

# *RPLC*

**Richmond Parish Lands Charity**

## **Financial Statements**

**Year ended**

**30 June 2010**

Registered Charity Number: 200069

**Richmond Parish Lands Charity**

Statement of Financial Activities year ended 30 June 2010

<b>INCOME AND EXPENDITURE</b>	Note	Income Fund £	Endowment Fund £	Total 2010 £	Total 2009 £
<b>Incoming resources</b>					
Charity Property Income	2	541,884	-	541,884	525,185
Investment property income		143,104	-	143,104	137,601
Investment income	3	734,712	-	734,712	977,461
<b>Total incoming resources</b>		<u><b>1,419,700</b></u>	<u>-</u>	<u><b>1,419,700</b></u>	<u><b>1,640,247</b></u>
<b>Resources expended</b>					
<i>Cost of generating funds:</i>					
Investment property costs	4	72,360	-	72,360	70,987
Management fees	4	-	116,582	116,582	77,759
		<u>72,360</u>	<u>116,582</u>	<u>188,942</u>	<u>148,746</u>
<i>Charitable activities:</i>					
Grants	4	949,377	-	949,377	897,021
Charitable property costs	4	279,540	406,757	686,297	790,594
		<u>1,228,917</u>	<u>406,757</u>	<u>1,635,674</u>	<u>1,687,615</u>
<i>Administration:</i>					
Governance	4	62,709	-	62,709	60,448
<b>Total resources expended</b>		<u><b>1,363,986</b></u>	<u><b>523,339</b></u>	<u><b>1,887,325</b></u>	<u><b>1,896,809</b></u>
Net incoming resources before other recognised gains and losses		55,714	(523,339)	(467,625)	(256,562)
Gains on disposal of tangible fixed assets		-	413,410	413,410	-
Realised and unrealised movement on investment assets		103,325	2,879,722	2,983,047	(4,199,680)
<b>Net movement in funds</b>		<u><b>159,039</b></u>	<u><b>2,769,793</b></u>	<u><b>2,928,832</b></u>	<u><b>(4,456,242)</b></u>
Total funds brought forward 1 July 2009		2,173,153	54,507,224	56,680,377	61,136,619
<b>Total funds carried forward 30 June 2010</b>	12	<u><b>2,332,192</b></u>	<u><b>57,277,017</b></u>	<u><b>59,609,209</b></u>	<u><b>56,680,377</b></u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of financial activities.

*The notes on the following pages form part of these financial statements.*

# Richmond Parish Lands Charity

## Balance Sheet June 2010

	Note	Income Fund £	Endowment Fund £	Total 2010 £	Total 2009 £
<b>FIXED ASSETS</b>					
Freehold land and buildings	7	-	34,374,891	34,374,891	36,120,068
Other fixed assets	8	14,547	-	14,547	23,095
Investment properties	7	-	1,740,000	1,740,000	1,740,000
Other investments	9	1,395,507	20,257,091	21,652,598	17,956,649
		<u>1,410,054</u>	<u>56,371,982</u>	<u>57,782,036</u>	<u>55,839,812</u>
<b>CURRENT ASSETS</b>					
Debtors	10	340,139	-	340,139	364,743
Short term deposits		600,000	900,000	1,500,000	300,000
Cash at bank and in hand		147,675	44,382	192,057	381,788
		<u>1,087,814</u>	<u>944,382</u>	<u>2,032,196</u>	<u>1,046,531</u>
<b>LIABILITIES</b>					
Creditors and accruals	11	165,676	39,347	205,023	205,966
		<u>165,676</u>	<u>39,347</u>	<u>205,023</u>	<u>205,966</u>
<b>NET CURRENT ASSETS</b>		<u>922,138</u>	<u>905,035</u>	<u>1,827,173</u>	<u>840,565</u>
<b>TOTAL NET ASSETS</b>		<u><b>2,332,192</b></u>	<u><b>57,277,017</b></u>	<u><b>59,609,209</b></u>	<u><b>56,680,377</b></u>
Represented by:					
<b>Capital funds:</b>					
Endowment fund	12	-	57,277,017	57,277,017	54,507,224
<b>Unrestricted funds:</b>					
Fixed asset reserve		14,547	-	14,547	23,095
Designated fund - property repairs		219,119	-	219,119	135,247
General Reserve		2,098,526	-	2,098,526	2,014,811
<b>TOTAL FUNDS</b>		<u><b>2,332,192</b></u>	<u><b>57,277,017</b></u>	<u><b>59,609,209</b></u>	<u><b>56,680,377</b></u>

Approved by the Trustees and authorised for issue on 24 September 2010 and signed on their behalf by:

**Jeffery Harris**  
Chairman

**Jonathan Monckton**  
Director

The notes on the following pages form part of these financial statements.

## 1 ACCOUNTING POLICIES

The principal accounting policies adopted by the Charity in the preparation of the financial statements are set out below:

### a) Basis of financial statements preparation

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of charitable properties and fixed asset investments at valuation.

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005, applicable accounting standards and the Charities Act 1993. There have been no changes in accounting policies.

### b) Investments

Listed securities and unit trust investments have been valued at mid-market prices at the year end. Any gain or loss on revaluation and disposal is taken to the Statement of Financial Activities. Dividends on ordinary stocks, including special dividends where appropriate, and preference shares, are accrued to revenue on the dates when the investments are first quoted ex-dividend. Interest on Government and other fixed interest stocks and bank deposits is accrued on a daily basis. Unit trusts are effectively accounted for on an accruals basis with those that go XD shortly after financial year end (30 June) included in the income accounts for the period up to 30th June.

### c) Investment Properties

The investment properties are revalued every 5 years to open market value with advice on material movements being obtained between valuations. No depreciation is provided. The Trustees consider that this accounting policy results in the financial statements giving a true and fair view. Rents are accounted for as they fall due.

### d) Freehold Charitable Properties

Freehold charitable properties held for letting are stated at a 2008 valuation. Additions post valuation are discounted by 5% to reflect the tenanted value. Valuations are carried out every 5 years with advice on material movements being obtained between valuations. Expenditure on tangible assets which enhances (rather than maintains) the properties is capitalised.

### e) Tangible fixed assets and depreciation

Freehold land is not depreciated. Following the introduction of FRS 15 the Charity has adopted a policy of depreciating the buildings element of housing properties on a straight line basis over 50 years. Depreciation policy for assets in the Income Fund is as follows:

Below £2,500 - written off in the year in which it is incurred.

Above £2,500 - capitalised and depreciated using the following rates:

Furniture, fittings and fixtures	10% straight line
Computer equipment including software	25% straight line

**1 ACCOUNTING POLICIES (continued)**

f) Resources expended

Expenditure is included on an accruals basis.

Grants payable are charged in the year when the offer is conveyed to the recipient, except in those cases where the offer is conditional. Such grants are recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

The costs of generating funds comprise investment property costs and those costs directly attributable to managing the investment portfolio.

Support costs include Staff costs and are those which do not produce a direct output. Staff costs relate to specific activities and this is reflected in the allocation of payroll costs based on the percentage of time spent. The headings under which payroll costs are allocated are shown in note 4, Resources Expended.

Professional fees are charged to the Endowment and Income Funds as appropriate.

g) Allocation of support costs and overheads

Support costs and overheads have been calculated by allocating staff time to the level of involvement in the various activities of the Charity.

h) Charitable activities

Costs of charitable activities include an apportionment of overhead and support costs as shown in note 4.

i) Governance Costs

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include an apportionment of overhead and support costs as shown in note 4.

j) Incoming resources

Income generated from all sources is channelled into the Income Fund from which all expenditure including grants is paid

k) Endowment Fund

The Endowment Fund represents the permanent endowment of the Charity consisting of the balance of unsold freehold property on the Queen's Road Estate and other assets deriving from the proceeds from the Estate.

**1 ACCOUNTING POLICIES (continued)**

l) Designated fund

An amount of £83,872 (2009: -£7,092) has been transferred to the designated reserve account to meet future maintenance costs on the Charity's residential properties. The creation of designated funds is approved by the Trustees before the year end to meet specific future plans. Amendments to estimates used in calculating the level of designated funds are made up to the date of the approval of the accounts.

m) Income Fund

The assets in the Income Fund have been built up from surplus income generated in the past.

n) Pension Scheme

The Charity makes contributions to defined contribution pension schemes maintained by its employees. These contributions are charged to the income and expenditure account in the year in which they become payable.

o) Value Added Tax

Value added tax is accounted for on an accruals basis. The primary activities of the Charity, i.e. grants to charitable organisations and the provision of social housing, constitute exempt supplies. Accordingly, no input tax is recoverable. For business supplies chargeable to tax, i.e. renting units at Vestry House, input tax directly relating to goods and services that have enabled the supply, and relating to a fair proportion of the cost of central services in support of these, is recovered from HM Revenue and Customs.

**2 CHARITY PROPERTY INCOME**

	2010	2009
	£	£
Residential income	485,122	468,448
Non residential income	56,762	56,737
	<u>541,884</u>	<u>525,185</u>

**3 INVESTMENT INCOME**

	2010	2009
	£	£
Income from listed and similar investments	729,088	960,017
Money market interest	5,624	17,444
	<u>734,712</u>	<u>977,461</u>

# Richmond Parish Lands Charity

Notes on the financial Statements - 30 June 2010

## 4 RESOURCES EXPENDED

Resources expended, including the breakdown of support costs and the allocation between governance, charitable and other activities are as follows:

### Income Fund:

	Staff costs	Other Expenditure	Total 2010	Total 2009
	£	£	£	£
<u>Cost of Generating Funds</u>				
Investment property costs:				
Direct costs	-	56,834	56,834	54,840
Support costs	12,800	2,726	15,526	16,147
	12,800	59,560	72,360	70,987
<u>Charitable Activities</u>				
Grants expenditure:				
Direct grants expenditure (note 5)	-	861,927	861,927	799,663
Support costs	73,038	14,412	87,450	97,358
	73,038	876,339	949,377	897,021
Charitable Property expenditure:				
Direct costs	-	210,130	210,130	302,812
Support costs	47,530	21,880	69,410	65,873
	47,530	232,010	279,540	368,685
	120,568	1,108,349	1,228,917	1,265,706
<u>Governance</u>				
Audit fees in respect of audit services	-	14,000	14,000	13,700
Meetings costs	-	367	367	453
Annual report/AGM costs	-	2,335	2,335	2,371
Support costs	38,851	7,156	46,007	43,924
	38,851	23,858	62,709	60,448
	172,219	1,191,767	1,363,986	1,397,141

### Endowment Fund:

#### Cost of Generating Funds

Investment management costs	-	109,446	109,446	69,728
Property valuation	-	7,136	7,136	8,031
	-	116,582	116,582	77,759

#### Charitable Activities

Depreciation	-	406,757	406,757	421,909
	-	523,339	523,339	499,668
	-	523,339	523,339	499,668

**5 GRANTS PAYABLE**

	2010	2009
	£	£
The grants payable in the year comprises:		
Total institutional grants – 86 (2009: 100)	663,555	604,499
Total grants to individuals - 1,031 (2009: 1,106)	198,372	195,164
	<u>861,927</u>	<u>799,663</u>

A detailed list of grants payable is given in the Trustees Report attached to these financial statements.

	2010	2009
	£	£
Reconciliation of grants payable:		
Commitments at 1 July 2009	2,769	29,195
Commitments made and payable in the year	861,927	799,663
	<u>864,696</u>	<u>828,858</u>
Grants payable during the year	861,764	826,089
Commitments at 30 June 2010 (note 11)	<u>2,932</u>	<u>2,769</u>

In addition to the amounts committed and accrued noted above, the Trustees can also authorise certain grants which are subject to the recipient fulfilling certain conditions. The total amount authorised but not accrued as expenditure at 30 June 2010 was £Nil (2009: £Nil).

**6 TRUSTEES' AND EMPLOYEES' EMOLUMENTS**

None of the Trustees received any emoluments or reimbursed expenses (2009: £Nil).

	2010	2009
	£	£
Wages and salaries	144,066	157,787
Social security costs	14,053	14,633
Pension costs	14,100	15,005
	<u>172,219</u>	<u>187,425</u>

The average number of employees (full time equivalents) working for the Charity was 3.3 (2009:4)

No employees received emoluments, as defined for taxation purposes, which amounted to over £60,000 in the year.

# Richmond Parish Lands Charity

Notes on the financial Statements - 30 June 2010

## 7 FREEHOLD LAND AND BUILDINGS

	Caplan Court Cambrian Centre Cambrian/Chisholm Rd	Other Properties	Other Land	Total
	£	£	£	£
<b>a) Endowment Fund: Charitable Properties</b>				
Cost and valuation at 1 July 2009	15,865,486	19,119,491	1,557,000	36,541,977
Additions at cost	7,917	16,010	-	23,927
Disposals at cost	(1,377,500)	-	-	(1,377,500)
Cost and valuation at 30 June 2010	<u>14,495,903</u>	<u>19,135,501</u>	<u>1,557,000</u>	<u>35,188,404</u>
Depreciation at 1 July 2009	173,781	248,128	-	421,909
Depreciation charge for the year	158,629	248,128	-	406,757
Depreciation on disposals	(15,153)	-	-	(15,153)
Depreciation at 30 June 2010	<u>317,257</u>	<u>496,256</u>	<u>-</u>	<u>813,513</u>
Net book value at 30 June 2010	<u>14,178,646</u>	<u>18,639,245</u>	<u>1,557,000</u>	<u>34,374,891</u>
Net book value at 30 June 2009	<u>15,691,705</u>	<u>18,871,363</u>	<u>1,557,000</u>	<u>36,120,068</u>

**The gross value of land and buildings is stated at:**

Revaluation	14,420,750	19,086,750	1,557,000	35,064,500
Additions at cost	75,153	48,751	-	123,904
At 30 June 2010	<u>14,495,903</u>	<u>19,135,501</u>	<u>1,557,000</u>	<u>35,188,404</u>

**All residential properties and the Cambrian Centre** were valued as at 30 June 2008 by a chartered surveyor of Shaw and Company, 25-27 Kew Road, Richmond, Surrey. The valuations took into account both market values and tenancy details pertaining as at that date.

The other freehold land on the Queens Road was valued as at 30 June 2007 by a chartered surveyor of Michael Rogers, 2 Friars Lane, Richmond, Surrey.

7 FREEHOLD LAND AND BUILDINGS (continued)

	Vestry House £	Dickson House £	Total £
<b>b) Endowment Fund – Investment Properties</b>			
Cost and valuation at 1 July 2009	1,200,000	540,000	1,740,000
Cost and valuation at 30 June 2010	<u>1,200,000</u>	<u>540,000</u>	<u>1,740,000</u>
The gross value of land and buildings is stated at:			
Revaluation	1,200,000	540,000	1,740,000
At 30 June 2010	<u>1,200,000</u>	<u>540,000</u>	<u>1,740,000</u>

**The Vestry House** was valued as at 30 June 2006 by a chartered surveyor of Michael Rogers, 2 Friars Lane, Richmond, Surrey. The valuation of £1,200,000 was based on the open market value as at that date. Vestry House is partly used as offices by the Charity.

**Dickson House** was valued as at 30 June 2009 by a chartered surveyor of Martin Campbell & Co, 6 Duke Street, Richmond, Surrey. The valuation took into account both market values and tenancy details pertaining as at that date.

# Richmond Parish Lands Charity

Notes on the financial Statements - 30 June 2010

## 8 OTHER FIXED ASSETS

<u>Cost</u>	Computer & office equipment £	Furniture fixtures & fitting £	Total £
At 1 July 2009	29,520	30,703	60,223
At 30 June 2010	<u>29,520</u>	<u>30,703</u>	<u>60,223</u>
 <u>Depreciation</u>			
At 1 July 2009	16,695	20,433	37,128
Depreciation charge for the year	6,651	1,897	8,548
At 30 June 2010	<u>23,346</u>	<u>22,330</u>	<u>45,676</u>
 <u>Net book value:</u>			
At 30 June 2010	<u>6,174</u>	<u>8,373</u>	<u>14,547</u>
At 30 June 2009	<u>12,825</u>	<u>10,270</u>	<u>23,095</u>

## 9 INVESTMENTS

Movements in the investments have been as follows:

	2010		2009	
	Income Fund £	Endowment Fund £	Income Fund £	Endowment Fund £
Valuation at 1 July 2009	1,292,182	16,664,467	1,146,217	20,792,842
Unrealised (appreciation)/depreciation	(34,379)	(70,523)	190,045	768,073
<b>Cost at 1 July 2009</b>	<u>1,257,803</u>	<u>16,593,944</u>	<u>1,336,262</u>	<u>21,560,915</u>
Additions at cost	451,305	9,320,633	1,256,455	12,592,112
Disposals at cost	(451,305)	(7,004,891)	(1,334,914)	(17,559,083)
<b>Cost at 30 June 2010</b>	<u>1,257,803</u>	<u>18,909,686</u>	<u>1,257,803</u>	<u>16,593,944</u>
Unrealised appreciation/(depreciation)	137,704	1,347,405	34,379	70,523
<b>Valuation at 30 June 2010</b>	<u>1,395,507</u>	<u>20,257,091</u>	<u>1,292,182</u>	<u>16,664,467</u>

# Richmond Parish Lands Charity

Notes on the financial Statements - 30 June 2010

## 9 INVESTMENTS (continued)

Investments at the balance sheet date comprise:

	2010		2009	
	Income Fund	Endowment Fund	Income Fund	Endowment Fund
	£	£	£	£
<u>Listed securities:</u>				
Government stocks	-	-	-	1,466,049
Other fixed interest	-	541,361	-	2,409,910
Equities	-	10,742,514	-	8,500,717
	-	11,283,875	-	12,376,676
Unit trusts and funds	1,148,533	8,680,378	593,903	3,641,863
Cash held by investment managers	246,974	292,838	698,279	645,928
Total investments at market value: 30 June 2010	<b>1,395,507</b>	<b>20,257,091</b>	<b>1,292,182</b>	<b>16,664,467</b>

UK listed investments representing more than 5% (by market value) include:

<u>Fixed interest securities:</u>	Market value	Number of units	%
Sarasin Equisar Global Thematic Fund	1,403,050	275,000	7
Sarasin International Equity Income Fund	2,998,077	3,093,990	15
Sarasin Sterling Bond	3,500,794	3,505,000	17
	<b>7,901,921</b>		

# Richmond Parish Lands Charity

## Notes on the financial Statements - 30 June 2010

<b>10</b>	<b>DEBTORS</b>		
	Amounts due within one year	2010	2009
		£	£
	Rent and service charges	24,861	23,487
	Amounts in hands of agents	29,229	37,213
	Dividends and interest receivable	256,523	287,694
	Other debtors and prepayments	29,526	16,349
		<u>340,139</u>	<u>364,743</u>

<b>11</b>	<b>CREDITORS AND ACCRUALS</b>		
	Amounts due within one year	2010	2009
	<b>Income Fund</b>	£	£
	Trade creditors	25,621	69,515
	PAYE and social security costs	3,824	-
	Sundry creditors and accruals	50,148	44,215
	Grants payable (note 5)	2,932	2,769
	Service charge creditors	83,151	72,156
		<u>165,676</u>	<u>188,655</u>
	<b>Endowment Fund</b>		
	Sundry creditors and accruals	39,347	17,311
		<u>205,023</u>	<u>205,966</u>

### 12 RESERVES

The income funds of the charity include the following funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance 1 July 2009	Income	Expenditure	Invest/assets Gains(Losses)	Transfers	Balance 30 June 2010
	£	£	£	£	£	£
General reserve	2,014,811	1,419,700	(1,363,986)	103,325	(75,324)	2,098,526
Fixed asset reserve	23,095	-	-	-	(8,548)	14,547
Designated reserve	135,247	-	-	-	83,872	219,119
<b>Total unrestricted Funds</b>	<u>2,173,153</u>	<u>1,419,700</u>	<u>(1,363,986)</u>	<u>103,325</u>	<u>-</u>	<u>2,332,192</u>
Endowment reserve	54,507,224	-	(523,339)	3,293,132	-	57,277,017
<b>Total Funds</b>	<u>56,680,377</u>	<u>1,419,700</u>	<u>(1,887,325)</u>	<u>3,396,457</u>	<u>-</u>	<u>59,609,209</u>

The **Fixed asset reserve** is the level of reserves represented by non liquid funds.

The **Designated reserve** is held to meet the fluctuation in maintenance costs over the years on the charity's residential properties. The level of reserve was considered in May 2010 and is reviewed periodically.

# Richmond Parish Lands Charity

Notes on the financial Statements - 30 June 2010

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## 13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 30 June 2010 are represented by:

	Unrestricted funds £	Endowment funds £	Total £
Tangible fixed assets	14,547	36,114,891	36,129,438
Investments	1,395,507	20,257,091	21,652,598
Current assets	1,087,814	944,382	2,032,196
Current liabilities	<u>(165,676)</u>	<u>(39,347)</u>	<u>(205,023)</u>
Total net assets	<u>2,332,192</u>	<u>57,277,017</u>	<u>59,609,209</u>

## 14 CAPITAL COMMITMENT

Capital commitments agreed but not contracted for amounted to £nil (2009: £nil).

## 15 TAX STATUS

The charity is exempt from taxation on income and capital gains.

## 16 RELATED PARTY TRANSACTIONS

Some of the Trustees are connected with one or more voluntary organisations which receive grants from the Charity. When the possibility of awarding a grant to such an organisation is being considered, the Trustee declares an interest and does not take part in the final decision.

A register is kept of all Trustees' interests and is updated annually.

(Figures in brackets relate to grants made in the previous year)

During 2009/10 the Board of Trustees awarded a grant of £48,000 (£48,256) to RBMind to manage the Vineyard project in Richmond. Janet Kingston, one of the RPLC trustees, was a Trustees of RBMind at the time. Janet Kingston was also a trustee of Integrated Neurological Services which received a grant of £20,000 (£17,660) to cover staff and other core costs.

The Board of Trustees awarded a grant of £1,950 (£300) to the Richmond Legal Advice Service. Rita Biddulph, one of the RPLC trustees, was a Trustee of the Richmond Legal Advice Service at the time.

During 2009/10 the Board of Trustees awarded three grants totalling £14,785 (£20,320) to the Mortlake Community Association towards core costs and part funding of the volunteer co-ordinator's salary. Margaret Saunders, one of the RPLC trustees, was a Trustee of the Mortlake Community Association at the time. Margaret Saunders was also a trustee of the FiSH Neighbourhood Voluntary Care Scheme which received a grant of £4,500 (£4,500) as a contribution to cover staff costs.

Two grants totalling £25,300 were awarded to Richmond Crossroads in support of respite care provision. A relative of Martin Taylor, an RPLC Trustee, works part-time for Richmond Crossroads.

The Board of Trustees awarded a grant of £8,500 (£8,544) to Kew Community Trust to support the running costs of the social club. Robert Guy, one of the RPLC trustees, was a Kew Community Trust at the time. Robert Guy was also a trustee of the Orange Tree Theatre to which grants of £14,600 (£14,547) were made towards the running costs of the Community and Education Programmes.

During 2009/10 the Board of Trustees awarded three grants totalling £36,300 (£20,782) to SPEAR as a contribution to the core running costs of this charity working with homeless people in Richmond and supporting its mentoring service. Sue Jones, one of the RPLC trustees, was a Trustee of SPEAR at the time. Sue Jones was also a trustee of the Museum of Richmond which received a grant of £4,475 (£4,475).

The Board of Trustees awarded a grant of £7,600 (£7,000) to Central and Cecil Housing Trust. Martin Taylor, one of the RPLC trustees, has a relative residing in a Central and Cecil Housing Trust home.

**To the Trustees of Richmond Parish Lands Charity**

We have audited the financial statements of Richmond Parish Lands Charity for the year ended 30 June 2010 which comprise the statement of financial activities, the balance sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees as a body, in accordance with regulations made under section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees 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 the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

The trustees' responsibilities for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of trustees' responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act.

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

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Charities Act 1993.

We also report to you if, in our opinion, the information given in Report of the Trustees is not consistent with those financial statements, if the charity has not kept sufficient accounting records, if the charity's financial statements are not in agreement with those accounting records, or if we have not received all the information and explanations we require for our audit.

We read Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

***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 significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

***Opinion***

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 30 June 2010 and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993.

PKF (UK) LLP  
Statutory auditors  
Guildford

Date: