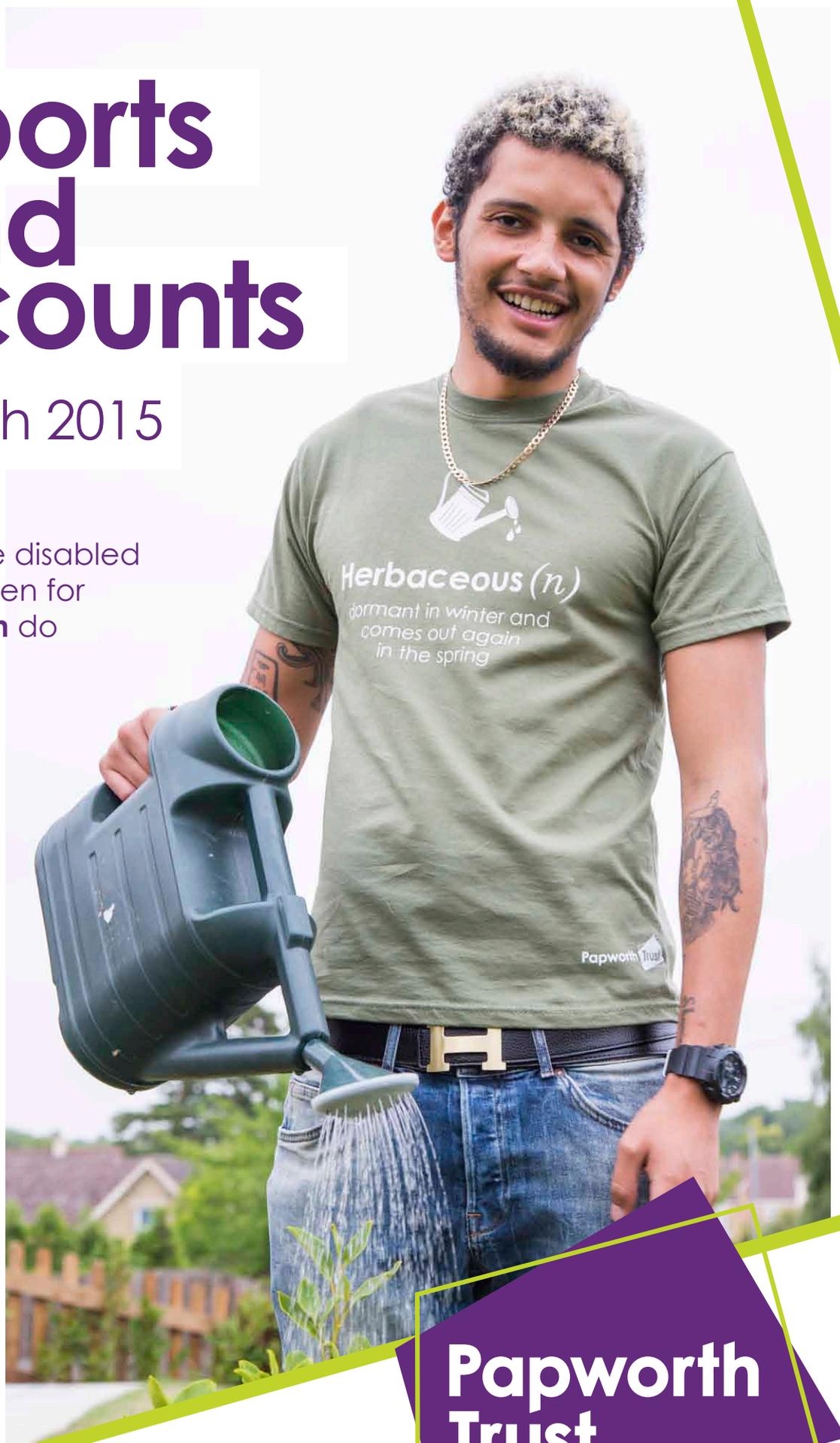


Reports and accounts

31 March 2015

a world where disabled
people are seen for
what they **can** do



Papworth
Trust

Our vision

a world where disabled people are seen for what they **can** do.

Our values

We listen

to people's needs and build great services around them

We inspire

everyone to try to change our world

We support

people to live their lives to the full

We care

that every person is seen for what they **can** do

We work together

so that **we can** make a difference



0800 952 5000

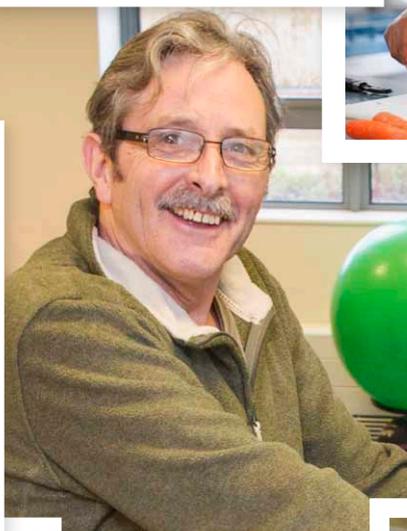


info@papworthtrust.org.uk



www.papworthtrust.org.uk

Meet some of the people we have supported



Contents

Chair's review	5
Trustees' report	6 - 11
Strategic report	12 - 16
Inspiring new homes	17
Case Study: Laura Singh	18
Statement of Trustees' responsibilities	19
Independent Auditor's Report	20 - 21
Income and Expenditure account	22
Total Recognised Surpluses and Deficits	22
Balance sheet	23
Cash flow statement	24
Notes to the accounts	25 - 41
Honorary personnel, Trustees and senior managers	44
Principal advisers and Papworth Trust information	45

Thank you to all the people who use our services and whose stories and photos appear in this review.

Trust status:

A registered charity
A company limited by guarantee
A private registered provider

Registration number:

211234
148906
LH1648

Chair's review

The Trust has achieved so much over the last year in what has been a challenging environment for both us and for disabled people. As expected, the impact of government funding cuts intensified with reduced levels of funding across many of our services and in some cases complete withdrawal. Disabled people have been significantly affected by the cuts and the Trust is ever more determined to provide support and to make a difference.

As an organisation we are undertaking a programme of major change with most of our services and structures being reviewed. This is essential if we are to achieve our goal of operating high quality and sustainable services which achieve great outcomes for disabled people.

I am pleased that we can still report some significant successes for the Trust. Our Work teams won an ERSA Disability Award and our Home Adaptation team won a national award for innovation. We also launched our innovative design for accessible bungalows, building two units in Papworth Everard. Occupying only 69m², the same as a standard 2 bedroom house, we hope this will encourage developers to investigate more options for accessible housing at a time when the shortage of such housing is well recognised.

We will continue to campaign on key issues and to be a voice for disabled people. In the last year we have highlighted the issues surrounding train travel for disabled people and the lack of suitably adapted homes.

In future, the Trust will increase its focus on driving social change - we see this as the most effective way to maximise our impact. After completing our programme of service and structure reviews we will look to develop novel, innovative and sustainable services with great outcomes. We are increasing our external voice with both government bodies and other organisations. Working in tandem with funders and partners will be a key driver for success in the future.

Despite the challenges we face, the Trustees look forwards with a great deal of confidence and determination. A solid base has been put in place from which the Trust can look to build and to increase its impact. This has been created through the commitment and hard work of all of our supporters, funders, staff and volunteers and I once again offer my warm thanks to all of you for the difference that you make.

Rob Hammond
Chair of Trustees



**Thank you to
all our supporters
and funders for
the love and
care they show
to the Trust.”**

Rob

Trustees' report

The Trustees present the Trustees' Report and audited Financial Statements for the year ended 31 March 2015.

Achievements and performance

In September 2014 we refreshed our strategy. The Trust is committed to making a positive impact for disabled people and to delivering high quality, sustainable services. We want people to feel that our influence and our services make a real difference to their lives.

- **Organisation reviews and transformation programme**

During the year we initiated a programme of transformation including reviews of all of our services and back office teams to ensure that we are able to deliver high quality, sustainable services in the future. These reviews were completed by July 2015 and have led to implementation plans being developed, some of which have now been completed. This will put the Trust on a strong footing in what is a rapidly changing environment.

- **Continue our commitment to deliver 1/5 of all that we do through donations, fundraising and volunteering**

It is now three years since we increased our focus on fundraising and volunteering, and invested in the team. There has been some great progress in that time and growth in both our income and the number of volunteering hours supporting the Trust. There have also been elements which have been less successful in what is a tough environment for fundraising. We are currently conducting a full review of our fundraising strategy to build on our progress and to take account of the constantly changing market place. We remain strongly committed to delivering greater impact through fund raised activity.

- **Developing a more joined-up approach to support our customers**

The Trust operates a broad range of services. As part of the review process referred to above we are looking at how the organisation is structured in addition to how the service areas better link with each other in order to create a clear journey for our customers. Actions are then being incorporated into the post review implementation plans.

Reserves policy

We have a policy of setting aside certain assets to cover contingencies. Amounts are currently invested to provide returns which, along with fundraised income, helps to support existing projects and develop new ones.

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

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

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

To safeguard against unforeseen shortfalls or changes in the funding of the services and programmes for disabled clients for whom Papworth Trust is already committed, a Contingency Fund has been established. This represents between 2 and 4 months expenditure on such committed programmes plus additional specific exposures to be assessed each year.

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

Investment Policy

Investments are managed with full discretion by Papworth Trust's investment advisers under the overall supervision of Papworth Trust through its Joint Investment Committee with The Varrier-Jones Foundation. The Committee monitors the performance of the investment advisers through formal bi-annual review meetings.

Structure, governance and management

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

Trustees meet 6 times a year to review the management of the organisation. Day-to-day management is delegated to the Chief Executive and Leadership Team. Trustees also meet managers in Committees to oversee the activities of specific operations of the organisation in more detail. Membership of Committees reflects the interests and expertise of the respective Trustees. Minutes of all Committee meetings are subsequently circulated to the full Board.

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

Trustees do not receive a salary, but may claim expenses for attending meetings (see Note 19 to these accounts).

Trustees and Leadership Team members are asked to complete an annual Disclosure Statement to notify Papworth Trust of any involvement in any other organisations. This was most recently completed in March 2015.

Trustees Liabilities

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

Committees

Committees take a more detailed interest in specific areas of Papworth Trust's activities and monitor performance against key performance indicators. The Trust carried out a review of its governance structures during the year and as a result is changing the structure of its sub-Committees in 2015/16. The committee structure in place during the year, with delegated authority from the Board for key issues, was as follows:

Finance and Audit Committee

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

Governance Committee

The Governance Committee exists to ensure the good and effective ongoing governance of Papworth Trust. The key responsibilities of the Governance Committee are advising the Board of governance matters which need to be addressed by the Trust, overseeing the appointment, re-election and retirement of Trustees, ensuring a good distribution of skills and experience amongst Trustees and advising on the appointment of the Chief Executive.

Independent Living Committee

The Independent Living Committee exists to oversee the operation of the My Home and My Care activities of the Trust and to fulfil our obligations as a Registered Provider of social housing. The key responsibilities of the committee are: considering the strategy on Independent Living; reviewing all activities within My Home and My Care services; monitoring performance; and making appropriate recommendations to the Board. In addition the committee will receive reports on compliance with contractual and regulatory requirements.

Work and Learning Committee

The Work and Learning Committee exists to oversee the operation of the employment, rehabilitation, leisure, learning and advice and guidance activities of the Trust. The key responsibilities are the review of strategy and activities in My Work, My Leisure and My Services, making recommendations to the Board as required

Marketing and Fundraising Committee

The Marketing and Fundraising Committee exists to ensure the mission of Papworth Trust is properly reflected in the Trust's brand and marketing strategy, and to ensure an appropriate and sustainable fundraising strategy is in place to support the Business Plan.

Value for money - Housing

Achieving the Social Housing Value for Money Standard is a fundamental part of our housing strategy. Value for Money strategy is reviewed annually by the Independent Living Committee of the Board of Trustees.

Our objective is to provide property types and services to meet the needs of our tenants. The key driver is to achieve a balance between reasonable cost and good quality. Maintaining a high level of customer satisfaction is fundamental to everything that we do but we also take account of the social value to our tenants, especially meeting individual needs appropriate for their disability.

We are members of the SPBM East of England benchmarking club for smaller providers allowing us to compare ourselves against other similar organisations.

Benchmark	2015 Actual	2015 Target	2015 Peer Group median	2014 Actual	2013 Actual
Tenant satisfaction repairs and maintenance	98.0	95.0	83.0	99.6	98.0
% units with a valid gas safety certificate	100.0	100.0	100.0	100.0	100.0
% rent collected	96.3	98.0	99.9	97.3	97.0
Void losses	1.8	3.0	3.7	2.7	2.1
Weekly operating costs per unit	61.4	56.9	83.3	59.9	45.2
Operating costs as % of turnover	72.0	70.0	73.6	71.7	63.5
Weekly management costs per unit	26.3	25.0	19.3	26.2	23.3

Our VFM achievements over the last year

- Completion of a review of our Housing team structures and processes. An implementation plan is being created to deliver against recommended improvements.
- Commenced the building of two exemplar accessible bungalows

Our VFM objectives for the next five years

- To build at least 15 new accessible homes, all of which will be integrated in an urban, or semi-urban location, with links to employment, transport, health and leisure.
- Complete the construction of our first two exemplar accessible bungalows.
- Implement improvements to our tenant management systems and processes to deliver greater efficiency and improved data quality.
- We want to become regarded as nationally recognised experts on accessible and adaptable housing by partners in Housing Associations, house developers and through Government policy. This will enable us to influence partners to increase the supply of accessible homes for disabled people.

Going concern

The Board has assessed Papworth Trust's current financial position and resources, together with a review of financial forecasts for the next three years. On the basis of this assessment the Board believes that the Trust is well placed to manage its business risks.

The Trust also has the support of the Varrier Jones Foundation.

The Board therefore has a reasonable expectation that adequate resources exist for the Trust to continue in operational existence for the foreseeable future and thus continues to adopt the going concern basis of accounting in preparing these financial statements.

Health and Safety

The Board is aware of its responsibilities on all matters relating to health and safety. Papworth Trust has prepared detailed health and safety policies and provides staff training and education on health and safety matters. A Health and Safety Committee meets quarterly and comprises staff from all areas of the organisation.

Disabled employees

We have a Diversity and Equality policy regarding the employment of staff, including disabled employees, and give full consideration to applications for employment from disabled people.

Currently 19% of Papworth Trust's employees have declared a disability.

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

Employee involvement

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

Customer involvement

There are local customer groups covering our centres and services. Representatives from these groups come to the Forum, a meeting held 6 times a year for people who use our services. It is very important to us that our customers are involved and have their say about how we develop and design services.

Trustee User Representatives are appointed by a customer panel and they influence decisions made by attending Board of Trustees meetings.

Auditors

A resolution proposing the appointment of KPMG LLP as auditors will be proposed at the AGM.

Disclosure of information to auditors

The directors who held office at the date of approval of this Board Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Staff, volunteers and Trustees

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

The report of the Board of Trustees was approved by the Board on 24 September 2015 and signed on its behalf by:

R Hammond
Chair of Trustees

Strategic Report

Objects and public benefit

What we do

We offer essential support and care to disabled people. Our Mission is to help disabled people achieve equality, choice and independence. We help people with all kinds of disability, including physical disabilities, learning disabilities, mental ill health and sensory impairments.

We support people to live their lives to the full, and care that every person is seen for what they can do.

Objects

We are set up for public benefit and for general charitable purposes according to the laws of England and Wales.

We carry out service reviews on an annual basis, to compare the outcomes and achievements of our work to our stated aims and objectives. The reviews look at the successes of each key activity and the benefits they have brought to those individuals and groups of people. The reviews also help to ensure that our activities remain focused on our stated objectives.

Public benefit

We refer to the Charity Commission's general guidance on public benefit whenever we review our Mission, aims and objectives and also when planning future activities.

Financial review

Full details of our financial performance for the year ended 31 March 2015 are shown in the Income and Expenditure Account, Balance Sheet, Cashflow Statement and Notes to the Accounts which form part of the financial statements for the year.

Turnover and operating surplus for 2014/15 are shown in the table below:

	2015	2014
	£'000	£'000
Income and Expenditure Account		
Turnover	22,087	22,411
Operating Costs	(21,777)	(21,970)
Operating Surplus	310	441
Gain/(loss) on sale of fixed assets	35	(148)
Interest payable	(558)	(594)
Deficit for the year	(213)	(301)
	2015	2014
	£'000	£'000
Deficit for the year	(213)	(301)
<u>Gains on Investments</u>		
Realised	207	-
Unrealised	777	302
Total recognised surpluses for the year	771	1

Income

- Total turnover decreased from £22.4m to £22.1m.
- Turnover from social housing lettings remained at £4.0m.
- Turnover from other social housing activities decreased by £0.4m to £2.8m due to lower income from our HIA and housing adaptation services.
- Non-social housing activities saw My Work income increase by £0.6m as a result of performance in the Work Programme contracts.
- Fundraising income fell by £0.3m to £2.0m.

Expenditure

- Operating costs decreased by £0.2m.
- Interest payable on loans and overdrafts reduced by £36k to £558k. Although additional loan funding was drawn down in the year to fund housing development, capital repayments and lower variable rates on some loans reduced the overall interest charges. Further details are shown in note 12 to the financial statements.

Balance sheet

The key balance sheet highlights are:

- The historic cost of housing properties increased from £48.5m at the start of the year to £51.8m at the end of the year. Further detail of activity during the year is given below.
- The cash balance was £1.4m at the end of the year, an increase of £853k.
- Total reserves increased by £0.8m to £25.4m. Reserves are maintained as detailed in the reserves policy below.

Housing development

The Trust completed the development at Roman Court, Cambridge in July 2014. A major refurbishment of MacFarlane Grieve Home was commenced and completed in June 2015 at a cost of £2.9m. The property will comprise 28 self-contained units which the Trust plans to use for its new Reablement service. As part of the scheme the Trust also built two exemplar 69m² bungalows which it hopes to promote to other organisations, policy makers and influencers within the sector.

The Trust also secured new loan financing of £5.5 million from Lloyds Bank in December 2014, of which £2.2 million has been used for the MacFarlane Grieve Home refurbishment.

There remains a real need for fully accessible housing and we are committed to building more homes as a result.

Treasury management

The Trust's housing development has been financed through a combination of Social Housing Grant, long term loan facilities and surpluses generated through normal activities and fundraising.

Treasury Management is managed by the Finance Team and overseen by the Finance Committee. It is reviewed on a regular basis.

Loan covenants

There are several loan covenants in place on the Trust's long term loans, the key measures are asset cover and interest cover. Breach of covenants could result in loans becoming immediately repayable. Loan covenants are monitored monthly and were met for the year ended 31 March 2015.

Plans for future periods

We will continue to work towards delivering our strategy, building on the progress already made. Good quality, sustainable services are essential in the changing environment in which we operate.

• Implementation of the service review outcomes

Having completed the reviews of our operational areas and back office we will focus on implementing the necessary improvements identified. Our aim is for all of our services are to be both sustainable and of high quality.

• To begin developing innovative new services with great outcomes for disabled people

The Trust plans to diversify its income streams and also to increase its social impact. Developing sustainable and innovative new services which can be replicated elsewhere is seen as a great way of achieving these aims.

• Increasing the Trusts external impact

We are looking to increase our voice with both politicians and other organisations. We see this as a vital part of generating new opportunities (maybe in partnership) and to provide a voice for disabled people at a time when many services are under pressure.

Principal risks and uncertainties

Management of risk is an integral part of our planning and project management processes. Papworth Trust has adopted a formal process for approval of new projects which identifies risks and controls. Combined with the budget process, which reviews risks and controls in existing processes, this generates a comprehensive review of risks. We maintain a risk register in which risks are documented and evaluated, so that major risks can be identified and the effectiveness of controls which mitigate these risks can be assessed. The system of internal control is designed to manage key risks and to provide reasonable assurance about the reliability of financial and operational information and the safeguarding of Papworth Trust's assets and reputation.

The Audit Committee and Trustees monitor and review our principal risks and the processes for managing them, together with the arrangements for internal and external audits and preparation of financial statements.

The critical risks and uncertainties have been identified as:

KEY RISK	MITIGATING ACTIONS
Government Austerity measures Government austerity measures and Local Authority spending reviews have a greater impact on the financial sustainability of some services than we have planned for.	<ul style="list-style-type: none">• Regular reforecasting of financial performance.• All areas have been reviewed to test sustainability.• Maintain external relationships and market intelligence.

KEY RISK	MITIGATING ACTIONS
<p>Breach of regulations</p> <p>The Trust works in a number of highly regulated environments with vulnerable people. A breach of regulations could lead to significant reputational damage</p>	<ul style="list-style-type: none"> • A risk based Quality Audit Framework is being implemented, with focus on highly regulated areas such as Care prioritised. • Operational services have been reviewed to ensure clarity of responsibilities and that suitable structure and skills are within the teams.
<p>Breach of banking covenants</p> <p>The Trust may fail to meet certain financial covenants required by the banks in relation to our loan agreements with them. Breach of covenant could lead to higher borrowing costs or repayment of loans.</p>	<ul style="list-style-type: none"> • Quarterly reforecasting and close monitoring of finances and covenants is embedded in the Trust's systems. • Signs of potential breach are identified at an early stage to allow for necessary action.
<p>SHPS Pension deficit may increase</p> <p>The SHPS defined benefit pension scheme deficit may increase resulting in larger payments and liabilities for the Trust.</p>	<ul style="list-style-type: none"> • The Trust is reviewing options to mitigate using a specialist advisor.
<p>Failure to successfully implement the Trust's programme of transformation</p> <p>Failure to implement the programme may result in services becoming unsustainable.</p>	<ul style="list-style-type: none"> • All services have been reviewed and clear action plans are being developed/implemented. • Specialist resource is planned to manage the programme.

The Strategic Report was approved by the Board on 24 September 2015 and signed on its behalf by:

R Hammond
Chair of Trustees

Inspiring new homes



Did you know that only 4% of UK homes can be accessed by wheelchair users?

Our new space-saving bungalows are encouraging developers to build much sought after accessible housing

We think that's completely unacceptable. That's why we've built two new bungalows to show developers and the Government what's possible when it comes to accessible homes – and to inspire them to take action.

Small footprint

The homes, in Papworth Everard, Cambridgeshire, cover the same size footprint as a standard two-bedroom home (69.7m²), crushing the misconception that homes suitable for wheelchair users need to be bigger and therefore cost more to build.

With these barriers gone, we hope the designs will persuade developers to explore more options for accessible housing.

Ending the housing crisis

"We have been sharing our plans with developers, housing associations, government ministers, local authorities and charities, all of which have been keen to see more," says Vicky McDermott, Papworth Trust Chief Executive. "We would like to welcome any organisation or person interested in building an accessible home to get in touch.

"It's essential that we build more accessible homes like our bungalows to prevent the next housing crisis. We hope to see accessible housing built in every housing development across the country," she adds.

Cutting edge

So what makes our bungalows special? Of course, they both meet the accessibility standards set by Lifetime Homes and Wheelchair Accessible Designs. But, we've also fitted one with cutting edge technology to make life much easier for disabled people.

This includes the ability to open doors, windows and curtains using a mobile phone or tablet which takes away the physical effort required and eliminates the need to ask for help. Lights come on automatically as a room is entered and there is also a video door entry system so that you can check who is at the door before opening it.

All of these designs have been put in place to increase levels of safety and of course independence. Plus the controls even work when the internet is down which gives extra peace of mind.

Want more information?

If you're interested in working with us to build accessible housing, we'd love to hear from you. Please call us on **0800 952 5000** or email **info@papworthtrust.org.uk**



0800 952 5000



info@papworthtrust.org.uk



www.papworthtrust.org.uk

Laura Singh

The bit that helped me the most was her actually getting me an interview in the first place.

I like being independent so I don't rely on my parents to pay for my rent. If I have my own money I can go out to places. It's my own money to do what I want with.

I went for an interview at Marks and Spencer's and they just like asked me questions about why I want to work at Marks and Spencer's. Then I got a taster day so I went to the taster day to see what I would be doing there. I got a place on the course and I'm on there now, so I'm doing a four week work placement now at Mark's and Spencer's.

I felt nervous on my first day because it was obviously all new to me. But by the second day I felt more relaxed because they showed me what to do.

It makes me feel really good because it makes me feel like part of the team.

It's really good and you get lots of experience out of it and then hopefully that will lead to a job.



“I think this employment scheme is invaluable

Sally Singh (mum)

Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the association and of the surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report

Independent auditor's report to the members of Papworth Trust

We have audited the financial statements of Papworth Trust ("the association") for the year ended 31 March 2015 set out on pages 20 to 41. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the association's members, as a body, in accordance with Section 128 of the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the association as at 31 March 2015 and of its deficit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Stephanie Beavis (**Senior Statutory Auditor**)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR

Income and expenditure account

	Notes	2015 £'000	2014 £'000
Turnover			
Continuing operations	2	<u>22,087</u>	<u>22,411</u>
		<u>22,087</u>	<u>22,411</u>
Less: Operating costs			
Continuing operations	2	<u>(21,777)</u>	<u>(21,970)</u>
		<u>(21,777)</u>	<u>(21,970)</u>
Operating surplus			
Continuing operations		310	441
Gain/(loss) on sale of fixed assets		35	(148)
Interest payable and similar charges	6	<u>(558)</u>	<u>(594)</u>
Deficit for the year		<u>(213)</u>	<u>(301)</u>

Statement of Total Recognised Surpluses and Deficits

	Notes	2015 £'000	2014 £'000
Deficit for the year		(213)	(301)
Gains on Investments			
Realised	8/9	207	-
Unrealised	8/9	777	302
Total recognised surpluses and deficits for the year		<u>771</u>	<u>1</u>

The historical cost surpluses for the year are identical to those reported in the financial statements above.

The notes on pages 23 to 41 form part of these Financial Statements.

Balance sheet

Balance Sheet	Notes	2015 £'000	2014 £'000
Fixed Assets			
Housing Properties	7	48,333	45,432
Less: Social Housing Grant	7	(19,590)	(19,555)
		<u>28,743</u>	<u>25,877</u>
Other fixed Assets	7	5,543	5,622
Investments	8	8,319	8,035
Endowment Fund Assets	9	219	213
Total fixed assets		<u>42,824</u>	<u>39,747</u>
Current Assets			
Debtors - amounts falling due within one year	10	2,939	2,884
Cash at bank and in hand		1,426	573
		<u>4,365</u>	<u>3,457</u>
Creditors:			
Amounts falling due within one year	11	(4,946)	(4,367)
Net current liabilities		<u>(581)</u>	<u>(910)</u>
Total assets less current liabilities		<u>42,243</u>	<u>38,837</u>
Creditors:			
Amounts falling due after more than one year	12	(16,238)	(14,223)
Provisions for liabilities and charges	14	(620)	-
		<u>25,385</u>	<u>24,614</u>
Reserves			
Restricted Reserves			
Endowment Funds	15	219	213
General Funds			
Capital Funds	15	3,363	3,453
Income Funds	15	397	321
		<u>3,760</u>	<u>3,774</u>
Total Restricted Reserves		<u>3,979</u>	<u>3,987</u>
Unrestricted Reserves			
Designated Reserves			
Disability services fund	15	1,705	924
Property fund	15	14,157	13,643
		<u>15,862</u>	<u>14,567</u>
General Reserves			
Contingency fund	15	5,544	6,060
Total unrestricted reserves		<u>21,406</u>	<u>20,627</u>
Total Reserves		<u>25,385</u>	<u>24,614</u>

The notes on pages 23 to 41 form part of these Financial Statements.

The financial statements were approved by the Board at a meeting held on 24 September 2015 and signed on the Board's behalf by:

R Hammond (Trustee)
Companies House registered number: 148906

R Norton (Trustee)

Cashflow statement

	Notes	2015		2014	
		£'000	£'000	£'000	£'000
Net cashflow from operating activities	a		2,007		1,640
Returns on investments and servicing of finance					
Dividends and interest received	a	3		3	
Interest paid and similar charges	a	(558)		(594)	
Cash received from sale of investments		700		-	
Net cash inflow/(outflow) from returns on investments and servicing of finance			145		(591)
Capital expenditure and financial investment					
Payments to acquire and improve housing properties		(3,503)		(1,335)	
Capital grants received in respect of housing properties		35		-	
Appeal income for capital projects		427		553	
Payments to acquire other fixed assets		(458)		(619)	
Proceeds of sale of land and property		228		-	
Net cash outflow from capital expenditure and financial investment			(3,271)		(1,401)
Net cash outflow before financing			(1,119)		(352)
Financing					
Housing loan advances received	c	2,200		1,000	
Other loans received	c	-		-	
Housing loans repaid	c	(214)		(251)	
Other loans repaid		(14)		(13)	
Net cash inflow from financing			1,972		736
Increase in cash in the year	b		853		384

Notes to the cashflow statement

a) Reconciliation of deficit for the year to net cash flow from operating activities

	2015	2014
	£'000	£'000
Deficit for the year	(213)	(301)
(Loss)/gains on sale of land and other fixed assets	(35)	148
Realised gains on sale of investments	-	-
Dividends and interest receivable	(3)	(3)
Interest payable	558	594
Appeals income for restricted purposes	(427)	(553)
Non cashflow items:		
Depreciation	944	1,149
Increase in debtors	(55)	(226)
Increase in creditors	1,238	832
Net cashflow from operating activities	2,007	1,640

b) Analysis of the balance of cash as shown in the balance sheet and notes to the accounts

	Change in the year		Change in the year	
	2015	2015	2014	2014
	£'000	£'000	£'000	£'000
Cash at bank and in hand	1,426	853	573	383
Endowment Fund (Note 9)	147	(1)	148	1
	<u>1,573</u>	<u>852</u>	<u>721</u>	<u>384</u>

c) Analysis of changes in financing during the year

	Housing Loans	Other Loans	Total
	£'000	£'000	£'000
At 1 April 2014	13,864	614	14,478
Drawings under housing loans	2,200	-	2,200
Repayment of loans	(214)	(14)	(228)
At 31 March 2015	<u>15,850</u>	<u>600</u>	<u>16,450</u>
At 1 April 2013	13,115	627	13,742
Drawings under housing loans	1,000	-	1,000
Repayment of housing loans	(251)	(13)	(264)
At 31 March 2014	<u>13,864</u>	<u>614</u>	<u>14,478</u>

Notes to the Financial Statements

1. Accounting policies

The financial statements have been prepared on a going concern basis and using the accruals basis of accounting in accordance with applicable accounting standards in the United Kingdom and in accordance with the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers (Update 2010) and The Accounting Direction for Private Registered Providers of Social Housing 2012.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. The accounting policies have remained unaltered from the prior year.

Basis of accounting

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

Going concern

The Board has assessed Papworth Trust's financial position and resources, together with a review of budgets for 2015/16 and financial forecasts. On the basis of this assessment the Board believes that the Trust is well placed to manage its business risks.

The Board therefore has a reasonable expectation that adequate resources exist for the Trust to continue in operational existence for the foreseeable future and thus continues to adopt the going concern basis of accounting in preparing these financial statements.

Turnover

Turnover represents the income derived from the carrying on of Papworth Trust's activities, comprising the sale of goods and services, property rental income net of voids, fees for progression, occupation and rehabilitation services, revenue grants from statutory and other authorities, charitable gifts, donations and legacies.

Certain up front attachment fees received under the Work Programme contract have been deferred to future periods. An element of the fees has been recognised as a payment in respect of contract start-up costs and the balance as part of the payment for supporting customers for a period of up to 2 years.

Property rental income

Rental and service charge income from residential properties is recognised in the income and expenditure account when it falls due.

Grants from Jobcentre Plus

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

Revenue grants receivable

Revenue grants are credited as income when they are receivable, provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred.

Notes to the financial statements

Donations and gifts

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

Housing properties and components

Housing properties are shown in the balance sheet at cost, net of Social Housing Grant and other capital grants. The cost of housing properties is their purchase price, together with incidental costs of acquisition and capitalised major repairs and improvements.

Housing properties consist of several different physical components each of which have substantially different useful economic lives. Each major component, excluding land, is accounted for separately and depreciated over its individual useful economic life.

Disposals include, but are not limited to, those components capitalised previously and depreciated over its individual useful life.

Major repairs

Major repairs are capitalised to the extent that they relate to the replacement or restoration of a separately identified property component or where the expenditure results in enhancement of the economic benefits of the assets such as an increase in rental income, a reduction in future maintenance costs or a significant extension to its useful economic life. In any other circumstances major repairs are charged to income and expenditure account as incurred.

Depreciation and impairment

Housing properties, net of Social Housing Grant and other capital grants and consisting of several different physical components, are depreciated on a straight line basis over their expected useful economic lives as follows:

Structure	80 years
Roof	50 years
Windows and Doors	30 years
Kitchens	15 years
Bathrooms	20 years
Electrical Installation	40 years
Heating, ventilation and plumbing	30 years
Boilers	15 years

Freehold land is not depreciated. No depreciation is provided on housing properties in the course of construction. An impairment review of housing properties is undertaken annually.

Depreciation is charged on a straight line basis over the expected useful economic lives of other tangible fixed assets as follows:

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

Notes to the financial statements

Shared ownership properties

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

Social Housing Grant

Where developments have been financed wholly or partly by the Social Housing Grant, the cost of those developments has been reduced by the amount of the grant received.

Although Social Housing Grant is treated as a grant for accounting purposes, it may become repayable if the conditions under which the grant was made are not complied with, for example, if the properties to which the grant was designated cease to be used for the purpose of affordable social housing.

Donated land

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

Sales of housing properties

Where housing properties are sold which are retained as fixed assets, the surplus or deficit on the sale is calculated by reference to the net book value of the property.

Fixed asset investments

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

Acquisition and mergers

On acquisition, the recognised assets and liabilities of the acquired entity are measured at fair values that reflect the conditions at the date of the acquisition.

Acquisitions of entities where the transaction is a gift to us are treated as non-exchange transactions. For non-exchange transactions the fair value of the gifted assets and liabilities are recognised as a gain or loss in the income and expenditure account in the year of the transaction.

Reserves

We have a policy of setting aside certain assets to cover contingencies. Amounts are currently invested to provide returns which along with fundraised income, helps to support existing projects and develop new ones.

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

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

Notes to the financial statements

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

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

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

Restricted reserves

Restricted reserves represent unspent funds received for specific purposes from external organisations. Restricted reserves are only expendable in relation to the projects for which they are received.

Designated reserves

Designated reserves are those reserves that, whilst having been designated for a specific purpose, remain available for our general charitable objectives. Transfers to and from designated reserves are made at the discretion of the Board. Further details regarding the purpose of designated reserves and movements in the year are provided in Note 15.

Pension costs

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

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

Leased assets

All leases are regarded as operating leases and the rentals payable are charged to the income and expenditure account on a straight line basis over the lease term.

Governance costs

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

Notes to the financial statements

Taxation

Papworth Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly we are potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 356 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2 (a) Income, operating costs and surplus

	2015				2014	
	Income £'000	Operating Costs £'000	Central Support costs £'000	Surplus / (Deficit) £'000	Income £'000	Surplus / (Deficit) £'000
Social Housing activities						
Income and expenditure from social housing lettings	4,035	(2,119)	(363)	1,553	3,984	1,127
Other social housing activities						
HIAs and Adaptations	2,797	(2,789)	(479)	(471)	3,201	(402)
Housing Development	8	(107)	(18)	(117)	16	(47)
Total social housing activities	6,840	(5,015)	(860)	965	7,201	678
Non-social housing activities						
My Work	6,602	(3,386)	(581)	2,635	5,938	1,042
My Care services	3,832	(3,525)	(604)	(297)	3,989	(274)
My Leisure	2,634	(3,496)	(600)	(1,462)	2,716	(661)
Advisory services	178	(341)	(59)	(222)	175	(143)
Research/Policy	-	(216)	(37)	(253)	-	(227)
Fundraising	1,957	(1,373)	(236)	348	2,342	812
Governance costs	-	(73)	-	(73)	-	(63)
Other strategic management costs	-	(474)	-	(474)	-	(598)
Review and restructure costs	-	(867)	-	(867)	-	-
Other activities	44	(34)	-	10	50	(125)
	15,247	(13,785)	(2,117)	(655)	15,210	(237)
Total social and non-social housing activities	22,087	(18,800)	(2,977)	310	22,411	441

Notes to the financial statements

2 (b) Particulars of income and expenditure from social housing lettings

	General Needs Housing £'000	Supported Housing £'000	2015 Total £'000	2014 Total £'000
Income from social housing letting activities				
Rent receivable	890	2,325	3,215	3,119
Service charge income	1	871	872	932
Gross rents receivable	891	3,196	4,087	4,051
Rent losses from voids	(18)	(81)	(99)	(110)
Net rents receivable	873	3,115	3,988	3,941
Other income	-	48	48	43
Total income from social housing letting activities	873	3,163	4,036	3,984
Expenditure on social housing letting activities				
Management	(195)	(969)	(1,164)	(868)
Services	(20)	(362)	(382)	(415)
Maintenance	(49)	(643)	(692)	(971)
Rent losses from bad debts	(13)	(7)	(20)	(7)
Depreciation	(86)	(139)	(225)	(596)
Total expenditure on social housing letting activities	(363)	(2,120)	(2,483)	(2,857)
Operating surplus on social housing letting activities	510	1,043	1,553	1,127

Accommodation in management

	General Needs Housing	Supported Housing	2015 Total	2014 Total
Number of units	173	491	664	636
Owned and managed	173	475	648	622
Managed on behalf of others	-	14	14	14
Managed on behalf of others	-	2	2	-
	173	491	664	636

Notes to the financial statements

3. Directors' emoluments

The directors are defined, for the purpose of emoluments, as the Chief Executive and other members of the Leadership Team. None of the Trustee Board members received any emoluments during the year. No remuneration in 2015 or 2014 was performance linked.

	2015	2014
	£'000	£'000
Emoluments	481	468
Compensation for loss of office	52	55
Retirement benefit scheme contributions in respect of services as directors	40	121
	<u>573</u>	<u>644</u>
Emoluments include amounts paid to:		
Highest paid director	<u>94</u>	<u>93</u>
Retirement benefit scheme contributions of the highest paid director	<u>-</u>	<u>18</u>
Other staff paid in excess of £60,000 during the year:		
£60,000 - £69,999	-	-
£70,000 - £79,999	3	4
£80,000 - £89,999	<u>2</u>	<u>1</u>

The Chief Executive is a member of the defined contribution scheme.

4. Employee information

The average monthly number of persons, including executive directors, employed during the period was:

	2015	2014
	Number	Number
Total employees	569	588
Full time equivalent	437	469
Staff costs:	2015	2014
	£'000	£'000
Wages and salaries	11,516	11,828
Social security costs	947	975
Pension costs (Note 17)	374	334
	<u>12,837</u>	<u>13,137</u>

Notes to the financial statements

5. Operating surplus

	2015 £'000	2014 £'000
The operating surplus is stated after charging:		
Depreciation		
1. Housing properties	420	553
2. Other fixed assets	524	596
	<u>944</u>	<u>1,149</u>
Operating lease rentals:		
3. Land and buildings	480	441
4. Property and equipment	177	41
Auditors' remuneration		
5. in capacity as auditors	19	19
6. in respect of taxation services	-	22
	<u> </u>	<u> </u>

6. Interest payable and similar charges

	2015 £'000	2014 £'000
Interest on loans and overdrafts	<u>558</u>	<u>594</u>

Notes to the financial statements

7. Fixed assets

(a) Freehold housing Properties

	At 1 April 2014 £'000	Additions £'000	Disposals £'000	Charge for the year £'000	At 31 March 2015 £'000
Cost	48,462	3,503	(212)	-	51,753
Depreciation	(3,030)	-	30	(420)	(3,420)
Net depreciated cost	<u>45,432</u>	<u>3,503</u>	<u>(182)</u>	<u>(420)</u>	<u>48,333</u>
Social housing grants	(17,783)	(35)	-	-	(17,818)
Other housing grants	<u>(1,772)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,772)</u>
Total grants	<u>(19,555)</u>	<u>(35)</u>	<u>-</u>	<u>-</u>	<u>(19,590)</u>
Net Book Value	<u>25,877</u>	<u>3,468</u>	<u>(182)</u>	<u>(420)</u>	<u>28,743</u>

Included in gross cost at 31 March 2015 are costs of building projects under construction totalling £2,786,000 (2014: £1,482,000) against which no social housing grants have been received.

Additions to freehold housing properties are analysed as follows:

	2015 £'000	2014 £'000
Property developed	2,666	752
Replacement of components	662	348
Other works to properties	176	235
	<u>3,504</u>	<u>1,335</u>

Notes to the financial statements

7. Fixed assets

(b) Other property, plant and equipment

	Short leasehold improve- ments £'000	Other freehold land and buildings £'000	Other Fixed Assets £'000	Total £'000
Cost				
At 1 April 2014	348	7,198	3,725	11,271
Additions	-	295	163	458
Disposals	-	-	(12)	(12)
At 31 March 2015	<u>348</u>	<u>7,493</u>	<u>3,876</u>	<u>11,717</u>
Depreciation				
At 1 April 2014	238	2,678	2,733	5,649
Charge for the year	18	209	297	524
Disposals	-	-	1	1
At 31 March 2015	<u>256</u>	<u>2,887</u>	<u>3,031</u>	<u>6,174</u>
Net Book Value				
At 31 March 2015	<u>92</u>	<u>4,606</u>	<u>845</u>	<u>5,543</u>
At 31 March 2014	<u>110</u>	<u>4,520</u>	<u>992</u>	<u>5,622</u>

Notes to the financial statements

8. Fixed assets investments

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

	2015 £'000	2014 £'000
Market Value		
Investments listed on the London Stock Exchange		
Other shareholdings	<u>8,319</u>	<u>8,035</u>
Cost £6,077k (2014 - £6,570k)		

Movement in Year

Investments listed on the London Stock Exchange		
At 1 April 2014	8,035	7,734
Additions	-	-
Disposals	(493)	-
Revaluation to market value	<u>777</u>	<u>301</u>
At 31 March 2015	<u>8,319</u>	<u>8,035</u>

Investments amounting to £700,000 were realised during the year of which £493,000 was historic cost and £207,000 was an investment gain.

9. Endowment fund assets

	2015 £'000	2014 £'000
Assets:		
COIF Investment Fund units at market value		
Cost £5,000 (2013 - £5,000)	72	65
Cash deposits	<u>147</u>	<u>148</u>
	<u>219</u>	<u>213</u>

Movement in year:

	Capital £'000	Income £'000	Total £'000
At 1 April 2014	85	128	213
Investment income and interest for year	-	3	3
Maintenance expenditure	-	(3)	(3)
Revaluation to market value	<u>6</u>	<u>-</u>	<u>6</u>
At 31 March 2015	<u>91</u>	<u>128</u>	<u>219</u>

Notes to the financial statements

10. Debtors

	2015 £'000	2014 £'000
Amounts falling due within one year		
Arrears of rents and service charges	159	87
Less: provision for bad and doubtful debts	(29)	(16)
	<u>130</u>	<u>71</u>
Invoiced debtors	2,235	1,637
Less: provision for bad and doubtful debts	(153)	(82)
Other debtors	70	84
Prepayments and accrued income	657	1,174
	<u>2,939</u>	<u>2,884</u>

11. Creditors: amounts falling due within 1 year

	2015 £'000	2014 £'000
Housing loans	212	255
Trade creditors	761	817
Other taxation and social security	562	627
Other creditors	326	199
Accruals and deferred income	3,085	2,469
	<u>4,946</u>	<u>4,367</u>

12. Creditors: amounts falling due after more than 1 year

	2015 £'000	2014 £'000
Housing loans	15,850	13,864
Other loans	26	40
Jobcentre Plus grants	574	574
	<u>16,450</u>	<u>14,478</u>
Less: amounts due within one year	(212)	(255)
	<u>16,238</u>	<u>14,223</u>

Notes to the financial statements

12. Creditors: amounts falling due after more than 1 year (continued)

	2015 £'000	2014 £'000
Housing loans		
Repayable as follows:		
Within one year	212	255
Between one and two years	222	243
Between two and five years	1,904	1,325
In five years or more	<u>13,512</u>	<u>12,041</u>
	<u>15,850</u>	<u>13,864</u>
Sources of finance		
Orchardbrook Limited	536	543
Lloyds Bank plc	2,200	-
Royal Bank of Scotland plc	8,114	8,321
Barclays Bank plc	<u>5,000</u>	<u>5,000</u>
	<u>15,850</u>	<u>13,864</u>

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

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

Interest Rate	End of fixed rate period	£'000
Fixed 3.91%	December 2039	2,200

The Royal Bank of Scotland plc loan is part of a £10million facility secured by way of fixed charges on certain properties owned by Papworth Trust. Repayment details are as follows:

Interest Rate	End of fixed rate period	£'000
Fixed 5.59%	March 2019	963
Fixed 5.66%	September 2021	825
Fixed 7.09%	September 2024	955
Fixed 6.97%	November 2024	332
Fixed 4.57%	July 2026	400
Fixed 4.74%	February 2027	1,100
Fixed 3.61%	March 2027	900
Variable 1.19%		1,000
Variable 1.18%		976
Variable 1.21%		663
		<u>8,114</u>

Notes to the financial statements

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

Interest Rate	End of fixed rate period	£'000
Fixed 4.32%	April 2018	1,000
Fixed 3.43%	July 2038	2,000
Variable 0.90%		1,000
Variable 0.80%		1,000
		<u>5,000</u>

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

13. Financial commitments

The annual amounts payable in respect of non-cancellable operating leases are shown below, analysed according to the expiry date of the lease.

	2015	2014
	£'000	£'000
Land and Buildings		
Expiry date:		
Within one year	68	64
Between one and two years	316	207
Between two and five years	104	138
After five years	<u>-</u>	<u>60</u>
Other		
Expiry date:		
Within one year	62	-
Between one and two years	18	45
Between two and five years	<u>4</u>	<u>-</u>

Notes to the financial statements

14. Provisions for liabilities and charges

	2015 £'000	2014 £'000
At 1 April 2014	-	15
Increase in Year	620	-
Utilised in the year	<u>-</u>	<u>(15)</u>
At 31 March 2015	<u><u>620</u></u>	<u><u>-</u></u>

Provisions comprise costs relating to the restructuring of staff teams and to dilapidations costs which will be incurred at the end of certain lease agreements.

15. Reserves

Reserves movements	Designated Reserves £'000	Restricted Reserves £'000	Revenue Reserves £'000	Total £'000
At 1 April 2014	14,567	3,987	6,060	24,614
Incoming resources	984	752	21,335	23,071
Resources expended	-	(760)	(21,540)	(22,300)
Transfer between reserves	311	-	(311)	-
At 31 March 2015	<u><u>15,862</u></u>	<u><u>3,979</u></u>	<u><u>5,544</u></u>	<u><u>25,385</u></u>

Designated Reserves	Disability Services fund £'000	Property Fund £'000	Total £'000
At 1 April 2014	924	13,643	14,567
Incoming resources	984	-	984
Resources expended	-	-	-
Transfer between reserves	<u>(203)</u>	<u>514</u>	<u>311</u>
At 31 March 2015	<u><u>1,705</u></u>	<u><u>14,157</u></u>	<u><u>15,862</u></u>

Notes to the financial statements

15. Reserves (Continued)

The Disability Services fund was established by the Trustees to provide a range of services for disabled people that cannot be funded by other means.

The Property fund has been established to ensure that Papworth Trust has sufficient funds set aside to replace the fixed assets used in its business on a like for like basis when they reach the end of their useful economic lives. The fund represents Papworth Trust's funds that are invested in tangible fixed assets, net of grants, loans and donations received specifically to finance such assets.

Restricted Reserves	1 April 2014	Incoming Resources	Resources Expended	31 March 2015
	£'000	£'000	£'000	£'000
Restricted Endowment Funds	213	6	-	219
Restricted Capital Funds				
Macfarlane Grieve House	213	9	16	238
West Suffolk DRC fund	82	53	36	171
Supported housing fund	866	(26)	(24)	816
Progression centres	438	-	(12)	426
Foundations for living	1,489	-	(72)	1,417
Ipswich and East Suffolk Rehabilitation	195	-	(12)	183
Other	79	-	(98)	(19)
	91	79	(39)	131
	<u>3,453</u>	<u>115</u>	<u>(205)</u>	<u>3,363</u>
Restricted income funds				
Rehabilitation	17	39	(53)	3
Young People's services	172	162	(103)	231
HIA funds	62	154	(133)	83
Millennium Now Grant Programme	70	-	-	70
Big Lottery Awards for All	-	276	(266)	10
	<u>321</u>	<u>631</u>	<u>(555)</u>	<u>397</u>
Total Restricted Funds	<u>3,987</u>	<u>752</u>	<u>(760)</u>	<u>3,979</u>

Notes to the financial statements

15. Reserves (Continued)

	Contingency Fund	General Fund	Total
	£'000	£'000	£'000
At 1 April 2014	6,060	-	6,060
Incoming Resources	-	21,335	21,335
Resources expended	-	(21,540)	(21,540)
Transfers	(516)	205	(311)
At 31 March 2015	5,544	-	5,544

16. Contingent liabilities

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

17. Pension commitments

Papworth Trust operates both a defined benefit and a defined contribution pension scheme for its employees. Papworth Trust also contributes to The NHS Pension Fund for former NHS staff that transferred to Papworth Trust's employment under TUPE and to several local authority and other schemes. The assets of Papworth Trust's schemes are held separately from those of Papworth Trust in independently administered funds. The unpaid contributions outstanding at the year end, included in "other creditors" (note 11) are £81,360 (2014: £82,148). Contributions to the group personal pension scheme in the year were £Nil (2014: £3,204), to the NHS Pension fund £18,816 (2014: £26,081), to the defined benefit scheme £184,274 (2014: £158,961) and to other schemes £188,788 (2014: £145,383).

Defined benefit scheme

1. The Papworth Trust participates in the Social Housing Pension Scheme (the Scheme). The Scheme is funded and is contracted-out of the State Pension scheme.
2. It is not possible in the normal course of events to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.
3. The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

Notes to the financial statements

17. Pension commitments (Continued)

4. The last formal valuation of the Scheme was performed as at 30 September 2014 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £3,123 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,323 million, equivalent to a past service funding level of 70%

18. Related parties

During the year the Trust purchased services in the normal course of business from The Varrier-Jones Foundation, an organisation with common trustees, for £147,611 (2014: £125,699) The Trust made sales to the Varrier-Jones Foundation of £100,309 (2014: £66,209).

At the balance sheet date the amount due from the Varrier-Jones Foundation was £Nil (2014: £Nil). At the balance sheet date the amount due to The Varrier-Jones Foundation was £309,203 (2014: £309,203).

The Varrier-Jones Foundation is committed to providing funding for Papworth Trust on an on-going basis. In the year ended 31 March 2015 The Varrier-Jones Foundation contributed £1,132,500 (2014: £1,510,000).

Details of transactions with trustees are disclosed in note 19.

19. Trustee emoluments

Members of the Board of Trustees received no remuneration during the year (2014: £Nil). Amounts paid to Trustees in reimbursement of travelling expenses were £2,115 (2014: £1,518).

20. Capital Commitments

Amounts contracted but not provided in the accounts amounted to £37,000 with grants of £nil receivable against them (2014: respectively £1,060,000 and £Nil). Amounts authorised by the Trustees but not contracted for were £Nil with grants of £Nil receivable against them (2014: respectively £46,000 and £Nil).

21. Trust status

Papworth Trust is a registered charity, a company limited by guarantee and is also registered with the Homes & Communities Agency as a private registered provider.

The liability of each member is limited to £1. Papworth Trust is governed by a Memorandum and Articles of Association, copies of which are available on request.

Honorary personnel, Trustees and senior managers

Patron

Her Royal Highness The Duchess of Gloucester, GCVO

Vice-Presidents

Mr A M Barnes
Mr A H Duberly CBE LL
Mrs M E Thomas CBE DL

Mr A Bridgewater
Mr A Dasgupta MBE
Mr G R W Wright DL

Lady S Marshall
Mrs J P B G Pearson resigned 26/09/13

Chair of Trustees

Mr R Hammond • □ *

Vice Chair of Trustees

Ms D Sorkin □ ○

Hon. Treasurer

Mr R Norton • ○

Other Trustees

Mr P Agar ~
Mr A Dixon – resigned 17/06/15
Mrs J A Millns □ ○
Mrs J Womack • + ~
Mr W Cuell * appointed 26/09/13
Mr A Hirst □ appointed 23/01/14
Mr P Hughes * appointed 26/09/13
Mrs S Mitchell □ appointed 22/05/14
Mr D Ogilvy ~ appointed 22/05/14
Mr G Burnand • appointed 22/05/14
Mr R O'Shaughnessy – resigned 26/09/13
Mr A Thompson – resigned 24/10/13
Mrs E Railton – appointed 26/09/13, resigned 20/12/13
Mr R Upadhyaya – resigned 23/01/14

- Member of the Finance Committee
- Member of the Independent Living Committee
- * Member of the Work and Learning Committee
- Member of the Governance Committee
- ~ Member of the Marketing and Fundraising Committee
- + Member of the Joint Investment Committee

Trustee User Representatives

Paul Johnson
Martha Grace
Rob Nixon

Leadership Team

Ms V McDermott	Chief Executive Officer
Mr T Coleman	Director of People
Ms M Davies	Director of Fundraising
Mr D Martin	Director of Strategy and Marketing
Mr A Osborne	Director of Finance and Central Services
Ms H Harris	Director of Operations

Papworth Trust is a company limited by members' guarantee of £1.00 each.

Vice-Presidents, the Chair, Vice-Chair, Honorary Treasurer and other Trustees (other than the Honorary Secretary) are the members of Papworth Trust.

The register of members is maintained at the registered office.

Principal advisors and general Trust information

Company Secretary

Mr A E Osborne

Registered Office

Bernard Sunley Centre
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Russell Funds Management
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SW1Y 4PE

Bankers

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

Lloyds Bank plc
3 Queen Street
Norwich
NR2 4SG

Pension Managers/Providers

The Defined Benefit Scheme

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

Auditors

KPMG LLP
Botanic House
100 Hills Road
Cambridge
CB2 1AR

solicitors

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 4DP

Royal Bank of Scotland plc
Housing Finance
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Pension Adviser

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people to say **i can**

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This is available in other formats and languages on request

Registered charity number: 211234. Registered provider: LH1648
Company registration number: 148906 England.