

TRUST STATUS

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

Papworth Trust
Report and Accounts
31 March 2010

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Papworth Trust

CONTENTS

	PAGE
Report of the Board of Trustees	2 - 11
Statement of Trustees' responsibilities in respect of the financial statements and the NHF Code of Governance	12
Independent Auditor's Report	13 - 14
Accounting policies	15 - 17
Statement of financial activities	18
Summary income and expenditure account	19
Note of historical cost gains and losses	19
Balance sheet	20 - 21
Cash flow statement	22 - 23
Notes to the accounts	24 - 42
Honorary personnel, Trustees and senior managers	43
Principal advisers and general Papworth Trust information	44

Registration Number

TRUST STATUS

A registered charity	211234
A company limited by guarantee	148906
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Papworth Trust

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 2010

OBJECTIVES AND ACTIVITIES

The trustees confirm they have considered their duties and have referred to the guidance contained in the Charity Commission's general guidance on public benefit 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

Aims

Papworth Trust's Mission is

"for disabled people to have equality, choice and independence"

Long Term Objectives

Papworth Trust's Vision is that by 2017 we will be sought after and respected for our insights into disability 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

Principal Activities

Our services cover the areas of Employment, Vocational Rehabilitation, Learning for Life and Work, Housing and the Built Environment, Personal Support and Empowerment

Employment

Papworth Trust Employment programmes help people move into full-time or part-time work. The level of support varies according to the needs of an individual, but can include work preparation, job tasters, job search and CV preparation, support at interview and support once people are in work. Our employment advisers can also help with benefits, equipment and adaptations in the workplace

Vocational Rehabilitation

The Papworth Trust Rehabilitation programme provides medical, vocational and life skills support to people who have acquired a disability as a result of an accident or illness

The service can provide intensive and holistic support to people who may have been through a traumatic experience, often including becoming unemployed, financial issues, family and relationship issues

REPORT OF THE BOARD OF TRUSTEES

Learning for Life and Work

Our service increases an individual's opportunity to learn so that they are able to

- achieve ambitions and realise their potential
- improve their choice and independence
- increase options to obtain and retain rewarding employment
- develop personally and socially

Housing and the Built Environment

Papworth Trust builds and manages independent and scheme-based supported housing that is fully wheelchair accessible as well as managing some general needs housing. In addition to bricks and mortar provision, Independent Living Advisers help people adjust to living in their own homes, often for the first time, and to deal with rent, benefits and accessing community facilities.

Papworth Trust's Home Solutions services provides specialist housing advice covering adaptations and helping people to move to more suitable accommodation where necessary. The service also provides an access audit service.

Personal Support

Personal Support comprises services that facilitate equality, choice and independence for disabled people in their daily living, for example washing, dressing, eating, shopping, assistance to access services and support with communication. These services enable an individual to live and participate in the community and to live independently.

Empowerment

Empowerment is about ensuring disabled people have greater equality, choice and independence in their everyday lives and have a bigger voice, increasing influence inside the organisation and in society.

Papworth Trust had more than 17,000 service users in the year. Our goal is for each of those people to be sufficiently empowered to have their say about what Papworth Trust does, and how it does it, as the organisation involves service users at every stage of development and future planning. That might be as a member of the User Council or through a local representative group – whatever way service users prefer to interact. Well-informed service users are more empowered.

ACHIEVEMENTS AND PERFORMANCE

Employment Services

Overall the number of people obtaining work through Papworth Trust's employment services was 548 compared with 336 last year. During the year there were 5,872 service users.

Vocational Rehabilitation

During the year 127 people were referred to the programme (2009: 60 people). The expansion of the service in Papworth Everard was completed during 2009.

Papworth Trust

REPORT OF THE BOARD OF TRUSTEES

Learning for Life and Work

665 people attended our Papworth Trust Centres during the year (2009 3,145)
The numbers attending our Saxongate centre reduced, following the Huntingdon Regional College relocating their services back on campus. All other centres have had increased numbers of people attending.

Housing

The number of homes provided by Papworth Trust increased from 610 in 2009 to 632 at 31 March 2010, with the number of supported homes in housing management increasing by 29 properties and the number of General Needs properties reducing by 7.

The Home Solutions Service has provided advice and other services to 3,682 people (2009 2,574) during the year.

Personal Support

At 31 March 2010 205 (2009 164) people were using our Personal Support services.

Empowerment

The West Suffolk Disability Resource Centre received 6,272 visitors (2009 6,740) during the year, and addressed 2,486 (2009 1,595) 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">Research and launch an Information, Advice and Guidance service	Research was carried out which suggested the market is saturated so no further progress will be made.
<ul style="list-style-type: none">Launch a Disability Advice and Training service	This service was launched during 2009-10.
<ul style="list-style-type: none">Expand Home Solutions Improvement Agency Services	We were successful in tendering for new business and now deliver these services in 5 counties. The turnover for this area of business has increased by 32% during the year.
<ul style="list-style-type: none">Secure contract funding for Transitions to work service	Funding has been secured in Cambridgeshire and Essex – Services will be delivered in 2010.
<ul style="list-style-type: none">Secure Flexible New Deal sub-contracts to Prime Providers	Contracts were secured with 3 prime providers.

Papworth Trust

REPORT OF THE BOARD OF TRUSTEES

OBJECTIVES FOR THE COMING YEAR

Our plans for the coming year are to

- Secure Workchoices and Work Programmes contracts
- Expand the Transitions to work services
- Develop community based personal support services
- Continue the expansion of Home Solutions Improvement Agency Service
- Investigate the further expansion of Rehabilitation services

FINANCIAL REVIEW

Income and Expenditure

An analysis of the financial results by service area is set out below

	Income (inc grants) £'000	Expenditure £'000	2010 Surplus/ (deficit) £'000	2009 Surplus/ (deficit) £'000
Employment	2,708	2,652	56	(216)
Rehabilitation	846	929	(83)	(32)
Learning for Life and Work	1,520	1,701	(181)	(331)
Housing	4,168	4,334	(166)	(145)
Personal Support	3,793	4,234	(441)	(105)
Care (Discontinued)	-	-	-	4
Empowerment	150	251	(101)	(82)
Research	-	93	(93)	(84)
	<u>13,185</u>	<u>14,194</u>	<u>(1,009)</u>	<u>(992)</u>
Central governance costs	-	38	(38)	(31)
Other strategic management	1	479	(478)	(520)
Fundraising and publicity	1,582	389	1,193	1,182
Investment	14	39	(25)	160
Other activities	-	2	(2)	(10)
	<u>14,782</u>	<u>15,141</u>		
Net operating surplus for the year before sales of fixed assets			<u>(359)</u>	<u>(211)</u>
Gain on sale of fixed assets			<u>391</u>	<u>120</u>
Net operating surplus for the year			<u>32</u>	<u>(91)</u>

The net operating surplus for the year was £32,000 compared to an operating loss of £91,000 in the previous financial year

Appeals Income

Appeals income has decreased from £1,609,000 last year to £1,582,000

Papworth Trust

REPORT OF THE BOARD OF TRUSTEES

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

Barbour Paton Charitable Trust
CP Barratt Charitable Trust
Haymills Charitable Trust
Enham Foundation

Beatrice Laing
Enid Slater Charitable Settlement
The Helianthus Charitable Trust
The Varner Jones 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 £14,000 compared to £173,000 last year. Our investments have historically been held using a capital growth and dividend model. We have changed our investment policy and they are now held using a capital growth model and we will not be in receipt of dividends in future years.

Balance Sheet

Fixed assets are £35.6 million compared to £33.0 million last year. The market value of our investments has increased by £1.5 million during the year.

We have increased our long term borrowing from £10.4 million to £12.1 million to enable us to finance our housing development programme. Our fixed assets remain more than 2.75 times long term borrowing.

Current assets have increased from £1.5 million to £2.9 million.

Post Balance Sheet Event

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

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.

Papworth Trust

REPORT OF THE BOARD OF TRUSTEES

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. The current allocation of reserves is summarised as follows

<u>Reserves</u>	2010 £'000	2009 £'000
Set aside for purposes specified by the donors (Endowment and Restricted Funds)	4,345	4,463
Set aside for purposes specified by the Trustees (Disability Services Fund)	2,168	656
Already invested in property and equipment for our charitable activities (Property Fund)	12,103	12,603
Held as a contingency (Contingency Fund)	4,686	4,066
<u>Total</u>	<u>23,302</u>	<u>21,788</u>

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.

Papworth Trust

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.

Trustees are elected at a General Meeting, and one third of the Trustees retire each year. They may stand for re-election by the Members. At the Annual General Meeting on 16 September 2010 the Trustees retiring are Tony Barnes, Judy Pearson and Elspeth Thomas. Judy Pearson will stand for re-election at the Annual General Meeting. They are eligible to do so within Papworth Trust's rules.

Trustees can also co-opt additional Trustees to the Board, who must subsequently be elected by Members at the General Meeting. Rob Hammond and Nigel Atkinson have been co-opted by the Board during the year and stand for formal election by the members at the Annual General Meeting.

The Trustees would like to remember Edmund Parker who sadly passed away in April last year and acknowledge his hard work as a Vice President. Edmund was elected as a Trustee in 1973 and served as a vice president thereafter. Edmund made a significant contribution over the years to Papworth Trust's mission.

Trustees meet six times a year to review the management of the organisation. They employ managers to take on the day-to-day running of the activities. 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 can be 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

Papworth Trust

REPORT OF THE BOARD OF TRUSTEES

organisations This was most recently completed in March 2010 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 about the reliability of financial and operational information and the safeguarding of Papworth Trust's assets and reputation

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 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

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 retains responsibility for key issues such as treasury management, financial appraisal of new projects, investment management 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 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 These minutes have been received and noted by the Board of Trustees

REPORT OF THE BOARD OF TRUSTEES

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. Where objectives are not being met, The Leadership Team report on actions being taken to correct performance, and these reports are also considered and approved by the 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.

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 19% 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

During the year the User Council members representing disabled people and carers have co-produced a new policy with our Board of Trustees, Papworth Trust User Involvement Promise which sets out our aims of how people using our services will be involved in the development and decisions. Members have also met and listened to many people they represent across the Eastern Region taking their voice forward to influence the Trust. The three Trustee User Representatives, who attend meetings of the Board of Trustees and exert their influence at this level, have continued to ensure significant influence in developing our services and strategy.

Papworth Trust

REPORT OF THE BOARD OF TRUSTEES

"Disabled people are now having more say across the Trust Over the next three years I would like to see even more people involved in developing ideas for new services and then making them happen" Philip Tatt, Chairman of Papworth Trust User Council

- We have re-structured our user involvement service following an eight month review with the assistance of over 100 disabled people to ensure it delivers what people want and supports them to be fully involved
- Through the year Papworth Trust delivered 233 involvement activities to 1539 people alongside our day to day services
- Our newsletter, Your News, is co-produced with 80% of the content written by people using our services

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



A H Duberly
Chairman of Trustees

Papworth Trust

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

Company law and Housing Association legislation require the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of Papworth Trust and of the surplus or deficit of Papworth Trust for that period. In preparing those accounts, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Trustees are responsible for ensuring that arrangements are made for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Papworth Trust and enable them to ensure that the accounts comply with the Companies Act 2006, Schedule 1 to the Housing Act 1996, and the Accounting Requirements for Registered Social Landlords General Determination 2006. They are also responsible for instituting adequate systems of internal control and safeguarding the assets of Papworth Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CODE OF GOVERNANCE

The Code of Governance was adopted in September 1995 by the National Housing Federation's ('NHF') National Council. It is intended for the guidance of NHF members, so that they can continue to follow the highest standards of governance, accountability and probity, while responding to an environment of change and risk.

The Code states that Associations should make an open annual disclosure of areas in which they choose to depart from its guidance, and their reasons for doing so. This follows the precedent of the Cadbury Code on governance of the corporate sector. The code specifically covers such matters as constitution, function and conduct of the Board, its sub-committees and the Chief Executive, conduct, openness and accountability, involvement of residents, equality of opportunity, and audit. The Trustees are of the opinion that Papworth Trust has complied with the provisions of the NHF Code of Governance with the exceptions set out below.

Code paragraph 3.11

Each of the obligations under (a) to (g) are obligations imposed by Charity Law on Board members and accordingly a formal letter specifying these matters is not considered necessary.

Code paragraph 9.2

The year of birth of Board members and their date of appointment are not disclosed in the annual report. The Board considers that the disclosure of this information is unnecessary.

Papworth Trust

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE PAPWORTH TRUST

We have audited the financial statements of Papworth Trust for the year ended 31 March 2010 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 notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein

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 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

The trustees' (who are also the directors of Papworth Trust for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006. We also report to you whether the information given in the Trustees' Annual Report is consistent with those financial statements

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes

Papworth Trust

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE PAPWORTH TRUST

examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

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 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006 ; and
- the information given in the Trustees' Annual Report is consistent with the financial statements



Richard Chaplin
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
CAMBRIDGE

16 August 2010

Papworth Trust

ACCOUNTING POLICIES

for the year ended 31 March 2010

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). The true and fair override provisions of the Companies Act 2006 have been invoked, see "Social Housing Grant" below.

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, registered care home fees, rental income receivable, fees for progression, occupation and rehabilitation services 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

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Papworth Trust

ACCOUNTING POLICIES

for the year ended 31 March 2010

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. This treatment is a departure from the provisions of Schedule 4 to the Companies Act 2006. However, as these grants are a contribution towards capital expenditure and in recognition of the permanent diminution of value of properties let at low rents, in the opinion of the Trustees the accounting treatment is appropriate in order to show a true and fair view. This departure has no effect on the results for the year. Social Housing Grant due from the Housing Corporation or received in advance is included as a current asset or liability.

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.

Papworth Trust

ACCOUNTING POLICIES

for the year ended 31 March 2010

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

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 schemes, 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 pages 6 and 7

Papworth Trust

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 March 2010

		UNRESTRICTED		RESTRICTED			
	Notes	General funds £'000	Designated funds £'000	General funds £'000	Endowment funds £'000	Total 2010 £'000	Total 2009 £'000
INCOMING RESOURCES							
Incoming resources from generated funds							
Donations and gifts		1,490	-	92	-	1,582	1,609
Investment income	4	1	10	-	3	14	173
Income from primary purpose							
charitable activities	1/2	11,348	-	-	-	11,348	10,137
Grants receivable	1/2	-	-	1,838	-	1,838	1,629
Other income	1/2	-	-	-	-	-	-
Gain on sale of fixed assets		-	391	-	-	391	120
TOTAL INCOMING RESOURCES		12,839	401	1,930	3	15,173	13,668
RESOURCES EXPENDED							
Costs of generating funds							
Fund raising and publicity		389	-	-	-	389	427
Investment management costs	1/2	2	-	-	-	2	13
Charitable activities							
Operating costs of primary purpose							
charitable activities	1/2	8,725	776	2,056	2	11,559	10,527
Support costs of primary purpose							
charitable activities	1/2	1,917	93	-	-	2,010	1,584
Interest payable	1/5	661	-	-	-	661	647
Governance costs							
Central governance costs	1/2	38	-	-	-	38	31
Other strategic management costs		479	-	-	-	479	520
Operating costs of other activities	1/2	3	-	-	-	3	10
TOTAL RESOURCES EXPENDED		12,214	869	2,056	2	15,141	13,759
NET INCOMING/ (OUTGOING) RESOURCES							
BEFORE TRANSFERS	16	625	(468)	(126)	1	32	(91)
Transfers between funds	15	(5)	5	-	-	-	-
NET INCOMING/ (OUTGOING) RESOURCES							
BEFORE OTHER RECOGNISED	6	620	(463)	(126)	1	32	(91)
GAINS AND LOSSES							
Other recognised gains and losses							
Gains on investments							
Realised		-	-	-	-	-	27
Unrealised		-	1,475	-	7	1,482	(1,148)
NET MOVEMENT IN FUNDS		620	1,012	(126)	8	1,514	(1,212)
Fund balances at 1 April 2009		4,066	13,259	4,274	189	21,788	23,000
Fund balances at 31 March 2010		4,686	14,271	4,148	197	23,302	21,788

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 Board has a reasonable expectation that Papworth Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

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 2010

	Notes	2010 £'000	2009 £'000
OPERATIONS			
Gross income			
Continuing operations		14,782	13,544
Discontinued operations		-	4
		<u>14,782</u>	<u>13,548</u>
Total expenditure			
Continuing operations		15,141	13,759
Discontinued operations		-	-
		<u>15,141</u>	<u>13,759</u>
NET INCOME/ (DEFICIT) BEFORE ASSET DISPOSALS			
Continuing operations		(359)	(215)
Discontinued operations		-	4
		<u>(359)</u>	<u>(211)</u>
Gains on sale of tangible fixed assets		391	120
		<u>391</u>	<u>120</u>
NET INCOME FOR THE YEAR	1/6	<u>32</u>	<u>(91)</u>

NOTE OF HISTORICAL COST GAINS AND LOSSES

	2010 £'000	2009 £'000
Reported net income for the year	32	(91)
Difference between gains and losses on sale of investments on historical cost basis and market basis	-	479
	<u>32</u>	<u>388</u>
Historical cost surplus for the year	<u>32</u>	<u>388</u>

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

Papworth Trust

BALANCE SHEET at 31 March 2010

	<i>Notes</i>	<i>2010</i> <i>£'000</i>	<i>2009</i> <i>£'000</i>
FIXED ASSETS			
Tangible assets			
Freehold housing properties		41,370	40,332
Less Social Housing Grants		(20,070)	(19,800)
	7	21,300	20,532
Other property, plant and equipment	7	7,198	6,835
		28,498	27,367
Investments	8	6,925	5,448
Endowment fund assets	9	197	189
		35,620	33,004
CURRENT ASSETS			
Debtors due within one year	10	2,689	1,331
Cash at bank and in hand		183	148
		2,872	1,479
CREDITORS:			
amounts falling due within one year	11	(3,097)	(2,352)
NET CURRENT LIABILITIES		(225)	(873)
TOTAL ASSETS LESS CURRENT LIABILITIES		35,395	32,131
CREDITORS:			
amounts falling due after more than one year	12	(12,093)	(10,341)
PROVISIONS FOR LIABILITIES AND CHARGES	14	-	(2)
		23,302	21,788

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

Papworth Trust

BALANCE SHEET (CONTINUED) at 31 March 2010

	Notes	2010 £'000	2009 £'000
RESTRICTED FUNDS			
ENDOWMENT FUNDS	15	197	189
GENERAL FUNDS			
Capital funds	15	4,065	4,244
Income funds	15	83	30
		<u>4,148</u>	<u>4,274</u>
UNRESTRICTED FUNDS			
DESIGNATED FUNDS	15	14,271	13,259
GENERAL FUNDS			
Contingency fund	15	4,686	4,066
		<u>4,686</u>	<u>4,066</u>
TOTAL FUNDS	15	<u>23,302</u>	<u>21,788</u>

The financial statements were approved by the Board of Trustees on 22 July 2010 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 2010

	<i>Notes</i>	<i>2010</i> <i>£'000</i>	<i>2009</i> <i>£'000</i>
NET CASH INFLOW FROM OPERATING ACTIVITIES	A	398	1,248
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Dividends and interest received		14	173
Interest paid		(661)	(647)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE		(647)	(474)
APPEAL INCOME FOR CAPITAL PROJECTS		92	82
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Construction and improvement of housing properties		(1,502)	(4,595)
Capital grants received in respect of housing properties		416	1,432
Acquisition of other tangible fixed assets		(1,047)	(859)
Proceeds of sale of land and property		564	1,695
Acquisition of fixed asset investments		-	(2,368)
Proceeds of sale of fixed asset investments		-	2,175
NET CASH OUTFLOW ON CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(1,569)	(2,520)
NET CASH INFLOW/ (OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES		(1,726)	(1,664)
FINANCING			
Drawings under housing loan	C	2,000	900
Repayment of housing loans	C	(236)	(196)
NET INFLOW FROM FINANCING ACTIVITIES		1,764	704
INCREASE / (DECREASE) IN CASH	B	38	(960)

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

Papworth Trust

CASH FLOW STATEMENT (CONTINUED) for the year ended 31 March 2010

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

	2010 £'000	2009 £'000
Net incoming resources	32	(91)
Gain on sale of land and other tangible fixed assets	(391)	(120)
Dividends and interest receivable	(14)	(173)
Interest payable	661	647
Appeal income for restricted purposes	(92)	(82)
Depreciation charges	1,041	972
Increase in debtors	(878)	330
Increase / (decrease) in creditors	39	(234)
NET CASH INFLOW FROM OPERATING ACTIVITIES	398	1,248

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

	2010 £'000	Change in year 2010 £'000	2009 £'000	Change in year 2009 £'000	2008 £'000
Cash at bank and in hand	183	35	148	(810)	958
Disability Services Fund	23	2	21	(155)	176
Endowment Fund (Note 9)	146	1	145	5	140
	352	38	314	(960)	1,274

C. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Housing loans £'000	Other loans £'000	Total £'000
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	11,756	574	12,330
At 1 April 2008	9,288	574	9,862
Drawings under housing loan	900	-	900
Repayment of housing loan	(196)	-	(196)
At 31 March 2009	9,992	574	10,566

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

1 INCOME AND EXPENDITURE ON OPERATIONS BEFORE INVESTMENT ASSET DISPOSALS - 2010

	<i>Income</i>	<i>Grants</i>	<i>Cost of Sales</i>	<i>Support Costs</i>	<i>Total Cost</i>	<i>Interest Payable</i>	<i>2010</i>	<i>2009</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	1,510	1,198	(2,179)	(472)	(2,651)	-	57	(216)
Rehabilitation Services	846	-	(765)	(164)	(929)	-	(83)	(33)
Learning for Life & Work	1,485	35	(1,474)	(227)	(1,701)	-	(181)	(331)
Housing Services	3,563	605	(3,169)	(542)	(3,711)	(623)	(166)	(145)
Personal Support	3,793	-	(3,647)	(587)	(4,234)	-	(441)	(105)
Care Services - Discontinued	-	-	-	-	-	-	-	4
Advice Services	150	-	(233)	(18)	(251)	-	(101)	(83)
Research and Policy	-	-	(93)	-	(93)	-	(93)	(85)
Sub Total								
- charitable Activities	11,347	1,838	(11,560)	(2,010)	(13,570)	(623)	(1,008)	(992)
Fundraising and Publicity	-	-	(352)	(37)	(389)	-	(389)	(427)
Investment Management Fees	-	-	-	(1)	(1)	(38)	(39)	(13)
Sub Total								
- Generating Funds	-	-	(352)	(38)	(390)	(38)	(428)	(440)
Central governance costs	-	-	(38)	-	(38)	-	(38)	(31)
Other strategic management costs	1	-	(479)	-	(479)	-	(478)	(520)
Sub Total								
- Governance	1	-	(517)	-	(517)	-	(516)	(551)
Other activities	-	-	(3)	-	(3)	-	(3)	(10)
Totals	11,348	1,838	(12,432)	(2,048)	(14,480)	(661)	(1,955)	(1,993)
Donation and Gifts							1,582	1,609
Investment Income							14	173
Gain on sale of Fixed Assets							391	120
Net Surplus For The Year Before Investment Asset Disposals							32	(91)

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

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

	2010	2009
	£'000	£'000
WORKSTEP grant	1,198	1,128
Revenue grants	640	501
	<u>1,838</u>	<u>1,629</u>

Particulars of income and expenditure from lettings

	2010	2009
	£'000	£'000
INCOME		
Rents receivable	2,561	2,325
Service charges receivable	770	686
	<u>3,331</u>	<u>3,011</u>
Gross rents receivable	(78)	(50)
Less rent losses from voids		
Net rents receivable	3,253	2,961
Revenue grants from the Housing Corporation	75	48
Other revenue from Local Authorities	530	450
Housing Advisory Services	310	186
	<u>4,168</u>	<u>3,645</u>
EXPENDITURE		
Expenditure on letting activities		
Services	1,040	820
Management	420	306
Routine maintenance	698	668
Major repairs (revenue element)	50	50
Depreciation	538	517
Housing Advisory Services	965	782
	<u>3,711</u>	<u>3,143</u>
OPERATING SURPLUS ON LETTING ACTIVITIES	<u>457</u>	<u>502</u>
Units in management	No	No
General housing	182	189
Supported housing	450	421
	<u>632</u>	<u>610</u>

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

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

The following information is given in accordance with The Accounting Requirement for Registered Social Landlords (Amending) Determination 1998

	2010 £	2009 £	% Increase
Average weekly assured tenancy rentals, including service charge eligible for housing benefit, in respect of general needs and supported housing			
Rents	82 98	81 80	1 44%
Service charges	36 96	23 46	57 54%
Total	<u>119 94</u>	<u>105 25</u>	<u>13 96%</u>

The new properties tend to have a higher level of service charge elements due to the nature of these properties, which calculates a disproportionate increase in reality when calculating the average across all properties

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

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	2010 Total £'000	2009 Total £'000
Costs of generating funds:					
Fund raising and publicity	245	105	2	352	397
Investment management costs	-	-	-	-	11
Total costs of generating funds	245	105	2	352	409
Charitable activities					
Employment services	1,475	666	38	2,179	1,684
Rehabilitation services	304	403	58	765	654
Learning for Life and Work	699	561	214	1,474	1,393
Housing services	905	1,726	538	3,169	2,760
Personal Support	2,664	982	1	3,647	3,754
Advice services	124	90	19	233	195
Other support costs of charitable activities	1,585	292	171	2,048	1,617
Research and Policy	68	25	-	93	85
Interest payable	-	661	-	661	647
Total primary purpose activities	7,824	5,406	1,039	14,269	12,789
Governance costs					
Central governance costs	-	38	-	38	31
Other strategic management costs	369	110	-	479	520
Total governance costs	369	148	-	517	551
Other activities	-	3	-	3	10
TOTAL RESOURCES EXPENDED	8,438	5,662	1,041	15,141	13,759

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

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

	2010 Total No	2009 Total No
Supported placements	6	7
Employment	60	39
Rehabilitation	12	13
Learning for Life and Work	34	30
Housing Support & Management	40	34
Personal Support	121	110
Advice	5	4
Central services	59	48
	<u>337</u>	<u>285</u>

The number of people employed at the year end was

Full time	279	233
Part time	91	75
	<u>370</u>	<u>308</u>

Staff costs comprise

	2010 £'000	2009 £'000
Wages and salaries	7,229	6,591
Social security costs	563	508
Other pension costs (Note 19)	646	559
	<u>8,438</u>	<u>7,658</u>

4. INVESTMENT INCOME

	2010 £'000	2009 £'000
Interest receivable from bank and other deposits	1	96
Income from listed investments	13	77
	<u>14</u>	<u>173</u>

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £'000	2009 £'000
On bank loans, overdrafts and other loans		
Repayable wholly or partly in more than five years	623	647
Investment management fees	38	-
	<u>661</u>	<u>647</u>

6. NET INCOME FOR THE YEAR

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

	2010 £'000	2009 £'000
Depreciation		
Tangible owned fixed assets	1,041	972
Auditors' remuneration		
In capacity as auditors	21	26
In respect of other services	-	1
Operating leases		
Land and buildings	234	89
Property and equipment	34	12
Gain on disposal of housing properties	391	120
	<u>661</u>	<u>647</u>

(b) Emoluments of the Leadership Team comprise

	2010 £000	2009 £000
Emoluments	529	513
	<u>529</u>	<u>513</u>

Included in emoluments are £16,000 of ex gratia payments

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

	2010 £000	2009 £000
Emoluments		
The Chief Executive	105	103
	<u>105</u>	<u>103</u>
Trust contributions paid to defined benefits schemes		
The Chief Executive	17	14
	<u>17</u>	<u>14</u>

Other staff paid in excess of £60,000 during the year ended 31 March 2010 were as follows

£60,000 – £69,999	4	4
£100,000-£109,999	1	1
	<u>5</u>	<u>5</u>

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

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 2009 £'000</i>	<i>Additions £'000</i>	<i>Disposals £'000</i>	<i>Transfer £'000</i>	<i>Charge for year £'000</i>	<i>At 31 March 2010 £'000</i>
Gross cost	43,290	1,749	(274)	204	-	44,969
Depreciation	(2,940)	-	72	(191)	(376)	3,435
Net depreciated cost	40,350	1,749	(202)	13	(376)	41,534
Social housing grant	(18,487)	(76)	-	-	-	(18,563)
Disability facility grant	(25)	-	-	-	-	(25)
Other housing grants	(1,306)	(340)	-	-	-	(1,646)
Total grants	(19,818)	(416)	-	-	-	(20,234)
Net book value	20,532	1,333	(202)	13	(376)	21,300

Included in gross cost at 31 March 2010 are building projects under construction totalling £335,000 (2009 £424,000) against which Social Housing Grant of £nil (2009 £ 30,000) has been received

During the year expenditure capitalised in respect of existing properties amounted to £473,000 (2009 - £523,000)

Included within the depreciation charge for this year is an impairment of assets totalling £nil (2009 £11,000)

Included in the gross costs at 31 March 2010 are shared ownership schemes totalling £298,113 (2009 £298,113)

Papworth Trust

NOTES TO THE ACCOUNTS
at 31 March 2010

7. TANGIBLE FIXED ASSETS (Continued)

Other property, plant and equipment

	<i>Short leasehold improvements</i>	<i>Other freehold land & buildings</i>	<i>Plant & machinery</i>	<i>Total</i>
	£'000	£'000	£'000	£'000
COST				
At 1 April 2009	348	7,314	3,992	11,654
Additions	-	72	975	1,047
Disposals	-	(3)	(119)	(122)
Transfers	-	(191)	(12)	(203)
At 31 March 2010	348	7,192	4,836	12,376
DEPRECIATION				
At 1 April 2009	147	2,325	2,347	4,819
Charge for the year	19	215	431	665
Disposals	-	(1)	(114)	(115)
Transfers	-	(191)	-	(191)
At 31 March 2010	166	2,348	2,664	5,178
Net book value:				
At 31 March 2010	182	4,844	2,172	7,198
At 1 April 2009	201	4,989	1,645	6,835

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

8. FIXED ASSETS INVESTMENTS

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

	2010 £'000	2009 £'000
MARKET VALUE		
INVESTMENTS LISTED ON THE LONDON STOCK EXCHANGE		
Other share holdings (Cost £6,744– 2009 £6,744)	6,902	5,427
UNINVESTED CASH		
Instant access deposits £23,000 (2009 £14,000 restricted)	23	21
	<u>6,925</u>	<u>5,448</u>
MOVEMENT IN YEAR – INVESTMENTS LISTED ON THE LONDON STOCK EXCHANGE		
At 1 April 2009	5,427	6,339
Additions	-	2,368
Disposals	-	(2,148)
Revaluation to market value	1,475	(1,132)
	<u>6,902</u>	<u>5,427</u>
At 31 March 2010		

9. ENDOWMENT FUND ASSETS

	2010 £'000	2009 £'000
ASSETS		
COIF Investment Fund units at market value (Cost £ 5,000- 2009 £5,000)	51	44
Cash deposits	146	145
	<u>197</u>	<u>189</u>
	<i>Capital</i> £'000	<i>Income</i> £'000
MOVEMENT IN YEAR		<i>Total</i> £'000
At 1 April 2009	65	124
Investment income and interest for year	-	3
Maintenance expenditure	-	(2)
Revaluation to market value	7	-
	<u>72</u>	<u>125</u>
At 31 March 2010		<u>197</u>

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

10. DEBTORS

Amounts falling due within one year

	2010 £'000	2009 £'000
Trade debtors	1,814	744
Other debtors	8	11
Other prepayments and accrued income	867	403
Amount due from sale of property	-	173
Amount due from Shared Ownership scheme	-	-
	<u>2,689</u>	<u>1,331</u>

Included within trade debtors are amounts relating to housing activities of £ 447,000 (2009 £174,000) of which £38,000 (2009 £44,000) are rent arrears

11. CREDITORS: amounts falling due within one year

	2010 £'000	2009 £'000
Housing and development loans (note 12)	237	225
Trade creditors	649	524
Other creditors	193	409
Other taxes and social security costs	366	278
Accruals and deferred income	1,652	916
	<u>3,097</u>	<u>2,352</u>

Included within the above are creditors and accruals relating to housing activities amounting to £966,000 (2009 £966,000)

At 31 March 2010, Papworth Trust had an average of 22 days (2009 16 days) purchases outstanding in trade creditors. The reduction in creditor days is due to the nature of our purchases which generally require payment within 14 days

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

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

	2010 £'000	2009 £'000
Housing and development loans	11,756	9,992
Jobcentre Plus grants	574	574
	<u>12,330</u>	<u>10,566</u>
Less amounts due within one year	(237)	(225)
Amounts due after one year	<u>12,093</u>	<u>10,341</u>
Housing development loans		
	2010 £'000	2009 £'000
Orchardbrook Limited	568	572
National Westminster Bank plc	9,188	9,420
Barclays Bank	2,000	-
	<u>11,756</u>	<u>9,992</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	430
Fixed 7.10%	September 2004	September 2024	1,189
Fixed 5.60%	March 2009	March 2019	1,159
Fixed 5.97%	July 2008	July 2014	888
Fixed 6.61%	July 2010	July 2011	422
Fixed 6.0%	August 2008	August 2013	1,100
Fixed 5.03%	July 2006	September 2021	1,125
Variable	March 2027	March 2028	1,000
Variable	March 2027	March 2028	975
Fixed 4.74%		November 2009	900
			<u>9,188</u>

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

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 for five years. 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>2010 £'000</i>	<i>2009 £'000</i>
In one year or less	237	225
Between one and two years	225	231
Between two and five years	671	690
In more than five years	10,623	8,846
	<u>11,756</u>	<u>9,992</u>
Less amounts due within one year	(237)	(225)
	<u>11,519</u>	<u>9,767</u>

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

13. OBLIGATIONS UNDER OPERATING LEASES

	2010 £'000	2009 £'000	2010 £'000	2009 £'000
	Land and Buildings	Land and Buildings	Other	Other
Operating leases which expire				
In one year or less	30	-	1	1
Between one and two years	60	119	-	6
Between two and five years	154	54	32	5
In more than five years	26	2	-	-
	<u>270</u>	<u>175</u>	<u>33</u>	<u>12</u>

Operating leases include

- 1) 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

	2010 £'000	2009 £'000
At 1 April 2009	2	30
Utilised in year	(2)	(28)
	<u>-</u>	<u>2</u>
At 31 March 2010	-	2

The above provision was in respect of certain ex-gratia pensions to be borne by Papworth Trust that were agreed on the establishment of a formal pension scheme in respect of the past service of certain senior employees. Other pension provisions are outlined in Note 19. The provision will be utilised in line with actuarial calculations, and reviewed annually. All former members are now deceased.

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

15. STATEMENT OF MOVEMENT OF FUNDS

Papworth Trust's Reserves Policy is set out in the Report of the Trustees on page 7 of these accounts. Movements on funds are set out below.

	Opening Balance 1 April 09 £'000	Net incoming resources £'000	Resources expended £'000	Transfers £'000	Gain/ (loss) on investments £'000	Closing Balance 31 March 10 £'000
RESTRICTED						
ENDOWMENT FUNDS	189	3	(2)	-	7	197
RESTRICTED CAPITAL FUNDS						
Macfarlane Grieve House conversion fund	343	-	(26)	-	-	317
West Suffolk DRC fund	155	-	(15)	-	-	140
Supported housing fund	785	-	(18)	-	-	767
Progression centres	474	-	(16)	-	-	458
Foundations for Living	1,845	1	(72)	-	-	1,774
Ipswich & East Suffolk	258	-	(13)	-	-	245
Rehabilitation	361	25	(77)	-	-	309
Other	23	35	(3)	-	-	55
	4,244	61	(240)	-	-	4,065
RESTRICTED INCOME FUNDS						
Revenue Grants	-	562	(562)	-	-	-
Grants from Employment Service	-	1,198	(1,198)	-	-	-
Rehabilitation	30	-	(16)	-	-	14
Research & Policy	-	-	-	-	-	-
Transitions	-	76	(23)	-	-	53
Peoples Millions	-	17	(17)	-	-	-
HIA Funds	-	16	-	-	-	16
	30	1,869	(1,816)	-	-	83
TOTAL RESTRICTED FUNDS	4,463	1,933	(2,058)	-	7	4,345
UNRESTRICTED DESIGNATED FUNDS						
Disability Services fund	656	401	(869)	505	1,475	2,168
Property fund	12,603	-	-	(500)	-	12,103
	13,259	401	(869)	5	1,475	14,271
UNRESTRICTED GENERAL FUNDS						
Contingency fund	4,066	-	-	620	-	4,686
General fund	-	12,839	(12,214)	(625)	-	-
	4,066	12,839	(12,214)	(5)	-	4,686
TOTAL UNRESTRICTED FUNDS	17,325	13,240	(13,083)	-	1,475	18,957
TOTAL FUNDS	21,788	15,173	(15,141)	-	1,482	23,302

Papworth Trust

NOTES TO THE ACCOUNTS

at 31 March 2010

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

	2010 £'000	2009 £'000
At 1 April 2009	656	4,421
<i>Incoming resources</i>		
Dividends and interest	14	173
Realised loss on sale of investments	-	27
Unrealised (loss) / profit	1,475	(1,132)
Gain on sale of tangible fixed assets	391	120
	1,880	(812)
Revenue expenditure	(869)	(921)
Transfer from/(to) Property fund – investment in tangible fixed assets	500	(2,441)
Transfer to contingency fund	(620)	(303)
Transfers (to)/from other reserves	621	712
At 31 March 2010	2,168	656

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2010

	<i>Unrestricted (general) funds £'000</i>	<i>Unrestricted (designated) funds £'000</i>	<i>Restricted revenue funds £'000</i>	<i>Restricted capital funds £'000</i>	<i>Restricted endowment funds £'000</i>	<i>Total £'000</i>
Fund balances at 31 March 2010 are represented by						
Tangible fixed assets	-	24,433	-	4,065	-	28,498
Investments	4,686	2,156	83	-	197	7,122
Current assets	-	2,872	-	-	-	2,872
Current liabilities	-	(3,097)	-	-	-	(3,097)
Long-term liabilities	-	(12,093)	-	-	-	(12,093)
	<u>4,686</u>	<u>14,271</u>	<u>83</u>	<u>4,065</u>	<u>197</u>	<u>23,302</u>
Unrealised gains included above	<u>-</u>	<u>159</u>	<u>-</u>	<u>-</u>	<u>46</u>	<u>205</u>

Reconciliations of movements in unrealised gains on investments

Unrealised gains at 31 March 2009	-	(1,316)	-	-	39	(1,277)
Add revaluations during the year	-	1,475	-	-	7	1,482
Unrealised gains at 31 March 2010	<u>-</u>	<u>159</u>	<u>-</u>	<u>-</u>	<u>46</u>	<u>205</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 £16,000 (2009 £216,000). Contributions to the group personal pension scheme in the year were £3,000 (2009 £4,000), to the NHS

Papworth Trust

NOTES TO THE ACCOUNTS

at 31 March 2010

Pension fund £152,000 (2009 £171,000) and to the defined benefit scheme, £499,000 (2009 £374,000)

In addition to the ex-gratia pensions payments shown in note 14, Papworth Trust sponsors a group personal pension plan

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

SHPS is a multi-employer defined benefit scheme Employer participation in the Scheme is subject to adherence with the employer responsibilities and obligations as set out in the "SHPS House Policies and Rules Employer Guide"

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 determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date Asset values are calculated by reference to market levels Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns

During the accounting period Papworth Trust paid contributions at the rate of 14.1% to 30th September 2009 and 17.1% to 31st March 2010 Member contributions varied between 6.4% and 8.4% depending on their age

As at the balance sheet date there were 127 active members of the Scheme employed by Papworth Trust Papworth Trust continues to offer membership of the Scheme to its employees

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 Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable

Papworth Trust

NOTES TO THE ACCOUNTS at 31 March 2010

19. PENSION COMMITMENTS (continued)

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 £0,663 million, equivalent to a past service funding level of 70%.

The next full actuarial valuation will be carried out as at 30 September 2011.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Papworth Trust has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme as at 30 September 2009. As of this date the estimated employer debt for Papworth Trust was £9,811 million.

20. RELATED PARTIES

During the year, Papworth Trust purchased services in the normal course of business from The Varrier-Jones Foundation, an organisation with common trustees, for £111,000 (2009: £34,000). Papworth Trust made sales to the Varrier-Jones Foundation of £24,000 (2009: £143,000).

At the balance sheet date the amount due from The Varrier-Jones Foundation was £nil (2009: £170,000). At the balance sheet date the amount due to The Varrier-Jones Foundation was £8,000 (2009: £nil).

Papworth Trust

NOTES TO THE ACCOUNTS

at 31 March 2010

The Varrier-Jones Foundation is committed to providing funding for Papworth Trust on an ongoing basis. In the year ended 31 March 2010 The Varrier-Jones Foundation contributed £1,200,000 (2009 £1,250,000)

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 (2009 £nil). Amounts paid to Trustees in reimbursement of travelling expenses were £1,948 (2009 £1,550)

22. CAPITAL COMMITMENTS

Amounts contracted but not provided in the accounts amounted to £1,240,000 with grants of £77,000 receivable against them (2009 respectively £2,341,000 and £110,000). Amounts authorised by the Trustees but not contracted for were £776,000 with grants of £281,000 receivable against them (2009 respectively £2,229,000 and £498,000)

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

Papworth Trust

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 E G Parker, DL (deceased April 09)

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

Mr A Barnes MBE ◻

Dr J S Pajak *

Mrs J P B G Pearson ◻

Mrs M E Thomas CBE * ☆

Mrs J Womack • +

Mrs A Scott *

Mrs J A Millns *

Mr R Hammond ◻ (appointed 28 January 2010)

Mr N J Atkinson (appointed 18 March 2010)

TRUSTEE USER REPRESENTATIVES

Mr P Tatt *

Mr R Franklin ◻

Mr M Barry *

LEADERSHIP TEAM

Mr A Bagg

Ms S Coward

Ms W A Godfrey

Mr M Lester

Mr P McCay

Mr D Martin

Mr A E Osborne (started 01 12 09)

Chief Executive Officer

Director of Development

Director of Human Resources and

Organisation Development

Director of Operations (Work and Learning)

Director of Operations (Independent Living)

Director of Strategy and Marketing

Director of Finance and Central Services

The names of honorary personnel and senior management are as at June 2010

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

COMPANY SECRETARY

Mr A E Osborne (appointed 28 January 2010)

(continued over)

Papworth Trust

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Russell Funds Management
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BANKERS

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Royal Bank of Scotland plc
Housing Finance
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PENSION MANAGERS/PROVIDERS

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The Defined Contribution Scheme
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Indemnity House
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