

PURLEY PARK TRUST LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

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PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

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PURLEY PARK TRUST LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2011**

Governors

Mr J Armitage FCA (appointed 19 July 2011)
Mr J E Carlo
Mrs J Farr
Mr L D Jones OBE FCCA, (Chairman)
Mrs K S Robinson (appointed 19 July 2011)
Professor D M Warburton B Sc , A M , Ph D , F Br Psy S , FRSA, C Psychol
Mr R J Watsham

Registered Company Number

989820 (England & Wales)

Registered Charity Number

261726

Registered Office

Purley Park Trust
12 Huckleberry Close
Purley-on-Thames
Reading
Berkshire
RG8 8EH

Company Secretary

Mr M R Lett

Auditors

James Cowper LLP
Statutory Auditor and Chartered Accountants
3 Wesley Gate
Queen's Road
Reading
Berkshire
RG1 4AP

Bankers

National Westminster Bank Plc
4 High Street
Pangbourne
Reading
Berkshire
RG8 7AD

Solicitors

Field Seymour Parkes
1 London Street
Reading
Berkshire
RG1 4PN

PURLEY PARK TRUST LIMITED
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CHAIRMAN'S STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2011

I had fully expected that this year's Chairman's Statement would once again be written by David Tovey. His sudden and tragic death half way through the year saddened us all and was an immense loss to the Trust. I am very grateful to my fellow Governors for their faith in electing me as their Chairman in such unfortunate circumstances.

Although the year has been marked by that loss and by disappointing financial results, it has been a very busy one and for our Service Users a very successful one. Last year we supported more Service Users than ever before, and this year still more took advantage of the services offered by Purley Park Trust. Our capacity and capability to meet more varied needs further increased, and, despite the very challenging position resulting from Local Authorities' underfunding us, we made considerable progress.

This year was the third consecutive year in which we achieved full occupancy for most of the year in our Residential Care homes. The referrals which we were able to accept (there were many for whom we did not have a vacancy at the time) were, as expected, more complex and needful. One effect of this is to enhance the Trust's reputation for being able to support Residents whose behaviour and needs have made placement difficult. We continued to receive referrals for Supported Living at a steady rate, but were not able to accept most of these as the Local Authorities wanted us to find the accommodation as well as the care support (the latter presenting us with no difficulty, but the former constituting a real hurdle). Expansion of our Domiciliary Care service was slower than we had anticipated, but interest in our Day Services was very encouraging.

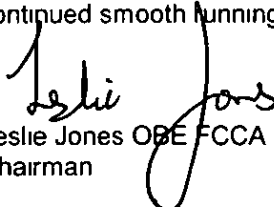
Looking back at last year's Report, it is depressing to note that the main adverse factors that affected the financial performance last year, albeit not to the extent of creating a deficit, were unchanged this year.

- the blunt refusal by Local Authorities to increase existing fee levels, despite acknowledging that the levels are well below actual cost, compounded by a refusal to award any inflationary uplift,
- the continuing high cost of utilities, fuel and food,
- the cost of maintaining high Staff-to-Resident ratios to meet increased needs and more complex referrals.

Nevertheless, we have managed to limit the damaging effect of these factors which are, of course, wholly beyond our control. Without firm management and were it not for the effort put into increasing non-residential care income, the deficit this year would have been much greater. Importantly, too, the need for tight financial management has not led to any reduction in the high standard of care for which the Trust is justly renowned, and the dedication and tenacity of the Staff continues to be very impressive.

In his three previous Statements my predecessor referred at some length to the difficulties that we (and other Providers) were experiencing with Local Authorities' stance on fee levels. Last year he forecast no change in the position for this year and the next, he has been proven right as far as this year is concerned, and we can see little hope of any change next year. This means, of course, that the operating climate will remain difficult for quite some time to come. Despite this, I am confident that we shall remain a strong player in the market, which, in some respects, is still buoyant and holds considerable promise. Despite, too, this year's disappointing results, the financial position of the Trust remains solid and our ability to deliver high quality services will ensure that our services will always be in demand.

The proper governance of the Trust in a less than ideal operating climate continues to be a high priority for my fellow Governors and me. We intend to build on the initiatives introduced during the past three or four years during my predecessor's tenure and one of our main priorities is the recruitment to the Board of more Governors who will be able to strengthen and broaden the experience and skills which the Governors bring to the governance of the Trust. The untimely death of my predecessor came as a great shock to us all, and I have been very touched and grateful for the support which the Governors have given me. I have been greatly impressed, too, with the way in which the Staff have continued to uphold the ethos of the Trust and ensured its continued smooth running.


Leslie Jones OBE FCCA
Chairman

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011

The Governors (the Trustees) submit their report and the financial statements for the year ended 31st March 2011. The Governors confirm that the accounts comply with the Companies Act 2006 and the Charities (Accounts and Reports) Regulations 1995, have been prepared in accordance with the Statement of Recommended Practice – 'Accounting by Charities' issued in 2005 and comply with the Company's Memorandum and Articles of Association which is the Trust's governing document.

Charitable objects

The Governors, as Trustees of the Charity, mindful of the Charity Commission's guidance on 'Public Benefit' are satisfied that the Memorandum fulfils the criteria and that the activities of the Trust are wholly and exclusively for the public benefit. All the beneficiaries of the Trust's aims and activities are people with a learning disability (and in many cases with other forms of disability) who are unable to live independently. The amount of support that each individual beneficiary needs varies, but all need help with some or all of their daily lives, empowering and enabling them to lead rewarding and fulfilling lives to the best of their abilities is fundamental to the Trust's ethos.

What we aim to do

- To provide a safe and comfortable home for adults with learning disabilities who are unable to lead fully independent lives (the Residents)
- To meet the care needs of those whose home is Purley Park and support them in their daily lives
- To enable the Residents to lead constructive and rewarding lives, affording them the opportunity to fulfil the potential of their abilities
- To support more able adults who have a learning disability to live as independently as possible, by providing Supported Living, Domiciliary Care and Day Services

How we do it

- We have eight houses at Purley Park, each registered as a residential care home, that are home to a total of 53 Residents, they are all purpose built, but vary in size and style with between five and eight Residents in each. Each house is domestic in scale and furnished to a high standard, but with appropriate specialised equipment and facilities. We also have a house in Purley-on-Thames village for four Residents and one in Pangbourne for three Residents, all of whom benefit from the Supported Living concept of care. We are registered as a Domiciliary Care Agency as well, in order to provide care and support to adults with learning disabilities in their own homes. We provide Day Services support too, not only for our own Residents but also for people who live elsewhere.
- Our Care Staff are all trained and skilled, with a high proportion having many years experience and advanced qualifications, in all aspects of caring for adults with learning disabilities (and in many cases other disabilities as well). The staffing levels in our homes vary and reflect the different levels of need of our Residents – from total dependence to the ability to do quite a lot for themselves. Our Care Staff are able to deliver care in a residential setting, supported living, domiciliary care or day services equally and to the same high standard.
- We encourage and enable our Residents to take part in a wide range of activities – educational, recreational and therapeutic. Our Day Services Staff and our Horticultural Therapists, together with other organisations, provide opportunities of all kinds for the Residents to develop their life skills to help them to lead as independent and inclusive lives as their abilities allow.

Description of our organisation

How we are regulated

Purley Park Trust Limited is governed by its Memorandum and Articles of Association. It is registered with, and its delivery of care services is regulated by, the Care Quality Commission (CQC). Major changes to the registration and regulation regime came into effect on 1 October 2010, and the Trust re-registered all our services under The Care Quality Commission (Registration) Regulations 2010, the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 and the Health and Social Care Act 2008. Purley Park Trust Limited is a charity registered with the Charity Commission, number 261726. It is limited by guarantee and does

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011

not have share capital (company number 989820)

How we organise ourselves

Our Trustees

The strategic direction of Purley Park Trust Limited is the responsibility of the Board of Governors, who are the Trustees of the Charity (We call them Governors for historical reasons – the Trust traces its history back to 1923, when its founder started a school for boys with learning disabilities) The Governors are people whose experience and qualifications are such that they can make a valuable contribution to the strategy and overall management of Purley Park Trust, and all have a deep interest in learning disability Potential Governors are identified usually through personal contacts amongst current Governors and Staff, or approaches from interested parties In considering suitability, Governors will look at the individual's professional experience, qualifications and skills in relation to the need for the Trust to have a broad range of expertise relevant both to the charitable aims of the Trust and the proper conduct of its affairs as a company limited by guarantee

A prospective Governor will apply formally in writing to be elected as a Member of Purley Park Trust Limited and then to be considered for election to the Board He or she will submit a Curriculum Vitae and explain why they wish to become a Member and Governor, and saying what it is that they believe they will be able to contribute to the good governance of the Trust All Governors will be sent copies of the application, which will be considered at a Board of Governors Meeting

All prospective Governors who are not known personally by a current Governor will need to provide references and all Governors are subject to a Criminal Records Bureau enhanced disclosure check

As the Governors are also Company Directors and Trustees of the Trust's occupational money purchase (defined contribution) pension scheme, they must comply with the rules governing eligibility for appointment as company directors and trustees of pension schemes, in accordance with the requirements of the Companies Act 2006 and the Pensions Regulator An Induction Pack is provided for all new Governors, and this includes guidance provided by the Charity Commission, the Pensions Regulator and professional advisers as well as details about the Trust The Trust has also a "Governors Training Fund", a designated fund that is used to defray the costs of Governors' attendance at training courses, seminars, conferences and so on that are relevant to trustee duties, as well as subscriptions to governance periodicals

Until 1 April 2010 the Trust had been subject to the provisions of the Care Standards Act 2000 and the Care Homes Regulations 2001, Regulation 26 required the Governors to carry out an inspection of the Trust's registered homes every month and a part of each Governor's responsibilities was to take part in a scheduled programme of inspection visits As well as complying with the law as it then was, this enabled Governors to maintain suitable oversight of the conduct of the Trust With effect from 1 April 2010 the provisions of the Health and Social Care Act 2008 and the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 replaced the previous legislation, but the Trust decided that Governors should continue to carry out a form of inspection monthly The format of the current visits is very similar to that of the previous Regulation 26 visits

Our Management and Staff Structure

Overall responsibility for the Trust's day-to-day management is delegated to the Chief Executive, Mr Martin Lett The care aspect is under the professional supervision of the Operations Manager, Miss Rachel Keeling The Training Manager, Mrs Diana Earl, is responsible for the Staff training programme and also manages our Supported Living and Domiciliary Care services The Trust is accredited by 'Investors in People' Each registered home has a Registered Manager who is responsible for the day-to-day conduct of the home Direct personal care is provided through a team system within each home, each team having a leader and a number of care staff A Day Services Team and a Horticultural Therapy Team support the care staff with pastoral and recreational activities Other functions, such as finance, garden and grounds, and maintenance are carried out on a departmental basis Each department has a manager and a dedicated budget Currently we employ about 100 Members of Staff, the majority of whom directly deliver care services to our Residents and other Service Users – we aim to keep our administrative function (and therefore costs) to a minimum

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011

The Board of Governors meets quarterly to receive reports from the Chief Executive and the Operations Manager, and to decide policy on matters as necessary, annually they consider and approve the budget proposals, approve the audited accounts and review the risk analysis. In addition, there is a Chairman's Working Group on Longer Term Strategy & Planning which meets between Board Meetings, and ad hoc Sub-Groups consulting on specific issues, eg, fundraising, capital building. The Chief Executive reports between quarterly Board Meetings to the Chairman and the Governor who oversees the financial management of the Trust. An on-site inspection of the operation of the Trust is conducted by a Governor each month. The Chief Executive and the Operations Manager work very closely together to ensure the smooth and efficient operation of the Trust within the policies and strategic plan agreed by the Governors and in accordance with legislative requirements and registration standards.

Review of the past year

What we have achieved

The main objectives that we set ourselves last year were

- to maintain high occupancy levels in our Residential Care homes
- to expand our Supported Living services,
- to increase our Domiciliary Care commissions,
- to expand our Day Care services

We achieved full occupancy in our homes for most of the year, and indeed had to decline several referrals, but again we were severely affected by the continuing refusal of Local Authorities to increase fees to the level necessary to cover the actual cost of a placement, despite irrefutable evidence of underfunding. This stance had become almost universal amongst Local Authorities during the previous year and as anticipated it continued, indeed hardened, during the year. Last year, although this had a substantial impact on the year's financial performance we were able to achieve a modest overall surplus, but this year the accumulative effect of substantial underfunding of our residential care services has resulted in a deficit despite increased income from our other services. The refusal of Local Authorities to fund existing placements at proper levels and pay cost of living increases is likely to continue for the foreseeable future. We accepted some time ago that we needed to be in a position to provide commissioners (Social Services Care Managers) with alternative forms of care delivery as well as residential care, and we determined to increase our capacity for Supported Living and Domiciliary Care services as well as Day Services for non-Residents. To this end, an additional house was acquired during the year (by the Duncan Trust) in Pangbourne for three supported living Service Users (two of whom took up occupation at the end of the year) and our Day Services began to provide services to more non-Residents. We were not as successful as we would have liked in attracting Domiciliary Care business, and the biggest barrier to expanding our Supported Living services is the lack of housing (we received several referrals during the year but were not able to take them on simply because housing was not available).

The failure of the Capital Appeal (which was intended to raise funds for the re-development for our 3 older houses) meant that the Governors had no choice but to accept that it shall not be possible to begin detailed work on the proposed re-development of the three older houses for the foreseeable future. However, it remains their intention to re-develop the houses as soon as funding is available. The Governors are seeking the consent of those donors who did contribute to the Capital Appeal to divert their grants towards the outright purchase of a property suitable for Supported Living services. Although this was not the aim of the Capital Appeal, it is closely related in that it will increase our capacity to meet the demand from adults with learning disabilities for support and accommodation. The Governors accept, however, that if donors are unwilling to agree to this use of their grants it will be necessary to repay the grants but this looks at present to be unlikely.

Thames Valley University (later Reading College to which TVU transferred the faculty) continued to provide tuition to many of our Residents, and this provision was extended to include some non-Residents who accessed our Day Services. This arrangement continued to be very successful and valuable, unfortunately, there is considerable doubt about its future, as Reading College is experiencing funding cuts. Our collaboration with Brookfields School (a special needs school) also broadened during the year, to our mutual benefit. Once more we hosted a number of Thames Valley Police trainees on short secondments, an arrangement which continues to be very successful and enjoyable. Our association with the University of Reading continued, with the

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011

placement of a third-year undergraduate as part of their social services degree course. This will be the last University of Reading placement, however, as the University has discontinued the course, Oxford Brookes and Winchester are continuing to offer the course, but it remains to be seen whether we shall host any of their students. During the year we also hosted thirteen students in their later school years on work experience placements. We have been doing this for many years, but for the first time one student whom we had hosted the previous year became an employee, as a gardener, during the year.

As expected, the changes in the regulatory and inspection regime took effect during the year and all our services were successfully re-registered under the new legislation. The much criticised assessment and grading process was discontinued and consequently the existing gradings (half our homes were graded two-star (good) and the other half three-star (excellent)) remained unchanged. Our Domiciliary Care Service was graded as two-star (good) and we continue to hold the highest accreditation rating by the Social Services Department of West Berkshire Council. Shortly after the end of the year under review there was extensive publicity about serious abuse in a residential setting for adults with learning disabilities in Bristol and major failings in the regulatory system, as a result of which CQC will carry out random inspections of learning disability services providers and West Berkshire Council have announced that they will carry out unannounced inspections of all learning disability services in West Berkshire. Instead, therefore, of an expected absence of inspections under the new CQC regime, we must now expect a flurry of them.

The confidence of the Governors in the management of the Trust was retained, and the Governors acknowledge with gratitude the continuing work by the management and staff to maintain the standards and reputation of the Trust.

Future Plans

Our approach to our work

Although our core activity, that of providing residential care, shall remain essentially the same our provision of other forms of service delivery shall, indeed must, continue to increase. Government and Social Services' policy continues to promote supported living, individualised budgets and domiciliary care, which are now well entrenched as the first choice of those who commission the services (although not necessarily the first choice of those who use the services). The Trust understands this and aims to be able to provide the types of service models that commissioners want to purchase and Service Users want to enjoy, that means increasing our supported living and domiciliary care provision. In our last Report we said that the market for day care services continued to grow as more Service Users are supported at home and we shall extend our capacity to include more Service Users who are not already Residents at Purley Park. This process accelerated measurably towards the end of the year and is set to continue apace in the coming year with almost all of West Berkshire's day services Service Users being given individual budgets, with which to buy the service provision of their choice. This sudden opening up of the market provides huge opportunities for us (and of course other Providers) and should enable us to expand our Day Services provision, thus generating income to offset to some extent the underfunding of our residential care services.

Our residential homes

Once again we achieved full occupancy for the most of the year and demand for places in our residential care homes remained strong, despite the preference for other forms of service delivery amongst many Social Services. As we had anticipated, new referrals (when we can accept them following a vacancy arising) continue to be of more complex cases – wherever possible, generally speaking, Social Services will not place a Service User in "traditional" residential care unless their care needs are too complex to be satisfactorily met in other styles of service delivery. The main effect on us of this is increased Staff-to-Resident ratios as we are asked to support Residents with more severe learning disability and more challenging behavioural difficulties than many of our current Residents, our recruitment, training and management of Staff willing and able to work with more complex cases will need to reflect this. Our residential care capacity at Purley Park will not increase in the foreseeable future to meet the demand for places, as we are not in a position to proceed with the proposed re-development of the three older houses, and therefore we anticipate being able to maintain occupancy rates at or very near capacity.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011

Review of finances

How we have handled our money

The principal source of funding is the income from the fees that we charge for the provision of our care services to our Residents and other Service Users, this income comes predominantly from Central and Local Government through statutory, and therefore guaranteed, payment. The overwhelming majority of our income is spent on the Residents' welfare.

Normally we would expect the effect of full occupancy to result in a substantial increase in fee income compared with the previous year. However, the underfunding by Local Authorities of our residential care service has eroded the benefit of full occupancy to the extent of creating an operating deficit in that service. The surplus from other services was not sufficient to compensate for this. Some expenses were higher than had been anticipated, notably staffing costs and utilities costs, and the cost of equipping and furnishing the new supported living house had not been foreseen. Unsolicited donated income, which had been disappointing for the past six years, fell this year well short of the modest budget forecast.

The Statement of Financial Activities shows a deficit of £44,349 (including all income sources) after depreciation of £14,420, in 2010 there was a surplus of £66,987. Total income increased by 2.6% (8.5% in 2010) – a reflection of the effect of no fee increase. Operating costs rose by 7.2% (5.6% in 2010) and exceeded revenue before depreciation by £22,854 (revenue exceeded operating costs by £86,000 in 2010). Direct charitable expenditure and support costs continued to account for the bulk of the total operating expenditure. Governance costs accounted for less than 2% of fee revenue.

Reserves Policy

What we intend to do with our spare money

The policy of the Trust is that the Trust's reserves should equate to the average expenditure of one month. The bulk of the Trust's incoming resources comprises fee income for Residents, and, as there is a statutory funding responsibility on central and local government, known income is assured for as long as there are Residents. Operating expenditure is normally expected to be within operating income and, as a result, operating reserves can be kept to the level needed to meet occasional cashflow fluctuations (the Trust has no loans or borrowings, nor even an overdraft facility) and statutory liabilities (staff redundancy) in the unlikely event of winding-up.

The Governors recognise that the Trust's reserves at 31 March 2011 did not fully meet the target as it stood at that point, and they accept that the actual reserves figure will be fluid as it will be affected by the Trust's trading position. Their aim is to attempt to achieve the target and they will keep the situation under review. The Governors also accept that the reserves may reduce with cashflow fluctuations but they are satisfied that this will not imperil the Charity and expect that satisfactory progress towards restoring any temporary reduction will be made in normal trading conditions. Demand for the Trust's services is expected to remain very strong, mitigating the effect of Local Authorities' underfunding. The Governors consider the balance sheet position at 31 March 2011 to be sufficient, with adequate assets to meet the Trust's routine liabilities.

The Governors consider that the two Restricted Funds should be maintained:

- the Capital Appeal Fund remains active despite the poor performance of the Capital Appeal
- the Holiday Fund, although little used, still fulfils a valuable function

No changes to the Designated Funds are envisaged:

- the Governors Training Fund is expected to be used more with the costs of increased induction of Governors and familiarisation on governance issues
- the Building Fund, exhausted four years ago by the re-development of Purley Park, was reactivated two years ago with the intention to re-develop the three older houses and remains available to receive surplus funds, although none was generated this year

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011

Investment Policy

Where we keep our spare money

The Trust has no stock or share investments nor any long-term cash investments. Cash reserves are invested with the Charity Offices Investment Fund (COIF) in accessible deposit accounts in sterling in United Kingdom institutions. In the past this has allowed for development costs and capital expenditure to be handled on an as required basis whilst achieving some investment income. Cash reserves are deposited in low-risk managed accounts which generally avoid especially contentious issues. Fund performance in the year was competitive in a period of generally low interest returns. The Governors review the policy periodically, and gave especially careful consideration during the year to the risk to our investments in view of the global economic position, but no change is envisaged in the immediate term.

Risk Management

How we take care to avoid problems

The management pursues a continuous pro-active risk management strategy following identification by the Governors, as Trustees, of the major risks to which the Trust is exposed. These are reviewed formally at least annually by the Governors and systems to mitigate new risks, or changes to already identified risks, are established where they did not already exist. Currently, whilst the consequential severity of some of the identified risks is assessed as high, with one exception the assessed net risk after mitigative measures is medium or low, with risks associated with less than full occupancy, lack of forward planning, loss of key staff, major accident or serious failure in service delivery being of the greatest concern. The extent to which the effect on fee income of the refusal by Local Authorities to properly fund placements might present a risk was considered this year in great depth.

Review of relationships with other organisations

The people with whom we work closely

The Duncan Trust

The freeholds of the properties that are operated as residential care homes or supported living accommodation are owned by The Duncan Trust which leases them to Purley Park Trust Limited or Service Users directly for an annual rent. All Members of the Committee (the Trustees) of the Duncan Trust are also Governors (Trustees) of the Purley Park Trust.

The Friends of Purley Park

The Friends of Purley Park is a voluntary body formed by supporters of Purley Park Trust primarily to help in fundraising activities and to promote the interests of the Trust. The Friends of Purley Park intend to identify specific projects that will benefit the Trust as a whole and help to bring these projects to fruition. The Memorandum of Association of Purley Park Trust Limited has the approval of the Charity Commissioners in allowing the fundraising activities of The Friends of Purley Park. Although a separate body The Friends of Purley Park operates under the guidance of the Governors (Trustees) of Purley Park Trust who retain responsibility for it. The Chairman of The Friends of Purley Park is a Governor and attends the quarterly Governors' (Trustees) meetings of Purley Park Trust and the Honorary Treasurer is the Operations Manager.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011

Governors

The Governors in office during the year were as follows

Mr D C Tovey BA, Dip Ed Man , Cert Ed (Chairman) (Deceased September 2010)
Mr J E Carlo
Mrs J Farr
Mr L D Jones OBE FCCA (Chairman wef January 2011)
Professor D M Warburton B Sc , A M , Ph D , F Br Psy S , FRSA, C Psychol
Mr R J Watsham

Mr J Armitage FCA and Mrs K S Robinson were appointed as Governors after the end of the year

Governors, who are also Trustees, are appointed by the existing Governors and confirmed at the Annual General Meeting. They serve for a term of three years, when they may submit themselves for re-election. The Chairman is elected by the Governors and may serve as Chairman for no more than two consecutive terms.

Bankers

The Trust's bankers during the period under review were the National Westminster Bank Plc, Pangbourne

Solicitors

The Trust's solicitors during the period under review were Messrs Field Seymour Parkes, Reading

Governors' Responsibilities

The Governors (who are also directors of Purley Park Trust Limited for the purposes of company law) are responsible for preparing the Governors' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company and charity law requires the Governors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these accounts, the Governors are required to

- select suitable accounting policies and apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in business

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2011

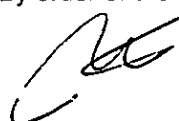
Auditors

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that

- so far as that Governor is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

A resolution passed at the Annual General Meeting appointed James Cowper LLP, 3 Wesley Gate, Queens Road, Reading, as auditors to the Trust for the financial year

By order of the Board



Mr M R Lett

Secretary

Date 19/07/11

Purley Park Trust Limited
12 Huckleberry Close
Purley-on-Thames
Reading RG8 8EH

PURLEY PARK TRUST LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURLEY PARK TRUST LIMITED

We have audited the financial statements of Purley Park Trust Limited for the year ended 31 March 2011 set out on pages 13 to 23. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

As explained more fully in the Statement of Governors' responsibilities, the Governors (who are also the directors of the charitable company for the purposes of company law) 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

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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, 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 requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURLEY PARK TRUST LIMITED

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 Governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

James Cowper LLP

Mr Alexander Peal (Senior Statutory Auditor)

for and on behalf of

James Cowper LLP

Statutory Auditor and Chartered Accountants

3 Wesley Gate

Queen's Road

Reading

Berkshire

RG1 4AP

Date *2 September 2011*

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2011

	Note	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	-	5,747	5,747	10,150
Investment income	3	-	403	403	474
Incoming resources from charitable activities	4	-	2,505,506	2,505,506	2,414,169
Other incoming resources	5	-	60,724	60,724	83,127
TOTAL INCOMING RESOURCES		-	2,572,380	2,572,380	2,507,920
RESOURCES EXPENDED					
Charitable activities		-	2,609,654	2,609,654	2,433,862
Governance costs		-	7,075	7,075	7,071
TOTAL RESOURCES EXPENDED	5	-	2,616,729	2,616,729	2,440,933
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR		-	(44,349)	(44,349)	66,987
Total funds at 1 April 2010		19,808	177,637	197,445	130,458
TOTAL FUNDS AT 31 MARCH 2011		19,808	133,288	153,096	197,445

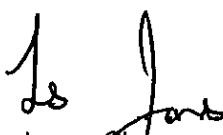
The notes on pages 16 to 23 form part of these financial statements

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER 989820 (ENGLAND & WALES)

BALANCE SHEET
AS AT 31 MARCH 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	10		12,738		27,158
CURRENT ASSETS					
Debtors	11	112,100		45,252	
Cash at bank and in hand		171,565		282,272	
		<u>283,665</u>		<u>327,524</u>	
CREDITORS amounts falling due within one year	12	(143,307)		(157,237)	
NET CURRENT ASSETS			<u>140,358</u>		<u>170,287</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>153,096</u>		<u>197,445</u>
CHARITY FUNDS					
Restricted funds	13		19,808		19,808
Unrestricted funds	13		133,288		177,637
			<u>153,096</u>		<u>197,445</u>

The financial statements were approved by the Governors on *19th July 2011* and signed on their behalf, by


Les Jones, Chairman

The notes on pages 16 to 23 form part of these financial statements

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	15	(110,707)	95,887
Capital expenditure and financial investment		-	(13,159)
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u><u>(110,707)</u></u>	<u><u>82,728</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2011**

	2011 £	2010 £
(Decrease)/Increase in cash in the year	(110,707)	82,728
MOVEMENT IN NET DEBT IN THE YEAR	<u>(110,707)</u>	<u>82,728</u>
Net funds at 1 April 2010	282,272	199,544
NET FUNDS AT 31 MARCH 2011	<u><u>171,565</u></u>	<u><u>282,272</u></u>

The notes on pages 16 to 23 form part of these financial statements

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011

1 ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006

Company status

The company is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Restricted funds

Restricted funds received to be used for specifically nominated expenditure by the donor are credited to income in the year in which they are received. Where amounts are not specifically allocated against expenditure in that year the balance is added to the balance brought forward on the restricted funds and used in subsequent years in line with the restrictions placed by the donor.

Donations, bequests and other receipts

Donations and bequests are accounted for on a receivable basis.

Legacy income

Any legacy income is accounted for on a receivable basis.

Fees receivable

Fees receivable for the provision of accommodation and related amenities are accounted for in the period to which they relate.

Allocation of overheads

Overheads are allocated specifically either to direct charitable expenditure or costs of generating funds, except for governance costs which are disclosed separately.

Recognition of liabilities

Liabilities and related expenditure are recognised in full as soon as an obligation arises.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	-	20% straight line
Plant & equipment	-	20% straight line
Motor vehicles	-	25% straight line
Garden equipment	-	25% straight line

1.1 Pension costs

Pension costs are charged to the profit and loss account as incurred. See note 17.

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

2 VOLUNTARY INCOME

	Total funds 2011 £	Total funds 2010 £
Donations and bequests	5,747	10,150

3 INVESTMENT INCOME

	2011 £	2010 £
Interest receivable	403	474

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Total funds 2011 £	Total funds 2010 £
Fees for care services	2,505,506	2,414,169

5 OTHER INCOMING RESOURCES

	2011 £	2010 £
Residents' travel contributions	29,997	29,275
Night allowances	5,100	8,055
Miscellaneous income	25,627	45,797
Total	60,724	83,127

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

6 TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	2011 £	2010 £
Costs of charitable activities					
Care services costs	2,001,682	14,420	409,106	2,425,208	2,266,799
Support costs	140,928	-	43,518	184,446	167,063
Governance costs					
Audit fees	-	-	5,875	5,875	5,875
Governors training	-	-	-	-	196
Governors' meeting expenses	-	-	1,200	1,200	1,000
Total	2,142,610	14,420	459,699	2,616,729	2,440,933

7 NET INCOME / (EXPENDITURE)

This is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the charity	14,420	11,942
Audit fees	5,875	5,875
Pension scheme Auditors' Statements	541	541
Profit on disposal of fixed assets	-	(2,000)
Property rental payments	97,800	87,600

During the year, no Governors received any remuneration (2010 - £NIL)

During the year, no Governors received any benefits in kind (2010 - £NIL)

During the year, no Governors received any reimbursement of expenses (2010 - £NIL)

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

8 STAFF COSTS

Staff costs were as follows

	2011 £	2010 £
Wages and salaries	1,910,464	1,803,703
Social security costs	174,948	166,117
Other pension costs	57,198	48,430
	<u>2,142,610</u>	<u>2,018,250</u>

The average monthly number of employees during the year was as follows

	2011 No	2010 No
Care	95	87
Administration	3	3
	<u>98</u>	<u>90</u>

No employee received remuneration amounting to more than £60,000 in either year

9 TAX ON SURPLUS ON ORDINARY ACTIVITIES

In view of the Company's charitable status, no liability to UK corporation tax arises on any surplus for the year

10 TANGIBLE FIXED ASSETS

	Furnishings and Fittings £	Office Equipment £	Workshop Garden Equipment and Cars £	Total £
Cost				
At 1 April 2010 and 31 March 2011	131,715	51,862	114,237	297,814
Depreciation				
At 1 April 2010	131,341	51,369	87,946	270,656
Charge for the year	114	172	14,134	14,420
At 31 March 2011	131,455	51,541	102,080	285,076
Net book value				
At 31 March 2011	260	321	12,157	12,738
At 31 March 2010	374	493	26,291	27,158

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

11 DEBTORS

	2011 £	2010 £
Trade debtors (including Residents)	99,354	41,422
Other debtors	11,572	2,242
Prepayments and accrued income	1,174	1,588
	<u>112,100</u>	<u>45,252</u>

12 CREDITORS

Amounts falling due within one year

	2011 £	2010 £
Trade creditors (including Residents)	10,674	14,108
Social security and other taxes	48,119	45,332
Other creditors	60,948	76,446
Accruals and deferred income	23,566	21,351
	<u>143,307</u>	<u>157,237</u>

13 STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Designated funds				
Governors training fund	3,251	-	-	3,251
Building fund	500	-	-	500
	<u>3,751</u>	<u>-</u>	<u>-</u>	<u>3,751</u>
General funds				
Accumulated general fund	173,886	2,572,380	(2,616,729)	129,537
Total unrestricted funds	<u>177,637</u>	<u>2,572,380</u>	<u>(2,616,729)</u>	<u>133,288</u>
Restricted funds				
Holiday fund	4,514	-	-	4,514
Capital appeal fund	15,294	-	-	15,294
	<u>19,808</u>	<u>-</u>	<u>-</u>	<u>19,808</u>
Total of funds	<u>197,445</u>	<u>2,572,380</u>	<u>(2,616,729)</u>	<u>153,096</u>

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

13 STATEMENT OF FUNDS (continued)

Designated funds

The governors training fund was set up to meet the costs of future training for Governors

The building fund was set up as a designated fund from donations received without restriction to meet the cost of future building projects essential for the needs of the Residents and the aims of the Trust in accordance with modern philosophy on supporting adults with learning disabilities

Included in the accumulated general fund is a receipt for Friends of Purley Park of £5,000 The preference of the 'Friends' is that its eventual application be to the hydrotherapy complex in the further development

Restricted funds

The holiday fund was set up primarily to subsidise holidays for the residents The majority of the residents can now afford holidays out of their own personal funds, but not all new residents come with sufficient personal funds and the holiday fund supports them The original donor's representative has consented to the fund being used also for other leisure activities

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Designated funds	3,751	-	-	3,751
General funds	173,886	2,572,380	(2,616,729)	129,537
	<u>177,637</u>	<u>2,572,380</u>	<u>(2,616,729)</u>	<u>133,288</u>
Restricted funds	19,808	-	-	19,808
	<u>197,445</u>	<u>2,572,380</u>	<u>(2,616,729)</u>	<u>153,096</u>

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Tangible fixed assets	-	12,738	12,738	27,158
Current assets	19,808	263,857	283,665	327,524
Creditors due within one year	-	(143,307)	(143,307)	(157,237)
	<u>19,808</u>	<u>133,288</u>	<u>153,096</u>	<u>197,445</u>

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

15 NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Net (outgoing)/incoming resources	(44,349)	66,987
Depreciation of tangible fixed assets	14,420	11,942
Increase in debtors	(66,848)	(2,624)
(Decrease)/increase in creditors	(13,930)	21,582
Profit on sale of tangible assets	-	(2,000)
Net cash (outflow)/inflow from operations	(110,707)	95,887
	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	-	(15,159)
Sale of tangible fixed assets	-	2,000
Net cash outflow capital expenditure	-	(13,159)

16 ANALYSIS OF CHANGES IN NET DEBT

	1 April 2010 £	Cash flow £	Other non-cash changes £	31 March 2011 £
Cash at bank and in hand	282,272	(110,707)	-	171,565
Net funds	282,272	(110,707)	-	171,565

17 PENSIONS

The company operates two defined contribution schemes in respect of certain of its employees. Contributions are charged in the financial statements as incurred and there were outstanding contributions as at the balance sheet date of £230 (2010 - £2,326). Pension costs charged in the year were £57,198 (2010 - £48,430).

18 OPERATING LEASE COMMITMENTS

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2011 £	2010 £
Expiry date.		
After more than 5 years	128,400	87,600

PURLEY PARK TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011

19 RELATED PARTIES AND TRANSACTIONS WITH TRUSTEES

The Charity has the following related parties

The Duncan Trust

The properties are owned by The Duncan Trust, which then leases them to Purley Park Trust Limited for an annual rent. All six Members of the Committee (the Trustees) are also Trustees of the Purley Park Trust Limited. Rent is paid to the Duncan Trust amounting to £97,800 (2010 £87,600)

Purley Park Trust Limited charges The Duncan Trust fees to cover the administration costs incurred on its behalf, these amounted to £7,000 (2010 £6,000)

The Friends of Purley Park

The Friends of Purley Park is the successor body to the League of Friends, which was formed in 1970 to raise funds with which to enhance the lives of the Residents. The Friends of Purley Park, although a separate body, operates under the guidance of the Governors (Trustees) of Purley Park Trust who retain responsibility for it.

20 POST BALANCE SHEET EVENTS

There were no post balance sheet events

21 CAPITAL APPEAL

The failure of the Capital Appeal (which was intended to raise funds for the re-development for our three older houses) meant that the Governors had no choice but to accept that it shall not be possible to begin detailed work on the proposed re-development of the three older houses for the foreseeable future. However, it remains their intention to re-develop the houses as soon as funding is available. The Governors are seeking the consent of those donors who did contribute to the Capital Appeal to divert their grants towards the outright purchase of a property suitable for Supported Living services. Although this was not the aim of the Capital Appeal, it is closely related in that it will increase our capacity to meet the demand from adults with learning disabilities for support and accommodation. The Governors accept, however, that if donors are unwilling to agree to this use of their grants it will be necessary to repay the grants, but the Governors do not consider that it is yet necessary to make any provision.

22 INDEMNITY INSURANCE

Funds of the charity amounting to £1,530 (2010 - £1,208) have been used in the purchase of insurance to cover the liability of the members of the Board, which by virtue of any rule of law would otherwise attach to them in respect of negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust.