

CXK Limited
Trustees' Annual Report and Financial Statements
For the Year Ended
31 March 2015

COMPANY REGISTRATION NUMBER 04399340

CHARITY REGISTRATION NUMBER 1120755

CXK Limited

Trustees' Annual Report and Financial Statements Year Ended 31 March 2015

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CXK Limited

Trustees' Annual Report and Financial Statements Year Ended 31 March 2015

The trustees present their report and the financial statements of CXK Limited for the year ended 31 March 2015.

Reference and Administrative Details

Registered Charity Name	CXK Limited
Charity Registration Number	1120755
Company Registration Number	04399340
Principal and Registered Office	The Old Court Tufton Street Ashford, Kent, TN23 1QN

The Trustees

B Clout	Voluntary and Community Sector
R Latham	Youth Board
D Philpott	Independent Chair
R Sands	Independent
C Vaile	Independent
S O'Brien	Independent
C Beare	Independent
D Fedorcio	Independent
L Anning	Independent (appointed 10 June 2014)
J Anderson	Independent (resigned 9 September 2014)
S Griffin	Youth Board
L Hurst	Independent (resigned 1 October 2014)
N Williams	KCFN (resigned 21 May 2014)

Executive Team

S Kearns	Chief Executive
A Furminger	Director of Service Delivery
C Garton	Director of Service Support (appointed 1st February 2015)
S Bell	Director of Business Development (resigned 30 May 2015)
L Hyder	Director of Fundraising (appointed 2nd March 2015 /resigned 18 September 2015)
N Lakeland	Director of Marketing (appointed 7th April 2015)

Company Secretary

V Carpenter	(resigned 10 February 2015)
S Foster	(appointed 1 st August 2015)

Auditor

Beever and Struthers
Chartered Accountants and Statutory Auditor
St George's House, 215-219 Chester Road,
Manchester, M15 4JE

Bankers

Royal Bank of Scotland
62/63 Threadneedle Street
London, EC2 8LA

Solicitors

Blandy and Blandy, Friar Street, Reading, RG1 1DA

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STRATEGIC AIMS AND PERFORMANCE

The overall strategic direction of the Charity is determined by the Board of Trustees which is known as the Board. The Board, through discussion with the Chief Executive and the executive team and in consultation with staff and stakeholders, develops the strategy and reviews the performance of the Charity against its business plan targets over the course of the year.

The strategy is based on the mission, vision and values of the Charity to maximize the potential of children, young people and families, by assisting them to build bridges to success, to learning and to work. The geographical reach of this strategy has increased over the past year into new geographical areas in the south east and to wider audiences to include young and vulnerable adults. The core strategic pillars and objectives include:

Achieving positive outcomes; by increasing the numbers actively engaged in our programmes or engaged in education, employment or training - which has increased their individual health & wellbeing

The customer experience; must be good to encourage continued participation and be inclusive

The impact of the product and service is strong; by training our staff to meet those needs and developing product and service to meet future needs.

The Youth Board is an integral committee of the Charity made up with members with diverse backgrounds and from diverse communities. The Youth Board informs the Board of the interests of young people and ensures that the strategic direction and policy of the Charity is shaped by young people in partnership with adults.

The Charity's strategic aim is to provide a service which makes a positive impact on the local and wider community by embracing and contributing to social change, and preparing young people to become active citizens, with appropriate skills and a high sense of wellbeing.

The Charity has underpinning strategies in relation to Safeguarding, Communications & Marketing, People, Finance, Resources and Governance.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

CXK Limited is a registered charity, and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

At 31 March 2015, the Charity had 17 members which are:

- The individuals who are the trustees
- CXK Youth Board
- Kent County Council ('KCC')
- Young Kent (formerly Kent Council for Voluntary Youth Services)
- Avante (formerly Kent Community Housing Trust)
- Canterbury Christ Church University

The Company was incorporated on 20 March 2002, and became a registered charity on 4 September 2007. The Charity is governed by the rules and regulations set down in its company Memorandum and Articles of Association originally dated 20 March 2002, which were amended by special resolution on 23 January 2007, 16 December 2008, 24 June 2009 and 19 September 2011. In April 2013 CXK merged with KCFN (Kent Children's Fund Network), and incorporated its staff into the CXK Group of companies under the merger.

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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance

The membership is drawn from a variety of stakeholder organisations based on the founder group of trustees from 2002-2007 before the company became a Charity but, a number of independent trustees from the business community and the not for profit sector who can give guidance and advice in the different areas of the business and can help the Charity develop have now also been added to the Board. The Chief Executive is not on the Board.

Recruitment of independent trustees takes place by advertisements in national media and on suitable websites from time to time and, subject to interview by trustees to determine where the best match exists between the skills needed and the applicants, are then put up for approval by the Board. Skills profiles are kept under review by the Independent Chair and Chief Executive. The Charity has an agreed induction pack which is given to new trustees. They also meet with the Chief Executive and relevant members of staff.

The Charity has five committees of the Board - the Human Resources Committee, the Audit Committee, the Development, Fund Raising & Marketing Committee, the Finance and Investment Committee and the Youth Board.

Between them the committees oversee and make recommendations to the Board on all key aspects of the business. The Youth Trustees are included in the process to ensure decisions are reflective of core mission.

The Board are offered development and support on relevant topics and regulation to ensure they remain informed and aware of the challenges and risks facing the Charity. The Chief Executive produces an e-bulletin for staff on latest developments, which is made available to the Trustees in between their meetings where a Chief Executive report is received.

Management

In consultation with the Board the Chief Executive has during 2014-2015 expanded the Executive Team to enhance the management and leadership of the organization, and focus on fundraising, marketing, business development and the quality of service and the impact in achieving positive outcomes.

CHARITABLE OBJECTIVES AND ACTIVITIES

The charitable objectives for which the Charity was established are described in the Charity's governing document, as follows:

To advance in life those who are in need by reason of their youth, age, ill-health, disability, financial hardship or other disadvantage, in particular but not limited to young people, who are situated anywhere within England by developing their skills, education, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals, through the provision of a service which:

- Raises their aspirations, participation and achievement;
- Provides impartial information, advice, guidance and opportunities for their personal development.
- Refers and introduces them to learning and employment opportunities;
- Provides and supports the provision of learning programmes supporting their personal and educational development, and prepares them for life choices and circumstances; and
- Provides those outside learning, or otherwise at risk of underachieving, with the support they need to maximise their potential.

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CHARITABLE OBJECTIVES AND ACTIVITIES (continued)

In pursuance of the broad overall goals of its charitable objectives and its mission, the principal activity of the Charity is to build bridges to success, to learning and to work, in particular but not limited to young people, who are situated anywhere within England, by developing their skills, education, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals.

The Charity is recognized as a leading expert, with an award winning national reputation in providing confidential high quality advice and guidance in schools and colleges, which is delivered by our professionally qualified career guidance practitioners.

The Charity also employs staff in the delivery of:

- the European Social Fund project for supporting young people who are NEET or at risk of becoming NEET in Essex, Southend, Thurrock, Kent and Medway;
- a participation contract for 16-24 year olds in Kent who are at risk of becoming or are NEET;
- a youth service to young people in rural areas of Kent through the Community Activity Team (CATS);
- the National Careers Service as a sub-contractor to Babcock PLC;
- the National Citizen Service as a sub-contractor to The National Youth Agency & the NCS Network;
- the study programme for 16-19 year olds;
- an Emotional Health and Wellbeing service to young people aged 4 -19 in Kent through the Young Healthy Minds programme , Family Action and Step ahead;
- a Princes Trust Team programme in Kent for unemployed 16-24 year olds in partnership with the Princes Trust, Mid-Kent College and East Kent College;
- Talent Match, Big Lottery Fund programme for long term NEET in Kent; and
- Strengthening Families, Strengthening Communities and Incredible Babies, Incredible Toddlers and Incredible Years Parenting programmes in Kent.

RELATIONSHIPS WITH RELATED PARTIES

The Charity works closely with other agencies supporting the Commissioning Strategy's in Kent, Essex, Southend, Thurrock and the South East Local Enterprise Partnership (SELEP). These include Kent County Council and Children's Social Services. It also includes the Skills Funding Agency, Education Funding Agency other local authorities, the Primary Care Trusts and Public Health England. The Charity also has close links with voluntary and community bodies both through sub-contracted services and through more informal partnerships.

The Charity has incorporated the following subsidiary undertakings - CXK Trading Limited, CXK Careers Limited, Kent Children's Fund Network (KCFN) and Connexions Partnership Kent & Medway Limited. CXK Trading Ltd and CXK Careers Ltd are dormant entities yet to trade, but it is anticipated that they will be utilised to enable the Charity to trade in markets that are complementary to its primary purposes.

The Charity is also a party to a joint venture arrangement known as reachfor, which is structured in the United Kingdom as a company limited by guarantee. reachfor undertakes joint bids, tendering and procurement on behalf of the joint venture parties.

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REPRESENTATION ON OTHER BODIES

The Charity collaborates with many national and local organisations. Our partners include Careers England, where our Chief Executive is a Director and reachfor, a joint venture social enterprise delivering services to young people and adults. We also work with organisations from across the voluntary, statutory and private sectors, and through the sector-led specialist networks and partnership programmes that operate under similar objectives.

In Kent, the Chief Executive is a member of the Kent Corporate Parenting Group and the Kent Safeguarding Children Board, as well as other committees. He chairs the Employment and Skills Partnership Board. Senior managers sit on other county-wide and regional planning and implementation groups. The Nolan Principles are central to the Charity's engagement with these bodies.

RISK AND CORPORATE GOVERNANCE MATTERS

The Charity continues to conservatively manage its risk and has built up some reserves. It completed the refurbishment of its head office and training facilities in Ashford, Kent, relocating the majority of its services into the building in May 2014, and has in this financial year invested a modest element of its free cash reserves to increase potential yields.

Risks are identified by the senior management team, by the trustees and by the Audit Committee and its advisers. Risks are tabulated in a standard risk register format on the basis of the likelihood and severity of any risk, and these risk assessments are debated by the Audit Committee and the Board.

The principal risks that are currently facing the charitable company are:

- The prime contracts become unprofitable;
- Failure to meet contractual targets;
- The organization are not compliant with Ofsted requirements;
- Failure to manage new business and contract start -ups with short mobilization periods;
- Failure to retain senior level and middle management or long term illness;
- Reduction in the value of invested charitable reserves.

The management of most risks is delegated to the Chief Executive and his senior team. A risk register is updated monthly and update reports are given to the Board at each meeting.

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TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITOR

Beever and Struthers were appointed by resolution of the Board on 2 February 2014.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

In so far as the trustee/directors are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

PROFESSIONAL INDEMNITY INSURANCE

The Charity has taken out a combined commercial insurance policy that provides an element of professional indemnity cover for the trustees amounting to £5 million in respect of any one claim. The total cost of this insurance policy to the Charity for the year 1 September 2014 to 31 August 2015 was £3,286.

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INDICATORS, MILESTONES AND BENCHMARKS

The trustees monitor a range of measures to assess the Charity's success in achieving its charitable objectives and its aims and goals derived from these. These measures include:

- Reduction in the number of 16-18 year olds who are not in education, employment or training (NEET);
- Preventative work with pre-16 year olds;
- Work with vulnerable young people, including those with LDD, looked-after children, young offenders;
- The number involved, the quality of the experience and employment or training outcomes for adults involved in the National Careers Service;
- The number involved, the quality of the programme for young people engaged in the National Citizens Service;
- Performance against contract specification's;
- Total income obtained from funding sources; and
- Maintenance of external accreditation (for example, Merlin Standard, Investors in People, ISO9001 and Matrix).

ACCREDITATIONS

Disabled Persons

The Charity has received 2 ticks accreditation from Jobcentre Plus showing that it recognises and responds to the needs of disabled employees. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the Charity.

Employees

The Charity encourages the involvement of its employees in its management through regular meetings of the Staff Consultative Committee, which has been constituted to cover all staff both by contract type, geographical area and by major pay grades. The Staff Consultative Committee has responsibility for the dissemination of information of particular relevance and concern to employees and for receiving their views on a wide range of issues and important matters of policy. In addition the charitable company is accredited as an Investor in People and is externally assessed on its staff involvement and training as part of this accreditation.

Sector Awards

The Charity achieved the MERLIN standard in July 2014 in partnership with the reachfor joint venture. The Merlin Standard is designed to support organisations to develop, recognise and promote sustainable excellence and positive partnership working within supply chains.

The Charity also hold accreditation for the MATRIX standard (2013), Investor in People (2013) and ISO 9001 (2013). The MATRIX Standard is the quality framework for the effective delivery of information, advice and/or guidance on learning and work and is a requirement for National Careers Service providers. CXK is due to renew the MATRIX standard in November 2015. ISO 9001, MERLIN, and Investor in People are all due for renewal in 2016.

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ACHIEVEMENTS, PERFORMANCE AND IMPACT

The Charity continues to provide a vital role in ensuring support and opportunities to young people by continuing their strong relationship with existing partners as well as working to engage new ones in delivering services in Kent for vulnerable young people, and to schools directly where they purchase our careers guidance and work related learning services. The Charity has delivered innovative work in the three core elements of our business, these being:

1. Information, Advice and Guidance (IAG);
2. Vulnerable Work, with those with LDD, LAC, YOS; and
3. Continued delivering of preventative and re-engagement activities including training.

As part of the Charity's quality assurance framework it has undertaken a range of audit activities to ensure readiness for an Ofsted inspection. In 2014/15 the ESF Step Up Project (Essex/Thurrock/Southend), and the EFA Funded Study Programme and Prince's Trust delivery all fell within scope of Ofsted. In recognition of this we have strengthened the quality cycle for all contract areas by re-launching our observation process and organising a number of training events for staff and sub-contractors working in the Charity's supply chain. The Charity's Self-Assessment Report was successful in providing an honest and evidence based review of provision, which further identified key quality improvement actions for the year ahead.

A measure of our success is the impact our services have on young people's lives, how many young people are in education employment and training, and the number of young people we are supporting. Examples of these are in the areas of:

Careers Management

The Charity continued to deliver the National Careers Service as a sub-contractor to Babcock. After initially a slow start the delivery and performance picked up considerably during the course of the year and the Charity was offered the opportunity to extend our reach into Essex. In Kent we supported more than 3143 customers and in Essex more than 104 customers during the period.

The Charity secured direct delivery contracts with over 70 schools in Kent to provide careers guidance, work related learning and emotional and behavioural support and mentoring. Working with a local Primary School the School Careers Team has this year developed the Charity's own engagement and support package for Year 6 students. 'Exploring My Future' was launched in the autumn term and has been successfully delivered to Year 6 students with positive results and feedback.

Young People's Projects

The National Citizen Service ran programmes of social action projects across Kent, including residential activities locally and further afield on the south coast. This supported the young people's development of skills and confidence in readiness for the rest of the programme, and was supported by the Full Management Team. The summer NCS programme in 2014 supported 187 young people in Kent and 47 young people in East Sussex. An average of 96% completed the programme. The Autumn NCS programme in 2014 supported 117 young people in Kent in total, with 97% of young people completing the programme.

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ACHIEVEMENTS, PERFORMANCE AND IMPACT (continued)

Early Help

The Charity continues to provide high quality early intervention programmes to young people and families in Kent. This year the Young Healthy Minds brand has strengthened and continues to deliver impressive results with positive feedback from commissioners. 1597 referrals were received by our team in 14/15. The Kent Parenting Programme has during the course of the year delivered 80 parenting programmes. There have been 1203 referrals and 716 individuals engaged during this period. The Charity's Community Action Team has provided detached youth work sessions to 13891 individuals through a total of 2382 sessions.

Those Not in Education, Employment or Training (NEET)

Our work with unemployed and vulnerable adults continues remains constant. Although the Charity no longer has overall responsibility for Kent's NEET and Not Known figures, it does have a contract with Kent County Council for a 16-18 Participation Contract, which provides a number of advisers to work with the NEET and at risk of NEET group. Within this contract over the period of April 2014 – March 2015 advisers from the Charity worked with 2373 young people and moved 61% of this group into an EET destination. 21.58% of them achieved EET within the first six weeks. Advisers have an average caseload of 30 – 40 young people. There is always a churn in the NEET group, and over the period reported on the churn back into NEET within 3 months of achieving EET was only 7.65%. In Kent the NEET figure has been relatively stable – 5.95% in March 2014 reducing slightly to 5.68% in March 2015.

The Not Known figure has increased over the period from 5.8% in March 2014 to 9.62% in March 2015. Kent County Council reports this data on a monthly basis and the Charity is a part of a Joint Partners Board where these figures are discussed. However, the budget cuts within Kent County Council have undoubtedly impacted negatively - for example the Not Known figure. The accuracy of the data and the timeliness of direct support to those young people based upon their known needs continues to provide the Charity with additional challenges.

Training and Mentoring Programmes

As part of the Charity's Training and Mentoring Programmes offer we continue to deliver the Princes Trust Team programme. In 2014/15 the Charity successfully completed 8 Team deliveries across the county, with a total of 91 participants through the training programme, which includes accredited learning, a team community project and a residential development week.

In the closing months of 2014/15 the Charity launched its own Study Programme called 'Elevate'. This programme is funded by our contract with the Education Funding Agency (EFA) and offers young people in Kent a mixture of vocational and non-vocational modules. The programme is accredited and also helps participants to develop their Maths and English skills. The very first Elevate programme was written and developed in January 2015 and commenced in March 2015 and the Charity successfully recruited 11 young people in the local area to join the programme.

The Charity's delivery of the Opt Into training programme (ESF funded and as a sub-contractor for Sussex Downs College) successfully engaged 227 NEET young people during 2014/15. Opt Into is an accredited programme designed to support NEET young people to progress and develop. So far from the numbers that have started, 62 have completed the programme fully and 38 have progressed into education, employment or training.

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ACHIEVEMENTS, PERFORMANCE AND IMPACT (continued)

Training and Mentoring Programmes (continued)

Finally 2014/15 was the busiest year yet for the Step-Up Programme. This ESF funded project is designed to provide bespoke training packages and mentoring support to NEET and EET (at risk of NEET) young people in Essex, Thurrock and Southend. In Thurrock and Southend CXK supported 178 learners, 134 of which completed their programme successfully. In Essex we supported 829 learners, 656 of which completed their programme successfully.

Case Studies of Beneficiaries

Case study one from the National Citizen Service - Amy's story

Amy joined the National Citizen Service (NCS) summer programme in August of 2013. She signed up to the programme to embark on a new adventure during the summer break. She hoped to meet new people, make new friends, learn new skills, experience supporting the local community and increase her future prospects by improving her CV. During their social action project Amy and her team supported The Centrepiece Church by cleaning and redecorating both the interior and exterior to make it a more enjoyable and pleasant place for the community to visit. The project included painting rooms and the coffee bar of the church, cleaning the floors, cleaning the garden by removing rubbish and weeds as well as creating a piece of artwork to hang in the Church. From her experience on NCS Amy gained a better understanding of her community and an appreciation for the amount of planning that is needed to undertake a social action project. Most importantly Amy grew in confidence and self-belief in her ability to work within a team, and discovered her capability to lead one too.

After graduating from the NCS programme Amy expressed her interest in being more involved with CXK. After supporting a presentation delivered by CXK directors at the Cabinet Office Amy was offered the role as a youth trustee. After an away-day that included getting to know the other trustees and some team building exercises she was officially made a youth trustee. Amy's role as a youth trustee is to sit on the CXK Youth Board who represent young people in the area where CXK delivers. The youth trustees are first point of contact for CXK when they need a young person's opinion. Youth trustees are expected to attend board meetings which are held at least 4 times a year, in which they will receive information and updates on matters that need deciding on. During these meetings the youth trustee can raise questions and voice opinions on the matter in question which can help with the overall decision-making process. When asked why she wanted to be involved Amy commented that 'the original attraction to the role came from the interest I had in the company after such a good experience on their NCS programme. After the programme had finished I was given the opportunity to present at Cabinet Office and the NCS graduation. Both opportunities provided me with a new challenge and I wanted to continue facing exciting challenges to help prepare myself for later life. The role of a youth trustee sounded interesting and different to the activities I usually partake in, and it therefore encouraged me to step out of my comfort zone and see what I can achieve in a completely foreign environment'.

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ACHIEVEMENTS, PERFORMANCE AND IMPACT (continued)

Case Studies of Beneficiaries

Case study one from the National Citizen Service - Amy's story (continued)

Amy became involved in all aspects of CXK. She became an assistant team leader on the NCS autumn 2014 programme where she used her previous experience to support other young people make the most of their opportunity. She also co-chaired a safeguarding conference in November 2014 and represented young people in the bid for prime contractor for the National Citizen Service programme in London. Amy's confidence grew further and she was recently appointed the Chair of the Youth Board where even more opportunities and responsibilities await. Amy comments that 'CXK have been nothing but supportive and helpful towards me by providing me with endless opportunities that are not only going to look good on my CV, but are also relevant to the career I wish to pursue. They have offered to help me with my personal statement, the National Admissions Test for Law and preparation for an interview for law-related voluntary work when I need it.'

CXK genuinely care about helping young people succeed and that is reflected in their dedication to helping young people across Kent, including me. With the opportunities and help I have been provided with by CXK, I believe that I am more likely to succeed as a candidate for my chosen universities and for any other law-related voluntary work I wish to undertake. CXK have made my goal seem more achievable and they have massively improved the confidence I have in myself to succeed.'

Case Study two from the Family Project– Ben and Kelly's story

Ben and his girlfriend Kelly were expectant parents. However, due to the fact that Kelly's two previous children had had to be taken into care and adopted, both Ben and Kelly now faced scrutiny from Social Services and other agencies.

After hearing about the Family Project, Ben and Kelly attended their local children's centre and took part in the six-week Family Kitchen course. Designed to help with meal planning, nutrition and budgeting, this course transformed Ben & Kelly's diet from fast food and frozen meals to home-cooked meals. Following the advice they received as part of the course, they successfully applied for Healthy Eating vouchers and now use these for their weekly vegetable shopping.

By the end of the course, Ben and Kelly had prepared a folder full of food facts and recipes to support them with their food shopping and meal preparations. Not only did the support from Family Kitchen help them to lead a much healthier life but, most importantly, their progress and commitment was used in supporting their case with Social Services.

An added benefit for Ben was that, alongside this course, he received some careers advice from CXK trained advisers and will be exploring new career opportunities once the baby has been born. He also enrolled onto another Family Project course – Advice for Dads – which focuses on parenting expectations and how he can better support Kelly with child care and household chores.

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ACHIEVEMENTS, PERFORMANCE AND IMPACT (continued)

Case Study three from the Young Healthy Minds Project – Jack's story

Jack, an 11 year-old boy with Asperger's Syndrome lives with his mother and step-father following his parent's separation when he was a baby. Unfortunately, earlier in the year Jack's paternal grandma died and, since he was particularly close to her, this hit Jack hard. He was also struggling with his relationship with his biological father. As a result of all of these factors, Jack felt incredibly angry. His mum and step-father struggled with this anger at home and, at school Jack often exploded at the slightest thing, especially if he was asked to do anything he did not wish to do. Jack had been excluded from school for harming another pupil with intent and is also excluded at lunchtimes since he cannot manage the lunchtime play. Following the referral to the Young Healthy Minds programme, which CXK runs in a consortium with other providers, a dedicated youth counsellor started to explore his perception that his biological father doesn't care for him and rejected him. Throughout the sessions, Jack was keen to understand the problems and look for solutions to his issues, even sending a letter to his biological father expressing his thoughts and suggestions. He was delighted at how well these were received, especially since his Dad said he wants to spend more time with him because he now knows what he wants.

By the end of the seven sessions, Jack's view of the relationship with his biological father had improved from a 3/10 score to a 9/10 score. His behaviour had improved at school, his relationship with his mother and step-father had improved and he was looking forward to attending grammar school in September.

Case study four from the Prince's Trust Programme – Andrew's story

Andrew, a 20 year old from Sittingbourne who lives with his parents, was struggling to know what to do. He had been unemployed for a significant period, was struggling to find work and was signing on at the Job Centre. The situation he was in was leading to a lack of confidence and a general feeling of frustration at being unsure of what he wanted to do with his life. After hearing about the Prince's Trust Team programme, which CXK runs, Andrew was keen to join. Whilst being nervous and unsure of what to expect, he knew that this offered an opportunity to progressing into further training or employment.

Throughout the 12 week programme, Andrew stretched himself out of his comfort zone and completed all challenges thrown at him. He was always one of the first to volunteer for each and every role and responsibility and his confidence grew at every stage. A particular highlight was his work experience placement at McDonald's in Sittingbourne. Through the self-belief he'd gained, as well as the encouragement he received from staff and fellow team members, he managed to complete his placement with flying colours with brilliant feedback from the managers and staff. Through the demonstration of work-ready skills, such as time-keeping and trustworthiness, he was offered paid employment following his placement. Andrew was thrilled. Despite having secured a job, for the remainder of the programme Andrew continued to be committed to the programme and gained more knowledge, skills and experiences through the career planning week. He found out about further education and decided that that this would be his long term aspiration whilst working at McDonald's. He also made a brilliant contribution to the final presentation which gave him a greater boost to his confidence. Committing on his progress, Andrew's mum said: "I just want to say a big thank you for all that you've done for my son. I've seen a big change in him and he is a new lad. He has not stopped talking about the days that he's spent with you. He is so looking forward to starting his new job at McDonald's."

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PUBLIC BENEFIT

The trustees have taken The Charity Commission's specific guidance on public benefit (contained within the guidance publication "The Advancement of Education for Public Benefit") into consideration in preparing their statements on public benefit contained within this trustees' annual report.

Benefits & Beneficiaries

In accordance with its charitable objectives, the charity strives to advance in life those who are in need by reason of their youth, age, ill-health, disability, financial hardship or other disadvantage, in particular but not limited to young people. The benefits offered by the Charity are the services that it delivers to advise and guide all individuals so that they have a positive and enjoyable life.

Trustees' Assessment of Public Benefit

The trustees utilise the range of measures of performance listed above to determine the Charity's success and to demonstrate that it continues to advance in life individuals for the public benefit. There is satisfaction with the Charity's performance which has seen its key performance objectives met every year and where the Charity has achieved regional and national acclaim for its engagement projects and its leading stance on Information, Advice and Guidance.

During the year 2014-15, the trustees gathered evidence through performance review reporting that demonstrated to their satisfaction that the Charity continues to benefit the public through its activities targeted to achieve its charitable objectives. These activities included programmes and projects for careers management, young people, early help and intervention, NEET, training and mentoring programmes and family and community support.

FINANCIAL REVIEW

Financial Results

During the year the Charity income was down on the previous year due to the continuing challenges in delivering public services in a climate of reduced public spending. The contracted services required by Kent County Council continued to have a high demand but with less available funding. As a result, the Charity has posted an operational deficit for the first time this financial year. Our strategic objective is to return to operational surplus to meet our charitable objectives. Staff continue to be engaged in delivering the level of change required to meet beneficiaries' needs within the new financial constraints applied by the Service Commissioner.

The completion on the new head office in Ashford has transformed the provision of services since occupancy in April 2014. The office support hubs in Dartford and Whitstable have continued to be used in support of outreach staff based in the north and east of the Kent area.

This year was one of expanding the Charity's work and developing relationships outside of original networks. This focus on development and funding opportunities continues to strengthen the financial position of the Charity and allows it to diversify into new areas. In October 2014 the Charity was awarded the prime contract to deliver the National Careers Service for the South East Local Enterprise Partnership (including Essex, Kent and East Sussex regions), with effect from 1 April 2015 and the National Citizen Service for Sussex & Kent regions with effect from 1 October 2015. Both are significant contracts of high value, and have a reach which offers additional benefits to existing and new beneficiaries.

CXK Limited

Trustees' Annual Report and Financial Statements Year Ended 31 March 2015

RESERVES POLICY

At 31 March 2015, the Charity had "free reserves" (being the total of unrestricted income funds not invested in fixed assets or the defined benefit pension scheme) of £5,554,839 (31 March 2014: £5,756,158).

Taking into account the nature and volume of the Charity's income streams and the patterns of expenditure in meeting the Charity's objects, the trustees continue to consider that, to ensure efficient management and the provision of a financial buffer, allowing uninterrupted services, a target level of free reserves equivalent to 4 months unrestricted fund expenditure is desirable. The cash flow projections suggest that a working capital reserve of £4.5 million is appropriate.

INVESTMENTS POLICY

Under the rules of the governing document of the Charity, the trustees have wide ranging powers to invest the funds of the Charity as they see fit within the scope of the laws and regulations applying in the United Kingdom.

The Charity has invested in its own headquarters building in Ashford, Kent and has invested £500,000 in Sarasin's LLP for shares and equity purposes. The Charity has reviewed its policy during the year and is in the process of investing up to £1.5 million of its reserves in shares or equities. Investment income arises from a deposit account arrangement where the Charity's current account is capped to allow the maximum amount of money to be transferred daily to a high interest earning deposit account.

THE FUTURE

The Charity's aim is of making a positive difference to the lives of those who are in need by reason of their youth, age, ill-health, disability, financial hardship or other disadvantage, in particular but not limited to young people.

The Charity's financial model for 2015-16 is set to allow it to continue to provide high quality advice, guidance and work related learning services. However, the Charity will need to actively seek to generate additional income and funding, although, there will always be a need to debate the competing demands on resources and to regularly review its income strategy to ensure long term financial security. The Charity continues to assess its needs and will seek to collaborate with other entities to merge, or acquire skills to meet the ongoing needs of the Charity.

The Charity has set out a broad framework for how it intends to deliver in response to the continuing economic and political challenges over the next 3 years, whilst still allowing it the freedom to respond positively to new opportunities that may emerge

The Charity's Priorities:

1. To increase the range and scope of services, retaining current contracts and developing new ones;
2. To establish and increase the Charity's brand awareness;
3. To develop and grow income channels for the Charity through fundraising and contract diversification;
4. To consult with, meet and exceed our beneficiaries and client's expectations;
5. To be the employer of choice and regard our staff as our greatest asset in achieving successful outcomes;
6. To form trusting collaborations to achieve creative, exceptional and innovative solutions;
7. To deliver high quality services and products.

CXK Limited

Trustees' Annual Report and Financial Statements Year Ended 31 March 2015

THE FUTURE (continued)

The Charity's Priorities:

The Charity will continue to increase the number of projects we deliver, and expand our knowledge base and geographical reach to provide a chance for all individuals to develop skills and experience which are key in achieving their aspirations. The Charity will continue to operate in a competitive marketplace to generate and diversify income for its core activities and secure external bids to improve outcomes for all individuals in need of the service and product.

The targets for 2015-16 are to meet and exceed the performance specification in contracts, to retain staff, to continue to up-skill staff to work in multidisciplinary teams and to offer a service and product which is reflective of individual and community needs in the support all vulnerable young people into education, employment, training and further support family needs.

FUTURE PUBLIC BENEFIT

The trustees will continue to ensure that the Charity continues to benefit the public by reducing youth unemployment, supporting individuals with barriers to progression, and acting as an accessible and friendly community service in collaboration with our partners.

Based on the success of innovative projects delivered so far, which include National Citizenship Service, CATS Youth Service, Young Healthy Minds, Prince's Trust, ESF Step Up and Step Into, Adult Workshops, Back on Track and the Activity Agreement, the Charity continues to seek funding to deliver training to all individuals based on its expert knowledge of their needs and gaps in current provision.

In 2015-16, all of these public benefit activities will continue and be expanded, by our contract for the delivery of the National Citizen Service for the South East Local Enterprise Partnership area, the National Citizen Service for the Kent and Sussex regions, and Early Help contracts in Kent.

There has been much to celebrate this year, and our positive impact on communities and young people's lives will increase over the next year in accordance with our successful delivery of public benefit activities within an expanding geographical reach. Further the Charity's focus on diversification of delivery under our growth strategy will further support inclusivity of those communities that need the benefit.

This report was approved by the Board of Trustees on 22 October 2015, and was signed for and on behalf of the Board by:



.....
Chairman of Trustees
D Philpott

Dated: 22.10.15

CXK Limited

Independent Auditor's Report to the Members of CXK Limited

Year Ended 31 March 2015

We have audited the financial statements of CXK Limited for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheets, Cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of 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 Financial Reporting Council'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 Annual Report and Strategic Report to identify material inconsistencies with the audited financial statements. 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 group and parent charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

CXK Limited

Independent Auditor's Report to the Members of CXK Limited *(continued)*

Year Ended 31 March 2015

Opinion on Other Matter Prescribed by the Companies Act 2006

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

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.

Maria Hallows

Maria Hallows (Senior Statutory Auditor)

for and on behalf of

Beever and Struthers

Chartered Accountants and Statutory Auditor

St George's House

215-219 Chester Road

Manchester

M15 4JE

Dated: 22 . 10 . 15

CXK Limited

Consolidated Statement of Financial Activities (Incorporating the Consolidated Income and Expenditure Account)

Year Ended 31 March 2015

	Note	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	-	15	15	3,702
Investment income	3	128,652	328	128,980	97,167
Incoming resources from charitable activities	4	<u>6,885,843</u>	<u>592,234</u>	<u>7,478,077</u>	<u>11,389,947</u>
Total incoming resources		<u>7,014,495</u>	<u>592,577</u>	<u>7,607,072</u>	<u>11,490,816</u>
Resources expended					
Charitable activities	5	(7,118,600)	(592,572)	(7,711,172)	(10,802,086)
Governance costs	6	<u>(17,370)</u>	<u>(5)</u>	<u>(17,375)</u>	<u>(32,107)</u>
Total resources expended		<u>(7,135,970)</u>	<u>(592,577)</u>	<u>(7,728,547)</u>	<u>(10,834,193)</u>
Net (outgoing)/incoming resources for the year	7	(121,475)	-	(121,475)	656,623
Other recognised gains/(losses)					
Gains on quoted investments		24,156	-	24,156	-
Actuarial (losses) on defined benefit pension schemes	16	<u>(266,000)</u>	<u>-</u>	<u>(266,000)</u>	<u>(191,000)</u>
Net movement in funds		(363,319)	-	(363,319)	465,623
Reconciliation of funds					
Total funds brought forward		6,020,158	687,044	6,707,202	5,970,705
Acquisition of KCFN		<u>-</u>	<u>-</u>	<u>-</u>	<u>270,874</u>
Total funds carried forward		<u>6,020,158</u>	<u>687,044</u>	<u>6,707,202</u>	<u>6,241,579</u>
Total funds carried forward		<u>5,656,839</u>	<u>687,044</u>	<u>6,343,883</u>	<u>6,707,202</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The surplus for the year for Companies Act purposes comprises the net incoming resources for the year plus any realised gains and losses, and was a deficit of £363,319 (2014: £465,623 Surplus).

The notes on pages 22 to 37 form part of these financial statements.

CXK Limited
Consolidated Balance Sheet
Year Ended 31 March 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	9	1,575,521	1,312,882
Investments	11	<u>524,156</u>	-
		2,099,677	1,312,882
Current assets			
Debtors	12	872,905	1,212,949
Investments	13	1,648,102	2,058,573
Cash in hand		<u>3,114,760</u>	<u>4,388,372</u>
		5,635,767	7,659,894
Creditors: Amounts Falling due Within One Year	14	<u>(1,314,197)</u>	<u>(2,235,343)</u>
		4,321,570	5,424,551
Net current assets		<u>4,321,570</u>	<u>5,424,551</u>
Total assets less current liabilities		6,421,247	6,737,433
Provisions for liabilities			
Other provisions	15	<u>(179,364)</u>	<u>(294,231)</u>
Net assets excluding pension asset		6,241,883	6,443,202
Pensions	16	<u>102,000</u>	<u>264,000</u>
Net assets including pension asset		<u>6,343,883</u>	<u>6,707,202</u>
Funds			
Restricted income funds	17	687,044	687,044
Unrestricted income funds:			
Unrestricted income funds excluding pension asset	17	5,554,839	5,756,158
Pension reserve	17	<u>102,000</u>	<u>264,000</u>
Total unrestricted income funds		<u>5,656,839</u>	<u>6,020,158</u>
Total funds		<u>6,343,883</u>	<u>6,707,202</u>

These financial statements were approved and signed by the member of the committee and authorised for issue on 22 October 2015

D M Philpott
Independent Chair



Company Registration Number: 0439934

The notes on pages 22 to 37 form part of these financial statements.

CXK Limited

Company Balance Sheet

Year Ended 31 March 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	9	1,575,521	1,312,882
Investments	10/11	<u>524,157</u>	<u>1</u>
		2,099,678	1,312,883
Current assets			
Debtors	12	872,905	840,476
Investments	13	1,648,102	2,058,573
Cash in hand		<u>3,114,760</u>	<u>3,920,790</u>
		5,635,767	6,819,839
Creditors: Amounts Falling due Within One Year	14	<u>(1,314,198)</u>	<u>(1,787,959)</u>
Net current assets		<u>4,321,569</u>	<u>5,031,880</u>
Total assets less current liabilities		6,421,247	6,344,763
Provisions for liabilities			
Other provisions	15	<u>(179,364)</u>	<u>(294,231)</u>
Net assets excluding pension asset		6,241,883	6,050,532
Pensions	16	<u>102,000</u>	<u>264,000</u>
Net assets including pension asset		<u>6,343,883</u>	<u>6,314,532</u>
Funds			
Restricted income funds	17	687,044	294,374
Unrestricted income funds:			
Unrestricted income funds excluding pension asset	17	5,554,839	5,756,158
Pension reserve	17	<u>102,000</u>	<u>264,000</u>
Total unrestricted income funds		<u>5,656,839</u>	<u>6,020,158</u>
Total funds		<u>6,343,883</u>	<u>6,314,532</u>

These financial statements were approved and signed by the member of the committee and authorised for issue on 22 October 2015

D M Philpott
Independent Chair
Company Registration Number: 04399340



The notes on pages 22 to 37 form part of these financial statements.

CXK Limited

Cash Flow Statement

Year Ended 31 March 2015

	2015 £	2014 £
Net cash flow from operating activities		
Net (outgoing)/incoming resources	(121,475)	656,623
Depreciation	90,939	46,982
(Profit)/loss on disposal of fixed assets	-	7,603
Investment income receivable	(128,980)	(97,167)
Decrease/(increase) in debtors	340,044	(105,373)
(Decrease) in creditors	(921,146)	(563,570)
(Decrease) in provisions	(114,867)	(128,891)
FRS 17 defined benefit pension scheme cost	<u>(104,000)</u>	<u>(14,000)</u>
	(959,485)	(197,793)
Returns on investment		
Investment income received	128,980	97,167
Capital expenditure		
Payments to acquire tangible fixed assets	(353,578)	(1,295,851)
Payments to acquire fixed asset investment	(500,000)	-
Management of liquid resources		
Cash placed on term deposit	<u>410,471</u>	<u>941,427</u>
(Decrease) in cash	<u>(1,273,612)</u>	<u>(455,050)</u>

The notes on pages 22 to 37 form part of these financial statements.

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared to comply with current statutory requirements (principally being the Companies Act 2006 and the Charities Act 2011), under the historical cost convention, and in accordance with United Kingdom Generally Accepted Accounting Practice. The recommendations in Accounting and Reporting by Charities: Statements of Recommended Practice (revised 2005) issued by the Charity Commission in March 2005 have been followed. The accounting policies have been applied consistently with the prior year.

Basis of Consolidation

Consolidated financial statements have been prepared in respect of CXK and KCFN. The charitable company's other subsidiary undertakings - CXK Trading Limited, CXK Careers Limited and Connexions Partnership Kent and Medway Limited were dormant having been recently incorporated and yet to start trading. No separate SOFA or Income and Expenditure Account has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and by paragraph 397 of the Charities SORP 2005.

As noted within the Directors Report, KCFN transferred all of its assets and liabilities into CXK via donation.

Fund accounting

Unrestricted funds comprise accumulated surplus and deficits on general funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and that have not been designated for other purposes. Restricted funds are subject to special conditions imposed by the donor.

Resources Expended

Resources expended are recorded in the Statement of Financial Activities as incurred on an accrual basis. They are analysed between generating funds, charitable expenditure and governance of the Charity, based on the nature of the expense.

Costs of charitable activities are costs in furtherance of the Charity's objects relating to the benefit of children and young people in the county of Kent.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and represent the costs of staff employed and overhead costs based on Full Time Equivalents. Management costs are those incurred in connection with administration and workforce development and compliance with constitutional and statutory requirements. The costs are apportioned across charitable activities.

Governance costs are those relating to the Charity itself, not its objects and include external audit, any legal advice for the Trustees and any costs associated with complying with constitutional and statutory requirements e.g. the costs of Trustees meetings and preparing statutory accounts.

Income

Income represents direct government grants and other income from government funded projects receivable during the year, excluding value added tax.

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

1. Accounting Policies *(continued)*

Fixed Assets

Tangible fixed assets are stated at historical cost less depreciation and any impairment. Investments are stated at fair value.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	over 3 to 5 years
Fixtures and fittings	over 3 to 10 years
Head office costs	over 15 to 20 years

Land is not depreciated

Fixed Asset Investments

All fixed assets are recorded at fair value.

Pension costs

The charitable company participates in a multi-employer defined benefit pension scheme known as the Kent County Council Pension Scheme. This is a centralised scheme for certain qualifying employees with the assets held in a separate fund independently administered by the trustees of pension scheme.

The charitable company has one fund within the Kent County Council Pension Scheme. The charitable company is able to identify its share of the underlying assets and liabilities of the Kent County Council Pension Scheme, and therefore, the accounting principles relevant to defined benefit pension schemes are applicable. The amount charged to the statement of financial activities in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on the underlying assets and liabilities of the pension scheme are treated as net finance costs or income for the year.

Full actuarial valuations, carried out by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The underlying assets of the pension scheme are measured at fair value, and the underlying liabilities are measured using the projected unit method and discounted at the current rate of return on high quality corporate bond of equivalent term and currency.

A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by a reduction in future contributions or to the extent that the trustees of the pension scheme have agreed a refund from the pension scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle that liability. The effect of actuarial gains and losses on the charitable company's pension scheme asset or liability is therefore reflected annually in the balance sheet and through the statement of financial activities.

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

1. Accounting Policies (continued)

In addition to the above, the charitable company also makes payments into defined contribution pension schemes on behalf of certain employees. The assets of these schemes are held in separate independently administered funds. The contributions payable to the scheme are charged to the statement of financial activities in the period to which they relate.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account on a straight line basis over the period of the lease.

Provisions

Provisions are made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be readily estimated.

Taxation

The company is a registered charity and as such its income and gains falling due under section 471 to 489 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporate tax to the extent that they are applied to its charitable objectives.

2. Voluntary Income

	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Donations	<u>15</u>	<u>15</u>	<u>3,702</u>

3. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Bank interest receivable	<u>128,652</u>	<u>328</u>	<u>128,980</u>	<u>97,167</u>

4. Incoming Resources from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Grants and contracts	<u>6,885,843</u>	<u>592,234</u>	<u>7,478,077</u>	<u>11,389,947</u>

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

5. Costs of Charitable Activities by Fund Type

	Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
	£	£	£	£
Staff costs	3,950,347	40,625	3,990,972	6,142,681
Travel and subsistence	178,233	2,649	180,882	289,299
Other staff costs	1,683,526	124,982	1,808,508	2,534,428
Consultancy	135,196	15,689	150,885	213,040
Premises costs	78,731	-	78,731	299,316
IT and communications	249,351	259	249,610	214,129
Printing, postage and stationery	19,032	-	19,032	38,288
Training costs	83,689	3,383	87,072	80,927
Other costs	649,556	404,985	1,054,541	935,393
Depreciation	90,939	-	90,939	46,982
(Profit)/loss on disposal	-	-	-	7,603
	<u>7,118,600</u>	<u>592,572</u>	<u>7,711,172</u>	<u>10,802,086</u>

The above costs include £1,399,690 (2014: £1,292,114) in relation to support costs. Support costs relate to payroll, IT, HR, support staff and head office functions.

6. Governance Costs

	Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
	£	£	£	£
Accountancy and Advisory	-	-	-	10,337
Audit fees	17,370	-	17,370	17,104
Other Costs	-	5	5	4,666
	<u>17,370</u>	<u>5</u>	<u>17,375</u>	<u>32,107</u>

7. Net Incoming Resources for the Year

This is stated after charging:

	2015	2014
	£	£
Depreciation	90,939	46,982
Auditors' remuneration:		
- audit of the financial statements	17,370	17,104
Operating lease costs:		
- Other	<u>12,500</u>	<u>101,294</u>

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

8. Staff Costs and Emoluments

	2015	2014
	£	£
Wages and salaries	3,425,165	5,338,988
Social security costs	325,011	480,270
Other pension costs	<u>240,796</u>	<u>323,423</u>
	<u>3,990,972</u>	<u>6,142,681</u>

Other pension costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other recognised gains and losses (see note 16).

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2015	2014
	No.	No.
Number of support and management staff	26	14
Number of delivery staff	<u>128</u>	<u>224</u>
	<u>154</u>	<u>238</u>

The number of employees whose remuneration for the year fell within the following bands, was:

	2015	2014
	No	No
£60,000 to £69,999	-	1
£70,000 to £79,999	1	1
£80,000 to £89,999	-	-
£90,000 to £99,999	-	-
£100,000 to £119,999	1	-
£120,000 to £130,000	<u>-</u>	<u>1</u>
	<u>2</u>	<u>3</u>

The charitable company made contributions to pension schemes on behalf of all employees whose emoluments exceeded £60,000, and the total contributions payable during the year for the above employees amounted to £18,576 (2014: £21,831).

In addition to being a trustee, D M Philpott is the Independent Chair of the charitable company. In respect of his role as Independent Chair, D M Philpott received emoluments for qualifying services amounting to £4,500 (2014: £6,252). Remuneration is permitted for trustees by the articles of association of the company and as determined by the board.

Other than as disclosed above, none of the trustees received any remuneration for services as a trustee or director of the charitable company during the current or previous year. During the year, travelling expenses totalling £565 (2014: £183) were reimbursed to 2 (2014: 1) of the trustees.

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

9. Tangible Fixed Assets

Group	Land £	Equipment £	Fixtures & Fittings £	Head Office Costs	Leasehold Improvement £	Total £
Cost						
At 1 April 2014	375,000	406,212	191,028	776,000	6,250	1,754,490
Additions	147,928	93,030	29,346	83,274	-	353,578
Disposals	-	(8,058)	-	-	(6,250)	(14,308)
At 31 March 2015	<u>522,928</u>	<u>491,184</u>	<u>220,374</u>	<u>859,274</u>	<u>-</u>	<u>2,093,760</u>
Depreciation						
At 1 April 2014	-	331,552	103,806	-	6,250	441,608
Charge for the year	-	32,320	9,567	49,052	-	90,939
On disposals	-	(8,058)	-	-	(6,250)	(14,308)
At 31 March 2015	<u>-</u>	<u>355,814</u>	<u>113,373</u>	<u>49,052</u>	<u>-</u>	<u>518,239</u>
Net book value						
At 31 March 2015	<u>522,928</u>	<u>135,370</u>	<u>107,001</u>	<u>810,222</u>	<u>-</u>	<u>1,575,521</u>
At 31 March 2014	<u>375,000</u>	<u>74,660</u>	<u>87,222</u>	<u>776,000</u>	<u>-</u>	<u>1,312,882</u>
Company						
Company	Land £	Equipment £	Fixtures & Fittings £	Head Office Costs	Leasehold Improvement £	Total £
Cost						
At 1 April 2014	375,000	398,154	191,028	776,000	-	1,740,182
Transfer from KCFN	-	8,058	-	-	6,250	14,308
Additions	147,928	93,030	29,346	83,274	-	353,578
Disposals	-	(8,058)	-	-	(6,250)	(14,308)
At 31 March 2015	<u>522,928</u>	<u>491,184</u>	<u>220,374</u>	<u>859,274</u>	<u>-</u>	<u>2,093,760</u>
Depreciation						
At 1 April 2014	-	323,494	103,806	-	-	427,300
Transfer from KCFN	-	8,058	-	-	6,250	14,308
Charge for the year	-	32,320	9,567	49,052	-	90,939
On disposals	-	(8,058)	-	-	(6,250)	(14,308)
At 31 March 2015	<u>-</u>	<u>355,814</u>	<u>113,373</u>	<u>49,052</u>	<u>-</u>	<u>518,239</u>
Net book value						
At 31 March 2015	<u>522,928</u>	<u>135,370</u>	<u>107,001</u>	<u>810,222</u>	<u>-</u>	<u>1,575,521</u>
At 31 March 2014	<u>375,000</u>	<u>74,660</u>	<u>87,222</u>	<u>776,000</u>	<u>-</u>	<u>1,312,882</u>

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

10. Investments (Company)

The Charity owns 100% of the issued share capital of CXK Trading Limited, a company registered in England. The Charity acquired the one ordinary share of £1 at par upon incorporation and the company has not traded to date. This share is carried in the balance sheet at its original cost of £1, which the trustee/directors believe equates to its market value.

The Charity controls 100% of the issued share capital of CXK Careers Limited, a company registered in England. The Charity acquired control of the one ordinary share of £1 which remains unpaid upon incorporation and the company has not traded to date.

The Charity controls 100% of the issued share capital of Connexions Partnership Kent & Medway Limited, a company registered in England. The Charity acquired control of the one ordinary share of £1 which remains unpaid upon incorporation and the company has not traded to date.

The Charity is also a party to a joint venture arrangement with 12.5% of the voting rights, known as Reach For, which is a company limited by guarantee registered in England. Reach For undertakes joint bids, tendering and procurement on behalf of the joint venture parties.

11. Other Fixed Asset Investments (Group and Company)

	2015 £
Market value at 1 April 2014	-
Acquisition at cost	500,000
Unrealised gain on revaluation	<u>24,156</u>
Market value at 31 March 2015	<u>524,156</u>
Historic Cost	<u>500,000</u>

12. Debtors

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	444,724	1,081,877	444,724	697,673
Amounts owed from group	-	-	-	18,683
Other debtors	-	10,743	-	10,743
Prepayments and accrued income	<u>428,181</u>	<u>120,329</u>	<u>428,181</u>	<u>113,377</u>
	<u>872,905</u>	<u>1,212,949</u>	<u>872,905</u>	<u>840,476</u>

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

13. Current Asset Investments

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Cash on term deposits	<u>1,648,102</u>	<u>2,058,573</u>	<u>1,648,102</u>	<u>2,058,573</u>

14. Creditors: Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	154,348	310,347	154,348	254,638
Taxation and social security	164,722	311,662	164,722	309,634
Other creditors	62,789	271,533	62,790	271,533
Accruals and deferred income	<u>932,338</u>	<u>1,341,801</u>	<u>932,338</u>	<u>952,154</u>
	<u>1,314,197</u>	<u>2,235,343</u>	<u>1,314,198</u>	<u>1,787,959</u>

15. Other Provisions (Group and Company)

	ESF	Total
	Claw back	2015
	£	£
Balance at 1 April 2014	294,231	294,231
Charged in the year	-	-
Released in the year	<u>(114,867)</u>	<u>(114,867)</u>
Balance at 31 March 2015	<u>179,364</u>	<u>179,364</u>

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

16. Pensions

Kent County Council Pension Scheme

The charitable company participates in a multi-employer defined benefit pension scheme known as the Kent County Council Pension Scheme. This is a centralised scheme for certain qualifying employees with the assets held in a separate fund independently administered by the trustees of the pension scheme.

The charitable company has one fund within the Kent County Council Pension Scheme. The charitable company is able to identify its share of the underlying assets and liabilities of the scheme, and therefore, the accounting principles relevant to defined benefit pension schemes are applicable. The latest actuarial valuation has been updated to take account of the requirements of Financial Reporting Standard 17: Retirement Benefits in order to assess the liabilities of the scheme as at 31 March 2015. Scheme assets are stated at their fair value.

	2015	2014
Rate of increase in salaries	4.2%	4.6%
Rate of increase in pensions in payment	2.4%	2.8%
Discount rate	3.3%	4.4%
Inflation assumption - RPI	3.2%	3.6%
- CPI	2.4%	2.8%

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

	2015	2014
Retiring today -		
Males	22.8 years	22.7 years
Females	25.2 years	25.1 years
Retiring in 20 years -		
Males	25.1 years	24.9 years
Females	27.6 years	27.4 years

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

16. Defined Benefit Pension Scheme Asset (continued)

	Expected Return on total assets at 31 March 2015	Value at 31 March 2015 £'000	Expected Return on total assets at 31 March 2014	Value at 31 March 2014 £'000
Equities	6.4%	3,465	7.0%	3,614
Gilts	6.4%	53	3.6%	56
Bonds	6.4%	569	4.2%	610
Property	6.4%	635	5.8%	554
Cash	6.4%	139	3.4%	167
Target return portfolio	6.4%	<u>220</u>	-	<u>-</u>
 Total market value of assets	 6.4%	 5,081	 6.4%	 5,001
 Present value of scheme liabilities		 <u>(4,495)</u>		 <u>(4,764)</u>
 Surplus in the scheme		 <u><u>586</u></u>		 <u><u>237</u></u>
			2015	2014
Analysis of the amount charged to the statement of financial activities			£	£
As staff costs:				
Current service cost			10,000	49,000
Losses on curtailments			<u>-</u>	<u>-</u>
Total operating charge			10,000	49,000
As investment income:				
Expected return on assets			(196,000)	(232,000)
Interest on liabilities			<u>186,000</u>	<u>207,000</u>
Other finance income			<u>10,000</u>	<u>(25,000)</u>
Total pension costs			<u><u>-</u></u>	<u><u>24,000</u></u>

The net actuarial gains for the current period end to date are recognised in the statement of financial activities.

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

16. Defined Benefit Pension Scheme Asset (continued)

	2015 £	2014 £
Analysis of changes in the present value of defined benefit obligations:		
Opening defined benefit obligations	3,889,000	4,414,000
Employee contributions	2,000	13,000
Current service cost	10,000	49,000
Interest on liabilities	169,000	207,000
Actuarial experience losses	518,000	171,000
Benefits paid	<u>(93,000)</u>	<u>(90,000)</u>
Closing defined benefit obligations	<u>4,495,000</u>	<u>4,764,000</u>
Analysis of changes in the fair value of plan assets:		
Opening fair value of assets	4,654,000	4,855,000
Employer contributions	6,000	38,000
Employee contributions	2,000	13,000
Expected return on assets	294,000	232,000
Actuarial experience gains/(losses)	218,000	(20,000)
Benefits paid	<u>(93,000)</u>	<u>(90,000)</u>
Closing fair value of assets	<u>5,081,000</u>	<u>5,028,000</u>
Impact of asset ceiling at year end	<u>484,000</u>	<u>501,000</u>

The actual return on plan assets was £512,000 (2014: £391,000), based on the expected rate of return of 6.4% (2014: 6.4%).

	2015 £	2014 £
Analysis of the amount recognised in the statement of financial activities as other recognised gains and losses:		
Actual return less expected return on pension scheme assets	218,000	136,000
Experience gains and losses	-	542,000
Changes in assumptions	(518,000)	(412,000)
Changes in the asset ceiling	<u>34,000</u>	<u> </u>
Actuarial gains/(losses) on defined benefit scheme	(266,000)	266,000
Increase in irrecoverable surplus	<u>(484,000)</u>	<u>(501,000)</u>
Cumulative actuarial losses on defined benefit scheme	<u>(750,000)</u>	<u>(235,000)</u>

The estimated value of employer contributions for the year ended 31 March 2016 is £6,000.

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

16. Defined Benefit Pension Scheme Asset (continued)

Experience adjustments for the current and previous four periods are as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Plan assets at fair value	5,081	4,654	4,054	3,559	3,566
Defined benefit obligation	(4,495)	(3,889)	(3,574)	(3,443)	(2,855)
Impact of asset ceiling	<u>(484)</u>	<u>(501)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Surplus	<u><u>102</u></u>	<u><u>264</u></u>	<u><u>480</u></u>	<u><u>116</u></u>	<u><u>711</u></u>
Experience adjustments on plan assets	<u><u>218</u></u>	<u><u>476</u></u>	<u><u>347</u></u>	<u><u>(141)</u></u>	<u><u>(10)</u></u>
Experience adjustments on plan liabilities	<u><u>-</u></u>	<u><u>202</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>626</u></u>

	2015 £'000	2014 £'000
Reconciliation of the movement in scheme deficit over the year:		
Surplus in scheme at the beginning of the year	264,000	441,000
Movement in year:		
Current service cost	(10,000)	(49,000)
Losses on curtailments		
Employer contributions	6,000	38,000
Other finance income	108,000	25,000
Actuarial gains/(losses)	<u>(266,000)</u>	<u>(191,000)</u>
Surplus in scheme at the end of the year	<u><u>102,000</u></u>	<u><u>264,000</u></u>

Defined Contribution Scheme

The company makes payments to defined contribution pension schemes whose assets are held in an independently administered fund. During the year, contributions of £401,365 (2013-14: £441,841) were made to this pension scheme with contributions of £31,788 (2013-14: £35,411) outstanding at the balance sheet date and included within creditors

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

17. Funds

Group	Balance at 1 Apr 2014 £	Incoming resources £	Outgoing resources £	Other gains and losses £	Balance at 31 Mar 2015 £
Restricted Funds					
Positive Action for Young People	84,515	-	-	-	84,515
Back on Track	201,566	-	-	-	201,566
KCC NEET Commissioning	7,459	-	-	-	7,459
Little Chine Wind Farm	834	-	-	-	834
KCFN	<u>392,670</u>	<u>592,577</u>	<u>(592,577)</u>	<u>-</u>	<u>392,670</u>
	687,044	592,577	(592,577)	-	687,044
Unrestricted Funds					
General fund	5,756,158	6,924,651	(7,125,970)	-	5,554,839
Pension reserve	<u>264,000</u>	<u>114,000</u>	<u>(10,000)</u>	<u>(266,000)</u>	<u>102,000</u>
	<u>6,020,158</u>	<u>7,038,651</u>	<u>(7,135,970)</u>	<u>(266,000)</u>	<u>5,656,839</u>
Total Funds	<u>6,707,202</u>	<u>7,631,228</u>	<u>(7,728,547)</u>	<u>(266,000)</u>	<u>6,343,883</u>

Company	Balance at 1 Apr 2014 £	Incoming resources £	Outgoing resources £	Other gains and losses £	Balance at 31 Mar 2015 £
Restricted Funds					
Positive Action for Young People	84,515	-	-	-	84,515
Back on Track	201,566	-	-	-	201,566
KCC NEET Commissioning	7,459	-	-	-	7,459
Little Chine Wind Farm	834	-	-	-	834
KCFN	-	220,705	-	-	220,705
KCFN - YHM	<u>-</u>	<u>171,965</u>	<u>-</u>	<u>-</u>	<u>171,965</u>
	294,374	392,670	-	-	687,044
Unrestricted Funds					
General fund	5,756,158	7,072,258	(7,273,577)	-	5,554,839
Pension reserve	<u>264,000</u>	<u>114,000</u>	<u>(10,000)</u>	<u>(266,000)</u>	<u>102,000</u>
	<u>6,020,158</u>	<u>7,186,258</u>	<u>(7,283,577)</u>	<u>(266,000)</u>	<u>5,656,839</u>
Total Funds	<u>6,314,532</u>	<u>7,578,928</u>	<u>(7,283,577)</u>	<u>(266,000)</u>	<u>6,343,883</u>

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

17. Funds (continued)

The Positive Action for Young People fund was established to provide positive activities for young people at risk of offending or re-offending during school holidays.

The Back on Track fund engagement project is a series of short 11 day programmes of confidence building personal development and fun activities designed to enable and support young people to then progress into appropriate employment, education and training destinations.

The KCC NEET Commissioning funds have provided funding for the Open Spaces, Open Minds project. This is an innovative two year project focussing on increasing young peoples' and community's engagement with, understanding and enjoyment of their natural environment, The programme consists of learning, events and activities and will benefit some of the most deprived communities in Kent and help advance the lives of the young people involved.

The Little Chine Wind Farm fund was set up during 2011-12 to recognise the income received to support the costs of up to 8 young people in November/December 2011 delivering an activity for NEET's for 3 weeks in the Romney Marsh area of Kent.

The KCFN reserves have been treated as restricted as the charity has objects which are narrower than those of CXK.

The Pension reserve is a designated fund that separately identified movements on the charitable company's two separate funds within the Kent County Council Pension Scheme.

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

18. Analysis of Net Assets between Funds

Group	Fixed Assets £	Net Current Assets £	Provisions For Liabilities £	Pension Scheme Asset £	Total £
Restricted income funds:					
Positive Action for Young People	-	84,515	-	-	84,515
Back on Track	-	201,566	-	-	201,566
KCC NEET Commissioning	-	7,459	-	-	7,459
Little Chine Wind Farm	-	834	-	-	834
KCFN	-	392,670	-	-	392,670
Unrestricted income funds:					
General Fund	2,099,678	3,634,525	(179,364)	-	5,554,839
Pension Reserve	-	-	-	102,000	102,000
Net Assets	<u>2,099,678</u>	<u>4,321,569</u>	<u>(179,364)</u>	<u>102,000</u>	<u>6,343,883</u>
Company	Fixed Assets £	Net Current Assets £	Provisions For Liabilities £	Pension Scheme Asset £	Total £
Restricted income funds:					
Positive Action for Young People	-	84,515	-	-	84,515
Back on Track	-	201,566	-	-	201,566
KCC NEET Commissioning	-	7,459	-	-	7,459
Little Chine Wind Farm	-	834	-	-	834
KCFN	-	220,705	-	-	220,705
KCFN - YHM	-	171,965	-	-	171,965
Unrestricted income funds:					
General Fund	2,099,678	3,634,525	(179,364)	-	5,554,839
Pension Reserve	-	-	-	102,000	102,000
Net Assets	<u>2,099,678</u>	<u>4,321,569</u>	<u>(179,364)</u>	<u>102,000</u>	<u>6,343,883</u>

CXK Limited

Notes to the Financial Statements

Year Ended 31 March 2015

19. Commitments under Operating Leases

At 31 March 2015, the group and charitable company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Land and buildings:		
Expiring in less than one year	12,500	30,000
Expiring between two and five years	<u>-</u>	<u>18,000</u>
	<u>12,500</u>	<u>48,000</u>

19. Subsidiary Information

During the year, CXK's subsidiary Kent Children's Fund Network, made a transfer of engagements to CXK.

20. Related Party Transactions

Kent County Council ('KCC') is a member of the charitable company. During the year, the charitable company received £3,680,413 and expended £22,164 in relation to KCC. At the year end, £107,564 was due from KCC and £350 was due to KCC.

One of the Trustees who served during the year is a director of RAP Office Contracts Limited. During the year, the charitable company expended £520,296 in relation to RAP Office Contracts Limited. No amounts were due to RAP Office Contracts at the year end.

One of the Trustees who served during the year is a director of Amelix Telecom and Amelix Event Services. During the year, the charitable company expended £16,864 in relation to Amelix Telecom and Amelix Event Services. No amounts were due to Amelix Telecom and Amelix Event Services at the year end.

