

RPLC

Richmond Parish Lands Charity

Financial Statements

Year ended

30 June 2011

INCOME AND EXPENDITURE	Note	Income Fund £	Endowment Fund £	Total 2011 £	As Restated 2010 £
Incoming resources					
Charity Property Income	2	555,350	-	555,350	541,884
Investment property income		144,615	-	144,615	143,104
Investment income	3	871,051	-	871,051	734,712
Other incoming resources					
Net gain on disposal of properties		-	537,075	537,075	413,410
Total incoming resources		<u>1,571,016</u>	<u>537,075</u>	<u>2,108,091</u>	<u>1,833,110</u>
Resources expended					
<i>Cost of generating funds:</i>					
Investment property costs	4	64,592	-	64,592	72,360
Management fees	4	-	145,149	145,149	116,582
		<u>64,592</u>	<u>145,149</u>	<u>209,741</u>	<u>188,942</u>
<i>Charitable activities:</i>					
Grants	4	983,780	-	983,780	949,377
Charitable property costs	4	443,306	402,198	845,504	686,297
		<u>1,427,086</u>	<u>402,198</u>	<u>1,829,284</u>	<u>1,635,674</u>
<i>Administration:</i>					
Governance	4	64,628	-	64,628	62,709
Total resources expended		<u>1,556,306</u>	<u>547,347</u>	<u>2,103,653</u>	<u>1,887,325</u>
Net incoming resources before other recognised gains and losses		14,710	(10,272)	4,438	(54,215)
Gain on revaluation of tangible fixed assets		-	3,793,419	3,793,419	-
Realised and unrealised movement on investment assets		112,784	3,504,429	3,617,213	2,983,047
Net movement in funds		<u>127,494</u>	<u>7,287,576</u>	<u>7,415,070</u>	<u>2,928,832</u>
Total funds brought forward 1 July 2010		2,332,192	57,277,017	59,609,209	56,680,377
Total funds carried forward 30 June 2011	12	<u>2,459,686</u>	<u>64,564,593</u>	<u>67,024,279</u>	<u>59,609,209</u>

All amounts relate to continuing activities.

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

The 2010 comparatives have been restated to move the net gain on disposal of properties into incoming resources to comply with the correct SORP disclosure

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

Richmond Parish Lands Charity

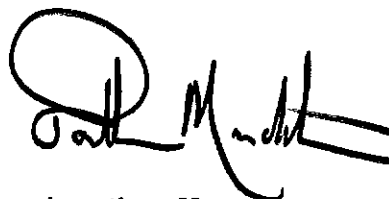
Balance Sheet June 2011

	Note	Income Fund £	Endowment Fund £	Total 2011 £	Total 2010 £
FIXED ASSETS					
Freehold land and buildings	7	-	37,604,000	37,604,000	34,374,891
Other fixed assets	8	10,200	-	10,200	14,547
Investment properties	7	-	1,790,000	1,790,000	1,740,000
Other investments	9	1,808,291	25,110,752	26,919,043	21,652,598
		<u>1,818,491</u>	<u>64,504,752</u>	<u>66,323,243</u>	<u>57,782,036</u>
CURRENT ASSETS					
Debtors	10	293,393	-	293,393	340,139
Short term deposits		400,000	-	400,000	1,500,000
Cash at bank and in hand		84,657	110,040	194,697	192,057
		<u>778,050</u>	<u>110,040</u>	<u>888,090</u>	<u>2,032,196</u>
LIABILITIES					
Creditors and accruals	11	136,855	50,199	187,054	205,023
		<u>136,855</u>	<u>50,199</u>	<u>187,054</u>	<u>205,023</u>
NET CURRENT ASSETS		<u>641,195</u>	<u>59,841</u>	<u>701,036</u>	<u>1,827,173</u>
TOTAL NET ASSETS		<u>2,459,686</u>	<u>64,564,593</u>	<u>67,024,279</u>	<u>59,609,209</u>
Represented by:					
Capital funds:					
Endowment fund	12	-	64,564,593	64,564,593	57,277,017
Unrestricted funds:					
Fixed asset reserve		10,200	-	10,200	14,547
Designated fund - property repairs		244,222	-	244,222	219,119
General Reserve		2,205,264	-	2,205,264	2,098,526
TOTAL FUNDS		<u>2,459,686</u>	<u>64,564,593</u>	<u>67,024,279</u>	<u>59,609,209</u>

Approved by the Trustees and authorised for issue on 28 September 2011 and signed on their behalf by:



Colin Craib
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 2011 valuation. Additions post valuation are discounted by 5% to reflect the tenanted value. Valuations are carried out within 5 years with advice on material movements being obtained between valuations. Expenditure on tangible assets which enhances (rather than maintains) the properties is capitalised. Rents are accounted for as they fall due.

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 £25,103 (2010: £83,872) 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

	2011	2010
	£	£
Residential income	498,819	485,122
Non residential income	56,531	56,762
	<u>555,350</u>	<u>541,884</u>

3 INVESTMENT INCOME

	2011	2010
	£	£
Income from listed and similar investments	865,762	729,088
Money market interest	5,289	5,624
	<u>871,051</u>	<u>734,712</u>

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 2011	Total 2010
	£	£	£	£
<u>Cost of Generating Funds</u>				
Investment property costs:				
Direct costs	-	48,635	48,635	56,834
Support costs	13,173	2,784	15,957	15,526
	<u>13,173</u>	<u>51,419</u>	<u>64,592</u>	<u>72,360</u>
<u>Charitable Activities</u>				
Grants expenditure:				
Direct grants expenditure (note 5)	-	893,807	893,807	861,927
Support costs	75,195	14,778	89,973	87,450
	<u>75,195</u>	<u>908,585</u>	<u>983,780</u>	<u>949,377</u>
Charitable Property expenditure:				
Direct costs	-	377,348	377,348	210,130
Support costs	49,170	16,788	65,958	69,410
	<u>49,170</u>	<u>394,136</u>	<u>443,306</u>	<u>279,540</u>
	<u>124,365</u>	<u>1,302,721</u>	<u>1,427,086</u>	<u>1,228,917</u>
<u>Governance</u>				
Audit fees in respect of audit services	-	14,700	14,700	14,000
Meetings costs	-	554	554	367
Annual report/AGM costs	-	2,162	2,162	2,335
Support costs	39,904	7,308	47,212	46,007
	<u>39,904</u>	<u>24,724</u>	<u>64,628</u>	<u>62,709</u>
	<u>177,442</u>	<u>1,378,864</u>	<u>1,556,306</u>	<u>1,363,986</u>

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

Endowment Fund:Cost of Generating Funds

Investment management costs	-	125,949	125,949	109,446
Property valuation	-	19,200	19,200	7,136
	-	<u>145,149</u>	<u>145,149</u>	<u>116,582</u>
<u>Charitable Activities</u>				
Depreciation	-	402,198	402,198	406,757
	-	<u>547,347</u>	<u>547,347</u>	<u>523,339</u>

5 GRANTS PAYABLE

	2011	2010
	£	£
The grants payable in the year comprises:		
Total institutional grants – 93 (2010: 86)	673,437	663,555
Total grants to individuals - 1,020 (2010: 1,031)	220,370	198,372
	<u>893,807</u>	<u>861,927</u>

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

	2011	2010
	£	£
Reconciliation of grants payable:		
Commitments at 1 July 2010	2,932	2,769
Commitments made and payable in the year	893,807	861,927
	<u>896,739</u>	<u>864,696</u>
Grants payable during the year	888,463	861,764
Commitments at 30 June 2011 (note 11)	<u>8,276</u>	<u>2,932</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 2011 was £Nil (2010: £Nil).

6 TRUSTEES' AND EMPLOYEES' EMOLUMENTS

None of the Trustees received any emoluments or reimbursed expenses (2010: £Nil).

	2011	2010
	£	£
Wages and salaries	148,247	144,066
Social security costs	14,600	14,053
Pension costs	14,595	14,100
	<u>177,442</u>	<u>172,219</u>

The average number of employees (full time equivalents) working for the Charity was 3.3 (2010:3.3)

One employee (2010: Nil) received emoluments, as defined for taxation purposes, which amounted to between £60,000 and £70,000 in the year.

7 FREEHOLD LAND AND BUILDINGS

	Caplan Court Cambrian Centre Cambrian/Chisholm Rd £	Other Properties £	Other Land £	Total £
a) Endowment Fund: Charitable Properties				
Cost and valuation at 1 July 2010	14,495,903	19,135,501	1,557,000	35,188,404
Additions at cost	-	678,134	-	678,134
Disposals at cost	(812,500)	-	-	(812,500)
(Deficit)/Surplus on Revaluation	(455,403)	1,626,365	1,379,000	2,549,962
Cost and valuation at 30 June 2011	<u>13,228,000</u>	<u>21,440,000</u>	<u>2,936,000</u>	<u>37,604,000</u>
Depreciation at 1 July 2010	317,257	496,256	-	813,513
Depreciation charge for the year	154,070	248,128	-	402,198
Depreciation written back on Revaluation	(449,073)	(744,384)	-	(1,193,457)
Depreciation on disposals	(22,254)	-	-	(22,254)
Depreciation at 30 June 2011	<u>0</u>	<u>0</u>	<u>-</u>	<u>0</u>
Net book value at 30 June 2011	<u>13,228,000</u>	<u>21,440,000</u>	<u>2,936,000</u>	<u>37,604,000</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>
The gross value of land and buildings is stated at:				
At 30 June 2011 valuation	<u>13,228,000</u>	<u>21,440,000</u>	<u>2,936,000</u>	<u>37,604,000</u>

All residential properties, the Cambrian Centre and other Land were valued as at 30 June 2011 by a chartered surveyor of Michael Rogers, Beckett House, Vestry Road, Sevenoaks, TN14 5EL.

The valuations took into account both market values and tenancy details pertaining as at that date.

7 FREEHOLD LAND AND BUILDINGS (continued)

	Vestry House £	Dickson House £	Total £
b) Endowment Fund – Investment Properties			
Cost and valuation at 1 July 2010	1,200,000	540,000	1,740,000
Surplus arising on valuation	50,000	-	50,000
Cost and valuation at 30 June 2011	<u>1,250,000</u>	<u>540,000</u>	<u>1,790,000</u>
The gross value of land and buildings is stated at:			
Revaluation	<u>1,250,000</u>	<u>540,000</u>	<u>1,790,000</u>
At 30 June 2011	<u>1,250,000</u>	<u>540,000</u>	<u>1,790,000</u>

The Vestry House and Dickson House was valued as at 30 June 2011 by a chartered surveyor of Michael Rogers, Beckett House, Vestry Road, Sevenoaks, TN14 5EL.

The valuation took into account both market values and tenancy details pertaining as at that date. Vestry House is partly used as offices by the Charity.

8 OTHER FIXED ASSETS

	Computer & office equipment £	Furniture fixtures & fitting £	Total £
<u>Cost</u>			
At 1 July 2010	29,520	30,703	60,223
Additions in year	3,320	-	3,320
At 30 June 2011	<u>32,840</u>	<u>30,703</u>	<u>63,543</u>
<u>Depreciation</u>			
At 1 July 2010	23,346	22,330	45,676
Depreciation charge for the year	5,772	1,895	7,667
At 30 June 2011	<u>29,118</u>	<u>24,225</u>	<u>53,343</u>
<u>Net book value:</u>			
At 30 June 2011	<u>3,722</u>	<u>6,478</u>	<u>10,200</u>
At 30 June 2010	<u>6,174</u>	<u>8,373</u>	<u>14,547</u>

9 INVESTMENTS

Movements in the investments have been as follows:

	2011		2010	
	Income Fund £	Endowment Fund £	Income Fund £	Endowment Fund £
Valuation at 1 July 2010	1,395,507	20,257,091	1,292,182	16,664,467
Unrealised (appreciation)/depreciation	(137,704)	(1,347,405)	(34,379)	(70,523)
Cost at 1 July 2010	1,257,803	18,909,686	1,257,803	16,593,944
Additions at cost	300,000	4,719,815	451,305	9,320,633
Disposals at cost	-	(2,755,960)	(451,305)	(7,004,891)
Cost at 30 June 2011	1,557,803	20,873,541	1,257,803	18,909,686
Unrealised appreciation/(depreciation)	250,488	4,237,211	137,704	1,347,405
Valuation at 30 June 2011	<u>1,808,291</u>	<u>25,110,752</u>	<u>1,395,507</u>	<u>20,257,091</u>

9 INVESTMENTS (continued)

Investments at the balance sheet date comprise:

	2011		2010	
	Income Fund £	Endowment Fund £	Income Fund £	Endowment Fund £
<u>Listed securities:</u>				
Other fixed interest	-	609,413	-	541,361
Equities	-	13,289,248	-	10,742,514
		<u>-</u>		<u>-</u>
		13,898,661		11,283,875
Unit trusts and funds	1,253,857	9,970,675	1,148,533	8,680,378
Cash held by investment managers	554,434	1,241,416	246,974	292,838
Total investments at market value: 30 June 2011	<u>1,808,291</u>	<u>25,110,752</u>	<u>1,395,507</u>	<u>20,257,091</u>

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	2,192,756	275,000	9
Sarasin International Equity Income Fund	3,517,455	3,093,990	14
Sarasin Sterling Bond	3,372,625	3,505,000	13
	<u>9,082,836</u>		

Notes on the financial Statements - 30 June 2011

10 DEBTORS		
Amounts due within one year	2011	2010
	£	£
Rent and service charges	29,566	24,861
Amounts in hands of agents	35,556	29,229
Dividends and interest receivable	210,525	256,523
Other debtors and prepayments	17,746	29,526
	<u>293,393</u>	<u>340,139</u>

11 CREDITORS AND ACCRUALS		
Amounts due within one year	2011	2010
Income Fund	£	£
Trade creditors	35,237	25,621
PAYE and social security costs	3,961	3,824
Sundry creditors and accruals	50,996	50,148
Grants payable (note 5)	8,276	2,932
Service charge creditors	38,385	83,151
	<u>136,855</u>	<u>165,676</u>
Endowment Fund		
Sundry creditors and accruals	50,199	39,347
	<u>187,054</u>	<u>205,023</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 2010	Income	Expenditure	Invest/assets Gains(Losses)	Transfers	Balance 30 June 2011
	£	£	£	£	£	£
General reserve	2,098,526	1,571,016	(1,556,306)	112,784	(20,756)	2,205,264
Fixed asset reserve	14,547	-	-	-	(4,347)	10,200
Designated reserve	219,119	-	-	-	25,103	244,222
Total unrestricted Funds	<u>2,332,192</u>	<u>1,571,016</u>	<u>(1,556,306)</u>	<u>112,784</u>	<u>-</u>	<u>2,459,686</u>
Endowment reserve	57,277,017	537,075	(547,347)	7,297,848	-	64,564,593
Total Funds	<u>59,609,209</u>	<u>2,108,091</u>	<u>(2,103,653)</u>	<u>7,410,632</u>	<u>-</u>	<u>67,024,279</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 September 2010 and is reviewed periodically.

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 30 June 2011 are represented by:

	Unrestricted funds £	Endowment funds £	Total £
Tangible fixed assets	10,200	39,394,000	39,404,200
Investments	1,808,291	25,110,752	26,919,043
Current assets	778,050	110,040	888,090
Current liabilities	(136,855)	(50,199)	(187,054)
Total net assets	<u><u>2,459,686</u></u>	<u><u>64,564,593</u></u>	<u><u>67,024,279</u></u>

14 CAPITAL COMMITMENT

Capital commitments agreed but not contracted for amounted to £nil (2010: £nil).

15 TAX STATUS

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

16 CONTINGENT ASSETS

The charity has loan agreements / legal charges on:

a) **Queen Charlotte's Hall** (£732,362), Parkshott dated 7 February 1983. If the covenants and stipulations are observed and performed for a period of 60 years no repayments will be required.

b) **The Vineyard Congregational Church** (£102,508 together with a share in the increased capital value of the Church site) dated 1 February 1991. The loan is repayable when the Church is sold or otherwise disposed of.

The current market value of the RPLC's interest in these properties is £Nil.

17 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 2010/11 the Board of Trustees awarded a grant of £24,700 (£48,000) to RBMind to manage the Vineyard Project in Richmond. Janet Kingston, one of the RPLC trustees, was a Trustee of RBMind at the time. Janet Kingston was also a trustee of Integrated Neurological Services which received a grant of £20,600 (£20,000) to cover staff and other core costs.

The Board of Trustees awarded a grant of £2,000 (£1,950) 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 2010/11 the Board of Trustees awarded two grants totalling £13,700 (£14,785) 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 (£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 two grants totalling £12,835 (£8,500) 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 trustee at the time. Robert Guy was also a trustee of the Orange Tree Theatre to which two grants totalling £16,500 (£14,600) were made towards the running costs of the Community and Education Programmes and the Funsense project.

During 2010/11 the Board of Trustees awarded four grants totalling £42,400 (£36,300) 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 £4,500 (£4,475) and a governor of Meadlands school which received a grant of £1,612 (£0).

The Board of Trustees awarded a grant of £7,800 (£7,600) 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.

INDEPENDENT AUDITOR'S REPORT 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 2011 which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 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 auditor

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements, which give a true and fair view. We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with that Act. 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2011 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 1993 and regulations made thereunder .

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where regulations made under the Charities Act 1993 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept in respect of the charity; or
- the financial statements do not accord with the accounting records; or
- any information contained in the financial statements is inconsistent in any material respect with the trustees report; or
- any information or explanation to which we are entitled has not been afforded to us.

PKF (UK) LLP

Richard Faulkner
Senior statutory auditor
For and on behalf of PKF (UK) LLP, Statutory auditor

Guildford

Date: 29/9/11