

REGISTERED COMPANY NUMBER: 2083754 (England and Wales)
REGISTERED CHARITY NUMBER: 295873

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016
FOR
THE FOUNDATION FOR CONDUCTIVE EDUCATION**

THE FOUNDATION FOR CONDUCTIVE EDUCATION

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FOR THE YEAR ENDED 31 JULY 2016**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2016**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Foundation for Conductive Education (the Foundation) aims to develop, advance and teach the science of Conductive Education.

Conductive Education originated in Hungary in the 1940s as a unique form of education and rehabilitation for people with neurological motor disorders such as cerebral palsy, stroke, multiple sclerosis and Parkinson's Disease.

Conductive Education is based upon a "simple" concept of human potential which means 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 and to nurture their development and devise structured programmes to enable success. Conductive Education combines education, psychology and medical science and considers all aspects of the person simultaneously.

Vision, Mission and Values

Vision

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

Mission

Our mission can be summarised as follows.

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 which 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 to ensure standards of excellence in Conductive Education.

Values

Our values can be summarised as follows.

1. Children and adults with neurological motor disorders have the right to highly specialised teaching relevant to their individual needs and values.
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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2016**

OBJECTIVES AND ACTIVITIES

Significant activities

Significant activities undertaken by the Foundation during the year ended 31 July 2016 to help children and adults who have a primary neurological movement disorder include the following.

- o The Milestone Club For children aged between 0 and 3 years of age working alongside parents/guardians.
- o The Red Boots Nursery For children aged between 3 and 5 years of age.
- o The Red Boots School For children aged between 5 and 11 years of age following a primary school curriculum.
- o Day placements For children aged between 5 and 11 years of age attending local special schools.
- o Intensive movement training For children aged between 7 and 14 years of age receiving 2 or 3 week block placements.
- o Mainstream school sessions For children with developmental co-ordination disorders.
- o Conductive rehabilitation and reablement Weekly sessions for adults with a range of conditions including off-site in Coventry, Bromsgrove and Cheltenham.

Public benefit

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us to ensure that our aims, objectives and activities remain focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

The focus of the Foundation continues to be the development, advancement and teaching of the science of Conductive Education.

All of our work is achieved through the practice of Conductive Education.

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 development delay or developmental co-ordination disorders. It does, however, not preclude children with genetic or rare conditions which present a primary movement problem.

In adulthood this will also include acquired conditions such as Parkinson's Disease, 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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2016**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

How our activities deliver public benefit

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit, including the guidance on public benefit and fee charging.

All of our charitable activities focus on our ability to develop, advance and teach the science of Conductive Education and 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.

Key achievements and successes during the period include the following

Highlights

During the year ended 31 July 2016 we provided direct services to around 450 families. These included a full programme of direct services and carers and parents support groups. This shows the significance of our services and the need for families across the West Midlands. We anticipate that with changes in statutory provision and the increasing demand for services that this will grow over the coming years.

School and nursery



In May 2016 we were awarded with an "outstanding" rating in all areas by Ofsted. This followed our previous "outstanding" rating in 2013.

This is a tremendous achievement and shows how well we are able to merge Conductive Education and the statutory academic requirements for both the nursery and the school.

The Ofsted inspector fully recognised this approach and the "start" we give children in their journey through life.

"Staff use their in-depth knowledge of pupils superbly and know how to get the best out of pupils."

"Pupils make outstanding progress. Particular strengths were seen in children's physical development and their ability to communicate using a range of different methods."

"Staff's specialist knowledge of Conductive Education is excellent and is seamlessly integrated into all aspects of learning so that all opportunities are maximised to promote pupil's independence."

"Staff are extremely dedicated and many are long-serving members of staff who enjoy their work."

Pre-school services

We saw an increase in demand for our pre-school services this year and this service is now running at full capacity going forward. This is an excellent development and one where we are now seeing an increase in professional referral for our services. Families attending are gaining a great deal of support and advice from the service and the children are making excellent progress.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2016**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Adult services

Adult services remains our largest department, working with over 350 families, and continues to run at full capacity. We now have services running at Cheltenham, Coventry and Bromsgrove Life After Stroke Centre.

We have been successful in securing funding from the Big Lottery Fund for our "Wii-habilitation and reablement" project which has recently completed its second year. We are grateful for the support for this service as we have been able to offer it free of charge to those attending.



LOTTERY FUNDED

We have also secured a further grant from Birmingham City Council to support free and subsidised services for residents of Birmingham. This has helped our service develop and although we do provide for residents outside of Birmingham we have been able to raise funds to sustain the breadth of this service going forward.

Stroke research

We were successful in publishing our article outlining the benefits of Conductive Education for stroke survivors

This was entitled "Conductive Education as a Method of Stroke Rehabilitation: A Single Blinded Randomised Controlled Feasibility Study" and was published in Stroke Research and Treatment, Volume 2016, Article ID 5391598.

The article can be accessed online at the following web address: <http://www.hindawi.com/journals/srt/2016/539158>.

This has increased the evidence base for Conductive Education and helped place our services in a wider context.

Training

The Conductive College has remained a key part of our work. We now have a range of accredited courses running with our validating partners, Birmingham City University and the Open College Network West Midlands.



**BIRMINGHAM CITY
University**



The Foundation remains the only UK provider of accredited training in the field of Conductive Education and the only place where postgraduate modules in Conductive Education can be studied. Our contribution to the future of Conductive Education, through the training of the next generation of conductors, is extremely important for the future of this system.

Fundraising activities

Over the course of the year the fundraising team have worked tirelessly to raise the income we need to sustain our work going forward.

We have a number of income streams including community events, individuals, corporate events and challenges, trust donations and events.

Our annual Red Boots Ball staged in September 2015 was a huge success and played a substantial role in supporting services throughout the year.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2016**

Fundraising activities - continued

Other major activities which occurred included a zip wire event, a 10K run, a corporate golf day and Christmas and Summer Fayres. We also ran a "Have a NICE Day" campaign together with our Christmas campaign which all contributed to our success.

On behalf of everyone at the Foundation we should like to thank all of our sponsors and donors. Without such support, from so many different places, we would not be able to run our services.

FINANCIAL REVIEW

Financial position

During the financial year we achieved a surplus of £6,226 compared to a surplus of £26,669 in the previous year. Excluding depreciation this represents a surplus of £52,361 for the year.

Income decreased slightly at £1,079,058 compared to £1,088,482 last year. The only major variance being in Adult services where the reduction of £20k in grant income was due to phasing of payments and the reduction in fees was largely due to the fact we no longer work in Hereward College in Coventry. In fact, Adult services worked to full capacity in the year.

Voluntary income –through donations, legacies and fundraising activities – at £456,672 showed an increase of 6.6%.

Costs were well controlled at £1,072,792 with only a 1% increase overall.

Our total reserves now stand at £734,933 compared to £728,667 at July 2015. Within this unrestricted reserves have increased to £699,753 primarily as a consequence of the legal charge on our Cannon Hill House property being released by the National Lottery Charities Board (see note 20).

We have fixed term loans of £442,817 with Lloyds Banking Group. All due payments on these have been made and the loans reduced by £34,212 during the year.

Lloyds Banking Group continue to give us ongoing support with an overdraft facility of £200,000.

Reserves policy

Reserves will be spent at the trustees' discretion in furtherance of any of the Foundation's objects.

The Foundation's policy on reserves includes detailed procedures and covers the following.

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

Unrestricted funds are required by the Foundation to

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2016

FINANCIAL REVIEW

Reserves policy - continued

The trustees have reviewed the Foundation's needs for reserves in line with the guidance issued by the Charity Commission and believe that the unrestricted reserve should be £983,000 which is calculated as follows.

- | | | |
|---|---|----------|
| o | To cover a collapse in voluntary income over a six month period | £150,000 |
| o | To cover a delay in fee payment of half a term | £33,000 |
| o | To fund unrestricted fixed assets less borrowings | £800,000 |

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

Unrestricted reserves are currently £699,753 and are, therefore, insufficient to satisfy our current reserve policy. Our unrestricted reserves also include significant illiquid assets in the form of our land and buildings.

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.

Going concern

Our forward financial projections show a positive cashflow position at the end of the next period.

No matters have come to the attention of the trustees which might suggest that the Foundation will not be able to maintain its current activities for the foreseeable future and, given that the bank have confirmed their ongoing support of the Foundation to July 2017 and have indicated that there is no reason for this support not 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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2016**

FUTURE PLANS

Strategic aims

In order to ensure the continued sustainability and development of our organisation we have produced a strategic plan called "A NICE Future" which covers the period 2015 - 2018.

The main objective of the strategy is to establish the Foundation (also known as NICE) as the Centre for Movement Disorders in the West Midlands region, enabling it to fulfil the following.

1. Act as a service provider for children, adults and their families.
2. Act as a training provider.
3. Act as a centre for research and development.

This will involve a range of new activities such as the following.

1. Maximise occupancy of building by expanding our pre-school services
2. Work in partnership with other organisations supporting people with movement disorders.
3. Develop training activities to influence practice and service delivery more broadly.
4. Develop 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.

Looking forward

In December 2016 our charity will celebrate its thirtieth birthday.

We will be running a range of celebrations throughout the year to showcase the amazing journey of the Foundation, from humble beginnings of 10 families to where we are today.

It has been an amazing journey and one we are very proud of.

To start the celebrations we will be launching our anniversary logo.



**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Foundation for Conductive Education (the Foundation) is a company limited by guarantee (company registration number 2083754) which was incorporated on 12 December 1986 and achieved charitable status on 10 February 1987 (charity registration number 295873).

The Foundation was established under a Memorandum of Association which established the objects and powers of the Foundation and is governed under its Articles of Association.

In the event of the Foundation being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

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

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

Furthermore, all of our trustees give their time voluntarily and receive no benefits from the Foundation. Any expenses reclaimed from the Foundation by trustees are set out in the notes to financial statements.

Organisational structure

Ultimate responsibility for the Foundation resides with the membership which exercises power through a Board of Trustees.

The Board of Trustees comprises both elected members and the nominees of certain institutions with elected members always in the majority.

The Board of Trustees meets routinely four times a year and is joined in its discussions by co-optees from users and staff and by the Foundation's directorate. A vital function of the Board of Trustees is to review at every meeting the progress of the Foundation's development plan.

A scheme of delegation is in place and day to day responsibility for the provision of the Foundation's services rests with the chief executive. The chief executive is responsible for ensuring that the Foundation delivers the services specified and that key performance indicators are met. The chief executive also has responsibility for the day to day operational management of the Foundation, individual supervision of the staff team and ensuring that the team continue to develop their skills and working practices in line with good practice.

Induction and training of new trustees

New trustees undergo an orientation day to brief them on legal obligations under charity law, the content of the Foundation's Memorandum and Articles of Association, the committee and decision-making process and the recent financial performance of the Foundation.

During the induction day they meet key employees and other trustees.

Trustees are encouraged to attend appropriate external training events where these will facilitate the understanding of their role.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

In the trustees' opinion, the key management personnel of the Foundation responsible for the direction, control, running and operation of the Foundation on a day to day basis consists of the Board of Trustees and the Chief Executive.

Key management personnel - trustees

All trustees give their time freely and no trustee received remuneration during the year.

Details of trustees' expenses and related party transactions are disclosed in notes 10 and 20 to the financial statements.

Key management personnel - chief executive

The pay of the Foundation's senior staff is reviewed annually and normally increased based upon the position of the Foundation's finances and the cost of living in general.

Risk management

The trustees have a duty to identify and review the risks to which the Foundation is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

During the year the chief executive 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 chief executive's report to the trustees.

A major risk to the Foundation is financial stability given our high dependency on voluntary income. This is monitored through rigorous cashflow forecasting on a weekly basis, regular meetings with our bank relationship manager and quarterly reports to the Board of Trustees. The chief executive 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

2083754 (England and Wales)

Registered Charity number

295873

Registered office

Cannon Hill House
Russell Road
Moseley
Birmingham
B13 8RD

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Elected trustees

The following trustees 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 2015.

David Wood (Chairman)

Sarah Collett

Anthony Coombs

Graham Coombs

Keith Dudley

Lillemor Jernqvist

- resigned 1 April 2016

Les Lawrence

Andrew Moss

Ian Sharp

Jayne Titchener

Appointed trustees

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

Councillor Martin Straker Welds

Birmingham City Council

Anne Hollinshead

University of Wolverhampton

- resigned 27 July 2015

Company secretary

Marie McCann

Chief executive

Melanie Brown

Senior Statutory Auditor

Peter Smith ACA

Auditors

J W Hinks LLP

Chartered Accountants
and Statutory Auditors

19 Highfield Road

Edgbaston

Birmingham

B15 3BH

Solicitors

Shakespeare Martineau LLP

No 1 Colmore Square

Birmingham

B4 6AA

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Banker

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

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

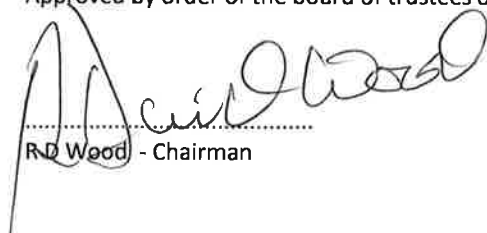
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, J W Hinks LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 3 November 2016 and signed on its behalf by:



.....
R D Wood - Chairman

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE FOUNDATION FOR CONDUCTIVE EDUCATION (REGISTERED NUMBER: 2083754)**

We have audited the financial statements of The Foundation for Conductive Education for the year ended 31 July 2016 on pages fourteen to thirty three. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2016 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE FOUNDATION FOR CONDUCTIVE EDUCATION (REGISTERED NUMBER: 2083754)**

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; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



Peter Smith ACA (Senior Statutory Auditor)
for and on behalf of J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

Date: 3 November 2016

THE FOUNDATION FOR CONDUCTIVE EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2016

	Note	Unrestricted fund £	Restricted funds £	2016 Total funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	108,834	248,669	357,503	321,194
Fundraising activities	3	99,169	-	99,169	107,059
Charitable activities	5				
Children's services		129,305	2,051	131,356	127,479
Adult services – fees		128,119	-	128,119	148,441
Adult services – grants		156,271	40,332	196,603	218,368
Training services		166,307	-	166,307	165,941
Investment income	4	1	-	1	-
Total		788,006	291,052	1,079,058	1,088,482
EXPENDITURE ON					
Raising funds	6	167,786	-	167,786	159,415
Charitable activities	7				
Children's services		227,827	145,723	373,550	369,165
Adult services		186,886	153,113	339,999	344,772
Training services		190,276	1,181	191,457	188,461
Total		772,775	300,017	1,072,792	1,061,813
NET INCOME/(EXPENDITURE)		15,231	(8,965)	6,266	26,669
Transfers between funds	20	232,641	(232,641)	-	-
Net movement in funds		247,872	(241,606)	6,266	26,669
RECONCILIATION OF FUNDS					
Total funds brought forward		451,881	276,786	728,667	701,998
TOTAL FUNDS CARRIED FORWARD		699,753	35,180	734,933	728,667

The notes form part of these financial statements

THE FOUNDATION FOR CONDUCTIVE EDUCATION (REGISTERED NUMBER: 2083754)

BALANCE SHEET
AT 31 JULY 2016

	Note	Unrestricted fund £	Restricted funds £	2016 Total funds £	2015 Total funds £
FIXED ASSETS					
Tangible assets	13	1,356,208	3,923	1,360,131	1,406,266
Investments	14	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		1,356,209	3,923	1,360,132	1,406,267
CURRENT ASSETS					
Debtors	15	30,892	20,020	50,912	72,871
Cash at bank and in hand		<u>174</u>	<u>11,237</u>	<u>11,411</u>	<u>12,810</u>
		31,066	31,257	62,323	85,681
CREDITORS					
Amounts falling due within one year	16	<u>(277,015)</u>	<u>-</u>	<u>(277,015)</u>	<u>(319,891)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(245,949)</u>	<u>31,257</u>	<u>(214,692)</u>	<u>(234,210)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,110,260	35,180	1,145,440	1,172,057
CREDITORS					
Amounts falling due after more than one year	17	<u>(410,507)</u>	<u>-</u>	<u>(410,507)</u>	<u>(443,390)</u>
NET ASSETS		<u>699,753</u>	<u>35,180</u>	<u>734,933</u>	<u>728,667</u>
FUNDS					
Unrestricted funds	20			699,753	451,881
Restricted funds				<u>35,180</u>	<u>276,786</u>
TOTAL FUNDS				<u>734,933</u>	<u>728,667</u>

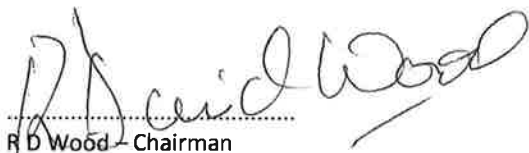
The notes form part of these financial statements

THE FOUNDATION FOR CONDUCTIVE EDUCATION (REGISTERED NUMBER: 2083754)

**BALANCE SHEET - CONTINUED
AT 31 JULY 2016**

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 3 November 2016 and were signed on its behalf by:


.....
R D Wood - Chairman


.....
K Dudley - Trustee

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the Foundation have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed assets.

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 such as donations and gifts is accounted for on the earlier of when it is received or at the time when 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, and conferences and sales of merchandise, which are accounted for when the conference takes place or when merchandise has been delivered to the purchaser.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

ALLOCATION AND APPORTIONMENT 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.

The cost of generating funds includes direct expenditure incurred on fundraising applications and activities and a proportion of management overheads.

Conductive services comprise all direct costs which have been incurred by the Foundation in providing conductive education services and meeting its charitable objects.

Support costs represent the costs of supporting, monitoring and controlling the specialist services provided by the Foundation 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 Foundation and compliance with constitutional and statutory requirements.

THE FOUNDATION FOR CONDUCTIVE EDUCATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 JULY 2016

1. ACCOUNTING POLICIES - continued

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 land	Not depreciated
Freehold property	2% - 6.67%
Motor vehicles	20%
Computer equipment	25%
Fixtures and fittings	20%

Freehold property

Depreciation of the Foundation's freehold property is charged to unrestricted and restricted funds in proportion to the element of costs funded by unrestricted and restricted income.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Foundation. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

HIRE PURCHASE AND LEASING COMMITMENTS

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 acquired 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 Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The Foundation makes contributions into two pension schemes, a defined benefit scheme and a defined contribution scheme, and the assets of both pension schemes are held separately from those of the Foundation in independently administered funds.

The defined benefit scheme, which is the Teachers' Pension Scheme, is an unfunded multi-employer scheme and the Foundation is unable to identify its share of the underlying assets and liabilities. Accordingly, the Foundation accounts for its contributions to this scheme in accordance with FRS 17 as if it was a defined contribution scheme.

THE FOUNDATION FOR CONDUCTIVE EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2016**

1. ACCOUNTING POLICIES - continued

INVESTMENTS

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

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 Foundation 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 financial statements.

GOING CONCERN

The Foundation's activities, together with factors that are likely to affect its future development and financial position and a 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 Foundation from being able to maintain its current charitable activities given the ongoing support of the Foundation's bank as detailed in the Report of the Trustees.

As a result, the trustees consider that it is appropriate for the financial statements to be prepared using the going concern basis.

THE FOUNDATION FOR CONDUCTIVE EDUCATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2016

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Gifts and donations	78,634	248,669	327,303	320,194
Legacies	<u>30,200</u>	-	<u>30,200</u>	<u>1,000</u>
	<u>108,834</u>	<u>248,669</u>	<u>357,503</u>	<u>321,194</u>

Gifts and donations receivable in excess of £3,000, included in the above, are as follows.

	2016 £	2015 £
The Barbara Ward Children's Foundation	5,000	-
The Baron Davenport's Charity	5,000	-
The Blakemore Foundation	-	10,000
The Connie and Albert Taylor Charitable Trust	20,000	130,000
The Douglas Turner Trust	-	5,000
The Eveson Charitable Trust	18,000	15,000
The G J W Turner Trust	3,000	3,000
The Garfield Weston Foundation	15,000	10,000
The George Perkins Charitable Trust	5,000	-
The Grantham Yorke Trust	-	5,000
The Harborne Parish Lands Charity	8,983	4,944
The Kleinwort Benson Charitable Trust (CHK Charities Ltd)	5,000	-
The Loppylugs and Barbara Morrison Charitable Trust	3,400	3,400
The Ric-Sue Society	5,000	5,000
The Roger and Douglas Turner Charitable Trust	5,000	-
The Saintbury Trust	25,000	-
The Steel Charitable Trust	7,500	-
The Summerfield Charitable Trust	3,000	-
St James's Place Foundation	44,587	-
Tim Lee	-	3,555
Trolcharm Ltd PAR Charitable Trust	-	14,727
Other individual voluntary gifts and donations receivable less than £3,000 in value	<u>148,833</u>	<u>110,568</u>
	<u>327,303</u>	<u>320,194</u>

3. FUNDRAISING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Fundraising events	<u>99,169</u>	-	<u>99,169</u>	<u>107,059</u>

THE FOUNDATION FOR CONDUCTIVE EDUCATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2016

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Deposit account interest	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Children's services £	Adult services £	Training services £	2016 Total activities £	2015 Total activities £
Children's fees	125,460	-	-	125,460	122,824
Grants	2,051	196,603	-	198,654	218,368
Other income	3,845	3,845	3,843	11,533	13,966
Rehabilitation fees	-	124,274	-	124,274	143,786
Training & Consultancy fees	<u>-</u>	<u>-</u>	<u>162,464</u>	<u>162,464</u>	<u>161,285</u>
	<u>131,356</u>	<u>324,722</u>	<u>166,307</u>	<u>622,385</u>	
	<u>127,479</u>	<u>366,809</u>	<u>165,941</u>		<u>660,229</u>

Grants received, included in the above, are as follows.

	Unrestricted funds £	Restricted funds £	2016 £	2015 £
Big Lottery Fund - Adult services	-	40,332	40,332	40,040
Birmingham City Council - Adult services	156,271	-	156,271	178,328
British Council - Children's Services fund	<u>-</u>	<u>2,051</u>	<u>2,051</u>	<u>-</u>
	<u>156,271</u>	<u>42,383</u>	<u>198,654</u>	<u>218,368</u>

THE FOUNDATION FOR CONDUCTIVE EDUCATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2016

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds	Restricted funds	2016 Total funds	2015 Total funds
	£	£	£	£
Staff costs	103,853	-	103,853	89,570
Insurance	1,787	-	1,787	1,685
Electricity, gas and water	3,586	-	3,586	3,222
Telephone	882	-	882	1,029
Postage and stationery	628	-	628	804
Sundry expenses	14,178	-	14,178	16,840
Depreciation	5,535	-	5,535	5,931
	<u>130,449</u>	<u>-</u>	<u>130,449</u>	<u>119,081</u>

Fundraising activities

	Unrestricted funds	Restricted funds	2016 Total funds	2015 Total funds
	£	£	£	£
Fundraising event expenses	<u>37,337</u>	<u>-</u>	<u>37,337</u>	<u>40,334</u>
Total	<u>167,786</u>	<u>-</u>	<u>167,786</u>	<u>159,415</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8)	Support costs (See note 9)	Totals
	£	£	£
Children's services	268,295	105,255	373,550
Adult services	234,745	105,254	339,999
Training services	<u>138,352</u>	<u>53,105</u>	<u>191,457</u>
	<u>641,392</u>	<u>263,614</u>	<u>905,006</u>

THE FOUNDATION FOR CONDUCTIVE EDUCATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2016

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Children's services	Adult services	Training Services	2016 Total Activities	2015 Total Activities
	£	£	£	£	£
Staff costs	252,823	222,875	129,770	605,468	585,309
Travel expenses	323	595	3,183	4,101	4,327
Accommodation and catering	1,706	6,250	32	7,988	8,528
Staff training	1,260	-	4,380	5,640	8,484
Recruitment	304	-	-	304	506
Advertising	10,050	5,025	-	15,075	-
Sundry expenses	1,829	-	987	2,816	6,776
	<u>268,295</u>	<u>234,745</u>	<u>138,352</u>	<u>641,392</u>	<u>613,930</u>

9. SUPPORT COSTS

	Support costs	Governance costs	Totals
	£	£	£
Children's services	96,057	9,198	105,255
Adult services	96,057	9,197	105,254
Training services	<u>43,908</u>	<u>9,197</u>	<u>53,105</u>
	<u>236,022</u>	<u>27,592</u>	<u>263,614</u>

Support costs, included in the above, are as follows:

Support costs

	2016 Total Activities	2015 Total Activities
	£	£
Staff costs	45,678	43,260
Postage and stationary	4,501	5,760
Insurance	12,799	12,074
Electricity, gas and water	25,694	23,089
Telephone	6,322	7,372
Professional fees	4,231	2,280
Sundry expenses	4,474	12,794
Maintenance costs	19,647	25,972
Equipment rental charges	25,834	14,172
Motor and travel expenses	2,263	3,005
Staff training	454	388
Recruitment charges	40	5,354
IT support and maintenance	8,192	18,138
Bank and loan interest and charges	29,132	32,404
Payroll and other charges	5,707	4,132
Hire purchase interest charges	1,381	2,069
Depreciation of tangible fixed assets	39,673	42,479
	<u>236,022</u>	<u>254,742</u>

THE FOUNDATION FOR CONDUCTIVE EDUCATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2016

9. SUPPORT COSTS - continued

Governance costs

	2016 Total activities £	2015 Total activities £
Staff costs	14,760	13,921
Auditors' remuneration	8,431	14,886
Sundry expenses	1,142	2,285
Property costs	2,101	960
Professional fees	231	686
Depreciation of tangible fixed assets	<u>927</u>	<u>988</u>
	<u>27,592</u>	<u>33,726</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016 £	2015 £
Auditors' remuneration	8,431	14,886
Depreciation - owned assets	39,455	42,718
Depreciation - assets on hire purchase contracts and finance leases	<u>6,680</u>	<u>6,680</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2016 nor for the year ended 31 July 2015.

TRUSTEES' EXPENSES

During the year ended 31 July 2016 trustees' expenses totalling £294 (2015 - £373) was reimbursed by the Foundation.

THE FOUNDATION FOR CONDUCTIVE EDUCATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2016

12. STAFF COSTS

	2016 £	2015 £
Wages and salaries	654,591	635,596
Social security costs	52,425	49,565
Other pension costs	<u>62,743</u>	<u>46,899</u>
	<u>769,759</u>	<u>732,060</u>

The average monthly number of employees during the year was as follows:

	2016	2015
Conductors	20	20
Other staff	<u>13</u>	<u>11</u>
	<u>33</u>	<u>31</u>

No employees received emoluments in excess of £60,000.

13. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles, computers and fixtures and fittings £	Totals £
COST			
At 1 August 2015 and 31 July 2016	<u>1,400,000</u>	<u>86,587</u>	<u>1,486,587</u>
DEPRECIATION			
At 1 August 2015	30,752	49,569	80,321
Charge for year	<u>30,752</u>	<u>15,383</u>	<u>46,135</u>
At 31 July 2016	<u>61,504</u>	<u>64,952</u>	<u>126,456</u>
NET BOOK VALUE			
At 31 July 2016	<u>1,338,496</u>	<u>21,635</u>	<u>1,360,131</u>
At 31 July 2015	<u>1,369,248</u>	<u>37,018</u>	<u>1,406,266</u>

Included within computers are assets with a net book value of £nil (2015: £18,371) held under finance leases. The depreciation charged on these assets was £6,680 (2015: £6,680).

On 22 May 2014 Lambert Smith Hampton, chartered surveyors, revalued the Foundation's freehold land and buildings at an amount of £1,400,000 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 2016.

Included in cost or valuation of land and buildings is freehold land of £190,000 (2015 - £190,000).

THE FOUNDATION FOR CONDUCTIVE EDUCATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2016

13. TANGIBLE FIXED ASSETS - continued

If the Foundation's freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows.

	2016	2015
	£	£
Cost	2,666,581	2,666,581
Accumulated depreciation	<u>(949,383)</u>	<u>(896,051)</u>
	<u>1,717,198</u>	<u>1,770,530</u>

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 August 2015 and 31 July 2016	<u>1</u>
NET BOOK VALUE	
At 31 July 2016	<u>1</u>
At 31 July 2015	<u>1</u>

There were no investment assets outside the UK.

The Foundation's investments consist of a 50% holding of the ordinary £1 shares of Peto (UK) Limited, a dormant company registered in England and Wales (company registered number 02582147), whose net assets totalled £2 as at 31 July 2016.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Fees and grants due	47,162	69,881
Prepayments	<u>3,750</u>	<u>2,990</u>
	<u>50,912</u>	<u>72,871</u>

THE FOUNDATION FOR CONDUCTIVE EDUCATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2016

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts	131,436	145,164
Amounts payable under finance leases	-	6,646
Trade creditors	594	9,041
Amounts owed to group undertakings	1	1
Social security and other taxes	12,010	14,260
Other creditors	9,977	5,212
Deferred income	102,830	112,209
Accrued expenses	20,167	27,358
	<u>277,015</u>	<u>319,891</u>

Deferred income

A summary of movements in deferred income during the year is as follows.

	2016	2015
	£	£
Beginning of year	112,209	127,344
Received during year	102,830	112,209
Released during year	<u>(112,209)</u>	<u>(127,344)</u>
End of year	<u>102,830</u>	<u>112,209</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Bank loans - 1-2 years	34,334	32,308
Bank loans - 2-5 years	116,491	110,244
Bank loans more than 5 years by instalments	<u>259,682</u>	<u>300,838</u>
	<u>410,507</u>	<u>443,390</u>

THE FOUNDATION FOR CONDUCTIVE EDUCATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2016

18. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2016	2015
	£	£
Expiring:		
Between one and five years	<u>27,184</u>	<u>33,019</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank overdraft	99,126	111,525
Bank loans	442,817	477,029
Hire purchase contracts	<u>-</u>	<u>6,646</u>
	<u>541,943</u>	<u>595,200</u>

The Foundation's bank overdraft and bank loans are secured by a first legal charge over part of the Foundation's freehold property.

The Foundation's bank loans are repayable by monthly instalments over 15 years at fixed interest rates of between 5.73% and 7.28%.

THE FOUNDATION FOR CONDUCTIVE EDUCATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2016

20. MOVEMENT IN FUNDS

	At 1.8.15 £	Net movement in funds £	Transfer between funds £	At 31.7.16 £
Unrestricted funds				
General fund	451,881	15,231	232,641	699,753
Restricted funds				
Children's Services fund	8,497	2,051	-	10,548
Rehabilitation fund	24,111	(3,402)	-	20,709
Fixtures, Fittings and Equipment fund	5,194	(1,271)	-	3,923
Freehold Property fund	<u>238,984</u>	<u>(6,343)</u>	<u>(232,641)</u>	<u>-</u>
	<u>276,786</u>	<u>(8,965)</u>	<u>(232,641)</u>	<u>35,180</u>
TOTAL FUNDS	<u>728,667</u>	<u>6,266</u>	<u>-</u>	<u>734,933</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	788,006	(772,775)	15,231
Restricted funds			
Children's Services fund	143,522	(141,471)	2,051
Rehabilitation fund	147,130	(150,532)	(3,402)
Fixtures, Fittings and Equipment fund	400	(1,671)	(1,271)
Freehold Property fund	-	(6,343)	(6,343)
	<u>291,052</u>	<u>(300,017)</u>	<u>(8,965)</u>
TOTAL FUNDS	<u>1,079,058</u>	<u>(1,072,792)</u>	<u>6,266</u>

Transfer between funds

In July 2016 the legal charge on the Cannon Hill House property owned by the Charity was released by The National Lottery Charities Board. The corresponding restricted grant has therefore been transferred to unrestricted funds in the year.

THE FOUNDATION FOR CONDUCTIVE EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2016**

20. MOVEMENT IN FUNDS - continued

Purpose of Unrestricted Funds

General fund

This fund represent the free funds of the Foundation that are not designated for particular purposes.

Purpose of Restricted Funds

Children's Services fund

This fund represents primary funding received by the Foundation for the provision of pre-school and child services and also bursaries.

Rehabilitation fund

This fund represents funds used by the Foundation for the provision of free and subsidised services used by adults.

Fixtures, fittings and equipment fund

This fund represents funding received by the Foundation to enable the Foundation to purchase equipment which is used across all of the services provided by the Foundation.

Freehold Property fund

This fund represents funding received by the Foundation by way of grants which has been used towards the refurbishment of Cannon Hill House.

21. RELATED PARTY DISCLOSURES

Tangible gifts and donations

The Keith Coombs Trust

During the year ended 31 July 2016 the Foundation received income totalling £2,900 (2015 - £nil) from the Keith Coombs Trust, a registered charity, in which Anthony Coombs and Graham Coombs, trustees of the Foundation, also serves as a trustee.

22. MEMBERS' GUARANTEE

The Foundation is a company limited by guarantee and, as such, does not have share capital.

The Foundation had 116 members as at 31 July 2016 (2015 - 106) all of whom have given an undertaking to contribute up to £1 each if called upon to do so.