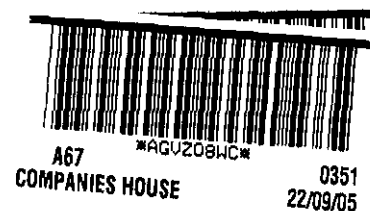


Company Registration No. 2365487
Charity Registration No. 801571

The Brandon Trust

Financial Statements

**For the Year Ended
31 March 2005**



The Brandon Trust

Contents

Directors' report	1 – 5
Auditors' report	6
Statement of financial activities	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	10 - 21

The Brandon Trust

Company information

Directors

P K D Harrison
R S Hawkins
Mrs C Jenkins
G E C Lankester
G Nicholson
D Palmer
N Sommerville
Mrs F J Urquhart
S G West

Secretary

Mrs H A Pearce

Company number

2365487

Charity number

801571

Registered office

Olympus House
Britannia Road
Patchway
Bristol BS34 5TA

Auditors

Mazars LLP
Clifton Down House
Beaufort Buildings
Bristol BS8 4AN

Bankers

National Westminster Bank
32 Corn Street
Bristol BS99 7UG

Solicitors

TLT Solicitors
One Redcliffe Street
Bristol BS99 7JZ

WithyKing
5-6 Northumberland Buildings
Queen Square
Bath BA1 2JE

The Brandon Trust

Directors' report For the year ended 31 March 2005

The directors present their report and financial statements for the year ended 31 March 2005.

The directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000, and the statutory requirements of the Trust's Governing Document, in preparing the annual report and financial statements of the charity.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors set out in the table below have held office during the whole of the period from 1 April 2004 to the date of this report, unless otherwise stated.

Director's Name

E Gully (resigned at the AGM 17th December 2004)

P K D Harrison

R S Hawkins

Mrs C Jenkins

G E C Lankester

G Nicholson

D Palmer

N Sommerville

Mrs F J Urquhart

S G West (co-opted 20th April 2005)

Election of Directors

One third of existing directors retire by rotation at each annual general meeting and are reappointed if willing to continue to act. New directors are recommended by existing directors and are appointed at the Annual General Meeting.

Company Secretary

S H Bennett, the company secretary, died on 2nd October 2004. The new company secretary, Mrs H A Pearce, was appointed on 2nd October 2004.

Constitution and Objectives

The Brandon Trust ("the Trust") is a company limited by guarantee, not having any share capital and was set up on 1st April 1994. The members' liability, in the event of the company being wound up, is limited to an amount not exceeding £1 each.

The Brandon Trust

Directors' report

For the year ended 31 March 2005

The Trust is also a charity, with its governing document being the Memorandum and Articles of Association, which were last amended on 16th December 2003 in respect of clause 4. Its objects are to promote the physical and mental welfare of persons who are suffering from mental or physical handicap or mental or physical illness, arrested or incomplete development of mind, psychiatric disorder, or any other disorder or disability of mind or body and in particular to provide (whether by lease, temporary letting or otherwise) and manage residential accommodation in which they may live and to provide such other support as is necessary from time to time to meet their needs.

The Trust is administered by a board of directors who meet bi monthly. A Chief Executive is appointed by the directors to manage the day to day operations of the charity, and who in turn appoints an executive management team.

Principal activities and review of the business

The principal activity of the company continued to be that of providing care, support and homes for people with special needs.

The Trust tragically lost its Chief Executive, Stephen Bennett, on 2nd October 2004. Stephen had been the Trust's Chief Executive since incorporation in 1994 and his untimely and unexpected death had a huge impact on the whole organisation. Despite the great sadness that was felt by all the Trust did not falter in its responsibilities and continued to provide high quality services which make a difference to peoples lives. The Trust also lost a Board member this year. Edward Gully had been a member since 1999 and had contributed much to the Trust in those 5 years. He died after a short illness, just after he left the Trust. The Trust is proud of its performance this year, both financially and operationally, and would wish to highlight the following achievements:

Residential Services

The Trust's residential homes continue to provide the bulk of its income.

CSCI Inspections have continued to report high levels of attainment of National Care Standards.

Amendments to the regulations have removed the need for extensive capital investment in some existing homes. Plans are progressing well with partners in regard to building work which will be required for those homes that still fall outside the revised buildings standards; one project has started and several others are due to start shortly. A decision was taken to close an 8 bed home that was both financially unviable and very unsuitable for the needs of the people who lived there. All of the residents were resettled in line with their individual plans and with the full involvement of social services and carers. Five of the residents have moved into other accommodation within the Trust.

A large residential nursing home providing intensive support had its bed numbers reduced during the year, with half of the residents moving into a refurbished building providing registered care. This progress was in line with the Trust's strategy, and provided a firmer foundation for the further development of this specialist service (see intensive support section).

Supported Living (Supporting People)

Quality and Best Value reviews of all our services have now been undertaken by the Supporting People Commissioning Team with favourable results. The Trust holds a good reputation for this service and continues to win contracts for new services in spite of reductions in overall expenditure by the Supporting People programme.

Within this division the Trust's services are funded by Social Services departments, as well as through the Supporting People programme, and the Trust has two new significant services coming on line in 2005, one of which will be managed under its 'Intensive Support' division.

Day Services (Work, Learning and Leisure)

The programme of modernisation of the day services in North Somerset continues to move forward, facilitated by close links with the Trust's community teams, employment services & education workers in

The Brandon Trust

Directors' report

For the year ended 31 March 2005

the area. April 2005 saw the closure of a traditional day centre and its successful re-provision in several community based settings.

The Trust has established a new partnership with the Parks and Leisure Department of Bristol City Council, opening a new vocational training service within Eastville Park. This service has potential for future expansion, and grant applications are being made for enhanced facilities.

The Birches industrial unit was destroyed by fire late in 2005. These premises were leased from the Health services. The services have been temporarily re-located within a local community centre whilst permanent alternative premises are arranged.

In April 2005 employment contracts in our Work Learning Leisure division were modernised to introduce a harmonised pay and grading system.

Intensive Support

The Trust has formed a new division focusing on the specialist services required for those people who have challenging behaviour. The intensive support services bring together services from residential, supported living and day services to provide a complete solution for those with complex needs. During the year the Trust reviewed a ten person nursing home and decided to reduce it to five. Three of the original residents moved into a new 5 person care home and were joined by two new residents who had previously always had difficulty in settling into mainstream services. The new care home has been a complete success. Another of the individuals from the original nursing home has moved into his own accommodation and has a dedicated supported living service. Again this has been very successful. The remaining residents of the nursing home will have new services tailored to their needs during this financial year.

Building on this success the Trust, along with a partner, was awarded the contract to provide residential and day services to a group of people previously retained within the NHS. The Trust is providing services to 11 people with an annual contract value of £1.9m. These services commenced recently and have established the Trust as a leading regional provider of these types of services.

General

This year the Trust has seen the benefit of partnership working not only in service delivery but in innovative projects. The Trust is part of the European funded TATE project (Through Assistive Technology to Employment). Five people who use the Trust's services along with members of staff are working together to explore how assistive technology can be used to promote independence and improve people's employment opportunities. This project is working throughout the organisation, involving the residential services, day services and supported living.

The Trust has recently successfully bid, sometimes in partnership with local authorities, for funding from sources such as LDDF (Learning Disability Development Fund) and Supporting People to enable us to work on various projects. This has enabled the establishment of a housing development project in Easton and should also provide a service in Weston for young people who intend to move on to live and be supported in their own accommodation.

The Trusts NVQ Assessment centre, accredited through City & Guilds, has been very successful, achieving straight 'A' marks when recently externally verified. The centre has expanded in 2005 and NVQ activity has increased. The Trust is also proud of its successes in the statutory Induction and Foundation modules of LDAF (Learning Disability Award Framework) with 50% of new staff achieving within 6 months of starting. The Trust continues to champion employee development and has launched a comprehensive management development programme for all senior and middle managers, as well as building on the existing in-house training programme (50 different course titles).

The Brandon Trust Employee Development Team continues to be active both regionally and nationally in providing training to other agencies, leading workshops, seminars and being invited to provide keynote speeches. The team have also been short-listed for the National Accolades Awards via Skills for Care; the final results of which will be known in October 2005.

The Brandon Trust

Directors' report

For the year ended 31 March 2005

The annual meetings between the Board and the executive management team, and the people the Trust supports, via representatives from their forums, have proved very successful and will continue

Future Developments

The Knowledge Transfer Partnership with the University of West of England (UWE) is at the half way stage in reviewing our information systems and has identified 4 key areas to look at. The most critical of which is in the management of staff resources, and the Trust is currently looking to bring in a new fully integrated HR/Payroll and staff rostering system. This will be a huge organisational change aimed at reducing manual tasks and improving the quality and availability of information. The full effect will not be felt for another 12 to 18 months as the systems will be slowly rolled out to all the Trust's remote sites as they becoming linked to the Wide Area Network. The Trust believes that 'Self Service' for all our employees, enabling them to access/amend their personal data and request shift patterns etc. from home, or indeed anywhere with internet access, will be a key factor for the success of the new systems. The Trust will continue to pursue new business opportunities within the region, particularly support services for people with intense support needs, and services for younger people.

The Trust has considerable expertise in the incorporation of services previously managed within the statutory sector, and will actively seek opportunities to tender for services subject to transfer.

It will further develop services that will contribute to the Modernisation agenda, either by extending the range of opportunities for people who have learning Disabilities, or by developing skills that enhance people's ability to participate in community life. This will include educational and employment services.

Lucy Hurst-Brown joined the Trust as Chief Executive on 4th July 2005 and the Trust looks forward to the contribution she will make to the future through her vision and leadership.

Results

The surplus for the year from operating activities was £909,071 (increase in total funds) The surplus for the year can also be split between unrestricted funds of £922,356 and restricted funds of -£13,285. (The negative annual result for restricted funds of -£13,285 represents a net transfer to unrestricted funds and receipt/expenditure of donations, and not a deficit). The brought forward balance of general reserves was £7,900,203. This coupled with the current year surplus of £922,356 results in unrestricted general reserves of £8,822,559 as at 31st March 2005 (see note 14). (This includes a total of £4,565,767 of unrestricted revaluation reserves following the revaluation of property in 2001 and 2004). The Trust has restricted reserves as at 31st March 2005 of £187,927 (see note 13).

Reserves

The Directors have once again reviewed the reserves of the Trust, particularly in the light of inflationary pressures. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. It also recognised the guideline of the Charity Commissioners that objective criteria should be used in establishing a policy. The review concluded that to allow the Trust to be managed efficiently and to provide a buffer for uninterrupted services, a general reserve equating broadly to three months of staffing costs should be established. In cash terms this meant that a free reserve (that is, those funds not tied up in fixed assets or held as restricted funds) of £4,400,000 should be the objective.

During the year the Trust's general reserve increased from £3,334,439 to £4,256,795 (see note 14) of which free reserves amounted to £2,734,330 (2004 £1,994,280). The Trust's rolling three year financial forecast has attainment of the free reserves target as its prime objective.

Restricted funds have decreased from £201,212 to £187,927 and are represented by fixed assets (see note 13).

Fixed assets - Significant changes during the year are explained in note 9 to the financial statements.

The Brandon Trust

Directors' report

For the year ended 31 March 2005

Post Balance Sheet Events - There were no post balance sheet events.

Risk Management

In 2002 the directors formalised their approach to risk management by conducting a full review of all organisational risks and approving a Risk Management Policy. The directors now examine the major risks that the Trust faces each financial year when preparing and updating the strategic plan. The Trust has developed systems to monitor and control these risks to mitigate any impact that they may have on the Trust in the future.

Disabled Persons and Equal Opportunities

The Trust's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities. The Trust is an equal opportunities employer and holds the Positive about Disability Award.

Employee Involvement

The Trust has signed recognition and consultation and negotiation agreements with two unions, RCN and Unison. Bi-monthly Joint Consultative Meetings are held between senior managers and employee representatives and there is frequent less formal contact when information can be exchanged to benefit two way communication and issues of mutual concern addressed.

In addition, regular staff meetings are held at all levels to enable information to be passed on and views solicited from all employees, whether or not members of a union. A regular Newsletter is also distributed to all employees, and there is an anonymous bi-annual employee survey. In particular, The Brandon Trust values contact with all its staff through the line of management as part of the supervisory process.

Investment Policy

Under the Memorandum and Articles of Association the Trust has the power to make any investments which the directors see fit. The Trust has the policy of keeping any surplus liquid funds in short term deposits which can be accessed readily. This year however the Trust chose to also invest in a one year fixed term cash deposit account and as such now shows cash investments on the balance sheet (see also note 10a).

Auditors

Mazars LLP succeeded Mazars as the independent auditor to the Company on 31 August 2004. A resolution to reappoint Mazars LLP as auditors to the Company and to authorise the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

By order of the Board on 16th August 2005.



The Brandon Trust

Independent auditors' report to the members of The Brandon Trust

We have audited the financial statements for the year ended 31 March 2005 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the directors, who also act as trustees for the charitable activities of the Brandon Trust are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatement within it.

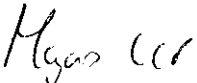
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by the directors 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 as to whether 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 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS LLP

Chartered Accountants and Registered Auditors
Clifton Down House
Beaufort Buildings
Bristol BS8 4AN

Date 16/5/05

The Brandon Trust

Statement of financial activities (incorporating an Income and Expenditure Account)
For the year ended 31 March 2005

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2005	Total Funds 2004
		£	£	£	£
Incoming resources					
Activities in furtherance of the Charity's objects:					
Fees for Residential Services		13,761,917	-	13,761,917	15,364,928
Fees for Day Services		4,870,373	-	4,870,373	4,686,370
Fees for Intensive Support Services		1,149,577	-	1,149,577	-
Fees for Supported Living Services		616,182	-	616,182	-
Other Income		139,062	-	139,062	72,467
Activities for generating funds:					
Sales income		190,958	-	190,958	195,741
Other income		20,641	-	20,641	-
Investment income	3	123,352		123,352	81,759
Donations	4	-	1,941	1,941	-
Net gain on sale of properties		-	-	-	36,045
Total incoming resources		20,872,062	1,941	20,874,003	20,437,310
Resources expended					
Costs of generating funds:					
Sales costs		127,257		127,257	130,615
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects:					
Residential Services costs		11,113,595		11,113,595	12,538,588
Day Services costs		4,279,930		4,279,930	4,048,048
Intensive Support Services Costs		999,102		999,102	-
Supported Living Services Costs		432,591		432,591	-
Support Costs		2,982,913		2,982,913	2,763,904
Management and administration		25,769		25,769	31,537
Donations		-	732	732	4,538
Net loss on disposal of fixed assets		3043	-	3,043	-
Total resources expended	2	19,964,200	732	19,964,932	19,517,230
Net incoming resources before transfers		907,862	1,209	909,071	920,080
Transfer between funds		14,494	(14,494)	-	-
Net incoming / (outgoing) resources		922,356	(13,285)	909,071	920,080
Other Recognised Gains & Losses					
Revaluation of Tangible Fixed Assets		-	-	-	2,770,000
Movement in funds for the year		922,356	(13,285)	909,071	3,697,080
Balances brought forward at 1 April 2004		7,900,203	201,212	8,101,415	4,411,335
Balances carried forward at 31 March 2005	13/14	8,822,559	187,927	9,010,486	8,101,415

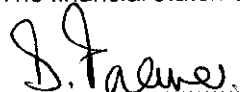
All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year and was £909,071 (2004 = £920,080)

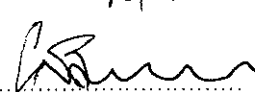
The Brandon Trust

Balance sheet
As at 31 March 2005

		2005		2004	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	9		9,518,016		9,509,100
Current assets					
Debtors	10	1,550,861		1,403,523	
Cash Investments	10a	761,833		-	
Cash at bank and in hand		2,181,319		2,145,188	
		<u>4,494,013</u>		<u>3,548,711</u>	
Creditors: amounts falling due within one year	11	(1,917,399)		(1,723,254)	
		<u></u>		<u></u>	
Net current assets			2,576,614		1,825,457
			<u></u>		<u></u>
Total assets less current liabilities			12,094,630		11,334,557
			<u></u>		<u></u>
Creditors: amounts falling due after more than one year	12		(3,084,144)		(3,233,142)
			<u></u>		<u></u>
Net Assets			<u>9,010,486</u>		<u>8,101,415</u>
			<u></u>		<u></u>
Funds					
Restricted funds	13		187,927		201,212
Unrestricted funds	14		8,822,559		7,900,203
			<u></u>		<u></u>
Total funds	15		9,010,486		8,101,415
			<u></u>		<u></u>

The financial statements were approved by the Board on 16/8/05


Director


Director

The Brandon Trust

Cashflow statement

For the year ended 31 March 2005

	Note	2005 £	2004 £
Net cash inflow from operating activities	16	1,515,031	1,080,444
Returns on investments and servicing of finance			
Interest received	123,352	81,759	
Interest paid	(83,969)	(89,694)	
		<hr/>	<hr/>
Net cash inflow for returns on investments and servicing of finance		39,383	(7,935)
Capital expenditure			
Payments to acquire tangible assets	(597,558)	(585,079)	
Receipts from sales of tangible assets	-	136,162	
		<hr/>	<hr/>
Net cash (outflow) for capital expenditure		(597,558)	(448,917)
		<hr/>	<hr/>
Net cash inflow before management of liquid resources and financing		956,856	623,592
Financing			
Repayment of long term bank loan	(155,070)	(427,624)	
Capital element of hire purchase contracts and finance leases	(3,822)	(3,823)	
Repayment of other loans	-	(25,000)	
		<hr/>	<hr/>
Net cash (outflow) from financing	17	(158,892)	(456,447)
		<hr/>	<hr/>
Increase in cash in the year	18	797,964	167,145
		<hr/>	<hr/>

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of land and buildings.

The accounts have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in October 2000.

The charitable company has availed itself of paragraph 3(3) of schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

1.2 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 are those costs incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those incurred purely in connection with administration of the charity and compliance with constitutional and statutory requirements. Costs of generating funds comprise raw materials and components used by the people the Trust supports to create finished products which are then sold.

1.3 Incoming Resources

Fees receivable are attributable to the principal activity of providing care, support and homes for people with special needs, as is European and educational funding. Sales income is a by product of the principal activity of the Trust. All income, other than donations, is accounted for in the period in which the service is provided or the sale made.

Donations are recognised on a received basis.

1.4 Funds

Restricted funds are to be used for specific purposes as laid down by the provider. Expenditure that meets these criteria is allocated to the fund together with a fair allocation of management and support costs.

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and is available as general funds.

1.5 Tangible fixed assets and depreciation

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

Freehold land	Nil
Freehold buildings	2% straight line basis
Property refurbishment	25% straight line basis
Computer Equipment	25% straight line basis
Fixtures, fittings and furniture	25% straight line basis
Motor vehicles	25% straight line basis

Freehold houses are re-valued every three years by the District Valuer and Valuation Officer in accordance with FRS 15. The latest valuation was carried out as at 31st March 2004 and the re-valued amounts have been incorporated into these accounts. A revaluation reserve has been created.

1.6 Leasing and hire purchase/commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Pension costs and other post-retirement benefits

Defined benefit schemes

Employees who joined the Trust under TUPE arrangements have been allowed to retain membership of their defined benefit schemes, namely the NHS Superannuation Scheme and the Avon Pension Fund.

Contributions payable to these pension schemes are charged to the income and expenditure account so as to spread the cost of pensions over the service lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

Defined contributions schemes

Contributions payable to the Trust's group personal pension scheme are charged to the income and expenditure account in the period to which they relate.

Payments in respect of other post-retirement benefits are charged to the income and expenditure account in the period to which they relate.

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2005

2 Total resources expended

	Staff Costs	Other Allocated Costs	Other Direct Costs	Total 2005	Total 2004
	£	£	£	£	£
Residential Services Costs	9,134,294	379,345	1,599,956	11,113,595	12,538,588
Day Services Costs	3,377,112	46,978	983,097	4,407,187	4,178,663
Intensive Support Services Costs	777,371	18,813	202,918	999,102	-
Supported Living Services Costs	396,405	-	36,186	432,591	-
Support Costs	1,607,083	140,462	1,235,368	2,982,913	2,763,904
Management and administration	-	-	25,769	25,769	31,537
Donations (restricted funds)	-	-	732	732	4,538
Net loss on disposal of fixed assets	-	3,043	-	3,043	-
	15,292,265	588,641	4,084,026	19,964,932	19,517,230

	2005 £	2004 £
Other direct costs include:		
Operational lease rentals - plant and equipment	8,689	9,655
Operating lease rentals - land and buildings	-	6,000
Auditors remuneration (audit fee Statutory Accounts)	9,161	8,694
Auditors remuneration (Internal Audit)	9,379	4,653
Interest payable (see note 5)	83,969	89,694

Other allocated costs include:

Depreciation	585,598	508,171
--------------	---------	---------

3 Investment Income

	2005 £	2004 £
Bank Interest Received	123,352	81,759

4 Donations

All donations are from individuals and are given for specific activities or purposes.

5 Interest payable

	2005 £	2004 £
On bank loans and overdrafts	81,951	87,676
Hire purchase and finance lease interest	2,018	2,018
	83,969	89,694

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2005

6 Employees

Number of employees

The average monthly number of employees during the year was:

	2005 Number	2004 Number
Management	20	20
Administration	36	31
Care	1044	1047
	<u>1100</u>	<u>1098</u>

Employment costs

	£	£
Wages and salaries	13,726,941	13,452,138
Social security costs	1,104,874	1,068,928
Other pension costs	460,451	490,363
	<u>15,292,266</u>	<u>15,011,429</u>
	Number	Number

The number of employees who received remuneration (excluding pension contributions) in the following ranges were:

£60,001 - £70,000	<u>1</u>	<u>1</u>
£50,000 - £60,000	<u>2</u>	<u>2</u>

Contributions in the year for the provision of money purchase benefits amounted to £6850 (2004 - £6000) for two of the above employees.

7 Transactions with Directors

Four Directors were reimbursed with travel expenses during the year amounting to £1286 (2004 - £1050). The other Directors received no expenses during the year. No Directors received any remuneration during the year.

The Trust has a Directors and Officers insurance policy to cover the liability of its Directors, Officers, Trustees, Employees, Volunteers, Committee Members and Members of staff in respect of wrongful acts, including libel and slander. The annual premium payable in the year amounted to £2,570 (2004-£3,570).

8 Taxation

The company is a registered charity and is therefore not subject to corporation tax.

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2005

9 Tangible fixed assets

	Freehold Land & Buildings £	Property Refurbish- ment £	Fixtures, Fittings & Furniture £	Computer Equipment £	Motor Vehicles £	Total £
Cost or Valuation						
At 1 April 2004	8,980,000	1,010,572	1,137,597	272,109	268,476	11,668,754
Additions		237,796	199,938	93,171	66,653	597,558
Disposals			(42,583)			(42,583)
At 31 March 2005	8,980,000	1,248,368	1,294,952	365,280	335,129	12,223,729
Depreciation						
At 1 April 2004	350,000	770,311	730,523	145,116	163,704	2,159,654
Charge for the year	118,326	147,492	199,392	56,491	63,897	585,598
On disposals			(39,539)			(39,539)
At 31 March 2005	468,326	917,803	890,376	201,607	227,601	2,705,713
Net book value						
At 31 March 2005	8,511,674	330,565	404,576	163,673	107,528	9,518,016
At 31 March 2004	8,630,000	240,261	407,074	126,993	104,772	9,509,100

The comparable amounts of land and buildings included above at valuation determined according to the historical cost accounting rules are as follows:

Cost	4,354,233
Accumulated Depreciation	<u>274,325</u>

Net Book Value	
At 31 March 2005	<u>4,079,908</u>
At 31 March 2004	<u>4,132,995</u>

In accordance with FRS 15 the last valuation of the properties was carried out by the District Valuer and Valuation Officer at 31 March 2004.

FRS 15 has been fully implemented with buildings being depreciated at a rate of 2% pa straight line

The net book value of freehold land and buildings of £8,511,674 as at 31 March 2005 includes £3,187,000 of land which is not depreciated

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2005

Included above are assets held under finance leases in hire purchase contracts as follows:

		Motor Vehicles	
		£	
Net book values			
At 31 March 2004		8,014	
		<u> </u>	
Depreciation charge for the year			
At 31 March 2004		6,410	
		<u> </u>	
10	Debtors	2005	2004
		£	£
	Trade debtors	1,035,619	994,933
	Other debtors	2,615	59,137
	Prepayments and accrued income	512,627	349,453
		<u> </u>	<u> </u>
		<u>1,550,861</u>	<u>1,403,523</u>
10a	Cash Investments	2005	2004
		£	£
	Cash on deposit (one year fixed investment)	<u>761,833</u>	<u>-</u>
11	Creditors: amounts falling due within one year	2005	2004
		£	£
	Bank loans and overdrafts	155,102	164,997
	Net obligations under finance lease and hire purchase contracts	3,823	3,823
	Trade creditors	224,727	255,619
	Taxes and social security costs	458,875	426,390
	Accruals and deferred income	1,074,872	872,425
		<u> </u>	<u> </u>
		<u>1,917,399</u>	<u>1,723,254</u>

The Brandon Trust

Notes to the financial statements
For the year ended 31 March 2005

12	Creditors: amounts falling due after more than one year	2005 £	2004 £
	Bank Loans	1,119,727	1,264,903
	Net obligations under finance leases and hire purchase agreements	7,667	11,489
	Other loans	<u>1,956,750</u>	<u>1,956,750</u>
		<u>3,084,144</u>	<u>3,233,142</u>

Loan maturity analysis - Bank Loan

	Repayable within one year	155,102	164,997
	Between one and two years	145,388	164,355
	Between two and five years	491,146	486,534
	In five years or more	483,193	614,014
		<u>1,274,829</u>	<u>1,429,900</u>
	Included in current liabilities	<u>(155,102)</u>	<u>(164,997)</u>
		<u>1,119,727</u>	<u>1,264,903</u>

The bank loans are secured by First Legal Mortgages over the properties that the loans relate to. All the mortgages were taken out over 15 year repayment periods and interest at 0.5% above base rate is payable.

Net obligations under finance leases and hire purchase contracts

	Repayable within one year	3,824	3,823
	Repayable between one and two years	3,823	3,823
	Between two and five years	<u>3,843</u>	<u>7,666</u>
		11,490	15,312
	Included in liabilities falling due within one year	<u>(3,823)</u>	<u>(3,823)</u>
		<u>7,667</u>	<u>11,489</u>

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2005

Other Loans	2005 £	2004 £
Repayable in five years or more	<u>1,956,750</u>	<u>1,956,750</u>

These represent capital grants from Avon Health Authority which are secured as first or second charges over properties they relate to. They are repayable to the Health Authority when the underlying property is sold and when the grant and the charge is not transferred to another property.

13 Restricted Funds

	Balance 1 April 2004 £	Incoming Resources £	Expenditure / Transfers £	Balance 31 March 2005 £
Government Grants	201,212	-	(14,494)	186,718
Donation - Day Services William Knowles	-	1,331	(370)	961
Donation - Residential Services Wells Rd	-	610	(362)	248
	<u>201,212</u>	<u>1,941</u>	<u>(15,226)</u>	<u>187,927</u>

The transfer of £14,494 from restricted funds represents depreciation charged on properties originally funded by government grants.

Donations are from private individuals, often bequests, to be used for specific purposes by specific elements of the Trust.

14 Unrestricted funds

	Revaluation Reserve £	General Reserve £	Total £
Balance at 1 April 2004	4,565,767	3,334,436	7,900,203
Increase in Revaluation Reserves	-	-	-
Transfer of funds	-	-	-
Retained surplus for the year, before transfers	-	907,862	907,862
Transfer from Restricted Reserves	-	14,494	14,494
Balance at 31 March 2004	<u>4,565,767</u>	<u>4,256,792</u>	<u>8,822,559</u>

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2005

15 Analysis of net assets between funds.	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 March 2005 are represented by			
Tangible fixed assets	9,331,298	186,718	9,518,016
Current assets	4,492,804	1,209	4,494,013
Current liabilities	(1,917,399)	-	(1,917,399)
Long term liabilities	(3,084,144)	-	(3,084,144)
Total Net Assets	8,822,559	187,927	9,010,486

16 Reconciliation of net incoming resources to net cash inflow from operating activities	2005 £	2004 £
Net incoming resources	909,071	920,080
Depreciation of tangible assets	585,598	508,171
Investment Income	(123,352)	(81,759)
Interest Payable	83,969	89,694
(Profit) on disposal of properties	-	(36,045)
Loss on disposal of tangible assets	3,043	2,973
Increase in debtors	(147,338)	(108,612)
Increase in creditors within one year	204,040	(214,058)
Net cash inflow from operating activities	1,515,031	1,080,444

17 Analysis of net funds	1 April 2004 £	Cash Flow £	31 March 2005 £
Net cash:			
Cash at bank and in hand (including cash investments)	2,145,188	797,964	2,943,152
Debt:			
Finance leases	(15,312)	3,822	(11,490)
Debts falling due within one year	(164,997)	9,895	(155,102)
Debts falling due after one year - bank loans	(1,264,902)	145,175	(1,119,727)
Debts falling due after one year - other loans	(1,956,750)	-	(1,956,750)
	(3,401,961)	158,892	(3,243,069)
Net funds	(1,256,773)	956,856	(299,917)

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2005

18 Reconciliation of net cash flow to movement in net debt	2005 £	2004 £
(Decrease) / Increase in cash in the year	797,964	167,145
Cash outflow from decrease in debt and lease financing	158,892	456,448
Movement in net funds in the year	956,856	623,593
Opening net funds	(1,256,773)	(1,880,366)
Closing net funds	(299,917)	(1,256,773)

19 Pension commitments and other post-retirement benefits

The Trust participates in three pension schemes.

The total pension cost for the Trust was £460,451 (2004 - £490,363). This includes £38,829 (2004 - £38,829) of outstanding contributions at the balance sheet date.

a) Defined contributions scheme

The Trust operates a defined contribution pension scheme managed by Legal and General. The scheme is a "money purchase" scheme by which the contributions relating to each member (less investment and administrative expenses) are invested until retirement when the value of the member's accumulated investment account is available to purchase a pension under an annuity contract or to take a cash option within Inland Revenue limits. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £60,558 (2004 - £55,105).

b) Defined benefit schemes

- i) The Trust contributes to the NHS superannuation scheme which is a final salary, scheme, but the Trust is unable to identify its share of the underlying assets and liabilities - each employer in the scheme pays a common contribution rate. The Trust's contribution rate has been 7% since 1st April 2001, but with effect from 1st April 2004 the Trust's contribution rate rose to 14%. The additional 7% is being funded by the Department of Health following the recent decision by HM Treasury not to continue to directly fund the NHS Pensions Agency for the cost of RPI increases in pensions currently in payment.

Recently a new accounting standard, Financial Reporting Standard 17: "Retirement Benefits" was introduced. For schemes such as the NHS superannuation scheme, paragraph 9(b) of FRS17 requires the Trust to account for pension costs on the basis contributions actually payable to the scheme in the year. The pension cost charge represents contributions payable by the company to the fund and amounted to £287,615 (2004 £322,446) - (£575,230 actual contributions net of £287,615 from Department of Health Funding)

- ii) The Trust contributes to a further pension scheme providing benefits based on final pensionable pay, the Avon Pension Fund, which is administered by Bath and North East Somerset Council. The Trust's involvement in the scheme commenced on 1st September 2001. The assets of the scheme are held separately from those of the Trust and hence fuller disclosure under FRS17 is required. The assets and liabilities so disclosed are only those which are directly attributable to the employees of the Brandon Trust.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Trust. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31st March 2001, updated at 31st March 2004. The pension cost charge represents contributions payable by the company to the fund and amounted to £112,278 (2004 £112,812).

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2005

For actuarial assumptions and composition of the scheme please see below.

Composition of the Avon Pension Fund Scheme

The Trust participates in a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31st March 2001 and updated to 31st March 2004 by a qualified independent actuary.

		2005	2004
		£000s	£000s
Revenue items for 2004/2005			
Operating	Current Service Cost	(128)	(131)
	Past Service Cost	0	0
	Curtailment cost	0	0
	Total Cost	(128)	(131)
Finance	Expected Return on Assets	124	91
	Interest on Pension Liabilities	(130)	(111)
	Net Gain/(Cost)	(6)	(20)

Statement of Actuarial Gains/(Losses)

Asset Gain/(Loss)	(2.5% of Assets)	50	(13.2% of Assets)	233
Liability Gain/(Loss)	(4.5% of Liabilities)	(127)	(0% of Liabilities)	0
Change in Assumptions	(6.3% of Liabilities)	(179)	(4.2% of Liabilities)	(97)
Net Gain/(Loss)	(9% of Liabilities)	(256)	(5.9% of Liabilities)	136

The major assumptions used by the actuary were:

	2005	2004
Rate of increase in salaries	4.15%	3.8%
Rate of increase in pensions in payment	2.9%	2.8%
Discount rate	5.4%	5.5%
Inflation assumption	2.9%	2.8%

The assets in the scheme and the expected rate of return

	Long term rate of return expected at 31 March 2005	Value at 31 March 2005 £000s	Long term rate of return expected at 31 March 2004	Value at 31 March 2004 £000s
Equities	7.5%	1,528	7.5%	1,319
Bonds	4.7%	398	4.7%	256
Other Bonds	5.4%	66	5.5%	175
Property	6.5%	0	6.5%	0
Other	4.75%	18	4.0%	16
Total market value of assets		2,010		1,766
Present value of scheme liabilities		(2,845)		(2,318)
(deficit) in scheme		(835)		(552)
Related deferred tax liability		0		0
Net pension (deficit)		(835)		(552)

Movement in Surplus during 2004/2005

	£000s	£000s
Surplus/(Deficit) at Beginning of Year	(552)	(653)
Current Service Cost	(128)	(131)
Employer Contributions	107	116
Past Service Cost/Curtailment Cost	0	0
Net Interest/Return on Assets	(6)	(20)
Actuarial Gain or (Loss)	(256)	136
Surplus/(Deficit) at End of Year	(835)	(552)

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2005

20 Financial commitments

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Lands and buildings		Other	
	2005	2004	2005	2004
	£	£	£	£
Expiry date:				
Within one year	-	-	2,153	9,689
Between two and five years	-	-	5,978	-
In over five years	189,008	189,008	-	-
	<u>189,008</u>	<u>189,008</u>	<u>8,131</u>	<u>9,689</u>

21 Capital commitments

	2005	2004
	£	£
Capital expenditure contracted for but not provided in the financial statements	<u>-</u>	<u>-</u>