

REGISTERED COMPANY NUMBER: 7931728 (England and Wales)
REGISTERED CHARITY NUMBER: 1146481

Kenward Trust

A registered charity

Report of the Trustees and
Financial Statements for the period ended 31 March 2013

Porritt Rainey
Chartered Accountants

The Kenward Trust

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for the year ended 31 March 2013**

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The Kenward Trust

Report of the Trustees for the year ended 31 March 2013

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

INCORPORATION

The charitable company was incorporated on 1 February 2012 and commenced activities on 1 April 2012.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

7931728 (England and Wales)

Registered Charity number

1146481

Registered office

Kenward House
Kenward Road
Yalding
Maidstone
Kent
ME18 6AH

Trustees

Anthony Jones	
Barry Rowbotham	- until 18/2/2013
Bruce Corp	
Ian Wilkins	
Merle Bigden	
Peter Dawson	
Roger Anthony Bedford	
Paul Fletcher	
Peter Brook	
Jenna Hunter	- appointed 1/4/2012
Bridget Langstaff	- appointed 1/4/2012
Jean-Pierre Darque	- appointed 1/4/2013
Jenny Molloy	- appointed 1/4/2013

Auditors

Porritt Rainey
9 Pembroke Road
Sevenoaks
Kent
TN13 1XR

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Kenward Trust is an independent charitable trust, registered with the Charity Commission on 27 March 1973. The governing document of the Kenward Trust is a trust deed, dated 24 May 1972. On 1st April 2012 the Trust also became a company limited by guarantee and now has new articles of association outlining key objects, governance structures and accountabilities

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Tragically, a long standing Trustee, Barry Rowbotham died in early 2012. During this financial year two new Trustees, Bridget Langstaff and Jenna Hunter, were appointed bringing required public health expertise in drug and alcohol, and employment law. At the close of this year a further skills audit was undertaken and the Trust began actively recruiting through a formal process two further Trustees, one with direct experience of recovery services and one with corporate knowledge and experience in order to meet new challenges and objectives

Induction and training of new trustees

This year has seen a continuation of a robust and structured Trustee development programme with half day sessions held where Trustees and key executive staff have focused on understanding and enhancing good governance within the Board and setting a new and dynamic strategic direction for the Trust. A new decision making framework was agreed during these days to ensure clear guidance for management in regard to contractual and funding opportunities

Organisational structure

The Board of Trustees administers the charity. The Board meets quarterly and there are now four sub-committees who report to the Board: Finance, People and Policies (looking at workforce issues), Business Development (providing a strategic overview of new service developments and opportunities) and Spirituality (ensuring the Trust stays true to its Christian heritage, value base and ethos). A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity. In order to facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and all activities pursuant to the objectives of the charity.

The Senior Management Team also used two strategy days during this year to develop implementation plans for the strategic direction agreed by Trustees and continuously improve decision making and functioning as a high performing management team.

Risk management

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

The Trustees have a risk management strategy which comprises:

- a quarterly review of the risks the charity may face and completion of a risk register;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

External risks to funding and high committed costs relating to assets have led to the development of a strategic plan which allows for, and will continue to allow for, the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects, and to ensure consistent quality of delivery for all operational aspects of the Trust. Those procedures are periodically reviewed in order to ensure that they still meet the needs of the Trust.

OBJECTIVES AND ACTIVITIES

Detailed Review of activities

Trustees clarified the Charity's vision once more at their development sessions with senior staff; encapsulated in the strap line; 'Transforming Lives; Creating Choice' and Kenward Trusts Mission; to provide high quality abstinence based residential rehabilitation services to achieve sustainable recovery from addiction to drugs and alcohol and seeking to break to the cycle of reoffending and homelessness. A Christian ethos underpins the work of the Charity and gives the values base which guides how services are delivered and managed. The core aim is to reach people at their point of need in terms of substance misuse and offending behaviour and homelessness. Empowering change and offering hope, help and support.

A changing external climate has led to a period of consolidation of our core areas of excellence in residential rehabilitation and resettlement services. Our core function is the delivery of whole person sustainable recovery in communities. We also continue to offer community based outreach and education relating to substance use. One of the refined roles of the charity is in advising and informing policy relating to the addiction recovery and resettlement agenda's at both local and national levels as a recognised expert in the field.

Corporate Plan

Our corporate plan 2012/13 retains six strategic objectives:

- Maintaining and developing the work we do
- Innovation at the heart of the organisation
- Human Resources-highly skilled, valued and motivated workforce
- Financial Resources - viable, sustainable and transparent finances
- Physical Resources - modern, safe and supportive environments
- Relationships - service users, significant others and communities at the centre of all we do and all we aspire to do

Further detailed objectives under each strategic objective can be found on our website;
www.kenwardtrust.org.uk

Key achievements relating to each strategic objective:

- CQC inspections passed with quality standards recognised. 191 people were resident in the year, 61% successfully completed a residential rehabilitation and reintegration programme. 72% planned discharges in main residential project (following 2 week initial induction). A robust clinical supervision model in place. Occupancy levels maintained above 70% throughout the year. Kenward represented at all party parliamentary groups reviewing both national alcohol and drug strategies. A well received DVD of residential services was produced and widely distributed providing real life case studies effectively demonstrating lives transformed and the positive impact of this on individuals, families and communities..
- Internal road shows and working groups involving a range of stakeholders delivering on objectives. New Social Enterprise projects and resettlement of offender projects including crisis accommodation established and meeting identified needs
- New robust appraisal system in place and working well. Highly successful staff / volunteer conference held with 95% attendance
- Savings plan in place and implemented across the Trust. Investment in a full time fundraiser with significant early success in raising new income streams. Sound investment of surplus funds
- Full evaluation of current environmentally sound heating system undertaken. Plans for new system with increased efficiencies and ecological benefits in place
- Service user involvement strategy developed. Service users fully involved in trustee and staff recruitment and all aspects of service planning, delivery and evaluation

In seeking further efficiencies in this current economic and political climate we have ensured we have the right infrastructure in place to deliver effective and efficient services of the highest quality. Dr Louisa Vingoe was recruited to the Senior Management Team as clinical lead during this year bringing considerable expertise in forensic psychiatry and both mental health and substance misuse. The previous year's investment in a dual diagnosis practitioner has proved invaluable in increasing commissioner confidence and referral and retention rates

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Service provision and achievements

Kenward House

During this financial year a further review of the whole service has been undertaken involving a wide range of stakeholders. Our Kenward House programme offers a flexible, adaptable and personalised recovery and reintegration programme to meet the increasingly complex needs of our service users. Co-morbidity (mental health, physical health, cognitive impairment issues alongside addiction to drugs and alcohol) is now very common and needs are being met in the new evidenced based programme.

We work closely with service users and commissioners to ensure programme delivery meets diverse and complex needs whilst offering extremely competitive value for money. The occupancy rates over 2012/13 have been consistently high at Kenward House reflecting the success of our changes to programme delivery and outcomes. An increasing emphasis on reintegration into communities has also resulted in the establishment of significant links and positive relationships with the local business, health and social care and the faith community. This has resulted in increased opportunities for meaningful activities supporting long term freedom from dependence on alcohol and drugs and freedom from a reliance on state benefits. These positive community networks have also provided additional social and leisure activities improving quality of life and general health and well-being of our residents.

We have also continued to develop our families work related to our clients knowing that restoring family relationships can be crucial to preventing relapse and maintaining recovery in the long term. Families are involved in a service user's recovery plan but are also offered support, advice and information in their own right.

Reintegration and resettlement projects on the Kenward House and Naomi sites

Our investment in a full time Head of Resettlement post in this year has resulted in a significant progression of our skills development programme offering short term and structured volunteering opportunities for offenders nearing their release date from the three open prisons in Kent. Some have gone on to be successfully recruited to full time positions within Kenward at the point of release. One such individual coming through this programme several years ago was appointed to a deputy manager position during this year.

A new Garden Enterprise Manager was successfully recruited at the end of this financial year. This has already resulted in a comprehensive development of this social enterprise on the Kenward House site offering meaningful activities and volunteering opportunities for our service users and a new source of income generation for the Trust.

The conference centre social enterprise has progressed at a slower rate than planned, but has increased enquiries and use. This has and also increased income and our links with new partner organisations and businesses.

The Barn

The Barn project has continued to offer an intensive therapeutic community programme for up to 9 men who are assessed as most likely to benefit from this type of residential treatment intervention. Evaluations from service users at discharge have consistently demonstrated high service user satisfaction and excellent outcomes in terms of motivational change and whole person recovery. Occupancy has met and exceeded stretch targets for the year and retention rates have been consistently high (72%). This project has proved particularly effective for those with an offending background alongside addiction issues and on a court order.

Naomi

Naomi our women's only abstinence based residential rehabilitation project for up to 9 women has continued to offer a high quality therapeutic community based recovery programme. Women are supported in reintegrating with families and communities. A new fully equipped sensory room was added at the project this year providing additional opportunities for creative therapeutic work with women, particularly helpful for those working through extremely damaging abusive relationship, body image and attachment and loss issues.

Following an internal review and external consultation on out of hours cover at the project, night staffs were recruited during this year. Staffing and occupancy were risk issues for the Trust at the beginning of 2013, but following the implementation of an intensive risk management plan, rates had increased considerably to 55% by April 2013

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Malthouse

This second stage project continues to provide a comprehensive range of therapeutic and life skill interventions for up to 8 men as they move forward in their recovery journey into independent living. Excellent and well established local community networks provide a range of volunteering and reintegration opportunities for the men who move on to this project. A member of staff at this project is now a fully qualified assessor for dyslexia. This has resulted in an additional provision of a screening, assessment and advice service for service users across the Trust and an internal basic skills deficiency training for all staff and volunteers working within our residential and move on projects.

Move on projects

This year saw a reduction in our community drug and alcohol service provision due to new payment by result (PbR) commissioning and contracting models which presented too high financial risks for our Trustees to contemplate applying for. Consolidation of residential provision took place and growth in reintegration and resettlement services. Our move on accommodation project provision increased to four projects this financial year, all based in town centre locations with easy access to resettlement opportunities and advice and support networks. They now offer supported housing for up to 19 men and women moving on from residential recovery programmes into independent living with in local communities. These have proved crucial for many individuals in sustaining freedom from dependence and in reintegrating back into communities. It has also proved to be instrumental to the building of recovery communities where mutual support and developing social capital benefit whole communities and helps to strengthen community resilience.

Tragically a long standing and respected manager of these services died suddenly in service in 2012. A highly qualified and experienced manager has since been recruited and is developing the service provision further and increasing access to a new range of recovery support services in the area.

12 individuals were successfully resettled in 2012/13. N no longer dependent on drugs or alcohol these individuals will be contributing positively to local economies and communities.

Crisis Accommodation

A two bedded accommodation was changed to crisis accommodation initially as a pilot with probation funding. This is now an established service for offenders requiring short term and supported accommodation in a town centre location.

Reset

The business case was agreed by the multi-agency steering group and Trustee business development sub-committee and implemented during this year. This service now provides volunteer mentoring support to low to medium risk offenders before and at the point of release from Kent based prisons. Volunteer mentors have been successfully recruited from a range of appropriate backgrounds and professions and all receive a thorough programme of induction, training and supervision delivered by multi-agency providers. This project also increases collaboration and support to the vast range of statutory, community and voluntary sector providers of offender based support services.

The service aims to be fit for purpose and ready to respond to the anticipated transforming rehabilitation agenda and commissioning process in 2013/14.

Kenward Alcohol Service

The Trust independently funded the early intervention community based alcohol service during this year following the loss of the statutory community contract (PbR) through brief interventions in appropriate and easily accessible locations during 2012/13 . The service also provided advice, support and information to those affected by someone else's excessive drinking. Although the service was clearly meeting a need and had high client and referral agency satisfaction ratings funding was not secured to continue the service into 2013/14.

Kenward Youth Services

This harm reduction, preventative and early intervention service for young people offers current and evidence based drug and alcohol information, support and advice to young people through schools and community outreach work. The key to this work is in building relationships with typically 'hard to reach' young people, engaging them in structured interventions encouraging informed and positive life choices around drug and alcohol use.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

This year was a positive one in that funding was secured from four local authorities to deliver targeted youth work where drugs and alcohol was considered to be an issue often related to anti social behaviour in a community. Additional funding was secured for new interactive and innovative resources chosen in full consultation with young people. The work takes a whole community approach and works with young people in a variety of settings; schools, colleges, youth clubs and open spaces where young people gather and at community events. The service also provided parent and professionals training and support sessions related to drug and alcohol awareness. In 2012/13 grant funding was also secured for work in a new local authority location in East Kent and national funding obtained for a multi-agency partnership project 'Don't abuse the booze in a town centre location'. Kenward's specialist youth workers provides outreach and schools education advice alongside statutory, private business and other charity partners in the project ensuring a consistent and clear preventative intervention programme .

Lighthouse Project

This supported housing project for up to 23 homeless young people continues to offer ongoing support to some very vulnerable young people assisting them in their move to independence or restoration of family relationships. A new Manager coming into post in 2013 has reinvigorated the project as it reviewed and improved its quality standards and integration with other agencies working within a deprived local community for the benefit of the service users. Additional opportunities were offered in this year with a successful ongoing garden project and an outward bound course increasing self esteem and aspirations and improving life chances. A total of 49 young people were accommodated at the Lighthouse within the year and of those who moved on in year 26 (84%) were resettled.

FINANCIAL REVIEW

Results

Trust had an operating deficit of £ 296,623 which is slightly alleviated by the improvement in value of its investments by £57,714 so reporting funds after the transfer from the former charity of £5,003,069.

The Trust's financial position has improved considerably over the last few years. There are now no bank loans outstanding, monies are invested, creditors have reduced, prudent budgets have been set and the impact of reducing local authority income has been managed.

The Trust has continued to review its overheads and over the last few years £150k has been added to therapeutic staffing by this review.

Considerable financial pressures do however remain and will need to be managed over the next few years.

Reserves policy

The Trustees have reviewed Kenward Trust's Reserves Policy, with regard to the Trust's current operations, its future plans, and with particular reference to the guidance provided within the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (revised 2005), Charity Commission publications RS3 and CC19 - 'Charities' Reserves' and also to the Operational Guidance notes OG43.

The Trustees have set a reserve policy equivalent to three months of salaries and on costs. For 2013/14 this is projected as £320,000. In addition to underpin this, due to the risk of the current economic climate as part of their Reserves Policy the Trustees will continue to be prepared to sell one of the Trust's freehold properties in order to generate the appropriate level of liquid funds.

FUTURE DEVELOPMENTS

In the current and foreseeable challenging economic and political climate the Trustees will further consolidate core service provision. Through full involvement of staff, volunteers, service users and stakeholders we will maintain and continuously improving our residential recovery and resettlement programmes whilst seeking further efficiency savings.

Investment in staff and volunteer competency based recruitment, learning and development and reward and recognition schemes will continue to be part of our ongoing plans. In this way the charity will seek to maintain and develop our service provisions as a recognised centres of excellence in recovery, reintegration and resettlement.

We will increase and diversify our income streams reducing our reliance on government spend and increasing our charitable income. We will look to grow and develop services over the next five years in terms of further resettlement, social enterprise, detoxification provision and families work.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Porritt Rainey, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Paul Fletcher

Paul Fletcher - Trustee

Date: 29 October 2013

Report of the Independent Auditors to the Members of The Kenward Trust

We have audited the financial statements of The Kenward Trust for the year ended 31 March 2013 on pages ten to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. 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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Report of the Independent Auditors to the Members of The Kenward Trust

Matters on which we are required to report by exception

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

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

Alan R E Peal

Alan R E Peal
Senior Statutory Auditor
For and on Behalf of Porritt Rainey, Statutory Auditor
9 Pembroke Road
Sevenoaks
Kent
TN13 1XR

Date: 30 October 2013

The Kenward Trust

Statement of Financial Activities
for the year ended 31 March 2013

	Notes	Unrestricted funds £	Restricted funds £	Total funds £
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary income	2	59,405	3,672	63,077
Activities for generating funds	3	10,829	-	10,829
Investment income	4	10,644	-	10,644
Incoming resources from charitable activities				
Primary Stage Residential		998,132	-	998,132
Secondary & Final Stage Residential		697,731	-	697,731
Outreach & Youth Programmes		-	63,350	63,350
Other Activities		11,916	-	11,916
Total incoming resources		1,788,657	67,022	1,855,679
RESOURCES EXPENDED				
Costs of generating funds				
Costs of generating voluntary income	6	55,896	-	55,896
Charitable activities				
Primary Stage Residential	7	1,289,742	21,738	1,311,480
Secondary & Final Stage Residential		550,118	9,587	559,705
Day Programmes		51,274	-	51,274
Outreach & Youth Programmes		86,300	66,325	152,625
Resettlement project		691	1,771	2,462
Governance costs	9	18,860	-	18,860
Total resources expended		2,052,881	99,421	2,152,302
NET INCOMING/(OUTGOING) RESOURCES		(264,224)	(32,399)	(296,623)
Other recognised gains				
Gains on investment assets		57,714	-	57,714
Net movement in funds		(206,510)	(32,399)	(238,909)
RECONCILIATION OF FUNDS				
Total Funds transferred on incorporation	13	3,071,928	2,170,050	5,241,978
TOTAL FUNDS CARRIED FORWARD		<u>2,865,418</u>	<u>2,137,651</u>	<u>5,003,069</u>

The notes form part of these financial statements

The Kenward Trust

Balance Sheet
At 31 March 2013

	Notes	Unrestricted funds £	Restricted funds £	Total funds £
FIXED ASSETS				
Tangible assets	14	2,576,553	2,137,652	4,714,205
CURRENT ASSETS				
Stocks		1,337	-	1,337
Debtors	15	194,243	-	194,243
Investments	16	557,714	-	557,714
Cash at bank and in hand		<u>52,132</u>	-	<u>52,132</u>
		805,426	-	805,426
CREDITORS				
Amounts falling due within one year	17	(126,562)	-	(126,562)
		<u>678,864</u>	-	<u>678,864</u>
NET CURRENT ASSETS				
		3,255,417	2,137,652	5,393,069
TOTAL ASSETS LESS CURRENT LIABILITIES				
CREDITORS				
Amounts falling due after more than one year	18	(390,000)	-	(390,000)
		<u>2,865,417</u>	<u>2,137,652</u>	<u>5,003,069</u>
NET ASSETS				
FUNDS	19			
Unrestricted funds				2,865,417
Restricted funds				<u>2,137,652</u>
TOTAL FUNDS				<u>5,003,069</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 29 October 2013 and were signed on its behalf by:

Paul Fletcher

Paul Fletcher - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

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

Allocation and apportionment of costs

Support costs include central functions and have been allocated to activity cost categories on bases considered to be consistent with the proportionate use of resources. Thus costs have been allocated with reference to the staff costs of the respective activities during the year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Land and buildings	- 2% on cost
Plant and machinery etc	- 20% on cost and 10% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

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

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

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Notes to the Financial Statements - continued
for the year ended 31 March 2013

2. VOLUNTARY INCOME

	£
Donations	47,121
Gift aid	<u>15,956</u>
	<u>63,077</u>

3. ACTIVITIES FOR GENERATING FUNDS

	£
Rental Income	7,472
Training Income	<u>3,357</u>
	<u>10,829</u>

4. INVESTMENT INCOME

	£
Deposit account interest	7,585
Investment Income	<u>3,059</u>
	<u>10,644</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	£
Board and Lodging Income	992,771
Sundry Income	5,361
Board and Lodging Income	437,757
Supporting People	259,974
Grants	63,350
Sundry Income	<u>11,916</u>
	<u>1,771,129</u>

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

	£
Local Authorities	48,000
Colyer- Fergusson Charitable Trust	10,000
Other Trusts	<u>5,350</u>
	<u>63,350</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2013

6. COSTS OF GENERATING VOLUNTARY INCOME

	£
Staff costs	27,414
Events	130
Marketing and Advertising	17,741
Equipment	<u>10,611</u>
	<u>55,896</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Primary Stage Residential	949,162	362,318	1,311,480
Secondary & Final Stage Residential	384,587	175,118	559,705
Day Programmes	51,274	-	51,274
Outreach & Youth Programmes	87,586	65,039	152,625
Resettlement project	<u>2,462</u>	<u>-</u>	<u>2,462</u>
	<u>1,475,071</u>	<u>602,475</u>	<u>2,077,546</u>

8. SUPPORT COSTS

	Management	Finance	Information technology	Human resources	Totals
	£	£	£	£	£
Primary Stage Residential	242,210	61,514	13,037	45,557	362,318
Secondary & Final Stage Residential	117,065	29,733	6,301	22,019	175,118
Outreach & Youth Programmes	<u>47,023</u>	<u>9,227</u>	<u>1,956</u>	<u>6,833</u>	<u>65,039</u>
	<u>406,298</u>	<u>100,474</u>	<u>21,294</u>	<u>74,409</u>	<u>602,475</u>

Activity	Basis of allocation
Management	Direct Staff Costs
Finance	Direct Staff Costs
Information technology	Direct Staff Costs
Human resources	Direct Staff Costs

9. GOVERNANCE COSTS

	£
Legal and professional fees	10,092
Auditors' remuneration	8,400
Meeting expenses	<u>368</u>
	<u>18,860</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2013

10. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	£
Auditors' remuneration	8,400
Depreciation - owned assets	71,246
Depreciation - assets on hire purchase contracts and finance leases	90
Deficit on disposal of fixed asset	<u>13,072</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2013.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2013.

12. STAFF COSTS

	£
Wages and salaries	1,235,372
Social security costs	102,524
Other pension costs	<u>12,776</u>
	<u>1,350,672</u>

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

Primary Stage	22
Secondary Stage	14
Outreach and Youth	2
Generating Voluntary Income	1
Support	<u>12</u>
	<u>51</u>

13. TRANSFER ON INCORPORATION

These are the amounts transferred at fair value from the unincorporated Charity.

Notes to the Financial Statements - continued
for the year ended 31 March 2013

14. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
Additions	4,694,617	109,646	4,804,263
Disposals	<u>-</u>	<u>(18,722)</u>	<u>(18,722)</u>
At 31 March 2013	<u>4,694,617</u>	<u>90,924</u>	<u>4,785,541</u>
DEPRECIATION			
Charge for year	<u>58,682</u>	<u>12,654</u>	<u>71,336</u>
NET BOOK VALUE			
At 31 March 2013	<u>4,635,935</u>	<u>78,270</u>	<u>4,714,205</u>

The net book value of tangible fixed assets includes £552 in respect of assets held under hire purchase contracts.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade debtors	£ 167,498
Other debtors	<u>26,745</u>
	<u>194,243</u>

16. CURRENT ASSET INVESTMENTS

Unlisted investments	£ <u>557,714</u>
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17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Finance lease	£ 1,180
Trade creditors	35,093
Taxation and social security	25,916
Other creditors	<u>64,373</u>
	<u>126,562</u>

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

Other creditors	£ <u>390,000</u>
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Notes to the Financial Statements - continued
for the year ended 31 March 2013

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

	£
Amounts falling due in more than five years:	
Repayable otherwise than by instalments:	
Alvor Trust Loan	<u>390,000</u>

19. MOVEMENT IN FUNDS

	Funds Transferred on Incorporation £	Net movement in funds £	At 31/3/13 £
Unrestricted funds			
General fund	3,071,928	(206,511)	2,865,417
Restricted funds			
Residential Accommodation	77,895	(1,020)	76,875
Highgate Hall Annex	8,298	(268)	8,030
Capital Projects	2,080,650	(27,903)	2,052,747
Stair-lift for the disabled	<u>3,207</u>	<u>(3,207)</u>	<u>-</u>
	2,170,050	(32,398)	2,137,652
TOTAL FUNDS	<u>5,241,978</u>	<u>(238,909)</u>	<u>5,003,069</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,788,657	(2,052,882)	57,714	(206,511)
Restricted funds				
Other	13,672	(13,672)	-	-
Youth Outreach	53,350	(53,350)	-	-
Residential Accommodation	-	(1,020)	-	(1,020)
Highgate Hall Annex	-	(268)	-	(268)
Capital Projects	-	(27,903)	-	(27,903)
Stair-lift for the disabled	<u>-</u>	<u>(3,207)</u>	<u>-</u>	<u>(3,207)</u>
	67,022	(99,420)	-	(32,398)
TOTAL FUNDS	<u>1,855,679</u>	<u>(2,152,302)</u>	<u>57,714</u>	<u>(238,909)</u>