

Charity number: 1051947
Registered number: 03143819

SCOTTS PROJECT TRUST

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2017**

SCOTTS PROJECT TRUST

(A company limited by guarantee)

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LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2017

Trustees	Mr Tom Hoppe, Chairman Mrs Jill Scott (President) Mrs Caroline Becher Mrs Susan Bourne Mr Derek McMenamin Mr Ian Storey Mrs Sara Tozzi Mr Nicholas Ward
Company registered number	03143819
Charity registered number	1051947
Registered office	Scotts Office Delarue Close Tonbridge Kent TN11 9NN
Company secretary	Mr Nicholas Ward
Website/email address	www.scottsproject.org.uk / info@scottsprojecttrust.org.uk
Independent auditors	Lindeyer Francis Ferguson Limited Chartered Accountants Statutory Auditors North House 198 High Street Tonbridge Kent TN9 1BE
Bankers	HSBC Bank Plc 69 High Street Sevenoaks Kent TN13 1LB
Solicitors	Warners Law LLP Bank House Tonbridge Kent TN9 1BL

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LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017

Senior management team

Mr Mark Allen – Chief Executive Officer (appointed 9 September 2016)

Mrs Elaine Bayley - Registered Manager (Supported Living Service)

Mrs Claire Davies - Manager (Development Centre)

Mrs Linda Robertson – Manager (St Peter’s Row) from 1 January 2016 on an interim basis; approved by the Care Quality Commission as Registered Manager on 9 June 2016 (resigned 17 February 2017)

Mr Graham Funnell – Manager (St Peter’s Row) from 20 February 2017; approval by the Care Quality Commission as Registered Manager awaited

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of Scotts Project Trust (the Trust) for the year ended 31 March 2017. The trustees confirm that the annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and 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 applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2015) (Charities SORP (FRS 102)). The legal and administrative information on pages 1 and 2 of this document form part of this report.

Objectives and Activities

Our vision is that people with a learning disability should gain the confidence and independence to lead fulfilled, happy lives.

The needs of adults with a learning disability drive everything we do. **Our mission** is to provide an excellent, supportive service and a nurturing environment so the people who use our service can get the most from life.

'I love living with my friends.' Oaks & Willows resident

Our values reflect our vision and mission, shaping every aspect of our work:

Care: people who live in one of our houses or use day services at Scotts should enjoy homelike surroundings, be supported in a way that meets their individual needs and develop mutually enjoyable relationships.

Support: each person should be valued as an individual and can expect their mental, physical and emotional needs to be understood and supported in a way that recognises the person rather than their physical or intellectual limitations.

Develop: we support people with a learning disability to choose how to live their own lives, as independently as they can, and to play a full part in the wider community.

'I feel safe and loved here.' St Peter's Row resident

Services and Activities

We run three closely linked services:

St Peter's Row is home to fifteen adults. Although it is registered and managed as a single residential care home, it comprises a terrace of three houses which are distinct households, each with its own character and a daily routine planned by residents and staff. The houses have their own kitchens and sitting rooms and every resident has their own bedroom, which is their private space. The attractive shared patio and garden is used by everyone. Residents are actively involved in telling staff about their needs and wishes, and the staff team tailor their support accordingly.

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Many people choose to get involved in sessions at the Development Centre, or activities provided by other organisations, and staff provide support for trips to special events like concerts and pantomimes as well as summer holidays. We encourage people to live as independently as they can, and some residents choose to move on to our supported living service.

'One can't help but be taken in by the warmth and homeliness of Scotts. It really is a special place for those who it serves.' Housemaster, Tonbridge School

The Supported Living Service is based in two adjacent detached houses, Oaks and Willows, near the main Scotts site. Four people share each house and there is also a studio flat. This service is a very effective step towards living independently, and staff support each person to meet the goals they set for themselves. For example, someone might want to do their own shopping and cooking, volunteer or go to college, or get involved in social activities. As at St Peter's Row, each tenant has their own bedroom, and each household shares a kitchen, a sitting room, and a garden. Several tenants take part in classes and sessions at the Development Centre, and one of our tenants catches the bus to attend a course at the local college. Oaks and Willows are a short bus journey away from the centre of Tonbridge, so tenants can easily get to the local leisure centre, for example, or meet friends in town.

'Good things happen here.' Local Authority Care Team

Our on-site **Development Centre** is a hub for learning and socialising. Some 70 people attend a total of around 300 sessions each week, learning how to do everything from managing their laundry to safely accessing the internet; skills which help them to live as independently as possible. Classes run each weekday between 9:45am and 4pm with gardening, cookery and journalism among the most popular. We aim to provide an excellent, personalised service. The focus is on gaining confidence as well as essential life skills, and our lively drama and dance classes are a distinctive part of what makes Scotts so special

Sometimes all people need is a bit of support and encouragement to try something new, and this is where our skilled and understanding staff team make an enormous difference. People with a learning disability can easily become socially isolated, so activities like sports, games and singing at lunchtime offer an important chance to enjoy existing friendships and form new ones. Our café is open to the public every Wednesday morning, helping students to gain valuable work experience in a safe environment.

'I've learned a lot and it's loads of fun.' Development Centre student

Providing Public Benefit

The Trust's services are open to adults with a learning disability, and we cater for people with a wide range of needs. The Trust's founder, Jill Scott, developed the services to have a Christian ethos, which they retain; however, we are an inclusive charity and we provide our services irrespective of race, gender, sexual orientation, religion or belief.

The trustees decide on objectives and activities that benefit people who live in the Trust's houses and attend its Development Centre, in accordance with the Charity Commission's guidance on public benefit. The Delarue Hall and the Barn are offered for hire to the local community, and are popular venues for clubs and societies as well as one-off events.

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Staff

Once again, the trustees would like to thank all our staff for their dedication and the difference they make to everyone who uses the Trust's services. Our high-quality service is made possible by their hard work and commitment. The Trust regularly reviews the training and development needs of staff beyond statutory and regulatory requirements.

Volunteers

Scotts is fortunate to benefit from the support of many regular volunteers, and the trustees are grateful for the time and energy they offer. In the Development Centre, volunteers support clubs and activities, teaching sessions and special events, as well as administration. In addition, pupils from Tonbridge Grammar School and Tonbridge School continue to provide invaluable help to our students.

'I've gained a lot of confidence volunteering at Scotts and feel very rewarded for helping out.' Local School Volunteer

Fundraising

Fundraising for Refurbishment & Maintenance

Funding from local authority fees cover the cost to provide a basic service, but to maintain and improve our facilities we need to raise funds continually. Fundraising provides our residents and students with an environment in which they can enjoy life, facilities that offer the privacy and dignity they deserve, and the opportunity to look forward to a brighter future.

Keeping our buildings, grounds and essential equipment in good condition is a costly business. Our budget for this is approximately £50,000 every year, for which funds are raised largely in our local community.

Key projects in 2016/7 included the replacement of paths and a patio so all our residents can safely use the outdoor area, the refurbishment of much-used kitchens and bathrooms in St Peter's Row and a major overhaul of bathroom facilities at Oaks and Willows.

The depth and breadth of community fundraising is continually evolving, and we would like to highlight some of the exceptionally generous efforts in 2016/7 for which we are so grateful.

A number of local companies nominated us as a chosen charity, each raising in excess of £3,000, including Clairglow who organised a golf day, Santander and Morrisons. In addition, our staff and students enjoy regular visits to the Fidelity offices to sell cards and crafts made in our art sessions at the Development Centre. Fidelity kindly match the value of sales. At Christmas, Fidelity also gave each of our residents a gift to the value of £50.



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A variety of charitable trusts each donated at least £1,000 to our refurbishment and maintenance programme, including ACT Foundation, Albert Hunt Trust, Anton Jurgens Charitable Trust, Charlotte Marshall Charitable Trust, Clemence Charitable Trust, Forbes Charitable Foundation, Kent Community Foundation, Lynn Foundation, Raymond & Blanche Lawson, Screwfix Foundation, Sophie Jane Tyler Trust and The 29th May 1961 Charitable Trust.

Scotts is also extremely grateful for the relationships we have with other local organisations, including Knole Park Golf Club Ladies who raised over £7,000, Tonbridge School Parents' Arts Society who held a photography exhibition, generating proceeds of £4,600, and Tonbridge Philharmonic Society who raised £1,600 from their Christmas Carol Service.



Photography exhibition



Tonbridge Philharmonic Society cheque presentation

Finally, Scotts Family Circle is for the residents, students, families and representatives to provide mutual support and share expertise and experiences. Fundraising is not a primary objective of this networking group, but they did a great job in organising our annual fete and raised £1,800.

Although we have highlighted the larger institutional donations, we are equally grateful for the many, many individual and anonymous contributions. Some of these were raised from a range of sources as diverse as church collections, memorial services, coffee mornings, bicycle rides, marathons and walks.

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FOR THE YEAR ENDED 31 MARCH 2017

Fundraising for Major Projects

Development Centre Appeal

In addition to wishing to maintain our property to a high standard, we wish to realise our vision and strategy by implementing transformational initiatives that require substantial financial investment.

Our current initiative is the £750,000 Development Centre Appeal. More details are shared in the section on our plans for future periods below. Thanks to some exceptionally generous donations including £75,000 over the coming three years from The Forbes Charitable Trust Foundation, we have already collected £350,000. Funding the remainder will be a huge challenge, but we will be working hard over the next three years to achieve our goal.

Our Friends of Scotts group organised a Ball and Art Exhibition to launch our appeal, which was held at Tonbridge School in June 2016. The Art Exhibition featured the artwork from our own residents and students. We are most grateful to the Headmaster and his Events Team for their help in hosting the whole event, which was a great success and raised £50,000.



'It was so fabulous to see my fabulous art work on display at the art show. I am so happy to come to see my fellow art friends. My painting of my favourite tropical bird, The Parrot, made my tummy fill with butterflies. It is the most fabulous and magical time of my life, I am so happy at Scotts. I love you all!' Development Centre student

Achievements and Performance in 2016-17

In last year's annual report we highlighted our main objectives for the 2016-17 financial year and we are pleased to report our progress against them:

Appointment of a CEO

Early in 2016, the trustees decided that it was the right time to appoint our first Chief Executive Officer. The position was advertised both externally and internally and resulted in a substantial number of applications. Following an extensive process, the Trustees were delighted to appoint Mark Allen. Mark joined in September 2016, having held senior management roles in leading global financial institutions.

Consolidating our service

Last year, the management team had developed plans to ensure we made the most of every opportunity to support the people who use our services, and these plans have been updated for the forthcoming year as noted below.

Major Projects

Following the development of our Strategic Plan last year, we conducted a review of major projects and concluded that our priority will be the upgrading and expansion of the Development Centre to meet a pressing need for high-quality day provision in the Tonbridge area, including for people with a higher level of both physical and learning disabilities. Our current major capital fundraising appeal is for £750,000 to support this project.

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IT Review

We commenced a review into the use of technology across the Trust with the aim of including the use of applications by both staff and the users of our services. This work is ongoing and is highlighted below.

Celebrating the Talents of People with a Learning Disability

Our residents and students contributed a number of works to our highly successful Art Exhibition at Tonbridge School in June 2016.

Supporting and Developing our Staff

We have invested in recruiting, training and developing both staff and volunteers to meet the objectives of our strategic plan. A training programme has been rolled-out across the Scotts services, along with a new grading, remuneration and appraisal system designed to support our staff.

Plans for Future Periods

Strategic Plan

The Strategic Plan (2015/2020) has been reviewed by the trustees, and our managers have developed annual plans for our three services. We will continue to consolidate existing services, while seeking to achieve our vision by expanding our work to meet the needs of people with a learning disability.

Major project - Development Centre

Our major project for the next three years will be focused on the Scotts Development Centre. This facility provides fun, fulfilment, confidence and the development of life skills, to 70 people who are involved in 300 sessions per week.

An enhanced and expanded Development Centre is needed to meet a growing demand for day services for people with a learning disability. Our students demonstrate tremendous skill and talent, particularly in art and drama, and our events programme is beginning to highlight this to a wider audience, challenging ideas of what people with a learning disability can aspire to. Most importantly, we have seen our students grow in self-belief and we want to offer this opportunity to more people. The combination of enhanced facilities, a highly personalised service, an emphasis on the wellbeing and development of the individual, the confidence-building qualities of performing arts and the beautiful setting will continue to make Scotts a very attractive option to our current and potential students, their Care Managers and other professionals.

We have worked with professional advisers to devise a phased improvement and expansion plan, which will enable us to carry out works in line with the success of our fundraising efforts. This will also enable us to increase student numbers and the range of classes gradually under our associated marketing plan, while minimising the impact of the works on our day-to-day activities.

The early phases of the project will expand our session capacity and range within our existing buildings, while opening sessions to those with a broader range of learning disabilities, some of whom may also have physical disabilities or sensory impairment. This will involve improving our ground floor space and access, expanding our facilities for physically disabled people, and enhancing our ability to support certain more challenging behaviours. Examples include a major enhancement to our disabled WC facilities to include a changing and wet room and creating a dedicated quiet room fitted with sensory equipment.

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The later phases will include refurbishing and extending other parts of the building to include a lift to newly extended and refurbished first floor teaching, training and staff space.

We also plan to upgrade our main Hall and its ancillary facilities, including more up-to-date audio-visual equipment for use in our drama and music sessions, and for our public performances. We expect that our plans will make our facilities more attractive for hire to the local community, helping to improve our financial sustainability.

In the Barn, which also forms part of the Development Centre and currently houses a small, domestic style kitchen and our Community Coffee shop, we will extend and improve the space to provide a large, disability friendly teaching kitchen for cookery classes, and provide for an enlarged Art Room on the first floor.

The trustees have resolved to spend up to £200,000 of the Trust's reserves restricted for capital projects to supplement the fundraising appeal for the Development Centre refurbishment and expansion project. These funds will be used, to the extent necessary or desirable in the light of our fundraising efforts, to commence or complete the works comprising any particular phase or phases of the project or to maintain its momentum.

Refurbishment projects

IT Review

We continually review the use of technology across the Trust and maintain an IT strategy which will aim to include the use of applications by both staff and the users of our services, providing scope for more efficient working practices, whilst also ensuring that people who use our service have access to technologies that can open up the digital world to them. We expect that this approach will become a further distinguishing feature of what Scotts has to offer. For example, a new website and blog were launched in March 2017, and we expect to use social media more fully in the future.

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Structure, governance and management

Constitution

The Trust was incorporated in January 1996 as a company limited by guarantee. The Trust changed its name from Scotts Project Limited to Scotts Project Trust as from April 2001. The principal office of the Trust is Scotts Office, Delarue Close, Tonbridge, Kent TN11 9NN.

The governing document of the Trust is its Memorandum and Articles of Association. In accordance with good practice, a review of the Trust's governance was initiated in January 2017 to include all aspects of the constitution, Trustee Board, committee structure and delegation.

The Trustees

New trustees are appointed based on a personal recommendation, usually from one of the existing trustees, and in agreement by the trustees collectively. Induction and training of new trustees is undertaken in discussions with existing trustees and managers, and by attending trustee and committee meetings.

The trustees, all of whom are unpaid volunteers, are elected for a period of three years. Mr Alasdair Paterson resigned on 15 July 2016.

Organisational structure and decision making

Trustee meetings are held every two months or more often if required, at which decisions are taken regarding matters of policy and major capital expenditure, as well as reviewing financial and management accounts and budget plans, and the minutes of all committee meetings.

The Chief Executive and Senior Management meet every month to oversee the day-to-day running of the Trust, including the management of the residential care home, supported living service and Development Centre. Compliance with the requirements of the Care Quality Commission (CQC) and relevant local authorities is regularly reviewed.

A number of committees oversee key functions. At least one Trustee and one Senior Manager sit on each committee. Where possible and appropriate, our residents and students are also represented.

The **Finance and General Purposes Committee** meets monthly or as required and is responsible for overseeing the financial management and administration of all the Trust's activities. F&GP takes responsibility for the maintenance and management of the Trust's property and assets, budgeting, performance and risk reporting. F&GP is also responsible for remuneration policy and sets the pay and remuneration of key management personnel in accordance with the Trust's matrix of job grades and the salary ranges for these grades. These salary ranges are set by reference to local pay rates for comparable jobs in the local labour market, and the salary structure is regularly reviewed and updated as necessary.

The **Health and Safety Committee** meets at least four times a year to co-ordinate the Trust's Health and Safety policies, procedures and practices in compliance with current legislation. Accidents and incidents are reviewed together with any required actions.

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The **Policy Committee** meets at least four times a year and is responsible for overseeing that the Trust has in place appropriate policies, procedures and practices in compliance with current legislation and guidance. In addition, the committee monitors staff training requirements and reviews the records of statutory and non-statutory staff training.

Quality assurance

The trustees strive to ensure that a high standard of service is achieved and maintained in all areas of the Trust's work. The trustees ensure that the Trust satisfies all current legislative and regulatory requirements, including the specific requirements of the CQC.

Each service has a designated trustee who has oversight responsibility for that particular service and can provide mentoring to the senior manager.

An experienced consultant undertakes independent audits of the Trust's standards of care and compliance with regulatory requirements; in addition, the consultant provides support for managers who wish to discuss aspects of their service provision. The audits include talking to the people who use our services and checking records; there is an opportunity to meet staff and the registered managers.

An HR and training consultant provides advice and training on matters relating to staff and ensures all personnel have the required training to carry out their roles. A health and safety consultant has been engaged by the Trust to provide guidance on matters of health and safety and risk assessment.

Financial review

The results of the year are as follows:

	2017	2016
	£	£
Operating deficit	(8,898)	(22,821)
Net income from donations and events:		
Unrestricted	62,334	6,307
Restricted	<u>144,914</u>	<u>46,049</u>
Net Income	<u>198,350</u>	<u>29,535</u>

The Trust's main source of income is the fees from local authorities for its residential and day services. These fees enable the Trust to realise its charitable objectives. These fees increased by 7.1% to £1.31 million.

Donations were higher in 2016/17 than the prior year as the Development Centre Appeal was launched in June 2016. Budgeted donations and fundraising costs for the financial year were £50,000 and £37,000 respectively. Donations were budgeted to be applied to property refurbishment projects across our three services. In the event, donations for the year exceeded budget at £156,504 (including £2,862 in aggregate from the trustees) largely as a result of the Development Centre Appeal. Income from events added a further £54,118, while expenditure on raising funds was below budget at £35,374.

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Risk management

The trustees regularly review the major operational, financial and governance risks to which the Trust is exposed. Guidance is taken from relevant committees and consultants to ensure systems and procedures are in place to mitigate those risks and determine whether any further steps should be taken to manage those risks more effectively.

The trustees consider that the principal risks which the Trust faces are:

- The risk that fees from local authorities for the Trust's services fail to cover the costs of providing those services due to continued funding shortfalls. The trustees seek to mitigate this risk by maintaining contact with the relevant councils to negotiate adequate payment for services provided, by consulting with the Councils so that the Trust is fully aware of each Council's evolving views on the services they require and by providing Councils with sufficient information on the Trust's costs, to support the case for funding.
- The risk that lengthy void periods will impact materially the financial position of the Trust.
- The risk that the proposed building project to improve the Development Centre's facilities becomes a financial burden on the Trust, because of a failure of fund raising, a failure to complete the building works on budget and on time, or a failure significantly to increase the numbers of service users attending the enhanced facilities and the resultant income.

The trustees are seeking to manage this risk by phasing the building works and carrying them out as severable projects which can be executed in line with the success of the related fundraising, by seeking competitive tenders and by appointing a professional firm to manage the overall project. In addition, the Trust has budgeted for and will continue to raise the profile of our day services at the Development Centre in the surrounding area, including among students with learning difficulties leaving local schools.

- The risk that the Trust is unable to meet its financial sustainability targets. Trustees manage this risk by setting detailed departmental budgets, and monitoring results through management reporting. It is intended that a review of the Trust's use of IT will result in improvements to processes which will help to manage this risk.

Reserves

The Trusts policy on reserves is to hold reserves from time to time of at least three months' operating expenditure (as a buffer against the risk of a major unexpected fall in income and/or unexpected increase in expenditure) plus additional reserves of up to approximately twice that amount to be held for future capital expenditure and to cover any annual shortfalls in operational funding.

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	<u>2017</u> £	<u>2016</u> £
The Trust held the following reserves at 31 March 2017	3,389,031	3,190,681
Of which, represented by tangible fixed assets held for the purposes of the Trust's charitable objects	(2,157,359)	(2,193,875)
restricted reserves held for specific purposes	(398,345)	(313,778)
Unrestricted free reserves,	<u>833,327</u>	<u>683,028</u>
comprising funds held by the trustees for expenditure on major building works to improve the Development Centre's facilities and increase accommodation for the Supported Living Service	496,206	361,689
reserves held to protect the Trust in the event of an unexpected fall in income and/or unexpected expenditure	337,121	321,339

Land and buildings

The trustees are of the opinion that the land and buildings included in the balance sheet at £2,028,818 are worth not less than that figure but a more precise value cannot be determined without a professional valuation.

Statement of trustees' responsibilities

The trustees (who are also directors of the Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. 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 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 these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgments and accounting 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 operation.

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

Disclosure of information to auditor

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

- so far as the trustees are aware, there is no relevant audit information of which the Trust's auditors are unaware, and
- the trustees have taken all reasonable steps that ought to have been taken as trustees in order to be aware of any information needed by the Trust's auditors in connection with preparing their report and to establish that the Trust's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on 21 July 2017 and signed on their behalf by:

T. Hoppe
Chairman of trustees

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTTS PROJECT TRUST

We have audited the financial statements of Scotts Project Trust for the year ended 31 March 2017 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement set out on pages 13 and 14, 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTTS PROJECT TRUST

Opinion on other matter 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 and has been prepared in accordance with applicable legal requirements.

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the trustees' report.

Jonathan Healey BA FCA (Senior statutory auditor)
for and on behalf of

Lindeyer Francis Ferguson Limited

Chartered Accountants
Statutory Auditors
North House
198 High Street
Tonbridge
Kent TN9 1BE

Date: 24 July 2017

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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:					
Donations	3	114,914	41,590	156,504	65,070
Charitable activities	2	-	1,307,067	1,307,067	1,219,966
Other trading activities					
Events		-	54,118	54,118	9,315
Delarue Hall hire		-	18,113	18,113	15,986
Investments		-	3,706	3,706	4,554
Total		114,914	1,424,594	1,539,508	1,314,891
Expenditure on:					
Raising funds	4	2,000	33,374	35,374	25,884
Charitable activities	4	-	1,305,784	1,305,784	1,259,472
Total		2,000	1,339,158	1,341,158	1,285,356
Net income	8	112,914	85,436	198,350	29,535
Transfers between funds	12	(28,347)	28,347	-	-
Net movement in funds		84,567	113,783	198,350	29,535
Reconciliation of funds:					
Total funds brought forward		313,778	2,876,903	3,190,681	3,161,146
Total funds carried forward	12	398,345	2,990,686	3,389,031	3,190,681

SCOTTS PROJECT TRUST
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 MARCH 2017

	Notes	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	9		2,157,359		2,193,875
Current assets					
Debtors	10	166,015		100,684	
Cash at bank and in hand		1,243,619		980,385	
		<u>1,409,634</u>		<u>1,081,069</u>	
Liabilities					
Creditors: amounts falling due within one year	11	(177,962)		(84,263)	
Net current assets			1,231,672		996,806
Net assets			<u>3,389,031</u>		<u>3,190,681</u>
The funds of the charity					
Restricted funds	12		398,345		313,778
Unrestricted funds	12		2,990,686		2,876,903
			<u>3,389,031</u>		<u>3,190,681</u>

Approved by the board of trustees on 21 July 2017 and signed on its behalf by:

T Hoppe
Chairman

N Ward
Trustee

Company registration number: 03143819

SCOTTS PROJECT TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

		2017	2016
		£	£
	Notes		
Cash flows from operating activities:			
Net cash provided by operating activities	A	312,448	162,899
Cash flows from investing activities:			
Purchase of tangible assets		(49,214)	(39,294)
Net cash from investing activities		(49,214)	(39,294)
Change in cash and cash equivalents for the year		263,234	123,605
Cash and cash equivalents at the beginning of the year		980,385	856,780
Cash and cash equivalents at the end of the year		1,243,619	980,385

NOTE TO THE STATEMENT OF CASH FLOWS

A Reconciliation of net income to net cash flow from operating activities

Net income for the year	198,350	29,535
<i>As per statement of financial activities</i>		

Adjustments for:

Depreciation charges	85,730	86,169
Loss on disposal of assets	-	1,448
(Increase)/decrease in debtors	(65,331)	38,977
Increase in creditors	93,699	6,770

Net cash provided by operating activities	312,448	162,899
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SCOTTS PROJECT TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The financial statements have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Scotts Project Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted. The financial statements are presented in Pounds Sterling, and are rounded to the nearest pound.

1.2 Company status

Scotts Project Trust is a charitable company limited by guarantee incorporated in England and Wales. The address of the registered office is Scotts Office, Delarue Close, Tonbridge, Kent TN11 9NN. The members of the company are the trustees named on page 1. The Trust is controlled equally by the trustees. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

1.3 Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations, this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity's control which must be met before the charity is entitled to the funds.

Income from charitable activities is recognised to the extent that the charity has provided the contracted services. Income received in advance of the provision of services is deferred on a time basis until such time as the services have been performed.

SCOTTS PROJECT TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (continued)

Income from trading activities is recognised once the event or hire period has been completed. Income received in advance of the provision of services is deferred on a time basis until such time as the services have been performed.

Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

1.4 Expenditure

Expenditure is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be measured or estimated reliably.

Expenditure is stated gross of irrecoverable VAT and has been classified under headings that aggregate all costs related to the category.

Staff costs have been allocated to expenditure headings on the basis of an estimate of the amount of time spent by staff members in each area.

The charity currently has three activities: the residential home - St. Peter's Row, Supported independent living houses - Oaks and Willows, and the Development Centre. Direct costs are allocated against these activities, and support costs have been apportioned across the activities based on the proportional use of the cost by each activity.

Expenditure on raising funds includes those costs incurred in seeking donations and does not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include governance costs in connection with administration of the company and compliance with constitutional and statutory requirements.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated realisable value of each asset over its expected useful life, as follows:

Freehold property	2% on cost
Land	not depreciated
Motor vehicles	20% on cost
Fixtures & fittings	15% on cost
Computer equipment	33.33% on cost

SCOTTS PROJECT TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (continued)

1.6 Debtors

Fees receivable are recognised at the settlement amount due. Prepayments are recognised at the invoiced cost prepaid.

1.7 Creditors

Creditors are recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably. Creditors are recognised at their settlement value.

1.8 Financial instruments

The charity only has financial instruments of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.9 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Designated funds are unrestricted funds designated by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The aim and use of the restricted funds is set out in the notes to the financial statements.

1.10 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

1.11 Taxation

The charity is exempt from Corporation Tax on its charitable activities.

SCOTTS PROJECT TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2 Income from charitable activities

	2017	2016
	£	£
Residential home fees	809,667	725,995
Allocated to the Development Centre	(79,715)	(81,441)
	<u>729,952</u>	<u>644,554</u>
Supported living fees and rental income	265,797	268,402
Development Centre fees	311,318	307,010
	<u><u>1,307,067</u></u>	<u><u>1,219,966</u></u>

3 Restricted income

Donation income in the previous year includes restricted income of £46,049.

4 Expenditure

<i>Expenditure on raising funds</i>	2017	2016
	£	£
For donations and events	32,673	22,029
Delarue Hall costs	2,701	3,855
	<u>35,374</u>	<u>25,884</u>

The comparative period includes restricted expenditure of £nil.

Expenditure on charitable activities

	<i>Direct</i>	<i>Support</i>	<i>Total</i>	<i>Total</i>
	<i>costs</i>	<i>costs</i>	<i>2017</i>	<i>2016</i>
	2017	2017	2017	2016
	£	£	£	£
Residential home	699,397	74,691	774,088	717,172
Supported living	173,474	55,564	229,038	239,585
Development Centre	214,026	88,631	302,657	302,715
	<u>1,086,898</u>	<u>218,886</u>	<u>1,305,784</u>	<u>1,259,472</u>
	<i>Note 5</i>	<i>Note 6</i>		

Expenditure on charitable activities for restricted funds in the comparative period was £3,461.

SCOTTS PROJECT TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5 Direct costs

	<i>Total</i> 2017 £	<i>Total</i> 2016 £
Wages and salaries (Note 7)	734,143	742,228
National insurance (Note 7)	45,708	47,900
Pension cost (Note 7)	11,770	11,166
Food and household Establishment	28,755	25,210
Other direct costs	105,824	101,825
Loss on disposal of fixed assets	74,968	50,427
Depreciation	-	1,308
	85,730	86,169
	<u>1,086,898</u>	<u>1,066,233</u>

6 Support costs

	<i>Total</i> 2017 £	<i>Total</i> 2016 £
Wages and salaries (Note 7)	147,096	132,969
National insurance (Note 7)	10,157	7,581
Pension cost (Note 7)	1,782	2,336
Other support costs	32,260	26,198
Legal and professional	20,310	14,579
Governance costs:	-	
Auditors' remuneration	6,120	6,968
Administration and secretarial	1,161	2,608
	<u>218,886</u>	<u>193,239</u>

SCOTTS PROJECT TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

7 Staff costs

	<i>2017</i>	<i>2016</i>
	<i>£</i>	<i>£</i>
Wages and salaries	881,239	875,197
Social security costs	55,865	55,481
Pension costs	13,552	13,502
	<u>950,656</u>	<u>944,180</u>

The average monthly number of full-time equivalent employees during the year was as follows:

	<i>2017</i>	<i>2016</i>
	<i>No.</i>	<i>No.</i>
Residential home	20	20
Supported living	4	5
Development Centre	6	6
Finance and administration	1	2
Maintenance	2	2
	<u>33</u>	<u>35</u>

Key management personnel comprise the trustees listed on Page 1 and the senior management team listed on Page 2. The total remuneration of key management personnel was £106,203 (2016: £124,321). No remuneration was paid to the trustees.

No employee received remuneration amounting to more than £60,000 in either year.

8 Net income

	<i>2017</i>	<i>2016</i>
	<i>£</i>	<i>£</i>
This is stated after charging:		
Depreciation of tangible fixed assets	85,730	86,169
Auditors' remuneration	4,500	4,400
Auditors' remuneration - non-audit	1,620	2,568
Pension costs	13,552	13,502
	<u>105,402</u>	<u>106,639</u>

During the year, no trustees received any remuneration (2016: £nil).

During the year, no trustees received any benefits in kind (2016: £nil).

During the year, no trustees were reimbursed for office expenses (2016: £18 to one trustee).

SCOTTS PROJECT TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

9 Tangible fixed assets

	<i>Freehold property</i>	<i>Motor vehicles</i>	<i>Furniture fittings and equipment</i>	<i>Total</i>
	£	£	£	£
Cost or valuation				
At 1 April 2016	2,569,928	62,142	484,924	3,116,994
Additions	19,824	-	29,390	49,214
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2017	2,589,752	62,142	514,314	3,166,208
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2016	521,139	59,905	342,075	923,119
Charge for the year	39,795	1,929	44,006	85,730
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2017	560,934	61,834	386,081	1,008,849
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2017	2,028,818	308	128,233	2,157,359
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2016	2,048,789	2,237	142,849	2,193,875
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Freehold property includes £600,000 in respect of land which is not depreciated.

10 Debtors

	<i>2017</i>	<i>2016</i>
	£	£
Fees receivable	126,159	72,227
Prepayments and accrued income	39,856	28,457
	<hr/>	<hr/>
	166,015	100,684
	<hr/> <hr/>	<hr/> <hr/>

SCOTTS PROJECT TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

11 Creditors: amounts falling due within one year

	2017	2016
	£	£
Accounts payable	91,203	37,248
Other taxation and social security	14,266	13,038
Accruals and deferred income	72,493	33,977
	<u>177,962</u>	<u>84,263</u>

12 Statement of funds

	<i>Brought forward</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers in/out</i>	<i>Carried forward</i>
	£	£	£	£	£
Unrestricted funds:					
Fixed asset designated fund	2,193,875	-	(85,730)	49,214	2,157,359
General funds	683,028	1,424,594	(1,253,428)	(20,867)	833,327
	<u>2,876,903</u>	<u>1,424,594</u>	<u>(1,339,158)</u>	<u>28,347</u>	<u>2,990,686</u>
Restricted funds	313,778	114,914	(2,000)	(28,347)	398,345
	<u>3,190,681</u>	<u>1,539,508</u>	<u>(1,341,158)</u>	<u>-</u>	<u>3,389,031</u>

The carried forward restricted funds of 398,345 (2016: £313,778) include £385,248 (2016: £299,386) which the donors have specified must be used for the Trust's capital expenditure programme.

Transfers from restricted funds include funds expended on capital items.

13 Analysis of net assets between funds

	<i>Restricted funds</i>	<i>Unrestricted funds</i>	<i>Total funds</i>	<i>Total funds</i>
	2017	2017	2017	2016
	£	£	£	£
Tangible fixed assets	-	2,157,359	2,157,359	2,193,875
Current assets	398,345	1,011,289	1,409,634	1,081,069
Creditors due within one year	-	(177,962)	(177,962)	(84,263)
	<u>398,345</u>	<u>2,990,686</u>	<u>3,389,031</u>	<u>3,190,681</u>

Free reserves as noted in the trustees' report comprise unrestricted, undesignated current assets and creditors due within one year.

SCOTTS PROJECT TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14 Pension commitments

The Trust operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension cost charge, representing contributions payable by the Trust to the fund for 2017 were £13,552 (2016: £13,502).

15 Related party transactions

There were no related party transactions other than expenses reimbursed to trustees as noted above.