (2014 - £323).

The Foundation for Conductive Education

Notes forming part of the financial statements
for the year ended 31 July 2015 (*continued*)

4 Analysis of incoming and outgoing resources from normal charitable activities

	Conductive services			Total 2015 £	Total 2014 £
	Children £	Rehabilitation £	Training £		
Income					
Fees	122,824	143,786	161,285	427,895	444,335
Grants	-	218,368	-	218,368	209,991
Other	4,655	4,655	4,656	13,966	19,741
Total incoming resources	127,479	366,809	165,941	660,229	674,067
Expenditure					
Direct costs	254,250	229,856	129,826	613,932	657,932
Support costs (note 5)	103,674	103,674	47,394	254,742	217,769
Outgoing resources	357,924	333,530	177,220	868,674	875,701

Analysis of the income and expenditure relating to fundraising is contained in note 6.

The Foundation for Conductive Education

Notes forming part of the financial statements
for the year ended 31 July 2015 (continued)

5 Support costs	Conductive services				Total relating to activities £	Fund-raising £	Governance £	Total 2015 £	Total 2014 £
	Children £	Rehabilitation £	Training £	Total					
IT costs	7,382	7,382	3,374	18,138	2,530	422	21,090	13,537	
Overdraft interest	15,711	15,711	7,182	38,604	5,386	898	44,888	42,028	
Salary costs	17,605	17,605	8,050	43,260	6,036	1,007	50,303	47,168	
Office costs	62,976	62,976	28,788	154,740	21,593	3,597	179,930	150,487	
Total	103,674	103,674	47,394	254,742	35,545	5,924	296,211	253,220	

The explanation of the categories of expenditure and the basis of allocation is given on page 17.

Auditors' remuneration was £8,500 (2014 - £8,200) for audit services and £Nil (2014 - £Nil) in respect of non-audit services.

The Foundation for Conductive Education

Notes forming part of the financial statements
for the year ended 31 July 2015 (*continued*)

6 Analysis of income and expenditure from generated funds	2015	2014
	£	£
Income		
Gifts and donations	320,194	331,608
Legacies	1,000	25,103
Fundraising events	107,059	18,411
Interest	-	1
	<hr/>	<hr/>
	428,253	375,123
	<hr/>	<hr/>
Expenditure		
Direct expenditure of generating voluntary income	83,534	85,294
Direct costs of organising fundraising events	40,334	22,498
Support costs	35,545	30,475
	<hr/>	<hr/>
	159,413	138,267
	<hr/>	<hr/>
 7 Governance costs		
	2015	2014
	£	£
Audit and professional fees	14,886	11,095
Governance salary cost	12,916	9,960
Support costs	5,924	4,976
	<hr/>	<hr/>
	33,726	26,031
	<hr/>	<hr/>

The Foundation for Conductive Education

Notes forming part of the financial statements
for the year ended 31 July 2015 (*continued*)

8 Fixed assets for the charity's use

	Freehold land and buildings £	Motor vehicles, computers fixtures and fittings £	Total £
<i>Cost or valuation</i>			
At 1 August 2014	1,400,000	86,587	1,486,587
Additions	-	-	-
Disposals	-	-	-
	1,400,000	86,587	1,486,587
At 31 July 2015	1,400,000	86,587	1,486,587
<i>Accumulated depreciation</i>			
At 1 August 2014	-	30,923	30,923
Charge for year	30,752	18,646	49,398
Disposals	-	-	-
	30,752	49,569	80,321
At 31 July 2015	30,752	49,569	80,321
<i>Net book amount</i>			
At 31 July 2015	1,369,248	37,018	1,406,266
At 31 July 2014	1,400,000	55,664	1,455,664

Included within computers are assets with a net book value of £18,371 (2014 - £25,051) held under finance leases. The depreciation charged on these assets was £6,680 (2014 - £1,670).

The land and buildings were revalued on 22 May 2014 at an amount of £1,400,000, by Lambert Smith Hampton, chartered surveyors, on an existing use open market basis.

In the opinion of the trustees, there is no material difference between this value and that as at 31 July 2015.

Included within freehold land and buildings is land with a value of £190,000 which is not depreciated.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2015 £	2014 £
Cost	2,666,581	2,666,581
Accumulated depreciation	(896,051)	(842,719)
	1,770,530	1,823,862

The Foundation for Conductive Education

Notes forming part of the financial statements for the year ended 31 July 2015 (*continued*)

9 Investments

	Shares in subsidiary undertakings £
Cost	
At 1 August 2014 and 31 July 2015	1

The investment comprises of a 50% holding of the ordinary shares of Petö (UK) Limited, a dormant company registered in England and Wales, whose net assets total £1.

10 Debtors

Debtors comprised amounts falling due within one year as follows:

	2015 £	2014 £
Fees and grants due	69,881	26,812
Prepayments	2,990	6,552
	<u>72,871</u>	<u>33,364</u>

11 Creditors - amounts falling due within one year

	2015 £	2014 £
Bank loans and overdraft	132,576	94,081
Amount payable under finance leases	6,646	8,571
Amounts owed to suppliers	9,041	23,601
Social security and other taxation	19,472	14,244
Amounts owed to subsidiary undertaking	1	1
Accruals	27,358	38,922
	<u>195,094</u>	<u>179,420</u>

The bank loan and overdraft is secured by a first legal charge over part of the freehold property.

Amounts payable under finance leases are secured on the related assets.

The Foundation for Conductive Education

Notes forming part of the financial statements for the year ended 31 July 2015 (continued)

12 Creditors - amounts falling due after more than one year

	2015 £	2014 £
Bank loans	443,390	473,737
Amounts payable under finance leases (between one and five years)	-	6,935
	<u>443,390</u>	<u>480,672</u>

Bank loans are repayable by monthly instalments over 15 years at fixed interest rates of between 5.73% and 7.28%.

Bank loans include £300,838 which is repayable after more than five years. The bank loans are secured by a first legal charge over part of the freehold property.

Finance lease creditors are secured on the related assets.

A second charge is in place as security against the freehold property.

13 Deferred income

	2015 £	2014 £
Beginning of year	127,344	85,142
Received during year	112,209	124,361
Released during year	(127,344)	(82,159)
	<u>112,209</u>	<u>127,344</u>

14 Analysis of assets and liabilities between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	1,162,089	244,178	1,406,267
Net current (liabilities)/assets	(266,818)	32,608	(234,210)
Long term liabilities	(443,390)	-	(443,390)
	<u>451,881</u>	<u>276,786</u>	<u>728,667</u>

The Foundation for Conductive Education

Notes forming part of the financial statements
for the year ended 31 July 2015 (*continued*)

15 Member's guarantee

The Foundation is a company limited by guarantee and as such does not have share capital. The Foundation has 106 members (2014 - 115) all of whom have given an undertaking to contribute up to £1 each if called upon to do so.

16 Restricted funds

	At 1 August 2014	Received during the year	Expensed during the year	Transfers and Revaluations	At 31 July 2015
Children's services	9,040	63,228	63,771	-	8,497
Rehabilitation	23,131	152,102	151,122	-	24,111
Fixtures, fittings and equipment	10,411	-	5,217	-	5,194
Freehold property	245,327	-	6,343	-	238,984
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	287,909	215,330	226,453	-	276,786
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The purposes of each restricted fund are:

Childrens services – primary funding for pre-school and child services and also bursaries.

Rehabilitation – free and subsidised services for adults

Big Lottery – to fund our conductive Wii rehabilitation and re-enablement project for adults

Fixtures, fittings and equipment – funds given towards the purchase of equipment used across the services

Freehold property – grants given towards the refurbishment of the Cannon Hill House

The Foundation for Conductive Education

Notes forming part of the financial statements
for the year ended 31 July 2015 (continued)

17 Key donations and grants received (continued)

Voluntary income consists of the following grants and donations:

	2015 £	2014 £
Alison Hillman Charitable Trust	-	3,000
The Lopylugs and Barbara Morrison Charitable Trust	3,400	3,400
Connie & Albert Taylor Charitable Trust (including deferred income release of £48,000)	130,000	12,000
Tim Lee	3,555	-
The Douglas Turner Trust	5,000	-
Garfield Weston Foundation	10,000	-
Harborne Parish Lands Trust	4,944	2,550
Harold Hyam Wingate Foundation	-	-
Souter Charitable Trust	-	2,000
Trolcharm Ltd PAR Charitable Trust	14,727	-
SFIA Educational Trust Limited	-	25,000
The Blakemore Foundation	10,000	10,000
The Keith Coombs Trust	-	5,000
G J W Turner Trust	3,000	-
Grantham Yorke	5,000	-
29 May 1961 Charitable Trust	-	3,500
Ric-Sue Society	5,000	5,000
St James Place Foundation	-	35,000
The Equitable Trust	-	10,000
Eveson Charitable Trust (including deferred income release £15,000)	15,000	15,000
The Clothworkers Foundation	-	10,000
The Rayne Foundation	-	10,000
Donald Forrester Trust	-	5,000
The George Perkins Charitable Trust	-	5,000
The James Tudor Foundation	-	7,043
Sir John Fisher Foundation	-	6,000
Mr B Helliwell	-	5,000
Mr Greg Evans	-	7,500
R H Scholes Charitable Trust	-	3,000
Other, less than £3,000	111,568	141,615
	<u>321,194</u>	<u>331,608</u>

Grants for services includes the following:

	2015 £	2014 £
Big Lottery (restricted funds)	40,040	45,524
Birmingham City Council - stroke support	178,328	154,186
	<u>218,368</u>	<u>300,710</u>

The Foundation for Conductive Education

Notes forming part of the financial statements
for the year ended 31 July 2015 (*continued*)

18 Operating lease commitments

The following annual amounts are payable under non-cancellable operating leases:

	2015 £	2014 £
Expire within two to five years	33,019	22,446

