

FAIRBRIDGE

**(A company limited by guarantee,
not having any share capital)**

Company number 176613

**Charity Number: England and Wales 206807
Scotland SC039288**

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

31 MARCH 2011

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FAIRBRIDGE

(A COMPANY LIMITED BY GUARANTEE NOT HAVING ANY SHARE CAPITAL)

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Directors	Martina Milburn (Chairman) appointed 1 April 2011 Michael Mercieca appointed 1 April 2011 Stephen Wiggins appointed 1 April 2011		
	William Eccles (Chairman) retired 1 April 2011 Allan Foad (Honorary Treasurer) retired 1 April 2011 Gillian Henson retired 1 April 2011 Valerie Hopkins retired 1 April 2011 Simon Lough retired 1 April 2011 Charles Peacock retired 1 April 2011 Katharine Scott retired 26 July 2010		
Chief Executive	Martina Milburn		
Company Secretary	John Anderson		
Registered Office	c/o The Prince's Trust 18 Park Square East London NW1 4LH Tel 020 7928 1704 Fax 020 7928 6016 E-mail* info@fairbridge.org.uk Website www.fairbridge.org.uk	Statutory Auditors:	Pricewaterhouse Coopers LLP 7 More London Riverside London SE1 2RT
Solicitors	Reed Smith The Broadgate Tower 20 Primrose Street London EC2A 2RS	Bankers	HSBC Bank Plc 141 High Street Beckenham Kent BR3 1BX
Company No.	176613	Charity No.	England and Wales 206807 Scotland SC039288
Give as you Earn No.	7743		

**FAIRBRIDGE
COMPANY NUMBER 176613
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

The Directors submit their report and audited financial statements for Fairbridge for the year ended 31 March 2011. The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in March 2005, the Charity (Accounts and Reports) Regulations 2008 and the Companies Act 2006.

Fairbridge was founded in 1909 and the Drake Fellowship in 1981. The two charities merged in November 1987 to become The Fairbridge Drake Society Incorporated and the name was changed to Fairbridge on 10 July 1992. As detailed below ("Merger with effect from 1 April 2011") Fairbridge became part of The Prince's Trust group on 1 April 2011. However, Fairbridge still exists as a separate charity and will prepare its own report and financial statements for the year to 31 March 2012.

Governing document

Fairbridge is a company limited by guarantee. Its governing documents are the Articles of Association as amended in March 2011. Its members are appointed by the Board. Since 1 April 2011 The Prince's Trust has been the sole member.

Directors

The Directors listed on page 1 served for the periods shown against their name.

Under the Articles of Association the Directors are appointed by a decision of the members or the Board.

Appointment and training of Directors

Trustees are appointed in accordance with the Articles of Association of the Company. On joining the organisation, new trustees receive an induction which includes strategy, fundraising, programmes, operations and governance. Fairbridge encourages Directors to familiarise themselves with the work of the charity by attending Fairbridge programmes and by visiting one or more centres.

Objects

The Memorandum of Association sets out the objects of Fairbridge which are to advance in life and support children and young people in the United Kingdom, in particular those who are in need or hardship or who are socially or economically deprived or who are at the risk of exclusion from society or who may be in physical or mental danger, through the provision of support, advice, education and training and challenging activities, to enable them to participate in society as independent, mature and responsible individuals. For the purposes of these objects the term "risk of exclusion from society" means being excluded from society or parts of society as a result of one or more of the following factors, unemployment, financial hardship, age, ill health (physical or mental), substance abuse or dependency including alcohol and drugs, discrimination on the grounds of sex, race, ethnic origin, religion, creed or sexuality, poor educational or skills attainment, relationship and family breakdown, poor housing (that is housing that does not meet basic habitable standards), or crime (either as a victim or as an offender rehabilitating into society).

Policies adopted to further objects

Fairbridge has centres in some of the most disadvantaged inner city areas. Its outreach workers build close relationships with other local agencies to identify those 13-25 year olds most in need of support. Those young people are offered the chance to attend courses, on a voluntary basis, which aim to develop personal and social skills such as self-awareness, managing feelings and the ability to relate to others, and thereby build self confidence and motivation.

The initial induction course motivates voluntary commitment to the Access course which offers challenging outdoor activities combined with planning an expedition. Following this, young people may choose from a variety of national and local Follow-On courses to suit their individual needs. Local courses develop personal and social skills in a variety of situations from recreational activities to practical work-based projects.

The programme lasts for as long as a young person feels they need support. Everyone is supported to develop a personal action plan by identifying progressively more challenging goals and ways to achieve them. Before every course, participants identify a personal goal and the specific personal and social skills that they want to develop. At the end of every course, the facilitator writes an individual progress report. Each young person has the long-term support of a personal mentor.

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DIRECTORS' REPORT (continued)
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Organisation

The charity is headed by a national Board of Trustees. The Chief Executive, reports to the Board and is supported by the Operations Director (known as the Fairbridge Director), the Fundraising Director, the Human Resources Director, the Director of Finance and the Company Secretary. Regional Committees exist to support the fundraising activities of most Teams.

Fairbridge operates separate charities, Fairbridge in Scotland and Fairbridge Cymru, in Scotland and Wales respectively. Both these two charities are included in the consolidated financial statements in this report. As will be seen below (under "Merger with effect from 1 April 2011") during the year Fairbridge became the sole member of both Fairbridge in Scotland and Fairbridge Cymru.

In addition, Fairbridge has the following wholly owned subsidiaries: Fairbridge Garden Centre Limited (whose principal activity, as reported in note 6 to the Financial Statements, is the operation of a garden centre) and Fairbridge Training Limited (which provides training services and materials). The other connected company is The Spirit of Merseyside Trust, which owns and charters to Fairbridge the sail training schooner "Spirit of Fairbridge". The Spirit of Merseyside Trust is not consolidated in these Financial Statements as it is outside the influence of Fairbridge management. Each of these companies has unity of administration with Fairbridge.

The total staff complement is 317 staff on a full time equivalent basis. There are 15 teams throughout the UK with 241 staff, central offices in England and Scotland with 46 staff, the Fairbridge Garden Centre with 16 staff, Fairbridge Training with eight staff and Spirit of Fairbridge with a permanent staff of six, who are employees of Fairbridge.

The decision-making process at Fairbridge involves all levels of staff. Consultation when formulating policy and new projects is achieved through local inner city team level discussion, leading to regional level consultation, and national confirmation by the Chief Executive and her management team. Their recommendations are submitted to the Board which monitors, evaluates and confirms major decisions. The full Board meets frequently to maintain overall supervision of the progress of the charity.

Volunteers

The role of volunteers in Fairbridge covers three main areas. Members of the Board and Regional Committees volunteer their time and skills, in particular to promote, support and fundraise in that region. Second are volunteers with specialist skills that provide support functions in Team Centres, for example catering services. Thirdly, some Fairbridge service users become supervised volunteers to enable them to decide whether to join a Fairbridge Team. The last two categories comprise around 60 volunteers working at any one time.

Merger with effect from 1 April 2011

During the financial year the Trustees considered the future of Fairbridge and decided to consider a merger with another charity with complementary objectives in order to secure the long term viability of the Fairbridge programme. Of the other relevant charities The Prince's Trust was approached as it had both financial strength and complementary objectives by providing substantial support and resources for young people. Following legal due diligence on both sides and careful consideration of all the benefits, costs and risks, the Trustees resolved on 16th December 2010 to enter into a merger agreement with The Prince's Trust. Pursuant to this, on 6th January 2011 Fairbridge became the sole member of the charity Fairbridge in Scotland and on 8th February 2011 Fairbridge became the sole member of the charity Fairbridge Cymru. On 1st March 2011 the Fairbridge members unanimously approved the merger and approved a change in the constitution to permit the charity to have a single member. On 1 April 2011 the merger became effective by The Prince's Trust becoming the sole member of Fairbridge. This began a journey leading to the creation of a single, united organisation, supporting around 50,000 young people a year.

Whilst the delivery of the Fairbridge programme continues unabated the merger will impact on our Reserves and Investment policies as these will in future be coordinated within the policies of The Prince's Trust. As part of the merger restructuring it is the intention of the Trustees that the assets and interests of Fairbridge in Scotland and Fairbridge Cymru pass to Fairbridge and then in due course that the assets and interests of Fairbridge transfer to The Prince's Trust. It is the Trustees' considered opinion that this restructuring will most effectively protect, preserve and enhance the reputation of the Fairbridge programme and its continued delivery for the benefit of disadvantaged young people in England, Scotland and Wales.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011

Review of service performance on set objectives and impact on young people

This financial year Fairbridge worked with 3,622 young people 2,641 chose to begin their engagement with our programme and 981 were engaged with us already Over half of these individuals have already achieved one or more positive outcomes

The overall number of newly engaged young people is a slight increase on the previous year The number of young people that came to us with multiple needs continued to reflect the high levels that we achieved in 2009/10 From this group 86% successfully completed the initial Access Course, a slight increase on last year 79% were retained in our long term Follow On Programme which amounted to an increase of 1% on the previous year

These results are evidence of our continued focus on improving the overall quality of our service by providing each individual with more opportunities and encouragement to stay in the programme until they are ready to move on

1. Organisational performance on set objectives – improving service quality

1.i. Development priorities for 2010/11:

In 2010/11 we have focused on maintaining financial stability across our services, with the aim of consolidating our work and improving its quality It was our intention that this would provide us with a stable platform for growth as the economy becomes more buoyant The following summarises our achievements against the objectives set in the previous report

Implementation of National Strategy Our goal in 2010/11 was to continue the implementation of our National Five Year Strategy (from 2009-2014) This was successfully completed, and all Fairbridge teams and central departments have produced a business plan linked to their particular objectives, which has established a shared sense of focus and direction across the organisation

Outreach Review A working group of staff from across the organisation was convened in July 2009 to assess and suggest improvements to the quality and efficiency of our outreach function in teams Staff undertook an extensive and detailed peer reviewing exercise across the organisation, which led to a series of recommendations relating to how the efficiency of the outreach function was already of good quality but that it could be supported and improved, for example through improved paperwork systems and more effective links to external agencies Team Managers have already implemented many of the suggested improvements from this review, and further training for outreach staff took place in 2010/11

Improving premises: One of our ongoing ambitions is to ensure a consistently high level of centre facilities for our young people around the country and we have a plan in place to improve and upgrade existing facilities or, where appropriate and with necessary funding in place, to move to new premises In 2010/11 we successfully relocated our Solent centre to a new building with space and resources that far exceeded their previous accommodation We also identified new premises for our Merseyside team

Fairbridge team size With a backdrop of increasingly difficult fundraising a priority has been maintaining team sizes in relation to income and funding rather than establishing a uniform team size across the UK

Improving our internal evaluation systems In 2010/11 the internal evaluation systems have been significantly improved All Fairbridge teams were moved onto one single database This has given better reporting systems and a uniform approach to data entry

a) Distance travelled – a distance travelled measure called Self Image was launched in 2009/ 2010 and rolled out to all Fairbridge teams in 2010/11 This measures and evaluates the less tangible indicators of progress in personal and social skills These are often referred to as 'soft outcomes'

b) Refining the way we measure and evaluate the more standard quantifiable outcomes (moving back into education or on to employment for example) In particular, to incorporate measures that evidence "stabilisation" (e.g. "still in education") as opposed simply to whether a young person has returned or dropped out This was established in 2009/10 and has been further developed in 2010/11

c) Establishing systems to track development and outcomes achieved over the longer term (i.e. up to two years after engagement) This has been implemented in 2010/11 through all Fairbridge Teams

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011**

These systems are now being used across all Fairbridge teams and have become an accepted part of our daily work with young people. We have gathered and begun to analyse preliminary data and have completed a series of internal reports for teams showing our findings. The data that we are able to collect on our young people has significantly improved, both in depth and accuracy.

1.ii. Other significant developments

We were delighted to be ranked 16th in the Sunday Times Best Places to Work in the Public and Private Sectors survey.

2. Impact on Young People:

2.i. Engaging troubled young people

Of the young people who began their engagement at Fairbridge in 2010/11, 86% were assessed as having multiple needs when they first started our programme, consistent with previous years. We define a young person as having multiple needs if they have three or more 'Presenting Needs' (the issues or challenges that a young person has when they first come to us). These include issues such as:

- Substance misuse
- Aggressive behaviour
- ADHD (attention deficit hyperactivity disorder)
- Victim of abuse
- Low literacy/numeracy skills
- Looked after (in care)
- Homeless
- Persistent truanting
- Offending history
- Mental health issues (including clinical depression, low self-esteem, etc)

2.ii. Assessing individual needs

Having ensured that we are engaging our target client group, we then work with them to diagnose their development needs. By ensuring we maintain a client to staff ratio of no more than four to one on Access Courses, we are able to make a comprehensive assessment of each individual's needs. In 2010/11, 2260 young people completed an intensive Access Course (the entry and assessment course). The proportion of those completing was 86% which exceeded our national target of 80%. Many of those who do drop off during their first attempt do so for a variety of factors, which are not always of their own making. It is therefore fairly common for some of these to re-engage and successfully complete an Access Course on a second or subsequent attempt.

Throughout each individual's engagement with the programme, our staff will conduct one to one sessions to review progress and agree the next step. In 2010/11 our staff delivered 10,514 one to one support sessions, and young people received on average 3.5 hours of support each. 28% of young people who had completed our Access course received our target level of 5 hours support within the year. It is important to emphasise that of those who have not, many are still participating in the Fairbridge programme, and will therefore accumulate further hours of support as time goes on.

2.iii. Building commitment, stabilising chaotic lifestyles, and achieving positive outcomes

Ensuring that young people are engaging in the Fairbridge programme of their own volition is one of our main principles. Young people should feel that they have a genuine choice to participate without any financial incentives or penalties. For a young person to continue their engagement beyond their Access Course is therefore a significant indication they feel they are benefiting from their involvement. For many young people this is the first form of commitment they have made to trying to stabilise their lifestyles and behaviours.

Of the young people completing an Access in 2010/11, 79% voluntarily chose to participate in additional development sessions with Fairbridge. This is an increase of 4% on the previous year.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011

Our programme is designed to enable young people to remain engaged for as long as they choose to and are benefiting from their participation. In 2010/11, 981 young people who started with us before the beginning of this financial period (i.e. engaged in Access before April 2010) continued to receive training from us over the year. Combined with the number of young people who started with us during the year, an overall total of 3,622 young people were involved in the programme.

Whether they chose to continue in the programme or moved on immediately after their Access Course, many of the young people demonstrated significant progress as a result of their participation. Our new evaluation methodology has allowed us for the first time to systematically measure the progress in personal and social development (or 'soft outcomes') that young people make whilst participating in our programme. Young people's self evaluation of personal and social skills development at three points in their time on the programme showed a steady increase in their perception of their strength in the following areas:

- Communication
- Self esteem
- Interpersonal relationships
- Negotiating
- Problem solving
- Understanding and identifying with others
- Managing feelings
- Understanding social values
- Planning
- Reviewing

Young people who completed all three assessments gave themselves an average initial score of 70% in these skill areas. After 100 hours of contact time with Fairbridge, this score rose to an average of 74% and then rose again to an average of 78% in a final assessment completed when young people left the programme. Independent analysis of this suggests that young people have a tendency to score themselves relatively highly in the first instance, but that they still recognise the progress they have made in these areas and leave with a more secure confidence in their own abilities. This independent analysis by the Centre for Research and Innovation in Social Policy and Practice was published in 2010.

Our emphasis is on developing each individual's personal and social skills so that they can then attain more tangible outcomes such as those summarised below. Over half (65%) of the young people who completed an Access Course in 2010/11 went on to achieve a significant and quantifiable positive outcome within a relatively short time frame:

- 146 young people who were previously unemployed moved into employment
- 138 13-18 years old who were not engaged in education moved into education or training
- 342 under 16s who were classed as at risk of exclusion were retained within education
- 699 achieved a qualification
- 100 engaged in a Government training programme
- 133 moved into another personal development programme
- 74 moved into better or more secure accommodation
- 54 gained positions as volunteers
- 82 young people with a history of substance abuse reduced or stopped their drug and alcohol use
- 53 young offenders reduced their criminal activity

Our new evaluation systems also enable us to track the progress of young people once they have left the Fairbridge programme. 91% of those young people contacted 3 months after leaving Fairbridge had sustained the positive progress they had made.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011

3. Future intentions and goals

3.i. Development priorities for 2011/12

a. Fully integrated united organisation:

On April 1st 2011 Fairbridge became part of The Prince's Trust. The Chief Executive of Fairbridge, Andrew Purvis stepped down and Martina Milburn assumed responsibility as Chief Executive of the integrated organisation.

The vision of the combined organisation is:

"Together, we believe we can provide more comprehensive support to increased numbers of disadvantaged young people, helping more to achieve positive outcomes at a lower cost per person."

The rationale for the integration is to

- To help more disadvantaged young people to overcome their barriers and move towards education, employment and training
- Maximise funding from both government and private sector to combining collective strengths
- Drive improvements in operational efficiency
- Offer young people access to a joined-up portfolio of programmes

The Prince's Trust and Fairbridge are uniting to form a single organisation. During 2011/12 the integration of the two organisations will be planned and implemented, while continuing to deliver a high quality service to all the young people needing the support of both organisations.

At the same time a new set of strategic aims which will guide our work over the next three years - from 2012 to 2015 will be developed. The united organisation will involve staff, volunteers and young people in the process of gathering views to inform the development of these strategic aims.

The Prince's Trust and Fairbridge are working together to deliver better outcomes for young people, to take a joined-up approach to fundraising, integrating our campaigns, policy and influencing, and some shared staff training. This will increase during the year ahead.

The following integration goals have been developed

- To reach more young people - 50,000 by March 2012
- To secure more funding - £50 million by March 2012
- To deliver operational efficiencies
- To retain and develop our people
- To increase our profile and have a stronger impact on policy

b. Business as usual Aims and Priorities:

Both The Prince's Trust and Fairbridge have detailed plans to deliver 'business as usual' throughout the coming year. A set of complementary priorities have been developed to ensure young people will continue to benefit from all our programmes. A united set of priorities has also been agreed for our people, our reach and influence and our resources. These are outlined on the following pages.

Fairbridge Young People:

- Achieve our KPI's
 - Support 3,645 young people of which 2,767 are new clients
 - 80% of new clients with three or more presenting needs
 - 80% of new clients complete Access
 - 40% of Access completers achieve 100+ hours of support
 - 50% of new clients achieve positive outcome within twelve months of Access
- Refine how we record presenting needs
- Refresh and standardise programme framework to ensure core values and quality are reflected across Fairbridge teams
- Implement appropriate recommendations from outreach and development worker 'moving on' study
- Review team structure with a view to providing a consistent service across teams
- Establish a young person feedback mechanism

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011

United organisation:

Our People

- Embed the new performance management ratings, values and development plans
- Further implement the equality and diversity strategy for staff and volunteers
- Increase the focus on leadership and management development
- Increase the level of activity for existing volunteers
- Improve the provision of support and guidance for all volunteers

Our Reach and Influence

- Support delivery of our business plans through a series of quarterly communication campaigns
- Develop a specific campaign to promote a range of cause-related marketing products
- Review the effectiveness of our graphical identity and refresh our communication materials
- Gather in-depth evidence from the frontline to ensure we are a credible voice advocating for the best solutions for young people
- Use public affairs to ensure the voice of young people is heard and influences government, politicians and policy-makers at country, regional and local level

Our Resources

- Remain within 5% of budget targets for young people numbers, income, costs and headcount throughout the year
- Grow private sector income, maximising the percentage that is unrestricted to give us the greatest possible flexibility
- Maximise public sector income to fund core delivery
- Strengthen key partnerships, both funding and delivery, increasing what we can do

Fairbridge in Scotland

We are required by the Office of the Scottish Charity Regulator to report separately upon the activities that Fairbridge in Scotland has undertaken in Scotland. The income and expenditure relating to activities in Scotland are analysed in Note 5 to these financial statements.

We maintained a high level of support to young people in Scotland during 2010/11 with 688 young people supported (2009/10 633), thus minimising the effect on our young people from a difficult financial climate.

- Of the 423 young people completing their Access course in 2010/11 (2009/10 487), 75% voluntarily chose to participate in additional development sessions with Fairbridge with 37% of these going on to participate in over 100 hours of training
- The Fairbridge in Scotland programme is designed to enable young people to remain engaged for as long as they feel they need our support. This year we continued to work with 184 (2009/10. 146) young people who started with us before the beginning of this financial period (i.e. engaged on the Access before April 2010). Combined with the number of young people who started their Access since then gives an overall total of 688 (2009/10 633) young people involved in the programme this year.
- Whether they continued in the programme or moved on after the Access course, many of the young people demonstrated significant progress, of which some of the more quantifiable are detailed below.

Exit Outcomes for those who started their engagement with Fairbridge in Scotland between 1st April 2010 and 31st March 2011

Under 16's Exit Outcomes

Gained Employment	2%
Re-engaged in Education (of those not in Education)	38%
Retained in Education (of those at risk of exclusion)	22%
Engaged in Training or Further Education	8%
Engaged in external Personal Development programme	7%

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011

Over 16's Exit Outcomes

Gained Employment	7%
Aged 16 to 18 and engaged in education or training	22%
Engaged in external Personal Development programme	12%
Engaged in Voluntary Work	2%

Fairbridge in Scotland plans to support 684 young people in 2011/12 whilst continuing to maximise income generation and cost control

Policy on Reserves

We have aimed to maintain an acceptable level of Reserves, not only to withstand setbacks and avoid serious disruption to our activities but also to take advantage of change and opportunity, to under-pin our plans for growth and to secure our viability in the long run

The Directors have reviewed our Reserves Policy annually in the light of Charity Commission guidelines and policies adopted by other, similar charities. Our anticipated expenditure and income, including the degree of confidence of receipt of projected income, is also taken into account. The current policy was approved by the Directors in December 2009. The policy is to hold in Reserves a sum equivalent to 33% of annual expenditure to cover the following

- a an emergency fund to enable Fairbridge to absorb a drop in income of one third over a period of six months (this equates to £1.9 million)
- b a recovery fund in the event of circumstances requiring the application of the emergency fund (this sum equates to £0.8 million) and
- c a growth fund in respect of any excess (over (a) and (b) above). This growth fund equates to £1.6 million to enable advantage to be taken of any opportunities that might arise

(The above figures are net of any outstanding borrowings)

As explained under Investment Policy below, the reserves are held as liquid assets in a Collective Investment Scheme, managed by Newton Investment Management Limited and cash deposited with major UK regulated banks (in line with our Deposits Policy)

Although the freehold to our headquarters office at 207 Waterloo Road London SE1 is not part of the reserves, its value and saleability is taken into account when the level of the reserves required is assessed. The Board of Directors and the Finance Committee monitor the level of Reserves at each meeting. Following the merger with The Prince's Trust the reserves policy of Fairbridge will form part of the reserves policy for The Prince's Trust.

Investment powers

The Memorandum of Association allows the company to invest in such investments, securities or property as may be thought fit.

Investment policy

Our investment strategy reflects Fairbridge's overall strategy, and in particular our Reserves Policy. Fairbridge is an operational charity, which derives the majority of its income from donations and government grants. Our liquid investments (including cash and investments in securities) typically represent about one third of current annual incoming resources. The funds are seen primarily as Reserve funds, to provide for contingencies and to meet short-term fluctuations in income as described above. As a result the Directors aim to pursue a cautious investment policy with funds under our control and to engage professional fund managers. The investment strategy takes into account the fact that we own the freehold of our headquarters at 207 Waterloo Road.

The Board of Directors employs professional investment managers to take responsibility for the day-to-day management of the balance of its investment funds, which are held in an investment portfolio. The investment portfolio is managed in accordance with a written Investment Policy, which is reviewed annually by the Board. A member of the Board with appropriate experience is nominated to maintain regular supervision of the investment managers, who report annually.

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The charity's main portfolio was invested (with the exception of a cash balance) exclusively in the Real Return Fund for Charities, managed by Newton Investment Management Limited. The value of invested funds at 31 March 2011 was £1,636,951 (2010 £2,099,809). Investments to the value of £580,456 were sold during the year. Investments held throughout the year increased in value by £59,676 reflecting improved performances of the markets. Following the merger with The Prince's Trust the investment policy of Fairbridge will form part of the investment policy for The Prince's Trust.

Risk management

The Senior Management Team of the Prince's Trust have reviewed the major risks to which Fairbridge is exposed and the mitigating controls. The review included Health and Safety risks, risks connected to large contracts and funding agreements with public sector organisations, risks connected to tenant's covenants in property leases and risks connected to historical activities. The Board is satisfied that appropriate systems are in place to identify and mitigate risks and following the merger with The Prince's Trust, the management of risk will be integrated with The Prince's Trust Risk Management processes.

Directors' responsibilities in relation to financial statements

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

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware

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

Financial Review of the Year

Total incoming resources for the year were £12.0 million, a 6% increase on last year's £11.3 million. Total resources expended increased by 7% year on year, reflecting the success of the delivery programmes. An overall deficit was incurred of £(226,393) (2009/10 £(119,616)), which is considered a reasonable result in the light of difficult economic circumstances.

The Fairbridge Garden Centre Limited contributed £19,376 to the Charity, whilst Fairbridge Training Limited generated £57,951 post tax profit in the year, retained in the business to further strengthen its balance sheet.

Fairbridge Training Limited planned to continue to develop its independent sales income, however, the ongoing economic downturn has put immense pressure on most organisations in both the public and private sector and in many cases training budgets have been hit hard. This has led to a steep drop in income and unsustainable losses being incurred by Fairbridge Training Limited. In light of this, the Directors of Fairbridge Training Limited have reviewed the current business model, taking a close look at both the internal and external demand for its products concluding that the losses can not be allowed to continue and the company will cease trading.

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The Trustees decided to dispose of £0.6m (market value) of investments in April 2010 to support Fairbridge's operations and the remaining portfolio increased by £0.1m reflecting the improved performance of the markets

Cash and working capital remain strong at year end seeing a net cash in flow of £770k

Liability of members under guarantee

The liability of members for the debts of Fairbridge is limited to an amount not exceeding £1 per member

Equal opportunities

Fairbridge is an equal opportunities employer

Public Benefit

The Directors as trustees of the charity have had due regard to the guidance issued by the Charity Commission on charities and the public benefit

The Directors as trustees are satisfied that these activities, which are set out in detail in this Report under the following headings, are furthering the charity's purposes for the benefit of the public

- Policies adopted to further objects (page 2)
- Review of service performance on set objectives and impact on young people (page 4)
- Organisational performance on set objectives – improving service quality (pages 4-5)
- Impact on Young People (pages 5-6)

On behalf of the Board of Directors



dated 16 November 2011

John Anderson
Company Secretary

FAIRBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF FAIRBRIDGE

We have audited the financial statements of Fairbridge for the year ended 31 March 2011 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement, the Accounting Policies 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).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, 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.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent charitable company's income and expenditure and cash flows, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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.

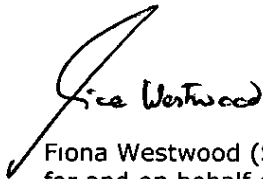
FAIRBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF FAIRBRIDGE

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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company's financial statements are not in agreement with the accounting records or 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



Fiona Westwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London 16 November 2011

PricewaterhouseCoopers LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

FAIRBRIDGE

CONSOLIDATED STATEMENT OF FINANCIAL AFFAIRS FOR THE YEAR ENDED 31 MARCH 2011 (Incorporating an Income and Expenditure account)

	Notes	Unrestricted funds	Restricted funds	Total 2011	Total 2010 (restated)
		£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income	1	3,336,587	1,479,760	4,816,347	3,654,078
Activities for generating funds		373,507	-	373,507	701,248
Investment income	4	59,013	-	59,013	113,726
Incoming resources from charitable activities					
Statutory grants	2	1,499,133	3,219,486	4,718,619	4,759,026
Lottery and other funds	3	55,716	619,687	675,403	701,570
Other incoming resources					
Income from commercial activities	6	1,400,681	-	1,400,681	1,413,749
Total incoming resources		<u>6,724,637</u>	<u>5,318,933</u>	<u>12,043,570</u>	<u>11,343,397</u>
Resources expended					
Costs of generating funds					
Cost of generating voluntary income	7	1,325,225	154,946	1,480,171	1,630,802
Fundraising trading	7	158,581	-	158,581	250,987
Charitable activities	7	3,803,043	5,373,688	9,176,731	8,339,074
Governance costs	9	66,356	-	66,356	56,388
Other resources expended					
Commercial trading costs	7	1,403,600	-	1,403,600	1,185,762
Total resources expended		<u>6,756,805</u>	<u>5,528,634</u>	<u>12,285,439</u>	<u>11,463,013</u>
Net expenditure for the year		(32,168)	(209,701)	(241,869)	(119,616)
Other recognised gains and losses					
Unrealised gains on investment assets		59,676	-	59,676	479,779
Realised losses on investment assets		-	-	-	(17,918)
Net movement in funds		<u>27,508</u>	<u>(209,701)</u>	<u>(182,193)</u>	<u>342,245</u>
Funds brought forward at 1 April		<u>4,463,038</u>	<u>409,338</u>	<u>4,872,376</u>	<u>4,530,131</u>
Balances carried forward at 31 March	24	<u>4,490,546</u>	<u>199,637</u>	<u>4,690,183</u>	<u>4,872,376</u>

The notes on pages 19-35 form part of these accounts

All income and expenditure relates to continuing operations. There are no recognised gains and losses other than those passing through the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented

FAIRBRIDGE

BALANCE SHEETS AS AT 31 MARCH 2011

	Notes	Group 2011 £	2010 £	Company 2011 £	2010 (restated) £
Fixed assets					
Tangible assets	12	1,228,757	1,252,546	1,130,838	1,149,440
Investments	13	1,636,951	2,099,809	1,636,951	2,099,809
Investment in subsidiaries	14	-	-	111,051	111,051
		<u>2,865,708</u>	<u>3,352,355</u>	<u>2,878,840</u>	<u>3,360,300</u>
Current assets					
Garden Centre stock		165,543	158,128	-	-
Debtors	15	1,197,838	1,152,993	1,143,523	1,268,460
Cash at bank and on deposit		2,300,662	1,530,958	2,136,783	1,349,287
		<u>3,664,043</u>	<u>2,842,079</u>	<u>3,280,306</u>	<u>2,617,747</u>
Current liabilities					
Creditors amounts falling due within one year	16	(1,819,568)	(1,267,058)	(1,509,538)	(1,053,297)
Provisions for liabilities and charges	18	(20,000)	(55,000)	(20,000)	(55,000)
Net current assets		<u>1,824,475</u>	<u>1,520,021</u>	<u>1,750,768</u>	<u>1,509,450</u>
Total net assets		<u>4,690,183</u>	<u>4,872,376</u>	<u>4,629,608</u>	<u>4,869,750</u>
Funds					
Unrestricted funds					
General unrestricted funds	24	2,739,089	2,769,530	2,850,142	2,880,583
Designated funds	24	1,579,829	1,579,829	1,579,829	1,579,829
Funds retained within non-charitable subsidiary companies	24	171,628	113,679	-	-
Restricted funds	24	<u>199,637</u>	<u>409,338</u>	<u>199,637</u>	<u>409,338</u>
		<u>4,690,183</u>	<u>4,872,376</u>	<u>4,629,608</u>	<u>4,869,750</u>

Approved by the Board

16 November

2011

Martina Milburn
Chairman

Michael Mercieca

The notes on pages 19-35 form part of these financial statements

FAIRBRIDGE

CONSOLIDATED STATEMENT OF FINANCIAL AFFAIRS FOR THE YEAR ENDED 31 MARCH 2011 (Incorporating an Income and Expenditure account)

The Company balance sheet for 2010 has been restated to exclude charitable subsidiaries, Fairbridge in Scotland and Fairbridge Cymru. These charitable subsidiaries are consolidated within the Group balance sheet.

	Notes	£	2011 £	£	2010 £
Net cash inflow/(outflow) from operations	21		362,630		(525,827)
Returns on investment and servicing of finance					
Investment income received			59,013		113,726
Capital expenditure					
Payments to acquire tangible fixed assets		(174,473)		(397,292)	
Reinvested investment income		(57,922)		(90,116)	
Receipts from sales of investments		580,456		-	
			348,061		(487,408)
Increase /(Decrease) in cash	22		769,704		(899,509)

The notes on pages 19-35 form part of these financial statements

FAIRBRIDGE

BALANCE SHEETS AS AT 31 MARCH 2011

A Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of fixed asset investments and in accordance with the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" published in March 2005 and applicable accounting standards. Uniform accounting policies are adopted for all Group companies.

No separate Statement of Financial Activities has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the 2005 SORP. The turnover of the company for the year was £8,449,841 (2010 £7,682,198) and its net result was a deficit of £(299,820) (2010 £(150,963)).

The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities.

The Group financial statements consolidate those of the Fairbridge Garden Centre Limited and Fairbridge Training Limited, wholly owned subsidiaries of Fairbridge (see note 6 for details), together with charitable subsidiaries, Fairbridge in Scotland and Fairbridge Cymru. Consolidation is on a line by line basis. The Company financial statements for 2010 have been restated to exclude Fairbridge in Scotland and Fairbridge Cymru.

B Income

Income from gifts and donations is recognised on a receivable basis. Recognition of legacy income is dependent on the type of legacy, with pecuniary legacies recognised when notification is received and residual legacies when final estate accounts are received. No value is included where the legacy is subject to a life interest from another party.

Donations received for application against specific future projects are treated as deferred income.

Donations and gifts of fixed assets are included in income and capitalised in fixed assets at their market value.

C Income from commercial activities

Income from commercial activities represents the invoiced amount of goods sold and services provided stated net of Value Added Tax.

D Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Individual items costing over £500 are capitalised.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. Annual depreciation rates are as follows:

Freehold buildings	-	4% on cost
Leasehold property and improvements	-	over the shorter of the lease term and the estimated useful life
Vehicles, equipment, furniture and fittings and computer software	-	20% on cost

E Statutory grants

Grants both on capital expenditure and of a revenue nature are credited to income when they are receivable.

FAIRBRIDGE

CONSOLIDATED STATEMENT OF FINANCIAL AFFAIRS FOR THE YEAR ENDED 31 MARCH 2011 (Incorporating an Income and Expenditure account)

F Fixed asset investments

Investments listed on a recognised Stock Exchange are valued at mid-market value at the balance sheet date. Gains and losses are included in the Statement of Financial Activities.

G Leased assets and obligations

Where assets are financed by operating lease agreements the lease rentals are charged to the income and expenditure account on the accruals basis.

H Fund accounting

Funds held by the company are either

- *Unrestricted funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the Directors
- *Designated funds* – these are funds set aside by the Directors out of unrestricted general funds for specific future purposes or projects
- *Restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

I Pension costs

The company operates individual defined contribution schemes for employees. Contributions payable for the year are charged through the Statement of Financial Activities.

J Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Support costs have been allocated on the basis of headcount.

Governance costs, in accordance with statutory requirements, include audit costs and relevant legal and professional expenses.

Irrecoverable VAT is included with the item of expense to which it relates.

K Stock

Stock consists of goods held for resale. Stocks are valued at the lower of cost or net realisable value.

FAIRBRIDGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011****1 Voluntary income**

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Trust donations	1,244,170	810,562	2,054,732	2,079,173
Corporate and individual donations	2,086,371	669,198	2,755,569	1,461,689
Legacies	6,046	-	6,046	113,216
	<u>3,336,587</u>	<u>1,479,760</u>	<u>4,816,347</u>	<u>3,654,078</u>

Trust income includes the following donations

	Amount £
Agnes Spencer Charitable Trust	1,000
The Baily Thomas Charitable Fund	10,000
British Heart Foundation – Help a Heart	1,500
Comic Relief	2,500
The Fairwood Trust	34,143
The Henry Smith Charity	36,075
Media Trust	414
The Norma Leigh Charitable Trust	100,000
Normanby Charitable Trust	1,500
Northern Rock	49,309
Northern Rock Foundation	43,884
People's Postcode Lottery	1,692
Sherburn House Charity	5,000
St Nicholas' Educational Trust	20,000
Tees Valley Community Foundation	1,000
Voluntary Action Cardiff	3,101
The Walcot Foundation	13,135
Waterways Trust	89
Yorkshire Building Society Charitable Foundation	609

Corporate income includes the following donations

	Amount £
Cammell Laird	33,879
Greggs plc	1,822
Legal & General plc	2,896
Zurich Insurance Cardiff	3,710

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

2 Statutory grants	Amount £	Total £
Department for Children Schools and Families Youth Sector Development Fund		
General	295,760	
Greater Manchester	28,724	
Kent	50,089	
London - Hackney	207,946	
London - Kennington	72,989	
Merseyside	50,235	
North Manchester	73,648	
Solent	28,683	
Teesside	113,145	
Tyne & Wear	42,537	
West	55,559	
West Midlands	97,910	
Fairbridge Training	61,558	
		1,178,783
Department for Communities and Local Government		
Social Exclusion – General	4,774	
Social Exclusion – West	50,599	
		55,373
Home Office		
Community Fund – Tyne & Wear	10,000	
Positive Futures - Greater Manchester	83,744	
Positive Futures - North Manchester	79,966	
Youth Inclusion Project - Greater Manchester	86,000	
		259,710
Scottish Enterprise Fund		
Fairbridge Training	85,766	
		85,766
Carried forward		1,579,632

FAIRBRIDGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

2 Statutory Grants (continued)	Amount	Total
	£	£
Brought forward		1,579,632
 Scottish Government - European Social Fund		
Dundee	125,306	
Edinburgh	156,692	
Fairbridge in Scotland	2,120	
Glasgow	138,782	
Spirit	<u>12,377</u>	
		435,277
 European Social Fund		
Kent	31,720	
London - Hackney	181,985	
London - Kennington	<u>77,936</u>	
		291,641
 Local Authorities		
Association of Greater Manchester Authorities – Greater Manchester	3,000	
Association of Greater Manchester Authorities – North Manchester	3,250	
Bolton Council – North Manchester	31,986	
Bristol City Council – West	36,628	
Bristol City Council – Youth Opportunity Fund - West	4,507	
Bury Council – North Manchester	39,251	
Bury Prevention Fund – North Manchester	13,262	
Children Services – Salford – Greater Manchester	17,000	
Community Foundation for Greater Manchester – North Manchester	48,000	
Connexions Middlesbrough – Teesside	3,000	
Connexions PAYP – Teesside	3,200	
London Councils (formerly Association of London Government) – London	31,875	
London Councils Guns & Gangs – London	59,145	
Middlesbrough Council Arts Development – Teesside	11,023	
Middlesbrough Council Youth Opportunities Fund	5,957	
Oldham Council – North Manchester	8,000	
Salford City Council – Early Intervention Fund – Greater Manchester	35,973	
Salford City Council – Extended Schools – Greater Manchester	10,334	
Salford City Council Claremont Waste – Greater Manchester	<u>14,000</u>	
		379,391
 Carried forward		2,685,941

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

2 Statutory Grants (continued)	Amount £	Total £
Brought forward		2,685,941
Schools		
City of Bristol College	40,899	
Greater Manchester	44,925	
Kent	24,224	
London - Hackney	25,000	
London - Kennington	5,000	
Merseyside	2,000	
North Manchester	9,000	
Solent	2,700	
Teesside	34,000	
Tyne & Wear	22,600	
West	14,590	
West Midlands	24,000	
		248,938
Learning and Skills Councils		
Learning and Skills Council - Greater Manchester (via Bolton Council)	1,426	
Learning and Skills Council - Greater Manchester (via Bury Council)	47,425	
(ESF Co-financing) - North Manchester		
Learning and Skills Council - Greater Manchester (via Rochdale Council) (ESF Co-financing) - North Manchester	2,324	
		51,175
Health		
Birmingham & Solihull Mental Health Foundation Trust	25,926	
Middlesbrough Council Communities for Health Initiatives Fund - Teesside	940	
Middlesbrough Council Food 4 Health	1,000	
Middlesbrough Primary Care Trust	8,000	
Greater Manchester	15,300	
London - Kennington	6,568	
Solent	5,032	
West Midlands	34,557	
		97,323
Working Neighbourhood Fund		
Tyne & Wear	64,200	
		64,200
Carried forward		3,147,577

FAIRBRIDGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

2 Statutory Grants (continued)	Amount	Total
	£	£
Brought forward		3,147,577
Other		
Bristol Museum	8,200	
Development Training - Teesside	22,300	
Greater Manchester	11,600	
Kent	194,034	
London - Hackney	84,525	
London - Kennington	146,053	
Merseyside	137,790	
North Manchester	300	
PEF - Fairbridge Training	22,932	
Solent	191,111	
Teesside	1,900	
Tyne & Wear	17,935	
West	60,546	
West Midlands	133,532	
		1,032,758
De Cymru		
Cardiff County Council	19,615	
Community Fund (Home Office)	10,000	
Countryside Council for Wales	12,000	
Health	2,269	
Schools	7,000	
Welsh Assembly Government - Children's Families Organisation Grant	32,000	
Welsh Council for Voluntary Action	32,894	
Welsh European Funding Office	24,767	
Other	550	
		141,095
Dundee		
Community Food & Health (Scotland)	2,547	
Dundee City Alcohol & Drug Partnership	8,653	
Dundee City Council Education Department	10,000	
Scottish Government - Cashback for Communities Fund	6,580	
Scottish Government - Cashback for Communities - Personal Development Partnership	19,800	
		47,580
Carried forward		4,369,010

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

2 Statutory Grants (continued)		Amount	Total
		£	£
Brought forward			4,369,010
Edinburgh			
Capital City Partnership		63,963	
Community Food & Health (Scotland)		2,709	
Midlothian Council		1,808	
Scottish Government - Cashback for Communities – Personal Development Partnership		21,600	
			90,080
Glasgow			
Glasgow Housing Association		41,218	
Glasgow West Regeneration Agency		4,000	
Scottish Government - Cashback for Communities – Personal Development Partnership		72,000	
			117,218
Fairbridge in Scotland			
Scottish Government - Cashback for Communities – Personal Development Partnership		50,685	
Scottish Government – Children, Young People & Families Unified Voluntary Sector Fund		54,179	
Scottish Government - National Voluntary Organisation Support Fund		37,447	
			142,311
Total			4,718,619

The Youth Sector Development Fund amount is net of all payments made to external partners - for the year ended 31 March 2011 this amount was £70,758

3 Lottery and other funds		2011	2010
		£	£
De Cymru - Arts Council for Wales	ACW/RTH/APP1/025	-	12,351
De Cymru - Awards For All	AFW/1/010389684	4,839	4,745
De Cymru - Big Lottery Fund - People & Places	PPF/1/010289743	64,110	62,738
De Cymru - Sports Council for Wales - Lets Walk Cymru	AIMS ID 2246742	-	5,705
Dundee - Big Lottery Fund - Community Fund	MM/1/010166264	-	21,965
Dundee - The Heritage Lottery		4,000	-
Edinburgh - Awards For All	AFS/1/010350269	-	9,519
Edinburgh - Big Lottery - Investing in Communities	SI/1/010244949	40,214	156,593
Edinburgh - Big Lottery Fund 2014 Communities		1,075	-
FiGM, FNM, London, Hackney, W Midlands, General	YPG/1/010291306	-	66,469
Big Lottery Fund - Young People's Fund (Media Trust)		254,484	-
G Manchester - Big Lottery Fund - Awards for All	AFE/1/010376513	5,681	-
G Manchester - Big Lottery Fund - Local Food (Changing Spaces)	SLF000230	-	7,000
Glasgow - Big Lottery Fund - Investing in Communities (£94,337 received in the year)	SV/1/010329996	75,425	-
Carried forward		449,828	347,085

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

3 Lottery and other funds (continued)		2011	2010
		£	£
Brought forward		449,828	347,085
Kent & Solent - Big Lottery Fund - Young People's Fund U 2 C	YPO/1/010177959	-	12,778
London - First Light	ref nu 3483011	-	26,124
Manchester & Mersey - Arts Council of England	Ref 8739840	-	2,754
Merseyside - Sport England - Community Investment Fund	URN 20062626	9,946	7,557
Merseyside - The Heritage Fund - Young Roots	YR-09-00134	-	22,342
North Manchester - The Heritage Fund - Young Roots	YR-09-00101	-	9,532
Scotland - Big Lottery - Investing in Communities	SV/1/010301765	119,218	109,460
Scotland - Young People's Fund Scotland	YSC/1/010237529	-	61,776
Spirit of Fairbridge - The Heritage Fund - Young Roots	YR/08/00286	-	8,654
Teesside - Awards For All	AFE/1/010342195	-	3,000
Teesside - Big Lottery Fund - Local Food (Changing Spaces)	SLF000268	-	10,000
Teesside - Big Lottery Fund - Young People's Fund	YPL/1/010309511	92,149	45,576
Teesside - Sport England	2009112799	-	5,000
Tyne & Wear - Big Lottery Fund - Young People's Fund	TR/1/010306097	-	23,708
Tyne & Wear - Sport England - Sportsmatch	URN 2009106067	-	10,000
W Midlands - Arts Council of England	Ref 13379586	412	3,714
W Midlands - The Heritage Lottery		3,850	-
Prior Year Adjustment		-	(7,490)
		675,403	701,570
4 Investment income		2011	2010
		£	£
Listed investments		57,787	89,888
Bank interest and interest on short-term deposits		1,226	23,838
		59,013	113,726

Investment income is shown net of the investment manager's fee at a rate of 0.6% per annum of the total market value of the portfolio as at the last business day of each quarter

5 Charitable subsidiaries

During the year, the following charities were wholly owned by Fairbridge

Fairbridge in Scotland:

Fairbridge in Scotland is a company limited by guarantee and a charity registered in Scotland whose principal contact address is 4 Norton Park, Edinburgh EH7 5RS. It provides support for young people in Scotland by raising money which funds the delivery of support to young people in Scotland through Fairbridge teams in Edinburgh, Glasgow and Dundee. It has unity of administration with Fairbridge. During the year the total income received by Fairbridge in Scotland amounted to £1,783,276 (2010 £1,860,263) and this was granted to Fairbridge for the purpose of funding the above teams.

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
Incoming resources		
Incoming resources from generated funds		
Voluntary income	698,603	741,787
Activities for generating funds	24,591	19,204
Incoming resources from charitable activities		
Statutory grants	820,150	739,959
Lottery and other funds	239,932	359,313
Total incoming resources	1,783,276	1,860,263
Resources expended		
Cost of generating voluntary income	(229,509)	(173,366)
Direct charitable activities	(1,553,767)	(1,686,897)
Surplus/(deficit) for the year	-	-

Fairbridge Cymru:

Fairbridge Cymru is a company limited by guarantee and a charity registered in Wales whose principal contact address is 42 The Parade, Roath, Cardiff CF24 3AD. It provides support for young people in Wales by raising money which funds the delivery of support to young people in Wales through the Fairbridge team in Cardiff. It has unity of administration with Fairbridge. During the year the total income received by Fairbridge Cymru amounted to £412,192 (2010: £393,121) and this was granted to Fairbridge for the purpose of funding the above team.

	2011 £	2010 £
Incoming resources		
Incoming resources from generated funds		
Voluntary income	186,209	163,483
Activities for generating funds	15,939	8,308
Incoming resources from charitable activities		
Statutory grants	141,095	135,851
Lottery and other funds	68,949	85,479
Total incoming resources	412,192	393,121
Resources expended		
Cost of generating voluntary income	(26,243)	(40,222)
Direct charitable activities	(385,949)	(352,899)
Surplus/(deficit) for the year	-	-

6 Income from commercial activities

Fairbridge has two wholly owned subsidiaries which are incorporated in the UK. The Fairbridge Garden Centre Limited trades under the name Fulham Palace Garden Centre, and its principal activity is the operation of a garden centre. The company pays interest on a loan from Fairbridge. The second subsidiary is Fairbridge Training Limited. A summary of the trading results is shown below. Audited accounts are filed with the Registrar of Companies.

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	Fairbridge Garden Centre Ltd	Fairbridge Training Ltd	Fairbridge	Consolidation Adjustments	2011	2010 (restated)
	£	£	£	£	£	£
Turnover from commercial activities	931,933	438,894	148,541	(118,687)	1,400,681	1,413,749
Grant income of trading subsidiary company	-	170,258	-	-	170,258	59,489
Cost of Sales	(456,016)	(315,292)	-	-	(771,308)	(613,817)
Gross Profit	475,917	293,860	148,541	(118,687)	799,631	753,981
Expenditure	(451,094)	(212,428)	-	80,582	(582,940)	(564,445)
Governance costs of trading subsidiaries	(6,432)	(6,561)	-	-	(12,993)	(7,500)
Donation to Fairbridge under gift aid	(19,376)	(1,507)	-	-	(20,883)	(114,689)
Other Income	985	63	-	-	1,048	87
Net profit for the year from commercial activities before tax	-	73,427	148,541	(38,105)	183,863	172,874
Corporation tax	-	(15,476)	-	-	(15,476)	-
Net profit for the year from commercial activities after tax	-	57,951	148,541	(38,105)	168,387	-
Capital & Reserves of trading subsidiary companies	108,434	63,194	-	-	171,628	113,677

Results for 2010 have been restated to be on a basis consistent with the current year

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

7 Analysis of total resources expended

	Direct costs	Allocated support costs	Total 2011	Total 2010
	£	£	£	£
Cost of generating funds				
Cost of generating voluntary income	1,196,578	283,593	1,480,171	1,630,802
Fundraising trading	158,581	-	158,581	250,987
Charitable activities	7,739,432	1,437,299	9,176,731	8,339,074
Governance costs	66,356	-	66,356	56,388
	<u>9,160,947</u>	<u>1,720,892</u>	<u>10,881,839</u>	<u>10,227,251</u>
Other resources expended				
Commercial trading costs	1,403,600	-	1,403,600	1,185,762
Support costs	1,720,892	(1,720,892)	-	-
	<u>3,123,992</u>	<u>(1,720,892)</u>	<u>1,403,600</u>	<u>1,185,762</u>
	<u>12,284,939</u>	<u>-</u>	<u>12,284,939</u>	<u>11,463,013</u>

Analysis of support costs

	Total 2011	Total 2010
	£	£
Chief Executive's Office	258,843	209,487
Finance & IT	730,825	571,773
Human Resources	200,365	164,167
Operations	279,385	274,505
Publicity	251,474	254,749
	<u>1,720,892</u>	<u>1,474,681</u>

8 Details of staff costs during the year

	Company Fairbridge	Fairbridge Garden Centre Ltd	Fairbridge Training Ltd	2011 Total	2010 Total
	£	£	£	£	£
Wages and salaries	6,965,077	209,894	256,730	7,431,701	6,900,615
Social security costs	654,009	17,008	26,443	697,460	587,363
Other pension costs	71,890	1,400	7,123	80,413	74,615
Consultants fees	44,481	13,950	-	58,431	154,293
	<u>7,735,457</u>	<u>242,252</u>	<u>290,296</u>	<u>8,268,005</u>	<u>7,716,886</u>

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Employees

The number of employees whose total remuneration exceeded £60,000 and above was as follows

	2011	2010
£60,000 to £69,999	-	1
£80,000 to £89,999	-	1
£100,000 to £110,000	1	-

One of the employees disclosed last year left during the year and the other received a final payment on leaving at the end of the year

The average monthly number of persons employed during the year were

	Training Team	Central Office	Fundraising & PR	Fairbridge Training Ltd	Fairbridge Garden Centre Ltd	Total
2011	223	26	44	8	16	317
2010(restated)	230	21	44	8	17	320

The 2010 figures were restated to include fundraisers based at team centres within Fundraising and PR rather than within Training Team numbers

Board members

No members of the Board received any remuneration from Fairbridge. The total amount of trustee expenses reimbursed during the year was £125, which all relates to trustee travel (2010 £651). The number of trustees who were reimbursed was one (2010 two).

9 Governance costs

	2011 £	2010 £
Prior year under accruals	10,050	13,403
Statutory audit 2010/11	36,665	30,257
Grants audits	2,550	1,445
Accounting	-	5,962
Professional fees	17,091	5,321
	<u>66,356</u>	<u>56,388</u>

10 Corporation tax

Corporation tax is payable on the profits of Fairbridge Training Limited, not donated to Fairbridge, amounting to £15,476 (2010 £nil). All of the current tax charge arises from continuing operations and is UK corporation tax at the standard rate of 21%. There was no tax charge in 2010 as all profits were donated to Fairbridge under the Gift Aid scheme. The effective average tax rate for Fairbridge Training Limited, which is defined as the tax charge expressed as a percentage of profit from operations, net of finance income, was 20.7% (2010 £nil). There is no liability for deferred tax.

There is no corporation tax liability in respect of Fairbridge Garden Centre Limited as all profits were donated to Fairbridge under the Gift Aid scheme.

Fairbridge is a registered charity and accordingly exempt from taxation on its charitable activities which fall within the scope of section 505(1) of the Taxes Act 1988 and section 256 of the Taxation of Chargeable Gains Act 1992.

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

11 Net incoming/(outgoing) resources are stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets	198,262	196,354
Operating lease rentals		
Land and buildings	583,173	544,765
Other	6,840	7,068
Auditors' remuneration		
For audit only – group	35,000	30,257
For audit only – charity	25,020	22,756
Other	5,172	8,477

12 Tangible fixed assets

	Freehold land and buildings	Leasehold improve- ments	Motor vehicles	Computer software, furniture and equipment	Total
Group	£	£	£	£	£
Cost					
1 April 2010	1,439,628	466,127	602,726	490,121	2,998,602
Additions	-	19,935	23,618	130,920	174,473
31 March 2011	1,439,628	486,062	626,344	621,041	3,173,075
Accumulated depreciation					
1 April 2010	788,551	187,281	542,795	227,429	1,746,056
Charge for year	40,245	43,149	24,092	90,776	198,262
31 March 2011	828,796	230,430	566,887	318,205	1,944,318
Net book value					
31 March 2011	610,832	255,632	59,457	302,836	1,228,757
Net book value					
31 March 2010	651,077	278,846	59,931	262,692	1,252,546

Leasehold improvements at cost of £411,167 (2010 £395,072), motor vehicles at cost of £530,920 (2010 £510,005) and computer software, furniture and equipment of £150,550 (2010 £126,879) have been fully depreciated

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

12 Tangible fixed assets (continued)

	Freehold land and buildings	Leasehold improve- ments	Motor vehicles	Computer software, furniture and equipment	Total
Company	£	£	£	£	£
Cost					
1 April 2010	1,439,628	282,662	602,726	402,654	2,727,670
Additions	-	-	23,618	124,717	148,335
31 March 2011	1,439,628	282,662	626,344	527,371	2,876,005
Accumulated depreciation					
1 April 2010	788,551	86,250	542,795	160,634	1,578,230
Charge for year	40,245	20,501	24,092	82,099	166,937
31 March 2011	828,796	106,751	566,887	242,733	1,745,167
Net book value					
31 March 2011	610,832	175,911	59,457	284,638	1,130,838
Net book value					
31 March 2010	651,077	196,412	59,931	242,020	1,149,440

The net book value at 31 March 2011 represents fixed assets used for direct charitable and support purposes

13 Fixed asset investments

Group and company	2011	2010
UK Unit Trusts, listed stocks and shares	£	£
Market value at 1 April 2010	2,099,809	1,547,832
Reinvested income	57,922	90,116
Disposals at market value	(580,456)	(17,918)
Net gains on revaluation	59,676	479,779
Market value at 31 March 2011	1,636,951	2,099,809
Historical cost	1,557,926	1,762,539

During the year the investment management company, Newton, purchased investments with a cost Of £1,643,752 and sold investments with a market value of £2,166,286

The market value of material investments held at the year end, being in excess of 5% of the total portfolio value, were

- 558,011 units - BNY MFM Ltd Newton Real Return (Inc) £1,636,949
- (2010 1,673,482 units - Newton Global Growth and Income Funds for Charities £2,080,390)

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

14 Investment in subsidiaries

The company holds 100% of the ordinary share capital of the Fairbridge Garden Centre Limited which is a company incorporated in England operating as a garden centre. Trading results and net assets are shown in note 6. The ordinary shares are valued at £100 and preference shares held are valued at £110,949.

Fairbridge owns 100% of the ordinary share capital of Fairbridge Training Limited, a company formed in August 2003 whose objects are the provision of training and training services and materials. Trading results and net assets are shown in note 6. The ordinary shares are valued at £2.

15 Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	92,909		-	-
Prepayments and accrued income	996,450	1,089,994	619,832	715,753
Other Debtors	108,479	62,999	104,678	62,999
Amounts owed by group undertakings	-	-	419,013	489,708
	<u>1,197,838</u>	<u>1,152,993</u>	<u>1,143,523</u>	<u>1,268,460</u>

The loan due from the Fairbridge Garden Centre Limited of £100,000 (2010 £100,000), included in the Amounts owed by group undertakings is secured by a floating charge over the assets of the company and is due for repayment on 31 December 2011. Interest is charged at 1.5% per annum.

Accrued Income includes £232,840 due from the European Social Fund (2010 £240,059).

16 Creditors falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	416,686	222,898	300,477	116,020
Taxation & social security costs	208,480	185,280	180,830	174,181
Other creditors	71,792	452,673	44,721	403,315
Accruals	152,462	85,079	139,571	82,329
Deferred income (note 19)	954,672	321,128	843,939	271,531
Corporation tax due	15,476	-	-	-
Amounts owed to group undertakings	-	-	-	5,921
	<u>1,819,568</u>	<u>1,267,058</u>	<u>1,509,538</u>	<u>1,053,297</u>

17 Group deferred income

	Unrestricted funds	Restricted funds	2011	2010
	£	£	£	£
Balance at 1 April 2010	20,994	300,134	321,128	667,151
Income deferred in the year	617,962	336,710	954,672	221,128
Income released in the year	(20,994)	(300,134)	(321,128)	(567,151)
Balance at 31 March 2011	<u>617,962</u>	<u>336,710</u>	<u>954,672</u>	<u>321,128</u>

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

18 Provisions

A provision of £20,000 (2010 £nil) has been made in respect of dilapidations to the Merseyside team building based on a report from an independent surveyor. A provision of £nil (2010 £55,000) has been made in respect of past taxation liabilities.

19 Pensions

Fairbridge provides direct contribution pension schemes that are available to all eligible members. Fairbridge matches the percentage which the employee contributes up to 4% of gross salary of employees who decide to join the scheme. The scheme is operated by Standard Life. Fairbridge pays contributions for a small number of employees directly into their own personal plans. The assets of all schemes are not owned by Fairbridge. The pension cost of these schemes in the year was £72,820 (2010 £73,813). There were outstanding contributions at 31st March 2011 of £19,432 representing March 2011 contributions paid over in April 2011 and Clerimed contributions for the year paid in May 2011.

20 Commitments under operating leases

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Expiring within one year	239,728	188,323	2,343	1,512
Expiring between two and five years	343,445	356,442	4,497	5,556
	<u>583,173</u>	<u>544,765</u>	<u>6,840</u>	<u>7,068</u>

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Expiring within one year	197,228	188,323	2,343	1,512
Expiring between two and five years	343,445	313,942	4,497	5,556
	<u>540,673</u>	<u>502,265</u>	<u>6,840</u>	<u>7,068</u>

21 Reconciliation of changes in resources to net cash inflow/ (outflow) from operations

	2011	2010
	£	£
Net outgoing resources	(241,869)	(119,616)
Investment income received	(59,013)	(113,726)
Depreciation	198,262	196,353
(Increase) in stock	(7,415)	(9,865)
(Increase) in debtors	(44,845)	(182,017)
Increase/(decrease)/ in creditors and provisions	517,510	(296,956)
	<u>362,630</u>	<u>(525,827)</u>

22 Analysis of changes in net liquid funds

	At 1 April 2010	Cash flow	At 31 March 2011
	£	£	£
Cash at bank and on deposit	1,530,958	769,704	2,300,662
	<u>1,530,958</u>	<u>769,704</u>	<u>2,300,662</u>

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

23 Reconciliation of net cashflow to movement in net funds

	2011	2010
	£	£
Increase/ (Decrease) in cash in the year	769,704	(899,509)
Net funds at 1 April	1,530,958	2,430,467
Net funds at 31 March	2,300,662	1,530,958

24 Analysis of group net assets between funds

	General unrestricted funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	1,030,117	-	198,642	1,228,759
Investments	57,122	1,579,829	-	1,636,951
Net current assets	1,823,478	-	995	1,824,473
Net assets at 31 March 2011	2,910,717	1,579,829	199,637	4,690,183

Restricted tangible fixed assets consisted of leasehold improvements £71,500, motor vehicles £9,350 and computer software, furniture and equipment £117,792

25 Movement in funds

Group	At 1 April 2010 £	Incoming resources £	Outgoing resources £	Gains £	At 31 March 2011 £
Restricted funds					
Fairbridge programmes	409,338	5,318,933	(5,528,634)	-	199,637
Total restricted funds	409,338	5,318,933	(5,528,634)	-	199,637
Unrestricted funds					
Designated Funds	1,579,829	-	-	-	1,579,829
Growth Fund					
General Funds	2,769,530	5,376,567	(5,466,684)	59,676	2,739,089
Funds retained within non-charitable subsidiaries	113,679	1,348,070	(1,290,121)	-	171,628
Total unrestricted funds	4,463,038	6,724,637	(6,756,805)	59,676	4,490,546
Total Funds	4,872,376	12,043,570	(12,285,439)	59,676	4,690,183

FAIRBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Company	At 1 April 2010 £	Incoming resources £	Outgoing Resources £	Gains £	At 31 March 2011 £
Restricted Funds					
Fairbridge programmes	409,338	5,318,933	(5,528,634)	-	199,637
Total restricted funds	409,338	5,318,933	(5,528,634)	-	199,637
Unrestricted Funds					
Designated Funds	1,579,829	-	-	-	1,579,829
Growth Fund					
General Funds	2,880,583	5,376,567	(5,466,684)	59,676	2,850,142
Total Unrestricted Funds	4,460,412	5,376,567	(5,466,684)	59,676	4,429,971
Total Funds	4,869,750	10,695,500	(10,995,318)	59,676	4,629,608

Restricted funds relate to the following teams:

	2011 £	2010 £
General	69,692	55,268
De Cymru	-	24,857
Dundee	200	62,192
Edinburgh		14,006
Fairbridge in Scotland	20,000	-
Glasgow	5,402	61,622
Greater Manchester		12,267
London - Hackney	73,211	91,650
London - Kennington	1,923	11,750
Kent	3,692	4,600
Merseyside	6,494	-
Solent	9,440	8,635
Teesside	5,053	46,125
West	4,530	16,366
	199,637	409,338

26 Related party transactions

The charity has taken advantage of the exemption provided by Financial Reporting Standard No 8 on Related Party Transactions from disclosing transactions with entities, 100% of whose voting rights are controlled within the group, and which are consolidated within these financial statements

27 Capital Commitments

At 31 March 2011 the group and the company had no outstanding capital commitments (2010 £82,622 group and company)

28 Ultimate holding entity

With effect from 1st April 2011 the ultimate parent entity is The Prince's Trust, registered office 18 Park Square East, London NW1 4LH