

Company Registration No. 2365487
Charity Registration No. 801571

The Brandon Trust

Report and Financial Statements

**For the Year Ended
31 March 2007**



The Brandon Trust

Contents

Directors' report	1 - 10
Auditors' report	11 - 12
Statement of financial activities	13
Balance sheet	14
Cash flow statement	15
Notes to the financial statements	16 - 28

The Brandon Trust

Reference and Administrative Information of the Charity

Directors	P K D Harrison	Ms J North
	Mrs C Jenkins	G E C Lankester
	N Sommerville	Mrs F J Urquhart
	S G West	J G H Wadsworth
	P Colley	B Hudson
	Ms L Rust	
Secretary		Mrs H A Pearce
Company number		2365487
Charity number		801571
Registered office		Olympus House Britannia Road Patchway Bristol BS34 5TA
Chief Executive		Ms L Hurst-Brown
Executive Management Team		Mrs H A Pearce J F Minall N D Fripp T M Rogers
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 Trowers Hamlin, Sceptre Court 40 Tower Hill London EC3N 4DX WithyKing 5-6 Northumberland Buildings Queen Square Bath BA1 2JE

The Brandon Trust

Directors' report

For the year ended 31 March 2007

The directors present their report and financial statements for the year ended 31 March 2007.

The directors have adopted the provisions of the Statement of Recommended Practice (SORP) 2005 "Accounting and Reporting by Charities" published in March 2005, and the statutory requirements of the Trust's Governing Document, in preparing the annual report and financial statements of the charity

Directors

The directors set out in the table below have held office during the whole of the period from 1 April 2006 to the date of this report, unless otherwise stated

P K D Harrison
R S Hawkins (resigned 20th December 2006)
Mrs C Jenkins
G E C Lankester
G Nicholson (resigned 28th June 2006)
C N Sommerville
Mrs F J Urquhart
S G West
P Colley (co-opted 18th October 2006)
B Hudson (co-opted 18th October 2006)
Ms J North (co-opted 22nd November 2006)
J G H Wadsworth (co-opted 22nd November 2006)
Ms L Rust (co-opted 13th June 2007)

Election, Recruitment and Training of Directors

One third of the existing directors retire by rotation at each annual general meeting and are reappointed if willing to continue to act. No person may be appointed a director after he or she has attained the age of 75. New directors are actively recruited via an application and interview process with the aim of bringing a range of specialist experience and expertise to the Board. They are co-opted during the year and are appointed at the Annual General Meeting.

All new directors undergo an induction process and regular training for all directors, as appropriate, is encouraged. Directors participate in joint director/executive management team away days held annually.

Structure, Governance and Management

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 Trust is also a charity, its governing document being its Memorandum and Articles of Association, which were last amended on 16th December 2003.

The Trust is administered by a board of directors who meet monthly. They are responsible for setting the strategy of the Trust, scrutinising and monitoring its operations in pursuit of that strategy, safeguarding its assets, and values, and supporting its work.

The Brandon Trust

Directors' report

For the year ended 31 March 2007

The day to day operation and management of the Trust is delegated to its staff, led by its Chief Executive, who in turn appoints, or is responsible, through the executive management team, for the appointment of the Trust's staff.

Objectives and Achievements

The Trust's 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

In summary the Trust provides support to and homes for people with learning disabilities

More specifically for 2006/07 the Trust had the following main aims

- to deliver against targets and successfully manage the first year of a major new contract in Gloucestershire, developing good working relationships with the purchasers, staff, carers and people we support
- to continue regional growth, specifically into Cornwall, so broadening opportunities for people we support and staff, as well as extending our purchaser base
- to take forward the 'Unique Futures' strategy, beginning to reconfigure services as required, driving up the quality of services received and developing longer term contractual relationships with Bristol and North Somerset Social services that reflect greater partnership working.
- to continue to run its existing activities successfully and safely.

- a) Gloucestershire – The first year in Gloucestershire proved to be a successful one. The contract commenced on 1st April 2006 and is for 15 years. It requires us to develop/reconfigure services for 161 people currently living in 28 registered homes with an initial annual value of £9.5m. The contract represented significant growth for the Trust, in line with its strategic aim of regional expansion

Highlights have included the wholehearted endorsement by all parties of the comprehensive Estates and Services Strategy which sets out plans to reconfigure and modernise many of the services over the next few years, promoting independent living as widely as possible. The TUPE transfer of over 300 staff was successfully managed, and given the complexities of the post transfer migration of staff from NHS to Agenda for Change terms and conditions, this was no small achievement

- b) Cornwall – "Preferred Providers" have been invited to tender for services previously run "in house" by the NHS in Cornwall. This is an ongoing incremental process and the first service to be externalised involved the closure of Budock Hospital. We were awarded contracts for three individual services and these new intensive supported living services, based in and around Truro, all opened over the Christmas period. The Trust has earned a good reputation and has already been awarded further intensive supported living contracts

Cornwall is commissioning on the basis of a "Self Directed Support Model", we are meeting, and being selected by, relatives and the people we will be supporting. This is

The Brandon Trust

Directors' report

For the year ended 31 March 2007

an approach to be applauded but is not without its time demands and other challenges to the way we have normally managed our development activity. We are confident that we will meet our growth target here of £4m enabling us to establish an area management structure for Cornwall.

- c) Unique Futures Strategy - During 2005/06 the Trust formulated a new five year strategy called "Unique Futures". This seeks to effect real change in people's lives by becoming much more person centred and flexible, increasing the scope and range of services that we provide with emphasis on more independent living, direct payments, employment opportunities and local community support networks.

The strategy was formally launched organisation wide with a series of workshops early in the year. In addition, a DVD called "My Unique Life" was made by the people we support for the people we support explaining what they could expect from Brandon over the coming years.

We began to implement the strategy itself in a variety of ways including the development of reconfiguration plans for all our existing ex-Avon residential services (similar to the Gloucestershire Estates and Services Strategy) and the progression of revised contracting arrangements with purchasers. The majority of developments listed under the various service categories below also fall out of the strategy.

- d) Residential Services - The Trust's residential homes provide a significant proportion of its income and CSCI Inspections have continued to report high levels of attainment of National Care Standards.

Under the Gloucestershire contract the residential accommodation occupied by the people the Trust supports in that county is provided by a partner housing association, Advance Housing. This relationship is starting to really develop now and two services are moving to supported living early in 2007/08. There was a very successful housing event in spring 2007 that has set the scene for Brandon Trust and Advance Housing to work in collaboration with local housing agencies in order to maximise options for the people we support.

- e) Supported Living - This is an area of activity that Brandon seeks to significantly develop in line with our aspirations to ensure that people are enabled to live as independently as possible. We have continued to build on the excellent results achieved by these services in the previous years' Quality and Best Value reviews undertaken by the Supporting People Commissioning Team.

A 'Move On' service for four people opened in December 2006. This is specifically designed as a stepping stone for younger people leaving home to learn new skills in a supported living environment for up to 12 months before moving on to even more independent living. One young person has already successfully 'moved on'.

Building on the success of a previous project in Portishead another new service for young people is currently being set up in the same area with significant involvement of the people being supported and their parents and carers.

The Trust holds a good reputation for this type of service and continues to win contracts

The Brandon Trust

Directors' report

For the year ended 31 March 2007

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.

- f) Work Learning & Leisure - Last year the Trust established a new venture in partnership with South Gloucestershire social services at The Park Café, Kingswood. The café offers vocational training in catering and retail and has been very successful and popular. So much so that the Trust now runs two further cafés, also offering vocational training opportunities as well as real experience of an employment environment. The cafés are at the Turnberries Community Resource Centre in Thornbury and in the Town Hall, Weston-super-Mare, the latter being as a result of a tender specifically targeted at providers of services for people with learning disabilities. Both commenced in April 2007 and both are performing well. The cafés do not represent primary trading and are only financially viable with the input of social services and education funding, but offer many opportunities to people with learning disabilities to experience work and learn 'on the job'.

The Trust successfully applied for a grant from the Department of Health enabling it to develop working practices to support people into real employment across the region.

The 'travel buddies' scheme continues to be successful and enables an increasing number of disabled people to train and support others to access community transport.

- g) Intensive Support - The intensive support services bring together services from residential, supported living and Work, Learning and Leisure to provide a complete solution for those with complex needs and challenging behaviour.

A five bed residential home that was unfit for purpose closed during 2006/07. The property will be sold and the capital reinvested.

During 2005/06 the Trust began delivering residential and Work, Learning and Leisure to a group of people previously retained within the NHS. This was initially in two registered settings to 11 people. During 2006/07 one of the services (supporting 6 people) underwent significant reconfiguration of its existing premises enabling them to live within individual flats. It is hoped that 3 of these people will progress to supported living soon. The second service is planning for a more extensive service reconfiguration in the coming year into a variety of new settings.

The three new services the Trust is providing in Truro, Cornwall are allowing people who previously were retained in Budock, an NHS long stay hospital, to live independently. The change in how they present, and their obviously improved quality of life has been remarkable, and Brandon is proud to be involved. These three services employ 30 staff, and further services will be opening this summer.

- h) Investors In People - The Brandon Trust is an accredited Investor in People and underwent its last re-assessment in June 2006 when it gained the accolade of "outstanding achievement".

The Brandon Trust

Directors' report

For the year ended 31 March 2007

- i) Employee Development – The Trust launched a new Employee Development Strategy this year to foster a broader approach to the way in which staff develop their skills at work. This recognises and values all learning methods for example the role of secondments, mentoring, special interest groups etc.

The Trust's NVQ Assessment Centre, accredited through City and Guilds, has, for the fifth year in a row, achieved straight double 'A' marks when externally verified. This is the best possible result. In addition, it has been accredited by the Institute of Leadership and Management. The Centre has begun making NVQ management awards, the Registered Manager Award (RMA) and level 4 health and social care awards. The number of staff with an appropriate NVQ has continued to grow as has our work with outside bodies in providing NVQs.

In October 2006, the Trust won 2 Skills for Care Accolade awards, 'Best NVQ Assessment Centre and Training Provider – Internal' (for its own employees) and 'Best NVQ Assessment Centre and Training Provider – External' (for employees from other organisations). It was also 'highly commended' as 'Best Employer (over 250 staff)'.

The Trust continues as the preferred training provider for the Gloucestershire County Council Adult Care Directorate and is now delivering training on the new Mental Capacity Act and leading a Quality Review process in Brandon's services in partnership with the British Institute of Learning Disabilities.

The Trust's in house training programme, 'Beyond The Day' now has over seventy different course titles, including a new look induction programme. In addition, the learning and development team has led on introducing new supervision and appraisal systems and mapping jobs to our established competency framework.

- j) Asset Based Community Development – This year we have begun to focus on enabling the people we support to be much more engaged in the communities they live in. We have appointed Nan Carle, an international expert in this area as a "Special Advisor" to the Trust. Nan is working on a regular basis with us to develop our practice.
- k) IT – The Trust has completed an ambitious IT programme and all its 100+ sites are now part of the wide area network. The Trust has also continued to develop its own intranet site which is proving to be a very useful staff communication and information tool, and there is much scope here for the future. The Trust's website underwent a major overhaul last year and was re-launched early in 2007. It is now a vibrant, up to date and informative website, which we host and maintain internally.

The Trust's programme of reviewing and redesigning information systems continued, and the new integrated HR/Payroll system is virtually complete with just the self service modules for staff and managers to be launched, via the intranet, in summer 2007. The staff rostering system has completed its pilot project and the rollout to all our residential services has commenced. The second phase of this project involves full integration with our HR/Payroll system and the development of an integrated bank module to enable the deployment of casual staff to fill identified staff shortages in the services. Again the rostering system also has self service modules. In both cases the self service aspects of the systems, enabling employees directly to input data and requests themselves, will be where some of the main benefits of the systems will lie.

The Brandon Trust

Directors' report

For the year ended 31 March 2007

- l) Property Portfolio – The Trust has a considerable portfolio of properties, owning 26 houses and managing and maintaining over 40 in the ex Avon area. Much time was spent in 2006/07 debating the issue of property ownership and management, particularly in respect of our ability to meet the challenges of Unique Futures. The majority of our residential services need to change in some way in the next few years. Many need some form of physical reconfiguration work, some are no longer required, and some need to move to supported living to enable fuller independence for those we support.

The Trust is not a specialist housing provider with expertise in extensive remodelling or re-provision, nor is it a Registered Social Landlord with access to Housing Corporation Funding, and as such the conclusion the Board reached was that wherever it was possible to do so the Trust should divest itself of its property portfolio, and the associated responsibilities of management and maintenance. To this end the Trust has recently appointed a property consultancy practice to work with us to develop a plan for all our owned properties. Alongside this the Trust will also be reviewing its investment policy and its reserves policy.

- m) The Trustee Board – The Trust launched a recruitment campaign for new Trustees (company directors) in the summer of 2006 and has successfully recruited five new directors as a result of that process. The additional directors bring enthusiasm, new ideas and new specialisms. The Board has been strengthened but it continues to seek new committed and experienced members and another recruitment campaign will be run in summer 2007.

The annual meetings between the Board, the Executive Management Team and the people the Trust supports, have proved very successful and will continue. The Board has also decided to establish a sub-committee comprising 3 Trustees and 4 people we support to promote consultation, information exchange and communication.

- n) Special Interest Groups – While the Trust develops more local structures to reflect the wider geographical spread of its services it is important to retain a cross Trust development focus for certain priority areas. In the coming year the Trust is setting up 3 Special Interest Groups to guide development in the following key priority areas:

- Employment for people we support
- Assistive Technology
- Supported Living

Each Special Interest Group will bring together key people for the development area in question, will engage with experts both within and external to the Trust and will produce development plans that reflect Unique Futures and the wider business and service design context.

Future Developments

The Trust's 2006/2011 strategy, 'Unique Futures', remains at the core of everything we do. All of our actions and successes this year have brought us closer to achieving the objectives set out in that strategy. Many of the activities described above will remain a focus of our attention.

The Brandon Trust

Directors' report

For the year ended 31 March 2007

in the forthcoming year to ensure their completion

The first year of the Gloucestershire contract, and the new services in Cornwall, have seen us establish our regional growth in the South West. The Trust is now of a size to make regionalisation of senior management and some support services a viable and necessary step

The Gloucestershire area has been fully established this year, and emerging are the Bristol and North Somerset areas, alongside a rapidly growing Cornwall area

The Trust will be able to make good progress now towards reconfiguring its properties in both Gloucestershire, where we already work with a specialist housing partner, and in the ex Avon area, where we will be actively seeking one or more partners to take over our owned property portfolio

The Trust will also seek to conclude its contractual negotiations with both Bristol and North Somerset in regard to longer term, partnership arrangements which will provide the financial stability and joint working necessary to move forward with developing 'fit for the future' services

Directors' Financial 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 Trust and of the profit or loss of the Trust 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 Trust 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 Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement of Disclosure to the Auditor

- (a) so far as the directors are aware, there is no relevant audit information of which the Trust's auditors are unaware, and
- (b) the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

Financial Review

The surplus for the year from operating activities was £645,874. This was particularly pleasing given the challenge in the ex-Avon area of the incompatibility between current contracting arrangements and a relatively inflexible portfolio of services

The Brandon Trust

Directors' report

For the year ended 31 March 2007

The surplus for the year from operating activities, after the movements in pensions and revaluation reserves, was £1,682,971 (increase in total funds). The surplus for the year can also be split between unrestricted funds of £645,874, pensions reserve of £23,000, property revaluation reserve of £1,019,978 and restricted funds of £(5,881). (The negative annual result for restricted funds of (£5,881) represents a net transfer to unrestricted funds and receipt/expenditure of donations, and not a deficit).

The brought forward balance of general reserves was £8,855,797. This, coupled with the current year surplus of £645,874 and the 2007 property revaluation surplus of £1,019,978, results in unrestricted general reserves of £10,521,649 as at 31st March 2007 (see note 15). (This includes a total of £5,585,745 of unrestricted revaluation reserves following the revaluation of property in 2001, 2004 and 2007)

The Trust has restricted reserves as at 31st March 2007 of £174,486 (see note 14), and a pension reserve of (£793,000)

Reserves

The directors' reserves policy is the Trust's target should be for its free reserves to equate broadly to two months of staffing costs. In cash terms this means that a free reserve (that is, those funds not tied up in fixed assets or held as restricted funds) of £4,600,000 should be the objective (based on projected staffing costs for the year to 31st March 2008)

This policy will be kept under review and modified, as appropriate, in the light of changing circumstances.

During the year the Trust's general reserves increased from £4,290,030 to £4,935,904 (see note 15) of which free reserves amounted to £2,835,866 (2006 £2,424,179)

Financial Reporting Standard 17 – Retirement Benefits

The requirements of FRS 17 dictate that the notional deficit on the Avon Pension Fund defined benefit scheme be shown as part of the results for the year, along with the deficit on the Gloucestershire Pension Fund defined benefit scheme, of which we became a member, as part of our Gloucestershire contract, on 1st April 2006

The overall Pensions Reserve at 31st March 2007 of (£793,000) that appears in the Statement of Financial Activities is made up of two funds. The Avon Pension Fund has an overall net improvement for the year of £147,000, with the opening deficit of (£816,000) improving to (£669,000). The Gloucestershire Pension Fund has an overall net improvement for the year of £67,000, with the 'notional' opening deficit of (£191,000) improving to (£124,000). Any potential deficit on this latter scheme that may exist at the point of the service delivery contract ending is contractually passed back to the commissioners, Gloucestershire CC, and is not a liability of the Trust.

Fixed Assets

Significant changes during the year are explained in note 9 to the financial statements. Under FRS 15 the Trust re-values its property every three years, and has done so as at 31st March 2007. The resultant increase in values of £1,019,978 appears on the Statement of Financial Activities as well as on the Balance Sheet. Notes 9 and 15 give more detail.

The Brandon Trust

Directors' report

For the year ended 31 March 2007

Post Balance Sheet Events

There were no post balance sheet events.

Risk Management

The directors' Risk Management Policy is to examine the major risks that the Trust faces each financial year, and to ensure that there are measures in place to monitor and control these risks and to mitigate any impact that they may have on the Trust in the future. These are kept under review during the year.

Disabled Persons and Equal Opportunities

The Trust is 'Positive about Disability' and holds the accreditation of the same name. Disabled people are recruited into suitable posts. Assistance is always given and, where possible, adjustments are made to enable people with a disability to retain their employment and to access training.

The Trust employs a number of people with a learning disability and has developed accessible pre-employment clearance processes and related documentation. The Trust's disabled employees and other disabled people make extensive input into our training programme, including inducting new staff.

If employees become disabled, arrangements are made, wherever possible, to adjust jobs or help the employee find something more suitable within the Trust.

The Trust is always striving to be an equal opportunities employer and has a proactive stance in relation to further developing the diversity of its workforce.

Employee Involvement

Last year the Trust entered into a new updated Recognition Agreement with two unions, RCN and Unison. The written agreement is based on a spirit of partnership in developing Brandon as the employer of choice in our region, and brought together different union branches within the Brandon region. Bi-monthly Joint Forums, which involve sharing of information, consultation and negotiation, 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.

The Trust's senior managers also engage directly with all employees through regular meetings at all levels, including "communication" meetings with work team representatives who may or may not be members of a union. In these meetings information is passed on and views solicited from employees.

Major initiatives are given special attention and launched separately, using the same principles and ensuring that all levels and types of staff have the opportunity to become involved. For example, the Trust's five-year plan, 'Unique Futures', was launched through more than a dozen workshops around the Brandon region. In addition every employee received their own booklet, posted to their home address, explaining the Plan.

A regular Newsletter is also distributed to all employees, and there is a monthly briefing posted on our Intranet. Employee attitudes and views are regularly surveyed using methods that retain individual's anonymity.

The Brandon Trust

Directors' report

For the year ended 31 March 2007

Naturally, the Trust values contact with its employees through the line of management and we have policies and procedures in place, such as 'supervision' and appraisal, to ensure this happens.

Investment Policy

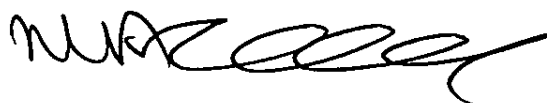
Under the Memorandum and Articles of Association, the Trust has the power to make any investments which the directors see fit. The Trust has the policy of keeping any surplus liquid funds in short term deposits which can be accessed readily.

Auditors

The Board undertook a review of external auditors during the year which involved receiving a number of proposals and interviewing several candidates. The outcome was to retain Mazars LLP as the Trust's external auditors.

A resolution to appoint 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 15th October 2007



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 2007 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under 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 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 (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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.

Basis of audit opinion

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

The Brandon Trust

Independent auditors' report to the members of The Brandon Trust

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended, the financial statements have been properly prepared in accordance with the Companies Act 1985, and the information given in the Directors' Report is consistent with the financial statements

Mazars

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

Date 17/10/07

The Brandon Trust

Statement of financial activities (incorporating an Income and Expenditure Account)
For the year ended 31 March 2007

	Notes	Unrestricted Funds	Pensions Reserve	Restricted Funds	Total Funds 2007	Total Funds 2006
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Donations	4	-	-	12,941	12,941	8,598
Activities for generating funds						
Sales income		231,870	-	-	231,870	202,758
Meals income		18,602	-	-	18,602	18,031
Investment income	3	151,375	-	-	151,375	145,389
Incoming resources from charitable activities						
Fees for Residential Services		24,459,769	-	-	24,459,769	13,434,235
Fees for Work, Learning & Leisure		4,958,124	-	-	4,958,124	4,861,738
Fees for Intensive Support Services		3,356,903	-	-	3,356,903	2,456,807
Fees for Supported Living Services		1,074,027	-	-	1,074,027	782,914
Other income		176,447	(5,000)	-	171,447	187,086
Total incoming resources		34,427,117	(5,000)	12,941	34,435,058	22,097,556
Resource expended						
Costs of generating funds.						
Fundraising trading costs of goods sold and other costs		118,002	-	-	118,002	109,720
Charitable activities						
Costs of activities in furtherance of the charity's objects						
Residential Services Costs		23,857,261	53,000	-	23,910,261	13,022,248
Work, Learning & Leisure Costs		5,396,081	-	-	5,396,081	5,415,077
Intensive Support Services Costs		3,432,023	-	-	3,432,023	2,713,088
Supported Living Services Costs		980,914	-	-	980,914	723,980
Governance costs		11,456	-	-	11,456	128,101
Donations		-	-	4,328	4,328	1,664
Total resources expended	2	33,795,737	53,000	4,328	33,853,065	22,113,878
Net incoming resources before transfers		631,380	(58,000)	8,613	581,993	(16,322)
Transfer between funds		14,494	-	(14,494)	-	-
Net incoming / (outgoing) resources		645,874	(58,000)	(5,881)	581,993	(16,322)
Other Recognised Gains & Losses						
Revaluation of Tangible Fixed Assets		1,019,978	-	-	1,019,978	-
Pension schemes actuarial gain/(loss)		-	272,000	-	272,000	61,000
Notional deficit on Gloucestershire Pensions Reserve		-	(191,000)	-	(191,000)	-
Net movement in funds-after movement on Pensions Reserve Notional Deficit		1,665,852	23,000	(5,881)	1,682,971	44,678
Balances brought forward at 1 April 2006		8,855,797	(816,000)	180,367	8,220,164	9,010,486
Prior year notional deficit on Pensions Reserve		-	-	-	-	(835,000)
Balances brought forward as restated		8,855,797	(816,000)	180,367	8,220,164	8,175,486
Balances carried forward at 31 March 2007	14/15	10,521,649	(793,000)	174,486	9,903,135	8,220,164

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 £1,682,971 (2006 £44,678)

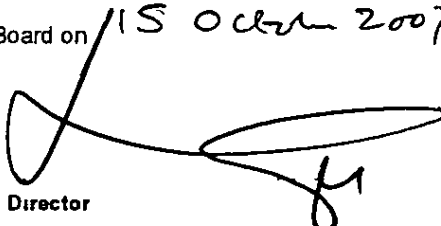
The Brandon Trust

**Balance sheet
As at 31 March 2007**

		2007		2006	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	9		10,782,405		9,681,232
Current assets					
Debtors	10	2,879,580		2,150,234	
Investment assets	11	407,200		-	
Cash at bank and in hand		2,882,823		2,613,766	
		<u>6,169,603</u>		<u>4,764,000</u>	
Creditors amounts falling due within one year	12	(3,464,068)		(2,479,584)	
Net current assets			<u>2,705,535</u>		<u>2,284,416</u>
Total assets less current liabilities			<u>13,487,940</u>		<u>11,965,648</u>
Creditors amounts falling due after more than one year	13		(2,791,805)		(2,929,484)
Net assets excluding pension liability			<u>10,696,135</u>		<u>9,036,164</u>
Pension scheme liability	20		(793,000)		(816,000)
Net assets including pension liability			<u>9,903,135</u>		<u>8,220,164</u>
Funds					
Restricted funds	14		174,486		180,367
Unrestricted funds	15		10,521,649		8,855,797
Total funds before pension liability			<u>10,696,135</u>		<u>9,036,164</u>
Pension Scheme Funding Reserve			(793,000)		(816,000)
Total charity funds including deficit on Pension Scheme Reserve	16		<u>9,903,135</u>		<u>8,220,164</u>

The financial statements were approved by the Board on 15 Oct 2007


Director


Director

The Brandon Trust

Cashflow statement

For the year ended 31 March 2007

	Note	2007 £	2006 £
Net cash inflow from operating activities	17	1,289,974	495,799
Returns on investments and servicing of finance			
Interest received	151,375	145,389	
Interest paid	(66,174)	(73,907)	
		<hr/>	<hr/>
Net cash inflow for returns on investments and servicing of finance		85,201	71,482
Capital expenditure			
Payments to acquire tangible assets	(1,002,016)	(783,467)	
Receipts from sales of tangible assets	16,449	26,855	
		<hr/>	<hr/>
Net cash outflow for capital expenditure		(985,567)	(756,612)
		<hr/>	<hr/>
Net cash inflow (outflow) before management of liquid resources and financing		389,608	(189,331)
Financing			
Repayment of long term bank loan	(138,498)	(154,189)	
Capital element of hire purchase contracts and finance leases	-	(11,490)	
		<hr/>	<hr/>
Net outflow from financing	18	(138,498)	(165,679)
		<hr/>	<hr/>
Increase (Decrease) in cash in the year	19	251,110	(355,010)
		<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) 2005 "Accounting and Reporting by Charities" published in March 2005.

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 activity.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. They are allocated to activities on a basis proportional to the full time equivalent staffing for each area of activity. Governance 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. 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 2007 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, the Avon Pension Fund and the Gloucestershire County Council Scheme.

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 2007**

2 Total resources expended

	Staff Costs	Other Allocated Costs	Other Direct Costs	Total 2007	Restated Total 2006
	£	£	£	£	£
Costs of generating funds					
Fundraising trading costs of goods sold and other costs	-	-	118,002	118,002	109,720
Charitable activities					
Costs of activities in furtherance of the charity's objects					
Residential Services Costs	18,929,163	672,047	4,309,051	23,910,261	13,022,248
Work, Learning & Leisure Costs	4,121,903	126,358	1,147,820	5,396,081	5,415,077
Intensive Support Services Costs	2,700,919	40,958	690,146	3,432,023	2,713,088
Supported Living Services Costs	854,814	9,199	116,901	980,914	723,980
Governance costs	-	-	11,456	11,456	128,101
Donations (restricted funds)	-	-	4,328	4,328	1,664
	26,606,799	848,562	6,397,704	33,853,065	22,113,878

	2007 £	2006 £
Other direct costs include		
Operational lease rentals - plant and equipment	9,949	11,565
Auditors remuneration (audit fee Statutory Accounts)	11,456	9,385
Auditors remuneration (Internal Audit)	-	5,728
Trustee strategic planning meetings	-	3,090
Legal fees	40,616	109,898
Interest payable (see note 5)	66,174	73,907

Other allocated costs include

Depreciation	848,562	609,685
--------------	---------	---------

3 Investment Income

	2007 £	2006 £
Bank Interest Received	151,375	145,389

4 Donations

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

5 Interest payable

	2007 £	2006 £
On bank loans and overdrafts	66,174	73,477
Hire purchase and finance lease interest	-	430
	66,174	73,907

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2007

6 Employees

Number of employees

The average monthly number of employees during the year was

	2007 Number	2006 Number
Management	31	24
Administration	51	36
Service Delivery	1592	1132
	<u>1674</u>	<u>1192</u>

Employment costs

	£	£
Wages and salaries	23,476,418	15,188,364
Social security costs	1,896,529	1,265,402
Other pension costs	1,233,853	470,126
	<u>26,606,800</u>	<u>16,923,892</u>

	Number	Number
The number of employees who received remuneration (excluding pension contributions) in the following ranges were		
£70,001 - £80,000	<u>1</u>	<u>1</u>
£60,000 - £70,000	<u>3</u>	<u>-</u>

7 Transactions with Directors

Four Directors were reimbursed with travel expenses during the year amounting to £1,963 (2006 - £1,637) The other Directors received no expenses during the year
No Directors received any remuneration during the year

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 2007

9 Tangible fixed assets

	Freehold Land & Buildings £	Property Refurbish- ment £	Fixtures, Fittings & Furniture £	Computer Equipment £	Motor Vehicles £	Total £
Cost or Valuation						
At 1 April 2006	8,980,000	1,505,368	1,452,190	572,576	407,673	12,917,807
Revaluation increase	1,019,978	-	-	-	-	1,019,978
Additions	-	256,342	139,223	178,435	428,016	1,002,016
Disposals	-	-	(106,172)	(1,316)	(40,325)	(147,813)
Transfer to investment assets	(60,000)	-	-	-	-	(60,000)
At 31 March 2007	9,939,978	1,761,710	1,485,241	749,695	795,364	14,731,988
Depreciation						
At 1 April 2006	586,652	1,066,954	1,059,049	278,758	245,162	3,236,575
Charge for the year	118,326	225,128	221,078	127,763	156,267	848,562
On disposals	-	-	(100,825)	(476)	(34,253)	(135,554)
At 31 March 2007	704,978	1,292,082	1,179,302	406,045	367,176	3,949,583
Net book value						
At 31 March 2007	9,235,000	469,628	305,939	343,650	428,188	10,782,405
At 31 March 2006	8,393,348	438,414	393,141	293,818	162,511	9,681,232

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>(391,763)</u>

Net Book Value	
At 31 March 2007	<u>3,962,470</u>
At 31 March 2006	<u>4,027,791</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 2007 on the basis of Existing Use Value

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 £9,235,000 as at 31 March 2007 includes £3,300,000 of land which is not depreciated

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2007

10	Debtors	2007	2006
		£	£
	Trade debtors	2,341,273	1,118,806
	Other debtors	7,516	8,860
	Prepayments and accrued income	530,791	1,022,568
		<u>2,879,580</u>	<u>2,150,234</u>

11	Investment assets	2007	2006
		£	£
	Investment properties	<u>407,200</u>	<u>-</u>
	Market value at beginning of year	-	-
	Additions to investments at cost	347,200	-
	Transfer from tangible fixed assets	<u>60,000</u>	<u>-</u>
	Market value at end of year	<u>407,200</u>	<u>-</u>

A valuation of the investment properties was carried out by the District Valuer and Valuation Officer at 31 March 2007 on the basis of Market Value

The investment properties are held in the UK

12	Creditors: amounts falling due within one year	2007	2006
		£	£
	Bank loans	147,087	147,906
	Bank overdrafts	43,571	25,624
	Trade creditors	568,689	321,904
	Taxes and social security costs	802,079	497,560
	Accruals and deferred income	1,902,642	1,486,590
		<u>3,464,068</u>	<u>2,479,584</u>

The Brandon Trust

**Notes to the financial statements
For the year ended 31 March 2007**

13 Creditors amounts falling due after more than one year	2007	2006
	£	£
Bank Loans	835,055	972,734
Other loans	<u>1,956,750</u>	<u>1,956,750</u>
	<u>2,791,805</u>	<u>2,929,484</u>
Loan maturity analysis - Bank Loan		
Repayable within one year	147,087	147,906
Between one and two years	157,120	156,168
Between two and five years	522,635	527,009
In five years or more	155,300	289,557
	<u>982,142</u>	<u>1,120,640</u>
Included in current liabilities	<u>(147,087)</u>	<u>(147,906)</u>
	<u>835,055</u>	<u>972,734</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 1.5% above base rate is payable.

Other Loans	2007	2006
	£	£
Repayable in five years or more	<u>1,956,750</u>	<u>1,956,750</u>

These represent capital grants originally from Avon Health Authority (now the Strategic 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 are not transferred to another property.

The Brandon Trust

**Notes to the financial statements
For the year ended 31 March 2007**

14 Restricted Funds

	Balance 1 April 2006 £	Incoming Resources £	Expenditure / Transfers £	Balance 31 March 2007 £
Government Grants	172,224	-	(14,494)	157,730
Donation - Day Services William Knowles ETU	301	-	(301)	0
Donation - Residential Services Wells Road	134	840	(565)	409
Donation - Residential Services Hunts Lane	45	-	-	45
Donation - Residential Services Cheddar Grove	370	-	(370)	0
Donation - Residential Services 261 Passage Road	500	-	(194)	306
Donation - Residential Services Ellenborough Park	6,793	-	(1,220)	5,573
Donation - Residential Services Bayham Road	0	840	(628)	212
Donation - Residential services ex Mayfield homes	0	2,211	(480)	1,731
Donation - Residential Services Badgers Croft	0	1,201	-	1,201
Donation - Residential Services Farmfield Road	0	9	-	9
Donation - Residential Services MacArthur Road	0	1,091	(308)	783
Donation - Residential Services Prospect Place	0	1,200	(145)	1,055
Donation - Residential Services The Rise	0	534	-	534
Donation - Residential Services Shurdington Road	0	20	-	20
Donation - Residential Services Tewkesbury View	0	1,242	(117)	1,125
Donation - Residential Services Westbourne House	0	1,827	-	1,827
Donation - Residential Services Windermere Road	0	1,851	-	1,851
Donation - Residential Services Winkfield	0	75	-	75
	<u>180,367</u>	<u>12,941</u>	<u>(18,822)</u>	<u>174,486</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

15 Unrestricted funds

	Revaluation Reserve £	General Reserve £	Total £
Balance at 1 April 2006	4,565,767	4,290,030	8,855,797
Increase in Revaluation Reserve	1,019,978	-	1,019,978
Retained surplus for the year, before transfers	-	631,380	631,380
Transfer from Restricted Reserves	-	14,494	14,494
	<u>5,585,745</u>	<u>4,935,904</u>	<u>10,521,649</u>
Balance at 31 March 2007			

	Unrestricted Funds £	Restricted Funds £	Pension Reserve £	Total Funds Restated £
16 Analysis of net assets between funds				
Fund balances at 31 March 2007 are represented by				
Tangible fixed assets	10,624,675	157,730	-	10,782,405
Current assets	6,152,847	16,756	-	6,169,603
Current liabilities	(3,464,068)	-	-	(3,464,068)
Long term liabilities	(2,791,805)	-	(793,000)	(3,584,805)
Total Net Assets	<u>10,521,649</u>	<u>174,486</u>	<u>(793,000)</u>	<u>9,903,135</u>

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2007

17 Reconciliation of net incoming resources to net cash inflow from operating activities	2007	2006
	£	£
Net incoming resources before pension scheme actuarial gain/(loss)	639,993	25,678
Depreciation of tangible assets	848,562	609,685
Investment Income	(151,375)	(145,389)
Interest Payable	66,174	73,907
Transfer of asset from tangible assets to investment assets	60,000	-
Profit on disposal of tangible assets	(4,190)	(16,289)
Increase in investment assets	(407,200)	-
Increase in debtors	(729,346)	(599,373)
Increase in creditors within one year	967,356	547,580
Net cash inflow from operating activities	1,289,974	495,799

18 Analysis of net funds	1 April 2006	Cash Flow	31 March 2007
	£	£	£
Net cash			
Cash at bank and in hand	2,613,766	269,057	2,882,823
Bank overdraft	(25,624)	(17,947)	(43,571)
	2,588,142	251,110	2,839,252
Debt			
Debts falling due within one year	(147,906)	819	(147,087)
Debts falling due after one year - bank loans	(972,734)	137,679	(835,055)
Debts falling due after one year - other loans	(1,956,750)	-	(1,956,750)
	(3,077,390)	138,498	(2,938,892)
Net funds	(489,248)	389,608	(99,640)

19 Reconciliation of net cash flow to movement in net debt	2007	2006
	£	£
Increase (Decrease) in cash in the year	251,110	(355,010)
Cash outflow from decrease in debt	138,498	165,679
Movement in net funds in the year	389,608	(189,331)
Opening net funds	(489,248)	(299,917)
Closing net funds	(99,640)	(489,248)

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2007

20 Pension commitments and other post-retirement benefits

The Trust participates in four pension schemes

The total pension cost for the Trust was £1,233,853 (2006 - £470,126) This figure is net of pension contributions recharged of £65,096 and includes £104,528 (2006 - £39,436) of outstanding contributions at the balance sheet date

a) Defined contributions scheme

The Trust operates a defined contribution pension scheme Until 1 July 2006 this scheme was managed by Legal and General and during the year was transferred to Scottish Equitable 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 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 £133,491 (2006 £86,365)

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 For its Avon homes 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 For its Gloucestershire homes, the Trust's contributions is 14%

For schemes such as the NHS superannuation scheme, paragraph 9(b) of Financial Reporting Standard 17 "Retirement Benefits" requires the Trust to account for pension costs on the basis of contributions actually payable to the scheme in the year The pension cost charge represents contributions payable by the company to the fund net of recharges and amounted to £913,364 (2006 - £277,879) - (£1,174,438 actual contributions net of £261,074 from the 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 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 2004 The pension cost charge represents contributions payable by the company to the fund and amounted to £100,978 (2006 £105,882)
For actuarial assumptions and composition of the scheme see page 26

- iii) The Trust contributes to a further pension scheme providing benefits based on final pensionable pay, which is administered by Gloucestershire County Council The Trust's involvement in the scheme commenced on 1st April 2006 The assets of the scheme are held separately from those of the Trust and hence fuller disclosure under FRS17 is required 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 2004 The pension cost charge represents contributions payable by the company to the fund and amounted to £86,020
For actuarial assumptions and composition of the scheme see page 27

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2007

20 Pension commitments and other post-retirement benefits (continued)

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 2004 by a qualified independent actuary.

		2007	2006
		£000s	£000s
Revenue items for 2006/2007			
Operating	Current Service Cost	(127)	(123)
	Past Service Cost	0	73
	Curtailment cost	0	0
	Total Cost	<u>(127)</u>	<u>(50)</u>
Finance	Expected Return on Assets	160	135
	Interest on Pension Liabilities	<u>(169)</u>	<u>(156)</u>
	Net Gain (Loss)	<u>(9)</u>	<u>(21)</u>

Statement of Actuarial Gains/(Losses)

Asset Gain	(0.3% of Assets)	(9)	(13.8% of Assets)	357
Liability (Loss)	(0% of Liabilities)	0	(2.4% of Liabilities)	(81)
Change in Assumptions	(5.5% of Liabilities)	191	(8.5% of Liabilities)	(288)
Net Loss	(5.2% of Liabilities)	<u>182</u>	(0.4% of Liabilities)	<u>(12)</u>

The major assumptions used by the actuary were:

	2007	2006
Rate of increase in salaries	4.35%	4.15%
Rate of increase in pensions in payment	3.1%	2.9%
Discount rate	5.4%	4.9%
Inflation assumption	3.1%	2.9%

The assets in the scheme and the expected rate of return were:

	Long term rate of return expected at 31 March 2007	Value at 31 March 2007 £000s	Long term rate of return expected at 31 March 2006	Value at 31 March 2006 £000s
Equities	7.5%	2165	7.0%	1967
Government Bonds	4.7%	359	4.3%	369
Other Bonds	5.4%	219	4.9%	183
Property	6.5%	0	6.0%	0
Cash/Liquidity	5.3%	62	4.5%	59
Total market value of assets		<u>2,805</u>		<u>2,578</u>
Present value of scheme liabilities		<u>(3,474)</u>		<u>(3,394)</u>
Deficit in scheme		(669)		(816)
Related deferred tax liability		0		0
Net pension deficit		<u>(669)</u>		<u>(816)</u>

Movement in Surplus during 2006/2007

	£000s	£000s
Deficit at Beginning of Year	(816)	(835)
Current Service Cost	(127)	(123)
Employer Contributions	101	102
Past Service Cost/Curtailment Cost	0	73
Net Interest/Return on Assets	(9)	(21)
Actuarial Gain (Loss)	<u>182</u>	<u>(12)</u>
Deficit at End of Year	<u>(669)</u>	<u>(816)</u>

**Notes to the financial statements
For the year ended 31 March 2007**

20 Pension commitments and other post-retirement benefits (continued)

History of experience gains and losses

	2007	2006	2005	2004	2003
Difference between the expected and actual return on assets	(9)	357	50	233	(443)
Amount £'000	0.3%	13.8%	2.5%	13.2%	33.3%
percentage of scheme assets					
Experience gains and losses on scheme liabilities	0	(81)	(127)	0	0
Amount £'000	0.0%	2.4%	4.5%	0.0%	0.0%
percentage of scheme liabilities					
Total amount recognised in STRGL					
Amount £'000	182	(12)	(256)	136	(681)
percentage of scheme liabilities	5.2%	0.4%	9.0%	5.9%	34.3%

Composition of the Gloucestershire County Council Scheme

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

		2007 £000s
Operating	Current Service Cost	(113)
	Past Service Cost	0
	Curtailment cost	0
	Total Cost	(113)
Finance	Expected Return on Assets	56
	Interest on Pension Liabilities	(52)
	Net Gain (Loss)	4

Statement of Actuarial Gains/(Losses)

Asset (Loss)	(0.1% of Assets)	(1)
Liability (Loss)	(0% of Liabilities)	0
Change in Assumptions	(8.3% of Liabilities)	91
Net Gain	(5.2% of Liabilities)	90

The major assumptions used by the actuary were

	2007
Rate of increase in salaries	4.70%
Rate of increase in pensions in payment	3.2%
Discount rate	5.4%
Inflation assumption	3.2%

The assets in the scheme and the expected rate of return were

	Long term rate of return expected at 31 March 2007	Value at 31 March 2007 £000s
Equities	7.8%	619
Bonds	4.9%	233
Property	5.8%	78
Cash/Liquidity	4.9%	43
Total market value of assets		973
Present value of scheme liabilities		(1,097)
Deficit in scheme		(124)
Related deferred tax liability		0
Net pension deficit		(124)

The Brandon Trust

Notes to the financial statements For the year ended 31 March 2007

Movement in Surplus during 2006/2007

£000s

Deficit at Beginning of Year	(191)
Current Service Cost	(113)
Employer Contributions	86
Past Service Cost/Curtailment Cost	0
Net Interest/Return on Assets	4
Actuarial Gain	90
Deficit at End of Year	(124)

31 March
2007

History of Experience Gains and Losses

£000s

Difference between the Expected and Actual Return on Assets	(1)
Value of Assets	973
Percentage of Assets	(0.1%)
Experience Gains/ (Losses) on Liabilities	0
Total Present Value of Liabilities	(1,097)
Percentage of the Total Present Value of Liabilities	0
Actuarial Gains/(Losses) Recognised in STRGL	90
Total Present Value of Liabilities	(1,097)
Percentage of the Total Present Value of Liabilities	8.2%

Any potential net deficit on this scheme that may exist at the point of the service delivery contract ending is contractually passed back to the commissioners, Gloucestershire CC, and is not a liability of the Trust

21 Financial commitments

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as follows

	Lands and buildings		Other	
	2007	2006	2007	2006
	£	£	£	£
Expiry date				
Within one year	-	-	9,949	9,949
Between two and five years	30,000	-	3,658	12,771
In over five years	258,811	281,329	-	-
	288,811	281,329	13,607	22,720

22 Capital commitments

2007

2006

£

£

Capital expenditure contracted for but not provided in the financial statements

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