

TRUST STATUS

Company limited by guarantee	148906
Registered Charity	211234
Registered Social Landlord	LH1648

**Papworth Trust**  
**Report and Accounts**  
**31 March 2011**

TUESDAY



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COMPANIES HOUSE

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*Registration  
Number*

TRUST STATUS

A registered charity	211234
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## REPORT OF THE BOARD OF TRUSTEES

The Trustees of Papworth Trust, who act as Directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 31 March 2011

### **OBJECTIVES AND ACTIVITIES**

The trustees confirm they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission when reviewing the charity's aims and objectives and in planning future activities

The Trustees are confident that the activities of Papworth Trust are carried out for the benefit of others as is detailed in the rest of the information within the Trustees report

### ***Papworth Trust's Mission, Vision and Values***

#### **Our Mission**

Our Mission is for disabled people to have equality, choice and independence

In using the term 'disabled' we mean anyone who has a long-term health issue, learning difficulty, physical disability, sensory impairment, mental health issue or a combination of these or other impairments. We also mean people of any age

#### **Our centenary Vision**

We are increasingly focussed on our centenary Vision so that by 2017 we will be sought after and respected for our insights into disability issues because

- Disabled people value our integrated and community-based services
- We address people's unmet needs and aspirations
- We are known for our pacesetting projects and standards

#### **Our Values**

Working across the organisation with service users, staff and Trustees, we have agreed a set of core Values that define our culture and behaviour

#### **We are respectful of people with whom we work**

We listen to people's views, respect their rights, seek to develop trust, and strive for people to be empowered in the choices they make. For example, we listen to the views of disabled people in shaping our strategy and involve disabled people in the recruitment of staff at all levels

#### **We challenge ourselves and those around us**

We are uncomfortable with the status quo and our work matters to us, we are passionate about achieving change for the better. For example, we challenge the direct provision of some of our own services where we think that the money

## REPORT OF THE BOARD OF TRUSTEES

used to subsidise the service might be better used in other areas to improve the quality of people's lives

### **We are pioneering**

We always aim to be far-sighted and creative, coming up with new ways of doing things and making them happen. We invest our own energy and resources, and encourage others to achieve their ambitions. We led the way in setting up new models of service such as the Papworth Trust Centre, Huntingdon and new approaches with employers.

### **We are informed**

We base our work on sound knowledge and experience. We have a track record of delivering real outcomes across a range of competencies, and use this as the basis for future development. For example, we led research in areas such as Vocational Rehabilitation and shaping housing needs.

### ***Principal Activities***

Papworth Trust focuses its activities into six main areas: Empowerment, Housing and the Built Environment, Personal Support, Employment and Vocational Rehabilitation and Learning for Life and Work. In addition, we provide advice services to disabled people, businesses, Local Authorities and other organisations, advising on disability in general, employing disabled people and developing accessible and inclusive communities.

## **ACHIEVEMENTS AND PERFORMANCE**

At 31 March 2011 we employed 472 staff, of whom 21% declared they have a disability. More than 100 volunteers work with us on a regular basis in a number of different roles. Together, our staff and volunteers serve over 20,000 disabled people each year.

We help disabled people achieve a number of outcomes: we help over 7,000 people a year to develop career opportunities; as a registered provider of social housing we provide homes for over 650 families and individuals, two-thirds of these homes are fully accessible, therefore helping people to live independently; we provide day services at eight centres across the Eastern region helping people to learn new skills; and over 90% of people who attend our Vocational Rehabilitation service for those with acquired disabilities are either in work or work-ready by the time they complete their programme.

Most of our current £19m income is earned through Local Authority and Government contracts and rents from tenants, with the balance of our funding coming from endowments, fundraising and investments.

### ***Employment Services***

The service delivers programmes and opportunities for disabled people to obtain and retain work. It provides career development services to help disabled

REPORT OF THE BOARD OF TRUSTEES

people reach their career goals while supporting employers to retain and develop disabled staff

Overall the number of people obtaining work through Papworth Trust's employment services was 841 compared with 548 last year. During the year there were 7,779 service users.

***Vocational Rehabilitation***

Vocational Rehabilitation is a nationwide service helping people who have acquired a disability through an accident, illness or injury to get a job or be ready for work. The service works with people who have a wide range of physical disabilities.

During the year 120 people were referred to the programme (2010: 127 people).

***Learning for Life and Work***

Learning for Life and Work focuses on increasing an individual's opportunity to learn so that they are able to achieve their ambitions and realise their potential, improve their choices and independence, increase options to obtain and retain rewarding employment and develop personally.

500 people attended our Papworth Trust Centres during the year (2010: 330).

***Housing***

The number of homes provided by Papworth Trust increased from 632 in 2010 to 655 at 31 March 2011, with the number of supported homes in housing management increasing by 22 properties and the number of General Needs properties increasing by 1. We are receiving strong and positive feedback from tenants.

The Home Solutions Service has provided advice and other services to 6,312 people (2010: 3,682) during the year. We are committed to the continued growth of this Service. This is demonstrated by our recent success in winning the contract to deliver HIA services in South and West Essex.

***Personal Support***

Personal Support provides a range of services including support with washing, dressing, feeding, shopping, holding a tenancy and communication. Personal Support enables people with disabilities to live in the community with increased independence. We deliver services to people with physical impairments, learning disabilities (including complex needs e.g. autism). In some cases our service users also have sensory impairments, mental health problems and acquired brain injuries.

At 31 March 2011: 230 (2010: 205) people were using our Personal Support services.

REPORT OF THE BOARD OF TRUSTEES

**Empowerment**

All services provided by the Trust are planned with consideration given to the empowerment and involvement of disabled people. Empowerment enables disabled people to have more equality, choice and independence in their lives and helps to give our service users a greater voice.

The West Suffolk Disability Resource Centre received 6,831 visitors (2010 6,272) during the year, and addressed 2,503 (2010 2,486) general enquiries relating to disabilities and disability issues.

**Progress on objectives set out in last year's Trustees' Report**

Objective set out in last year's Report	Progress to date
<ul style="list-style-type: none"><li>Secure Workchoice and Work Programmes contracts</li></ul>	Workchoice contracts have been secured in Cambridgeshire and Essex and were in operation in 2010-2011. Work Programme contracts have been secured in East Midlands and East of England and commenced in June 2011.
<ul style="list-style-type: none"><li>Expand the Transitions to work services</li></ul>	The work services element of Transitions was not progressed in 2010-2011 due to lack of funding. However, Transitions youth clubs have been established in Cambridgeshire, Peterborough and Essex and are operating extremely successfully.
<ul style="list-style-type: none"><li>Develop community based personal support services</li></ul>	Personal Support services grew from £3,793k in 2009-2010 to £5,281k in 2010-2011.
<ul style="list-style-type: none"><li>Continue the expansion of Home Solutions Improvement Agency Service</li></ul>	A new Home Solutions Agency was launched in Waltham Forest and operates very successfully. New contracts have been secured in Essex.
<ul style="list-style-type: none"><li>Investigate the further expansion of Rehabilitation services</li></ul>	Work has been undertaken to market Rehabilitation services to more insurers and to solicitors involved with personal injury claims.

**OBJECTIVES FOR THE COMING YEAR**

Our plans for the coming year are to

- Offer Personal Support packages funded by individual budgets linked to accommodation owned by us.

## REPORT OF THE BOARD OF TRUSTEES

- Consolidate Transitions services and expand the services to provide work experience programmes
- Develop personalised services available to people using individual Budgets so that each person we work with can choose how their services are delivered
- Deliver the Work Programme as a subcontractor throughout our existing geographical areas plus any neighbouring counties
- Develop remote support services within the Rehabilitation business

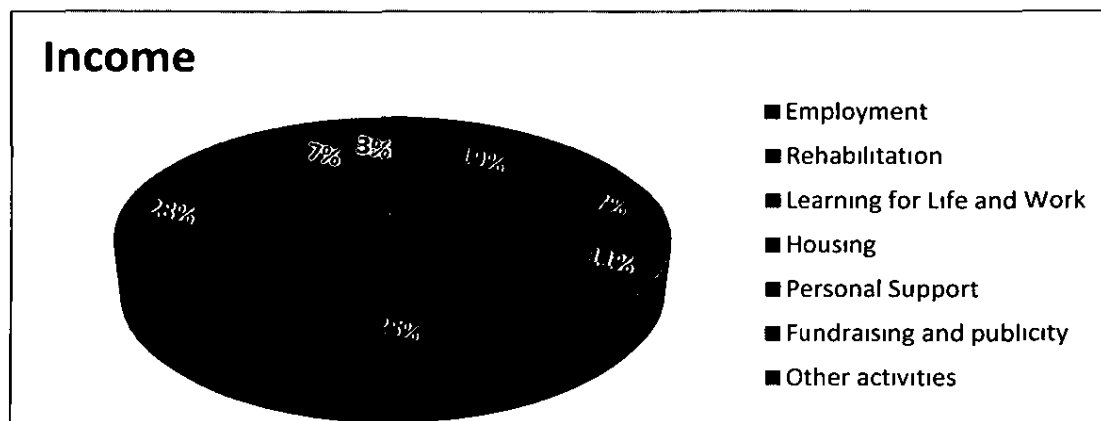
### FINANCIAL REVIEW

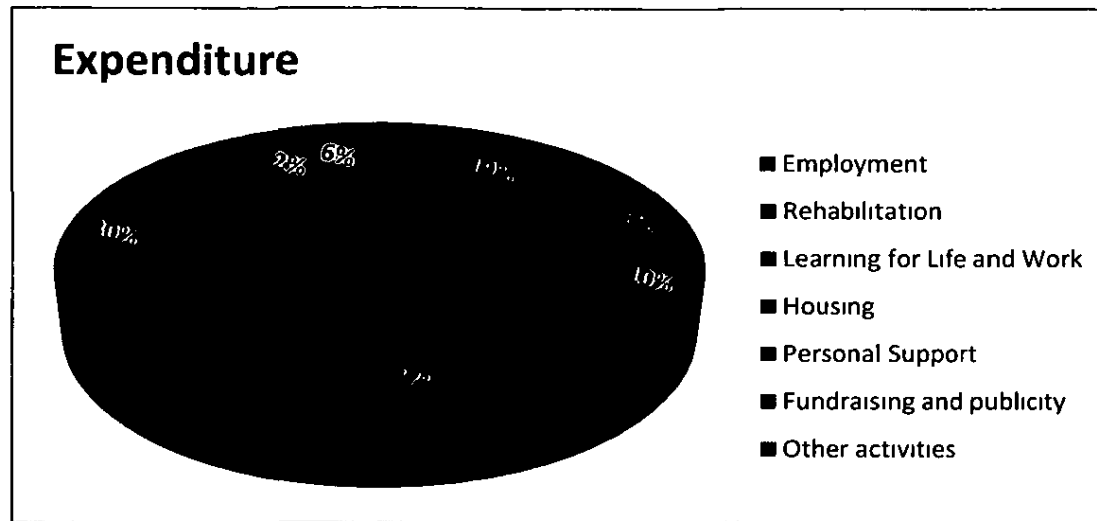
#### *Income and Expenditure*

Despite the difficult economic climate, all services reported growth in the year. Income for the year increased by 24%, to £18,835k (2010 £15,173k)

Expenditure increased by 23%, to £18,682k (2010 £15,141k). Careful control of costs resulted in an increase in operating surplus to £153k from £32k in the previous year.

The financial results by service area are set out below





### ***Fundraising***

The fundraising team faced many challenges in the tough economic conditions, but nevertheless raised £1,220k in 2010/11

We would like to thank all who have helped to fund Papworth Trust's work in the financial year, in particular

Alchemy Foundation  
Haymills Charitable Trust  
Simon Gibson Charitable Trust  
Sylvia Waddilove Foundation  
TTP Group

Big Lottery  
Pye Foundation  
Strangward Charitable Trust  
Wolfson Foundation

We are also very grateful to those anonymous donors who have given generously over the year and would like to express our thanks to the many people who have given up their time to raise money through sponsored events and to help to support the valuable services we offer

### ***Investment Income***

Investment income was £9k compared to £14k last year. Investments are held on a Total Return basis

### ***Balance Sheet***

Fixed assets are £36.7 million compared to £35.6 million last year. The market value of our investments has increased by £0.6 million during the year

Current assets have increased from £2.9 million to £3.6 million

### ***Post Balance Sheet Event***

There are no significant post balance sheet events to report this year



REPORT OF THE BOARD OF TRUSTEES

***Reserves Policy***

Papworth Trust has a policy of allocating reserves to the planned new activities and to set aside prudent reserves to cover contingencies. Papworth Trust's reserves are currently invested to provide returns which along with fundraised income, helps to support existing projects and develop new ones.

Papworth Trust sets money aside where a purpose is specified by the donor. This may permit Papworth Trust to spend the income generated by a donated investment (known as an Endowment), or it may permit Papworth Trust to spend the amount donated (known as a Restricted Reserve).

Papworth Trust established a Disability Services Fund to provide financial support for the development of new activities and services to support disabled people.

The Property Fund represents Papworth Trust's funds that are invested in tangible fixed assets, net of loans, grants and donations received to specifically finance such assets and are not therefore available to meet operating expenses.

To safeguard against unforeseen shortfalls or changes in the funding of the services and programmes for disabled clients for whom Papworth Trust is already committed, a Contingency Fund has been established, representing between two and four month's expenditure on such committed programmes plus additional specific exposures to be assessed each year.

The General Funds represent Papworth Trust's available free funds. Movements between funds are approved annually by the Finance Committee, and are set out in Note 15 to these accounts.

***Investment Policy***

Investments are managed with full discretion by Papworth Trust's investment advisers under the overall supervision of Papworth Trust through its Investment Committee. The Committee monitors the performance of the investment advisers through formal quarterly review meetings.

REPORT OF THE BOARD OF TRUSTEES

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

***Legal Status***

The charity is constituted as a company limited by guarantee and is therefore governed by its Memorandum and Articles of Association. The liability of each member in the event of the company being wound up is £1. The company is a registered charity.

***Governance***

As a limited company Papworth Trust is governed by its Members. The Board of Trustees are elected by the Members at a General Meeting. Trustees can also co-opt additional Trustees to the Board, who must subsequently be elected by Members at the General Meeting. The election or appointment of Trustees is detailed in the Articles of Association.

Trustees meet six times a year to review the management of the organisation. Day-to-day management is delegated to the Chief Executive and Leadership Team. Trustees also meet managers in Committees to oversee the activities of specific operations of the organisation in more detail. Membership of Committees reflects the interests and expertise of the respective Trustees, and is shown on page 43. Minutes of all Committee meetings are subsequently circulated to the full Board.

The induction process for Trustees includes attendance at staff induction and disability awareness training courses, supported by in-depth briefings from senior managers and visits to our centres. Further training is arranged to meet the specific needs of individual Trustees.

Trustees do not receive a salary, but may claim expenses for attending meetings (see Note 21 to these accounts).

Trustees and Leadership Team members are asked to complete an annual Disclosure Statement to notify Papworth Trust of any involvement in any other organisations. This was most recently completed in March 2011 and revealed no conflicts of interest.

***Trustees Liabilities***

Papworth Trust has indemnified one or more of the Trustees of Papworth Trust against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year.

***Risk Management***

The Board of Trustees has overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness. The Trustees recognise that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve the organisation's objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned objectives and outcomes are achieved. This will also give reasonable assurance

## REPORT OF THE BOARD OF TRUSTEES

about the reliability of financial and operational information and the safeguarding of Papworth Trust's assets and reputation.

Papworth Trust also maintains a risk register in which risks are documented and evaluated, so that major risks can be identified and the effectiveness of controls which address these risks can be assessed

The principle risks and uncertainties have been identified as

- Maintaining the sustainability of contract delivery in the current financial climate where further spending cuts are anticipated and at a time when inflation is rising
- Failure to maintain performance on key contracts resulting in financial loss and reputational damage
- Failure to respond to changes in the market place, such as Personalisation, and ensure that product and price is appropriate for new markets

Key elements of the control framework and the system for reviewing the effectiveness of the system of internal control are as follows

### **Planning and approval**

Papworth Trust has adopted a formal process for approval of new projects which identifies risks and controls. Combined with the budget process, which reviews risks and controls in existing processes, this generates a comprehensive review of risks

### **Committees**

Committees take a more detailed interest in specific areas of Papworth Trust's activities, and monitor performance against key performance indicators

### **Finance Committee**

The Finance Committee has delegated responsibility for the oversight of key issues such as treasury management, financial appraisal of new projects and prevention and detection of fraud. The Finance Committee is also responsible for reporting to the Board of Trustees on the effectiveness of internal controls. At each meeting the Finance Committee reviews the major risks, and assesses the effectiveness of controls in managing those risks. This includes a discussion over whether there is a need to use internal audit activities to assess the effectiveness of controls. The Finance Committee submits minutes of its meetings to the Board of Trustees for approval

### **Monitoring and corrective action**

Financial reporting procedures include detailed budgets for the year ahead, detailed monthly management accounts, and longer-term financial plans used for strategic planning. The Leadership Team reviews the reports in detail and they are considered and approved by the Trustees

REPORT OF THE BOARD OF TRUSTEES

Papworth Trust's regular Quarterly Business Reviews allow operational teams the opportunity to share performance results and changes to the risk map, and to plan corrective action if targets are not being met

**NHF Code of Governance**

We are pleased to report that the Trust complies with the principal recommendations of the NHF Code of Governance (revised)

**HEALTH AND SAFETY**

The Board is aware of its responsibilities on all matters relating to health and safety. Papworth Trust has prepared detailed health and safety policies and provides staff training and education on health and safety matters

**DISABLED EMPLOYEES**

Papworth Trust has a Diversity and Equality policy regarding the employment of staff, including disabled employees, and gives full consideration to applications for employment from disabled people

Where existing employees acquire a disability, it is Papworth Trust's policy wherever possible to provide continuing employment and to provide training and career development to employees wherever appropriate

Currently 21% of Papworth Trust's employees are disabled

**EMPLOYEE INVOLVEMENT**

We are committed to providing our employees with information about our activities, consulting with them on major changes and generally developing an open culture in the organisation. Regular meetings are held between managers and staff teams to allow a free flow of information, we use our intranet site to share information with staff, and we hold Staff Conferences to update staff on strategy and other major developments

**USER INVOLVEMENT**

User Involvement has started to take a 'co-ordination' rather than a 'management' approach to delivering and developing involvement. The User Council model has not achieved its full potential and has been replaced by a User Forum which met for the first time in June 2011. Representatives nominated by groups of service users met to discuss what is important to them to influence the Trust. More service users from all areas of our operations will have the opportunity to have a say if they choose to

**STAFF, VOLUNTEERS AND TRUSTEES**

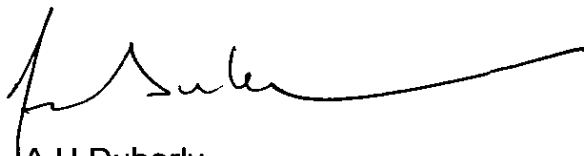
Finally I would like to thank the Trustee User Representatives, staff, volunteers and Trustees of Papworth Trust for their dedication and hard work during the past year

REPORT OF THE BOARD OF TRUSTEES

**EXTERNAL AUDITORS**

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of Grant Thornton UK LLP as auditors of the Trust is to be proposed at the forthcoming Annual General Meeting

The report of the Board of Trustees was approved by the Board on 28 July 2011 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'A H Duberly', with a long horizontal flourish extending to the right.

A H Duberly  
Chairman of Trustees

**STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS AND THE NHF CODE OF GOVERNANCE**

The Board is responsible for preparing the Report of the Board of Trustees and financial statements in accordance with applicable law and regulations

Company law requires the Board to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of Papworth Trust for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social landlords (2008), have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Board is responsible for ensuring that the Report of the Board of Trustees is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social landlords (2008).

***Disclosure of information to auditors***

At the date of making this report each of the Trustees, as set out on page 43, confirm the following:

- so far as each Trustee is aware, there is no relevant information needed by the Trust's auditors in connection with preparing their report of which the Trust's auditors are unaware;
- each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant information needed by the Trust's auditors in connection with preparing their report and to establish that the Trust's auditors are aware of that information.

## Papworth Trust

Independent auditor's report to the members of the Papworth Trust (registered company no. 148906)

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We have audited the financial statements of Papworth Trust for the year ended 31 March 2011 which comprise the principal accounting policies, the statement of financial activities, the summary income and expenditure account, the note of historical gains and losses, the balance sheet, the cash flow 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 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 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Respective responsibilities of trustees and auditor***

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, 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 (APB's) Ethical Standards for Auditors.

### ***Scope of the audit of the financial statements***

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### ***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 2011 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,
- have been prepared in accordance with the requirements of the Companies Act 2006, and
- are in compliance with the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

## Papworth Trust

Independent auditor's report to the members of the Papworth Trust (registered company no 148906)

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### ***Opinion on other matter prescribed by the Companies Act 2006***

In our opinion the information given in the Trustees' Annual 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

*Grant Thornton UK LLP*

Richard Chaplin  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cambridge, England  
*3 October* 2011



## Papworth Trust

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### ACCOUNTING POLICIES

for the year ended 31 March 2011

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of accounting policies is set out below.

#### ***Basis of accounting***

The financial statements are prepared on the historical cost basis of accounting as modified to include the revaluation of investments to market value.

The accounts are prepared in accordance with applicable accounting standards and the Statements of Recommended Practice for Registered Social Landlords (2008) and for Charities (2005).

#### ***Going Concern***

The Board has a reasonable expectation that adequate resources exist for the Trust to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

#### ***Gross income***

Gross income represents the income derived from the carrying on of Papworth Trust's activities, comprising the sale of goods and services, rental income receivable, fees for progression, occupation and rehabilitation services, donations and miscellaneous income.

#### ***Tangible fixed assets***

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic lives of the assets as follows:

Freehold housing properties	50 years
Freehold business properties	25 years
Leasehold improvements	Over the life of the lease
Plant, machinery and fixtures	3-15 years
Office equipment, except for personal computers	5-10 years
Motor vehicles	6 years

Tangible fixed assets which are depreciated over a period in excess of 50 years are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, fixed assets are written down to their recoverable amount, being the higher of the net realisable value or the value in use to the Trust. Any such write down is charged to operating surplus.

**ACCOUNTING POLICIES**

for the year ended 31 March 2011

***Housing properties***

Housing properties are shown at cost net of Social Housing Grant. Interest on the mortgage loan financing a development is capitalised up to the date of completion of the scheme.

Housing properties in the course of construction are stated at cost net of Social Housing Grant to the extent of costs incurred, any excess Social Housing Grant being shown as a creditor falling due within one year. Such grants are transferred into housing properties when completed.

***Shared Ownership properties***

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

***Social Housing Grant***

Where developments have been financed wholly or partly by Social Housing Grant, the cost of those developments has been reduced by the amount of the grant received. Social Housing Grant due from the HCA or received in advance is included as a current asset or liability.

If housing properties are disposed of, SHG becomes repayable but can be recycled for use against qualifying projects.

***Improvement costs***

The cost of works to housing properties that result in an enhancement of the economic benefit of those properties are capitalised and depreciated over their useful economic lives.

***Grants from Jobcentre Plus***

Grants for the acquisition or improvement of industrial buildings are treated as interest-free loans.

***Revenue-based grants***

Grants of a revenue nature are credited to income in the period to which they relate.

***Donations and gifts***

All monetary donations and gifts are included in full in the statement of financial activities when receivable.

***Donated land***

Land donated by local authorities and others is added to the cost of housing properties at the market value of the land at the time of the donation.

***Cyclical repairs and maintenance***

Due to the number of properties held and the establishment of regular programmes of repair and maintenance, Papworth Trust does not make provision for future works but charges actual costs incurred to the income and expenditure account.

**ACCOUNTING POLICIES**

for the year ended 31 March 2011

***Investments***

Investments are carried at mid-market value as at the balance sheet date. Realised gains and losses on this basis are taken to the income and expenditure account, unrealised gains and losses are recorded in the statement of financial activities.

***Pension costs***

Papworth Trust operates a defined contribution scheme for all new employees and a defined benefit scheme, both of which require contributions to be made to separately administered funds. Papworth Trust also contributes to The NHS Pension Scheme for relevant staff who have transferred under TUPE.

Contributions in respect of the defined contribution scheme are charged to the income and expenditure account as they become payable in accordance with the scheme rules. Contributions to the defined benefit scheme are charged to the income and expenditure account so as to spread the cost over the employees' working lives with Papworth Trust.

***Leased assets***

All leases are regarded as operating leases and the payments made under them are charged to the statement of financial activities on a straight line basis over the lease term.

***Governance costs***

Governance costs comprise central governance costs and the costs of other strategic management of Papworth Trust. Central governance costs includes auditors fees, costs of holding Trustees Board and sub-committee meetings and costs of recruiting new Trustees.

***Reserves***

The reserves policy is set out on page 8.

***True and fair override***

Under the requirements of the SORP, capital grants are shown as a deduction from the cost of housing properties on the balance sheet. This is a departure from the rules under the Companies Act 2006 but, in the opinion of the Board, is a relevant accounting policy, comparable to that adopted by other registered providers, that has been adopted in order to present a true and fair view.

# Papworth Trust

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 March 2011

		UNRESTRICTED		RESTRICTED			
		General funds	Designated funds	General funds	Endowment funds	Total 2011	Total 2010
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
<b>INCOMING RESOURCES</b>							
<b>Incoming resources from generated funds</b>							
Donations and gifts		950	-	270	-	1,220	1,582
Investment income	4	-	6	-	3	9	14
Income from primary purpose charitable activities	1/2	15,861	-	-	-	15,861	11,348
Grants receivable	1/2	-	-	1,394	-	1,394	1,838
Other income	1/2	321	-	-	-	321	-
Gain on sale of fixed assets		-	30	-	-	30	391
<b>TOTAL INCOMING RESOURCES</b>		<b>17,132</b>	<b>36</b>	<b>1,664</b>	<b>3</b>	<b>18,835</b>	<b>15,173</b>
<b>RESOURCES EXPENDED</b>							
<b>Costs of generating funds</b>							
Fund raising and publicity		381	-	-	-	381	389
Investment management costs	1/2	-	-	-	-	-	2
<b>Charitable activities</b>							
Operating costs of primary purpose charitable activities	1/2	12,361	987	1,769	3	15,120	11,559
Support costs of primary purpose charitable activities	1/2	1,796	-	-	-	1,796	2,010
Interest payable	1/5	634	-	-	-	634	661
<b>Governance costs</b>							
Central governance costs	1/2	53	-	-	-	53	38
Other strategic management costs	1/2	673	-	-	-	673	479
<b>Operating costs of other activities</b>		<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>3</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>15,923</b>	<b>987</b>	<b>1,769</b>	<b>3</b>	<b>18,682</b>	<b>15,141</b>
<b>NET INCOMING/ (OUTGOING) RESOURCES</b>							
<b>BEFORE TRANSFERS</b>	16	1,209	(951)	(105)	-	153	32
Transfers between funds	15	(428)	428	-	-	-	-
<b>NET INCOMING/ (OUTGOING) RESOURCES</b>							
<b>BEFORE OTHER RECOGNISED</b>	6	781	(523)	(105)	-	153	32
<b>GAINS AND LOSSES</b>							
<b>Other recognised gains and losses</b>							
Gains on investments							
Realised		-	-	-	-	-	-
Unrealised		-	643	-	6	649	1,482
<b>NET MOVEMENT IN FUNDS</b>		<b>781</b>	<b>120</b>	<b>(105)</b>	<b>6</b>	<b>802</b>	<b>1,514</b>
Fund balances at 1 April 2010		4,686	14,271	4,148	197	23,302	21,788
Fund balances at 31 March 2011		5,467	14,391	4,043	203	24,104	23,302

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the Statement of Financial Activities

The accompanying accounting policies and notes form part of these financial statements

# Papworth Trust

## SUMMARY INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2011

	<i>Notes</i>	2011 £'000	2010 £'000
<b>OPERATIONS</b>			
Gross income			
Continuing operations		18,805	14,782
		<u>          </u>	<u>          </u>
Total expenditure			
Continuing operations		18,682	15,141
		<u>          </u>	<u>          </u>
<b>NET INCOME/ (DEFICIT) BEFORE ASSET DISPOSALS</b>			
Continuing operations		123	(359)
Gains on sale of tangible fixed assets		30	391
		<u>          </u>	<u>          </u>
<b>NET INCOME FOR THE YEAR</b>	1/6	153	32
		<u>          </u>	<u>          </u>
<b>NOTE OF HISTORICAL COST GAINS AND LOSSES</b>			
		2011 £'000	2010 £'000
Reported net income for the year		153	32
Difference between gains and losses on sale of investments on historical cost basis and market basis		-	-
		<u>          </u>	<u>          </u>
Historical cost surplus for the year		153	32
		<u>          </u>	<u>          </u>

The accompanying accounting policies and notes form part of these financial statements

# Papworth Trust

## BALANCE SHEET at 31 March 2011

	Notes	2011 £'000	2010 £'000
<b>FIXED ASSETS</b>			
Tangible assets			
Freehold housing properties		43,150	41,370
Less Social Housing Grants		(20,416)	(20,070)
Other property, plant and equipment	7	22,734	21,300
	7	6,166	7,198
Investments	8	28,900	28,498
Endowment fund assets	9	7,570	6,925
		203	197
		36,673	35,620
<b>CURRENT ASSETS</b>			
Debtors due within one year	10	3,072	2,689
Cash at bank and in hand		499	183
		3,571	2,872
<b>CREDITORS:</b>			
amounts falling due within one year	11	(3,896)	(3,097)
<b>NET CURRENT LIABILITIES</b>		(325)	(225)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		36,348	35,395
<b>CREDITORS:</b>			
amounts falling due after more than one year	12	(11,889)	(12,093)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14	(355)	-
		24,104	23,302

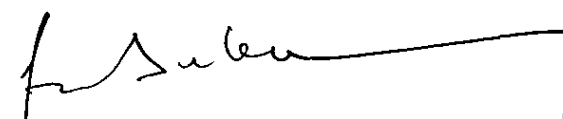
The accompanying accounting policies and notes form part of these financial statements


## Papworth Trust

### BALANCE SHEET (CONTINUED) at 31 March 2011

	Notes	2011 £'000	2010 £'000
<b>RESTRICTED FUNDS</b>			
ENDOWMENT FUNDS	15	203	197
GENERAL FUNDS			
Capital funds	15	3,894	4,065
Income funds	15	149	83
		<u>4,043</u>	<u>4,148</u>
<b>UNRESTRICTED FUNDS</b>			
DESIGNATED FUNDS	15	14,391	14,271
GENERAL FUNDS			
Contingency fund	15	5,467	4,686
		<u></u>	<u></u>
<b>TOTAL FUNDS</b>	15	<u>24,104</u>	<u>23,302</u>

The financial statements were approved by the Board of Trustees on 28 July 2011 and are signed on their behalf by

  
A-H Duberly  
Trustee

  
A Dasgupta  
Trustee

The accompanying accounting policies and notes form part of these financial statements

# Papworth Trust

## CASH FLOW STATEMENT for the year ended 31 March 2011

	<i>Notes</i>	<i>2011 £'000</i>	<i>2010 £'000</i>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>A</b>	<b>2,712</b>	<b>398</b>
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Dividends and interest received		9	14
Interest paid		(634)	(661)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>		<b>(625)</b>	<b>(647)</b>
<b>APPEAL INCOME FOR CAPITAL PROJECTS</b>		<b>49</b>	<b>92</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Construction and improvement of housing properties		(1,346)	(1,502)
Capital grants received in respect of housing properties		196	416
Acquisition of other tangible fixed assets		(452)	(1,047)
Proceeds of sale of land and property		-	564
<b>NET CASH OUTFLOW ON CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		<b>(1,602)</b>	<b>(1,569)</b>
<b>NET CASH INFLOW/ (OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES</b>		<b>534</b>	<b>(1,726)</b>
<b>FINANCING</b>			
Drawings under housing loan	C	-	2,000
Repayment of housing loans	C	(216)	(236)
<b>NET (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES</b>		<b>(216)</b>	<b>1,764</b>
<b>INCREASE IN CASH</b>	<b>B</b>	<b>318</b>	<b>38</b>

The accompanying accounting policies and notes form part of these financial statements



# Papworth Trust

## CASH FLOW STATEMENT (CONTINUED) for the year ended 31 March 2011

### A. RECONCILIATION OF NET INCOMING RESOURCES AND NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £'000	2010 £'000
Net incoming resources	153	32
Gain on sale of land and other tangible fixed assets	(30)	(391)
Dividends and interest receivable	(9)	(14)
Interest payable	634	661
Appeal income for restricted purposes	(49)	(92)
Depreciation charges	1,230	1,041
Increase in debtors	(994)	(878)
Increase in creditors	1,777	39
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2,712</b>	<b>398</b>

### B. ANALYSIS OF THE BALANCE OF CASH AS SHOWN IN THE BALANCE SHEET AND NOTES TO THE ACCOUNTS

	2011 £'000	Change in year 2011 £'000	2010 £'000	Change in year 2010 £'000	2009 £'000
Cash at bank and in hand	499	316	183	35	148
Disability Services Fund	25	2	23	2	21
Endowment Fund (Note 9)	146	-	146	1	145
	<b>670</b>	<b>318</b>	<b>352</b>	<b>38</b>	<b>314</b>

### C. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Housing loans £'000	Other loans £'000	Total £'000
At 1 April 2010	11,756	574	12,330
Drawings under housing loan	-	-	-
Repayment of housing loan	(216)	-	(216)
At 31 March 2011	<b>11,540</b>	<b>574</b>	<b>12,114</b>
At 1 April 2009	9,992	574	10,566
Drawings under housing loan	2,000	-	2,000
Repayment of housing loan	(236)	-	(236)
At 31 March 2010	<b>11,756</b>	<b>574</b>	<b>12,330</b>

# Papworth Trust

## NOTES TO THE ACCOUNTS at 31 March 2011

### 1. INCOME AND EXPENDITURE ON OPERATIONS BEFORE INVESTMENT ASSET DISPOSALS - 2011

	<i>Income</i>	<i>Grants</i>	<i>Cost of Sales</i>	<i>Support Costs</i>	<i>Total Cost</i>	<i>Interest Payable</i>	<i>2011</i>	<i>2010</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
			(Note 2)	(Note 2)				
Employment Services	2,842	725	(3,050)	(499)	(3,549)	-	18	57
Rehabilitation Services	1,388	-	(987)	(109)	(1,096)	-	292	(83)
Learning for Life & Work	1,852	118	(1,621)	(172)	(1,793)	-	177	(181)
Housing Services	4,201	551	(3,909)	(520)	(4,429)	(634)	(311)	(166)
Personal Support	5,281	-	(5,202)	(411)	(5,613)	-	(332)	(441)
Advice Services	146	-	(244)	(13)	(257)	-	(111)	(101)
Research and Policy	-	-	(107)	(9)	(116)	-	(116)	(93)
<b>Sub Total</b>								
- charitable Activities	15,710	1,394	(15,120)	(1,733)	(16,853)	(634)	(383)	(1,008)
Fundraising and Publicity	-	-	(381)	(53)	(434)	-	(434)	(389)
Investment Management Fees	-	-	-	-	-	-	-	(39)
<b>Sub Total</b>								
- Generating Funds	-	-	(381)	(53)	(434)	-	(434)	(428)
Central governance costs	-	-	(53)	-	(53)	-	(53)	(38)
Other strategic management costs	1	-	(673)	(10)	(683)	-	(682)	(478)
<b>Sub Total</b>								
- Governance	1	-	(726)	(10)	(736)	-	(735)	(516)
Other activities	150	-	(25)	-	(25)	-	125	(3)
<b>Totals</b>	15,861	1,394	(16,252)	(1,796)	(18,048)	(634)	(1427)	(1,955)
Donation and Gifts							1,220	1,582
Investment Income							9	14
Acquisitions							321	-
Gain on sale of Fixed Assets							30	391
<b>Net Surplus For The Year Before Investment Asset Disposals</b>							153	32

# Papworth Trust

## NOTES TO THE ACCOUNTS at 31 March 2011

### 2. ANALYSIS OF INCOME FROM PRIMARY PURPOSE CHARITABLE ACTIVITIES, OTHER INCOME, GRANTS AND EXPENDITURE

All income is earned in the UK

#### *Analysis of revenue grant and other grants receivable*

	2011	2010
	£'000	£'000
WORKSTEP grant	725	1,198
Revenue grants	669	640
	<u>1,394</u>	<u>1,838</u>

#### *Particulars of income and expenditure from lettings*

	2011	2010
	£'000	£'000
<b>INCOME</b>		
Rents receivable	2,645	2,561
Service charges receivable	770	770
	<u>3,415</u>	<u>3,331</u>
Gross rents receivable	(112)	(78)
Less rent losses from voids		
	<u>3,303</u>	<u>3,253</u>
Net rents receivable	-	75
Revenue grants from the Housing Corporation	552	530
Other revenue from Local Authorities	897	310
Housing Advisory Services		
	<u>4,752</u>	<u>4,168</u>
Total income from lettings		
<b>EXPENDITURE</b>		
Expenditure on letting activities		
Services	843	1,040
Management	505	420
Routine maintenance	812	698
Major repairs (revenue element)	36	50
Depreciation	637	538
Housing Advisory Services	1,596	965
	<u>4,429</u>	<u>3,711</u>
Total expenditure on lettings		
<b>OPERATING SURPLUS ON LETTING ACTIVITIES</b>	<u>323</u>	<u>457</u>
Units in management	No	No
General housing	183	182
Supported housing	472	450
	<u>655</u>	<u>632</u>

NOTES TO THE ACCOUNTS  
at 31 March 2011

2. ANALYSIS OF INCOME FROM PRIMARY PURPOSE CHARITABLE  
ACTIVITIES, OTHER INCOME, GRANTS AND EXPENDITURE (continued)

*Analysis of total resources expended*

	Staff Costs £'000	Other costs £'000	Depre- ciation £'000	2011 Total £'000	2010 Total £'000
<b>Costs of generating funds:</b>					
Fund raising and publicity	298	82	1	381	352
Investment management costs	-	-	-	-	-
Total costs of generating funds	<u>298</u>	<u>82</u>	<u>1</u>	<u>381</u>	<u>352</u>
<b>Charitable activities.</b>					
Employment services	1,754	1,248	48	3,050	2,179
Rehabilitation services	374	552	61	987	765
Learning for Life and Work	851	579	191	1,621	1,474
Housing services	1,281	1,991	637	3,909	3,169
Personal Support	3,588	1,612	2	5,202	3,647
Advice services	133	92	19	244	233
Other support costs of charitable activities	1,469	56	271	1,796	2,048
Research and Policy	89	18	-	107	93
Interest payable	-	634	-	634	661
Total primary purpose activities	<u>9,539</u>	<u>6,782</u>	<u>1,229</u>	<u>17,550</u>	<u>14,269</u>
<b>Governance costs</b>					
Central governance costs	-	53	-	53	38
Other strategic management costs	462	208	3	673	479
Total governance costs	<u>462</u>	<u>261</u>	<u>3</u>	<u>726</u>	<u>517</u>
<b>Other activities</b>	-	25	-	25	3
<b>TOTAL RESOURCES EXPENDED</b>	<u>10,299</u>	<u>7,150</u>	<u>1,233</u>	<u>18,682</u>	<u>15,141</u>

# Papworth Trust

## NOTES TO THE ACCOUNTS at 31 March 2011

### 3. EMPLOYEE INFORMATION

Papworth Trust seeks to employ a diverse workforce of disabled and non-disabled people throughout all of its operating activities

The average monthly number of people employed during the year is shown below

	2011 Total No	2010 Total No
Supported placements	6	6
Employment	72	60
Rehabilitation	11	12
Learning for Life and Work	56	34
Housing Support & Management	47	40
Personal Support	177	121
Advice	5	5
Central services	62	59
	<u>436</u>	<u>337</u>

The number of people employed at the year end was

Full time	317	279
Part time	155	91
	<u>472</u>	<u>370</u>

Staff costs comprise

	2011 £'000	2010 £'000
Wages and salaries	8,799	7,229
Social security costs	711	563
Other pension costs (Note 19)	789	646
	<u>10,299</u>	<u>8,438</u>

### 4. INVESTMENT INCOME

	2011 £'000	2010 £'000
Interest receivable from bank and other deposits	-	1
Income from listed investments	9	13
	<u>9</u>	<u>14</u>

# Papworth Trust

## NOTES TO THE ACCOUNTS at 31 March 2011

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £'000	2010 £'000
On bank loans, overdrafts and other loans		
Repayable wholly or partly in more than five years	634	623
Investment management fees	-	38
	<u>634</u>	<u>661</u>

### 6. NET INCOME FOR THE YEAR

(a) Net income for the year is stated after charging

	2011 £'000	2010 £'000
Depreciation		
Tangible owned fixed assets	1,233	1,041
Fees payable to the Trust's auditors		
- for the audit of the financial statements	19	21
- for non-audit services relating to taxation	11	-
Operating leases		
Land and buildings	249	234
Property and equipment	44	34
Gain on disposal of fixed assets	30	391
	<u>        </u>	<u>        </u>

(b) Emoluments of the Leadership Team comprise

	2011 £000	2010 £000
Emoluments	532	529
	<u>        </u>	<u>        </u>

The amounts in respect of the Chief Executive, who was the highest paid member of the Leadership Team, are as follows

	2011 £000	2010 £000
Emoluments		
The Chief Executive	97	105
	<u>        </u>	<u>        </u>
Trust contributions paid to defined benefits schemes		
The Chief Executive	19	17
	<u>        </u>	<u>        </u>

Other staff paid in excess of £60,000 during the year ended 31 March 2011 were as follows

	2011	2010
£60,000 – £89,999	4	4
	<u>        </u>	<u>        </u>

# Papworth Trust

## NOTES TO THE ACCOUNTS at 31 March 2011

### 6. NET INCOME FOR THE YEAR (Continued)

#### (c) Indemnity insurance

Papworth Trust takes out insurance cover against management risks which includes professional indemnity and Management Liability (including Trustee liability), to protect Papworth Trust from losses arising from the neglect or default of its Trustees, employees or agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part

### 7. TANGIBLE FIXED ASSETS

Freehold housing properties, which are depreciated on a straight line basis over 50 years, on cost net of grants, are as follows

	<i>At 1 April 2010 £'000</i>	<i>Additions £'000</i>	<i>Disposals £'000</i>	<i>Transfer £'000</i>	<i>Charge for year £'000</i>	<i>At 31 March 2011 £'000</i>
Gross cost	44,969	1,346	-	1,278	-	47,593
Depreciation	(3,435)	-	-	(457)	(551)	(4,443)
Net depreciated cost	41,534	1,346	-	821	(551)	43,150
Social housing grant	(18,563)	-	-	14	-	(18,549)
Disability facility grant	(25)	-	-	-	-	(25)
Other housing grants	(1,646)	(196)	-	-	-	(1,842)
Total grants	(20,234)	(196)	-	14	-	(20,416)
Net book value	21,300	1,150	-	835	(551)	22,734

Included in gross cost at 31 March 2011 are building projects under construction totalling £16,000 (2010 £335,000) against which Social Housing Grant of £nil (2010 £nil) has been received

During the year expenditure capitalised in respect of existing properties amounted to £523,000 (2010 - £473,000)

Included within the depreciation charge for this year is an impairment of assets totalling £29,000 (2010 £nil)

Included in the gross costs at 31 March 2011 are shared ownership schemes totalling £298,113 (2010 £298,113)

# Papworth Trust

## NOTES TO THE ACCOUNTS at 31 March 2011

### 7. TANGIBLE FIXED ASSETS (Continued)

#### Other property, plant and equipment

	<i>Short leasehold improvements</i>	<i>Other freehold land &amp; buildings</i>	<i>Plant &amp; machinery</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>COST</b>				
At 1 April 2010	348	7,192	4,836	12,376
Additions	-	162	326	488
Disposals	-	-	(53)	(53)
Transfers	-	(10)	(1,283)	(1,293)
At 31 March 2011	348	7,344	3,826	11,518
<b>DEPRECIATION</b>				
At 1 April 2010	166	2,348	2,664	5,178
Charge for the year	18	243	418	679
Disposals	-	-	(47)	(47)
Transfers	-	(2)	(456)	(458)
At 31 March 2011	184	2,589	2,579	5,352
<b>Net book value:</b>				
At 31 March 2011	164	4,755	1,247	6,166
At 1 April 2010	182	4,844	2,172	7,198



# Papworth Trust

## NOTES TO THE ACCOUNTS at 31 March 2011

### 8. FIXED ASSETS INVESTMENTS

The following investments have been acquired in accordance with powers available to the Trustees

	2011 £'000	2010 £'000
<b>MARKET VALUE</b>		
<b>INVESTMENTS LISTED ON THE LONDON STOCK EXCHANGE</b>		
Other share holdings (Cost £6,744– 2010 £6,744)	7,545	6,902
<b>UNINVESTED CASH</b>		
Instant access deposits £25,000 (2009 £23,000 restricted)	25	23
	<u>7,570</u>	<u>6,925</u>
<b>MOVEMENT IN YEAR – INVESTMENTS LISTED ON THE LONDON STOCK EXCHANGE</b>		
At 1 April 2010	6,902	5,427
Additions	-	-
Disposals	-	-
Revaluation to market value	643	1,475
	<u>7,545</u>	<u>6,902</u>
At 31 March 2011		

### 9. ENDOWMENT FUND ASSETS

	2011 £'000	2010 £'000
<b>ASSETS</b>		
COIF Investment Fund units at market value (Cost £ 5,000– 2010 £5,000)	57	51
Cash deposits	146	146
	<u>203</u>	<u>197</u>

	Capital £'000	Income £'000	Total £'000
<b>MOVEMENT IN YEAR</b>			
At 1 April 2010	72	125	197
Investment income and interest for year	-	3	3
Maintenance expenditure	-	(3)	(3)
Revaluation to market value	6	-	6
	<u>78</u>	<u>125</u>	<u>203</u>
At 31 March 2011			

NOTES TO THE ACCOUNTS  
at 31 March 2011

**10. DEBTORS**

***Amounts falling due within one year***

	2011 £'000	2010 £'000
Trade debtors	2,180	1,814
Other debtors	2	8
Other prepayments and accrued income	890	867
	<u>3,072</u>	<u>2,689</u>

Included within trade debtors are amounts relating to housing activities of £ 197,000 (2010 £447,000) of which £25,000 (2010 £38,000) are rent arrears

**11. CREDITORS: amounts falling due within one year**

	2011 £'000	2010 £'000
Housing and development loans (note 12)	225	237
Trade creditors	835	649
Other creditors	150	193
Other taxes and social security costs	577	366
Accruals and deferred income	2,109	1,652
	<u>3,896</u>	<u>3,097</u>

Included within the above are creditors and accruals relating to housing activities amounting to £696,000 (2010 £966,000)

At 31 March 2011, Papworth Trust had an average of 31 days (2010 22 days) purchases outstanding in trade creditors. The increase in creditor days is due to the profile of expenditure in the last quarter coupled with a management target for creditor days of one month on average

# Papworth Trust

## NOTES TO THE ACCOUNTS at 31 March 2011

### 12. CREDITORS: amounts falling due after more than one year

	2011 £'000	2010 £'000
Housing and development loans	11,540	11,756
Jobcentre Plus grants	574	574
	<u>12,114</u>	<u>12,330</u>
Less amounts due within one year	(225)	(237)
Amounts due after one year	<u>11,889</u>	<u>12,093</u>
<b>Housing development loans</b>		
	2011 £'000	2010 £'000
Orchardbrook Limited	563	568
National Westminster Bank plc	8,977	9,188
Barclays Bank	2,000	2,000
	<u>11,540</u>	<u>11,756</u>

The Orchardbrook Limited loan is repayable by 2032 at a fixed rate of interest of 11.47% secured by specific charges on Papworth Trust's housing properties and repayable in semi-annual instalments

The Job Centre plus grant is repayable if all conditions of the advance are not met, notably if the buildings that the grant relates to are sold or if there is a change in their use. There is no timescale after which these conditions expire and therefore amounts received are considered to be an interest free loan repayable in more than one year

The National Westminster Bank plc loan is part of a £10 million facility, and is secured by way of fixed charges over certain properties owned by Papworth Trust. Details are as follows

Interest rate	First capital repayment due	Final repayment due	£'000
Fixed 6.98%	May 2005	November 2024	413
Fixed 7.09%	September 2004	September 2024	1,157
Fixed 5.64%	March 2009	March 2019	1,124
Fixed 6.01%	July 2008	July 2014	838
Fixed 4.07%	July 2010	July 2026	404
Fixed 6.04%	August 2008	August 2013	1,100
Fixed 5.61%	July 2006	September 2021	1,065
Fixed 4.24%	March 2027	March 2028	1,000
Fixed 6.03%	March 2027	March 2028	976
Variable		December 2028	900
			<u>8,977</u>

## Papworth Trust

### NOTES TO THE ACCOUNTS at 31 March 2011

The Barclays Bank plc loan is part of a £5 million facility, and is secured by way of fixed charges over certain properties owned by Papworth Trust. Details are as follows

<i>Interest rate</i>	<i>First capital repayment due</i>	<i>Final repayment due</i>	<i>£'000</i>
Fixed 4.29%	April 2019	April 2039	1,000
Variable	April 2019	April 2039	1,000
			<u>2,000</u>

The housing development loans fall due as follows

	<i>2011 £'000</i>	<i>2010 £'000</i>
In one year or less	225	237
Between one and two years	228	225
Between two and five years	647	671
In more than five years	10,440	10,623
	<u>11,540</u>	<u>11,756</u>
Less: amounts due within one year	(225)	(237)
Amounts due after one year	<u>11,315</u>	<u>11,519</u>

NOTES TO THE ACCOUNTS  
at 31 March 2011

**13. OBLIGATIONS UNDER OPERATING LEASES**

	2011 £'000	2010 £'000	2011 £'000	2010 £'000
	Land and Buildings	Land and Buildings	Other	Other
Operating leases which expire				
In one year or less	44	30	42	1
Between one and two years	9	60	-	-
Between two and five years	169	154	3	32
In more than five years	26	26	-	-
	<u>248</u>	<u>270</u>	<u>45</u>	<u>33</u>
Operating leases include				

Premises which are leased from a related party, The Varrier Jones Foundation, in Pendrill Court provide office and workshop space for staff and clients, a café and learning centre

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

	2011 £'000	2010 £'000
At 1 April 2010	-	2
Provision in year	355	-
Utilised in year	-	(2)
At 31 March 2011	<u>355</u>	<u>-</u>

The above provision is in respect of lease and staff costs on certain contracts which are to terminate in 2011-12

# Papworth Trust

## NOTES TO THE ACCOUNTS at 31 March 2011

### 15. STATEMENT OF MOVEMENT OF FUNDS

Papworth Trust's Reserves Policy is set out in the Report of the Trustees on page 8 of these accounts. Movements on funds are set out below

	<i>Opening Balance 1 April 10 £'000</i>	<i>Net incoming resources £'000</i>	<i>Resources expended £'000</i>	<i>Transfers £'000</i>	<i>Gain/ (loss) on investments £'000</i>	<i>Closing Balance 31 March 11 £'000</i>
<b>RESTRICTED</b>						
<b>ENDOWMENT FUNDS</b>	197	3	(3)	-	6	203
<b>RESTRICTED CAPITAL FUNDS</b>						
Macfarlane Grieve House conversion fund	317	-	(26)	-	-	291
West Suffolk DRC fund	140	-	(14)	-	-	126
Supported housing fund	767	36	(19)	-	-	784
Progression centres	458	-	(12)	-	-	446
Foundations for Living	1,774	-	(71)	-	-	1,703
Ipswich & East Suffolk Rehabilitation	245	-	(13)	-	-	232
Other	309	5	(52)	-	-	262
	55	8	(13)	-	-	50
	4,065	49	(220)	-	-	3,894
<b>RESTRICTED INCOME FUNDS</b>						
Revenue Grants	-	669	(669)	-	-	-
Grants from Employment Service	-	725	(725)	-	-	-
Rehabilitation	14	-	(1)	-	-	13
Transitions	53	144	(106)	-	-	91
Peoples Millions	-	14	(14)	-	-	-
HIA Funds	16	23	(19)	-	-	20
Learning for Life and Work	-	30	(15)	-	-	15
Supported Housing	-	10	-	-	-	10
	83	1,615	(1,549)	-	-	149
<b>TOTAL RESTRICTED FUNDS</b>	<b>4,345</b>	<b>1,667</b>	<b>(1,772)</b>	<b>-</b>	<b>6</b>	<b>4,246</b>
<b>UNRESTRICTED DESIGNATED FUNDS</b>						
Disability Services fund	2,168	36	(987)	(201)	643	1,659
Property fund	12,103	-	-	629	-	12,732
	14,271	36	(987)	428	643	14,391
<b>UNRESTRICTED GENERAL FUNDS</b>						
Contingency fund	4,686	-	-	781	-	5,467
General fund	-	17,132	(15,923)	(1,209)	-	-
	4,686	17,132	(15,923)	(428)	-	5,467
<b>TOTAL UNRESTRICTED FUNDS</b>	<b>18,957</b>	<b>17,168</b>	<b>(16,910)</b>	<b>-</b>	<b>643</b>	<b>19,858</b>
<b>TOTAL FUNDS</b>	<b>23,302</b>	<b>18,835</b>	<b>(18,682)</b>	<b>-</b>	<b>649</b>	<b>24,104</b>

# Papworth Trust

## NOTES TO THE ACCOUNTS

at 31 March 2011

### 16. DISABILITY SERVICES FUND

The Disability Services Fund was established by the Trustees to provide, on a charitable basis, a range of services for disabled people that cannot be wholly funded by other means. The Fund is credited with the income earned on the underlying investments and makes contributions to enable Papworth Trust to implement and/or carry on the programmes for disabled people established in its corporate plan.

During the year the following movements took place on the Fund

	2011 £'000	2010 £'000
At 1 April 2010	2,168	656
<i>Incoming resources</i>		
Dividends and interest	6	14
Realised loss on sale of investments	-	-
Unrealised profit	643	1,475
Gain on sale of tangible fixed assets	30	391
	679	1,880
Revenue expenditure	(987)	(869)
Transfer from Property fund – investment in tangible fixed assets	629	500
Transfer to contingency fund	(781)	(620)
Transfers (to)/from other reserves	(49)	621
At 31 March 2011	1,659	2,168

# Papworth Trust

## NOTES TO THE ACCOUNTS at 31 March 2011

### 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2011

	<i>Unrestricted (general) funds</i>	<i>Unrestricted (designated) funds</i>	<i>Restricted revenue funds</i>	<i>Restricted capital funds</i>	<i>Restricted endowment funds</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Fund balances at 31 March 2011 are represented by						
Tangible fixed assets	-	24,846	-	3,894	-	28,740
Investments	5,467	1,955	149	-	203	7,774
Other fixed assets	-	160	-	-	-	160
Current assets	-	3,528	-	-	-	3,528
Current liabilities	-	(3,854)	-	-	-	(3,854)
Long-term liabilities	-	(11,889)	-	-	-	(11,889)
Provisions	-	(355)	-	-	-	(355)
	<u>5,467</u>	<u>14,391</u>	<u>149</u>	<u>3,894</u>	<u>203</u>	<u>24,104</u>
Unrealised gains included above	<u>-</u>	<u>802</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>854</u>

#### Reconciliations of movements in unrealised gains on investments

Unrealised gains at 31 March 2010	-	159	-	-	46	205
Add revaluations during the year	-	643	-	-	6	649
Unrealised gains at 31 March 2011	<u>-</u>	<u>802</u>	<u>-</u>	<u>-</u>	<u>52</u>	<u>854</u>

### 18. CONTINGENT LIABILITIES

Social Housing Grants on properties may be refundable if the properties for which they were received are sold. There are no plans to dispose of any of these properties and hence no provision is considered necessary by the Trustees.

### 19. PENSION COMMITMENTS

Papworth Trust operates both a defined benefit and a defined contribution pension scheme for its employees. Papworth Trust also contributes to The NHS Pension Fund for former NHS staff that transferred to Papworth Trust's employment under TUPE. The assets of Papworth Trust's schemes are held separately from those of Papworth Trust in independently administered funds. The unpaid contributions outstanding at the year end, included in "other creditors" (note 11) are £77,000 (2010 £16,000). Contributions to the group personal pension scheme in the year were £6,000 (2010 £3,000), to the NHS Pension fund £125,000 (2010 £152,000) and to the defined benefit scheme, £300,000 (2010 £499,000).



NOTES TO THE ACCOUNTS  
at 31 March 2011

**Defined benefit scheme**

Papworth Trust participates in the Social Housing Pension Scheme (SHPS)  
The Scheme is funded and is contracted out of the state scheme

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from the total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Pension Scheme Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 30 September 2008 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £1,527 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £663 million, equivalent to a past service funding level of 70%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2010. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £1,985 million and indicated a reduction in the shortfall of assets compared to liabilities to approximately £497 million, equivalent to a past service funding level of 80%.

The next triennial formal valuation of the Scheme is due at 30 September 2011. The results of the valuation will be available in the autumn of 2012.

**20. RELATED PARTIES**

During the year the Trust purchased service in the normal course of business from The Varrier-Jones Foundation, an organisation with common trustees, for £132,000 (2010 £111,000). The Trust made sales to the Varrier-Jones Foundation of £39,000 (2010 £24,000).

At the balance sheet date the amount due from the Varrier-Jones Foundation was £Nil (2010 £Nil). At the balance sheet date the amount due to The Varrier-Jones Foundation was Nil (2010 £8,000).

The Varrier-Jones Foundation is committed to providing funding for Papworth Trust on an ongoing basis. In the year ended 31 March 2011 The Varrier-Jones Foundation contributed £1,000,000 (2010 £1,200,000).

**NOTES TO THE ACCOUNTS**  
at 31 March 2011

Details of transactions with trustees are disclosed in note 21

**21. TRUSTEES' EMOLUMENTS**

Members of the Board of Trustees received no remuneration during the year (2010 £nil) Amounts paid to Trustees in reimbursement of travelling expenses were £1,523 (2010 £ 1,948)

**22. CAPITAL COMMITMENTS**

Amounts contracted but not provided in the accounts amounted to £3,218,000 with grants of £1,222,000 receivable against them (2010 respectively £1,240,000 and £77,000) Amounts authorised by the Trustees but not contracted for were £ 1,999,000 with grants of £608,000 receivable against them (2010 respectively £776,000 and £281,000)

**23. TRUST STATUS**

Papworth Trust is a registered charity, a company limited by guarantee and is also registered with the Housing Corporation as a social landlord The liability of each member is limited to £1 Papworth Trust is governed by a Memorandum and Articles of Association, copies of which are available on request

**PRINCIPAL ADVISERS AND GENERAL TRUST INFORMATION**

**PATRON**

Her Royal Highness The Duchess of Gloucester, GCVO

**VICE-PRESIDENTS**

Mrs S Marshall	Dr K E Martin	Mr N H M Chancellor
Mr G R W Wright	Mr A M Barnes	Mrs M E Thomas

**CHAIRMAN OF THE TRUSTEES**

Mr A H Duberly, CBE • □

**VICE-CHAIRMAN OF THE TRUSTEES**

Mr A A Bridgewater ☆

**HON. TREASURER**

Mr A Dasgupta MBE • + ☆

**OTHER TRUSTEES**

Mrs J P B G Pearson □  
Mrs J A Millns \*  
Mrs J Womack • +  
Mrs A Scott \*  
Dr J S Pajak \* (Resigned 26 May 2011)  
Mr R Hammond □  
Mr N J Atkinson \*☆  
Mr A R Thompson MBE • + (Appointed 22 July 2010)  
Mr P Agar (Appointed 26 May 2011)  
Mr A Dixon (Appointed 26 May 2011)  
Mr R Norton (Appointed 26 May 2011)  
Mr R O'Shaughnessy (Appointed 26 May 2011)  
Ms D Sorkin (Appointed 26 May 2011)

**TRUSTEE USER REPRESENTATIVES**

Mr P Tatt \*  
Mr R Franklin □  
Mr M Barry \*

**LEADERSHIP TEAM**

Mr A Bagg	Chief Executive Officer
Ms S Coward	Director of Development
Mr M Lester	Director of Operations (Work and Learning)
Mr P McCay	Director of Operations (Independent Living)
Mr D Martin	Director of Strategy and Marketing
Mr A E Osborne	Director of Finance and Central Services

The names of honorary personnel and senior management are as at June 2011

Papworth Trust is a company limited by members' guarantee of £1 00 each Vice-Presidents, the Chairman, Vice-Chairman, Honorary Treasurer and other Trustees (other than the Honorary Secretary) are the members of Papworth Trust The register of members is maintained at the registered office

- Member of the Finance Committee
- Member of the Independent Living Committee
- \* Member of the Work and Learning Committee
- ☆ Member of the Governance Committee
- + Member of the Investment Committee

*(continued over)*

# Papworth Trust

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## PRINCIPAL ADVISERS AND GENERAL TRUST INFORMATION

### COMPANY SECRETARY

Mr A E Osborne

### REGISTERED OFFICE

Bernard Sunley Centre  
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CB23 3RG  
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www.papworth.org.uk  
info@papworth.org.uk

### AUDITORS

Grant Thornton UK LLP  
101 Cambridge Science Park  
Milton Road  
Cambridge  
CB4 0FY

### INVESTMENT MANAGERS

Russell Investments Ltd  
Russell Funds Management  
Rex House  
10 Regent Street  
London  
SW1Y 4PE

### SOLICITORS

Taylor Vinters  
Merlin Place  
Milton Road  
Cambridge  
CB4 4DP

### BANKERS

Barclays Bank plc  
Mortlock House  
Vision Park  
Histon  
Cambridge  
CB4 9DE

Royal Bank of Scotland plc  
Housing Finance  
5<sup>th</sup> Floor  
135 Bishopsgate  
London  
EC2M 3UR

### PENSION MANAGERS/PROVIDERS

#### The Defined Benefit Scheme

The Pensions Trust  
Verity House  
6 Canal Wharf  
Leeds  
LS11 5BQ

#### The Defined Contribution Scheme

IFG Life and Pensions Limited  
Indemnity House  
Meadow Land  
St Ives  
Cambridgeshire  
PE17 4LG