


2980342

THE KINGWOOD TRUST

REPORT AND FINANCIAL STATEMENTS

31 March 2006

 ERNST & YOUNG



LD4 *LMHUU183* 369
COMPANIES HOUSE 24/06/2006

Registered No. 2980543
Charity No. 1041924

BOARD OF TRUSTEES

Mr John Bishop	Treasurer
Professor Patrick Bolton	
Lady Hornby	Chairman
Mr Robert Hubbard	
Mr Rob Jonckheer	
Mrs Sandra Meadows	
Mr Colin M Winsborrow	Vice Chairman

SECRETARY

Mr M Hatch

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

BANKERS

National Westminster Bank Plc
18 Market Place
Henley on Thames
Oxfordshire
RG9 2AH

SOLICITORS

Masons
30 Aylesbury Street
London
EC1R 0ER

HEALTH & SAFETY ADVISERS

Miss A Egan
Managing Consultant
Croner Consulting
Merchant House
1-7 Leeds Road
Shipley
BD18 1BP

REGISTERED OFFICE

10a Station Road
Henley on Thames
Oxfordshire
RG9 1AY

CHAIRMAN'S STATEMENT

Like other charities and organisations working in the public sector we have had to balance the conflicting pressures of providing a high quality service for the people we support, paying competitive salaries to our staff whilst receiving below inflationary increases in our income. In spite of making an operating loss, the profit on the sale of Conchiglia, one of our residential homes, has resulted in an overall surplus. Financially, therefore, the Trust is in good health.

This year Oxfordshire put out to tender their future provision for people with autism and Kingwood were successful in being awarded the contract.

Stage one is the provision of services for people in newly built individual accommodation and is due to open in Autumn 2006. Stage two is a larger project and is due to open in 2008. Meanwhile, we have opened a new service in West Berkshire and are developing plans for new services with Buckinghamshire.

Kingwood continues to play a pioneering role in developing new ways of supporting people with autism to realise their potential. We have successfully completed a three year Community Engagement Project, funded by The Health Foundation. We received a very favourable independent review and the work is regarded as of national significance.

Our Community Development Coordinator continues to work with individuals and their staff to explore opportunities for them to engage in new activities in the community and to find ways to break through the barriers and difficulties that often have to be faced. In a joint project with Oxfordshire Learning Disability Trust individuals have also been supported to become volunteers in the community.

Our research into film making proved that it could help people we support, especially those with little or no speech, to communicate important aspects of their lives and celebrate their achievements and this work has now been extended.

This year, in order to ensure that the high standards we aspire to are being met across all services we appointed a Director of Service Support who is both a Behaviour Specialist and an Occupational Therapist. We also have in place a Quality Assurance Framework to monitor and benchmark progress.

We are grateful to the many organisations and individuals who support our work and these include The Health Foundation, The Three Guineas Trust, The Diana Princess of Wales Memorial Fund, The Joseph Rountree Foundation, Ernst & Young and the UK Film Council.


I should like to thank all our staff, under the leadership of the Chief Executive, Hillary Haines, for their hard work and commitment to the people we support and offer our congratulations to all who have gained qualifications and promotion this year. We are grateful to parents and families for their advice and support and to the Trustees who give so generously of their time and expertise.

Our intention is to go on breaking new ground, to build on our experience and learning so far and to ensure the people we support enjoy their lives to the full.

Sonia Hornby

Chairman.

05 JUL 2006



BOARD OF TRUSTEES' REPORT

The Board of Trustees present their report and financial statements for the year to 31 March 2006.

RESULTS

The net incoming resources for the year amounted to £9,216 (2005 - outgoing £92,724).

CHARITABLE STATUS AND STRUCTURE

Charitable status was granted to The Kingwood Trust on 3 November 1994.

The charity is a private company limited by guarantee. Its governing documents are its Memorandum and Articles of Association.

The Board of Trustees sets the strategy of the Trust and monitors all aspects of the Trust's activities. Responsibility for implementing the strategy and for all day-to-day operational issues is delegated to a Chief Executive who, in turn, is supported by a team of suitably qualified managers and employees.

Sub committees of the Board of Trustees meet 11 times a year. The full Board (which meets five times a year) ratifies all decisions made by the sub committees and maintains regular contact with the Chief Executive.

PRINCIPAL ACTIVITY

The company's principal activity is the long term care of adults with profound learning disabilities and autism.

RESERVES POLICY

Trustees believe that, to ensure continuity of care for people we support, it would be prudent and adequate to hold readily available general reserves equivalent to at least three month's operating costs, such level to be reviewed yearly by the Finance and General Purposes Committee.

Following the reclassification of the Founders' property funds, general reserves at 31 March 2006 stand at £1,361,644 (2005 - £535,705). This amount includes amounts invested in tangible fixed assets.

If readily available reserves increase significantly over the defined required level of three month's operating costs, specific recommendations for the use of these reserves will be made by the Finance and General Purposes Committee to the Board of Trustees.

INVESTMENT POLICY

The charity only has an investment in the shares of one company. These were historically donated to the charity. In view of this and the small amount involved, the trust intends to hold these shares for the long term.

RISK REVIEW

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks.

PROCEDURES FOR APPOINTING TRUSTEES

In normal circumstances, in appointing new Trustees, the Trust will make information available externally of a vacancy, to include local black and ethnic minority people and other disadvantaged groups within the Trust's area of activity. It may also approach individuals who may be able to make a particular

BOARD OF TRUSTEES' REPORT

contribution and invite them to be considered. The Trust applies its equal opportunities policy to the appointment of Trustees.

BOARD OF TRUSTEES AND THEIR INTERESTS

Trustees who have served during the year are:

Lady Hornby (Chairman) Recently Chairman of Gloucestershire Royal NHS Trust, Sonia Hornby has a background in journalism, broadcasting, health and education.

Mr John Bishop (Treasurer) A qualified accountant and treasurer with over 30 years experience in financial management.

Professor Patrick Bolton Professor of child and adolescent neuropsychiatry specialising in autism research at The Institute of Psychiatry.

Mr Robert Hubbard Chief Executive of Priors Court School, a residential and day school for children on the autistic spectrum.

Mr Rob Jonckheer A corporate solicitor with the firm of Manches and Co and a governor of Oxford College of Further Education.

Mrs Sandra Meadows Director of Quadra Ltd and Saxonbury Resourcing Limited, both organisations specialise in top team development. Former director of personnel at University College London Hospitals' NHS Trust.

Mr Colin Winsborrow (Vice Chairman) Previous career in various management positions with international companies and, most recently, in human resources services..

PATRONS

Dame Stephanie Shirley (Founder Patron)
Professor Anthony Bailey
Sir William Barlow
Ms Virginia Bovell
Mr Hugo Brunner JP
Rt Rev'd & Rt Hon Richard Chartres MA, Bishop of London
Sir Frederick Crawford DL
Sir John Harvey-Jones MBE
Mr Richard Hicks
Mr Jeremy Irons
Ms. Sophie Mirman
Lord Puttnam of Queensgate
Professor Heinz Wolff

DONATIONS

We gratefully acknowledge the generous individuals, companies and charitable trusts who have helped us during the year including in particular – The Three Guineas Trust, The Health Foundation, Dame Stephanie Shirley, The Joseph Rowntree Foundation, CHK Charities and the UK Film Council.

BOARD OF TRUSTEES' REPORT

TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Board of Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the Trustees are required to:

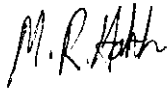
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue its activities.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board



Secretary

05 JUL 2006

INDEPENDENT AUDITORS' REPORT

to the members of The Kingwood Trust

We have audited the charity's financial statements for the year ended 31 March 2006 which comprise the Statement of Financial Activities, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Trustees' Responsibilities, the charity's trustees, (who are also the directors of The Kingwood Trust for the purposes of company law) are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Board of Trustees' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards (UK and Ireland) on Auditing 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

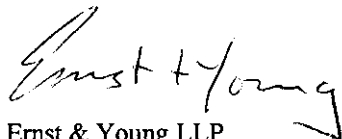
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

INDEPENDENT AUDITORS' REPORT

to the members of The Kingwood Trust (continued)

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of The Kingwood Trust as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

08 AUG 2006

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2006

		<i>General funds</i>	<i>Restricted funds</i>	<i>Total funds 31 March 2006</i>	<i>Total funds 31 March 2005</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Incoming resources					
Donations and similar incoming resources	3	5,089	48,752	53,841	114,087
Less deferred income		—	—	—	(29,852)
Local authority contracts		2,889,814	—	2,889,814	2,770,198
Interest receivable		20,595	—	20,595	14,999
Net gain on disposal of fixed assets		168,330	—	168,330	—
Other income		18,264	—	18,264	9,398
Total incoming resources		3,102,092	48,752	3,150,844	2,878,830
Less cost of generating funds:					
Fundraising and publicity	4	(22,147)	—	(22,147)	(15,473)
Net incoming resources available for charitable application		3,079,945	48,752	3,128,697	2,863,357
Charitable expenditure					
Cost of activities in furtherance of the objects of the charity:					
Residential care and welfare costs	5	2,908,262	54,090	2,962,352	2,808,110
Support costs	6	136,421	—	136,421	135,032
Management and administration	6	20,708	—	20,708	12,939
Total charitable expenditure		3,065,391	54,090	3,119,481	2,956,081
Total resources expended	6	3,087,358	54,090	3,141,628	2,971,554
Net incoming/(outgoing) resources		14,554	(5,338)	9,216	(92,724)
Net gain on investment assets	10	65	—	65	550
Net movement in funds		14,619	(5,338)	9,281	(92,174)
Fund balances brought forward at 1 April 2005		535,705	962,442	1,498,147	1,590,321
Reclassification of funds	14	550,324	957,104	1,507,428	1,498,147
		811,320	(811,320)	—	—
Fund balances carried forward at 31 March 2006	15	1,361,644	145,784	1,507,428	1,498,147

All gains and losses recognised in the year are included in the Statement of Financial Activities.

BALANCE SHEET

at 31 March 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	9	1,092,226	1,341,272
Investments	10	6,141	6,076
		<u>1,098,367</u>	<u>1,347,348</u>
Current assets			
Debtors	11	112,198	122,817
Cash at bank and in hand		463,983	279,626
		<u>576,181</u>	<u>402,443</u>
Creditors: amounts falling due within one year	12	167,120	251,644
		<u>409,061</u>	<u>150,799</u>
Net current assets			
Total assets less current liabilities		<u>1,507,428</u>	<u>1,498,147</u>
Funds			
General funds		1,361,644	535,705
Restricted funds	14	145,784	962,442
		<u>1,507,428</u>	<u>1,498,147</u>

ERNST & YOUNG

Saia M. Harnby
Chairman

05 JUL 2006

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2006

1. LIMITED LIABILITY

The Kingwood Trust, a registered charity, is a company limited by guarantee, not having any share capital. In the event of a winding up, each member may be required to contribute an amount not exceeding £1 towards the settlement of the company's liabilities.

2. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention, modified by the revaluation of investments, in accordance with applicable accounting standards, and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice (2005).

Income

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities. Gifts in kind are taken into account at a prudent assessment of their fair value. All other income (including income received under deeds of covenant) is recognised on a receivable basis. All income is related to the continuing activities of the charity.

Expenditure

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, evenly over the expected useful lives of the assets as follows:

Freehold buildings	-	50 years
Freehold improvements	-	10 years
Equipment and motor vehicles	-	3 years
Leasehold improvements	-	6 years

The carrying values of tangible fixed assets are reviewed for impairment periodically if events or changes in circumstances indicate the carrying values may not be recoverable.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Leasing

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2006

2. ACCOUNTING POLICIES (continued)

Pension scheme

The Kingwood Trust operates a group personal pension scheme. All contributions are charged to the Statement of Financial Activities as incurred.

Deferred income

Deferred income comprises income which relates to future accounting periods.

3. DONATIONS

	<i>General funds £</i>	<i>Restricted funds £</i>	<i>Total funds year ended 31 March 2006 £</i>	<i>Total funds year ended 31 March 2005 £</i>
General donations	5,089	48,752	53,841	114,087

4. FUNDRAISING AND PUBLICITY

	<i>General funds year ended 31 March 2006 £</i>	<i>General funds year ended 31 March 2005 £</i>
Staff costs	20,200	13,576
Promotional costs	1,947	1,897
	22,147	15,473

5. RESIDENTIAL CARE AND WELFARE COSTS

	<i>General funds £</i>	<i>Restricted funds £</i>	<i>Total funds year ended 31 March 2006 £</i>	<i>Total funds year ended 31 March 2005 £</i>
Provision of long term care:				
Staff costs	2,612,622	34,883	2,647,505	2,508,204
Services running costs	188,553	17,936	206,489	174,364
Depreciation on assets used directly for charitable purposes	61,018	1,271	62,289	61,617
Other charitable expense	—	—	—	9,152
Staff training and recruitment	46,069	—	46,069	54,773
	2,908,262	54,090	2,962,352	2,808,110

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2006

6. TOTAL RESOURCES EXPENDED

	<i>Staff costs</i>	<i>Depreciation</i>	<i>Other costs</i>	<i>Total year ended 31 March 2006</i>	<i>Total year ended 31 March 2005</i>
	£	£	£	£	£
Provision of long term care	2,647,505	62,289	252,558	2,962,352	2,808,110
Fundraising	20,200	—	1,947	22,147	15,473
Support costs	82,000	—	54,421	136,421	135,032
Management and administration	—	—	20,708	20,708	12,939
	<u>2,749,705</u>	<u>62,289</u>	<u>329,634</u>	<u>3,141,628</u>	<u>2,971,554</u>

Other costs include:

	<i>2006</i>	<i>2005</i>
	£	£
Auditors' remuneration (donation in kind)	5,000	5,000
Legal and professional fees	3,381	4,587
Operating lease rentals - land and buildings	19,740	16,808

7. STAFF COSTS

	<i>2006</i>	<i>2005</i>
	£	£
Wages and salaries	2,579,400	2,452,081
Social security costs	152,523	127,541
Pension costs	9,352	7,802
Other	8,430	9,356
	<u>2,749,705</u>	<u>2,596,780</u>

Included within wages and salaries are third party agency staff costs for the provision of care staff. These costs amounted to £1,099,042 (2005: £943,183) during the year.

	<i>2006</i>	<i>2005</i>
	No.	No.
The average monthly number of employees during the year was:	85	70

No trustee of the charity received remuneration during the year.

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2006

8. TRUSTEES' REMUNERATION

The number of trustees who were reimbursed for out of pocket expenses during the year was 1 (2005 - 1).

Out of pocket expenses were reimbursed to trustees as follows:

	2006 £	2005 £
Travel	14	62

9. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i> £	<i>Freehold improve- ments</i> £	<i>Equipment and motor vehicles</i> £	<i>Leasehold improve- ments</i> £	<i>Total</i> £
Cost:					
At 1 April 2005	1,188,932	347,730	221,621	18,611	1,776,894
Additions	–	14,352	33,162	–	47,514
Disposals	(231,579)	(161,641)	(13,888)	–	(407,108)
At 31 March 2006	957,353	200,441	240,895	18,611	1,417,300
Depreciation:					
At 1 April 2005	70,356	203,540	160,975	751	435,622
Charge for the year	8,200	20,292	30,695	3,102	62,289
Disposals	(20,000)	(138,949)	(13,888)	–	(172,837)
At 31 March 2006	58,556	84,883	177,782	3,853	325,074
Net book value:					
At 31 March 2006	898,797	115,558	63,113	14,758	1,092,226
At 1 April 2005	1,118,576	144,190	60,646	17,860	1,341,272

The net book value at 31 March 2006 represents fixed assets purchased using resources as set out below.

	<i>Freehold land and buildings</i> £	<i>Freehold improve- ments</i> £	<i>Equipment and motor vehicles</i> £	<i>Leasehold improve- ments</i> £	<i>Total</i> £
General funds	753,013	115,558	63,113	14,758	946,442
Restricted funds	145,784	–	–	–	145,784
	898,797	115,558	63,113	14,758	1,092,226

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2006

10. INVESTMENTS

	2006	2005
	£	£
Listed investments		
Market value at 1 April	6,076	5,526
Net gain on revaluation at 31 March	65	550
	<u>6,141</u>	<u>6,076</u>
Market value at 31 March		
	<u>1,280</u>	<u>1,280</u>

11. DEBTORS

	2006	2005
	£	£
Trade debtors	63,393	68,418
Prepayments and accrued income	47,007	51,189
Other debtors	1,798	3,210
	<u>112,198</u>	<u>122,817</u>

12. CREDITORS: amounts falling due within one year

	2006	2005
	£	£
Trade creditors	62,626	143,516
Other creditors including taxation and social security	51,117	38,159
Accruals and deferred income (note 13)	53,377	69,969
	<u>167,120</u>	<u>251,644</u>

13. DEFERRED INCOME

	2006	2005
	£	£
Balance at 1 April	29,852	21,900
Amount released to incoming resources	(29,852)	(21,900)
Amount deferred in the year	–	29,852
	<u>–</u>	<u>29,852</u>
Balance at 31 March		
	<u>–</u>	<u>29,852</u>

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2006

14. RESTRICTED FUNDS

	<i>Balance 1 April 2005 £</i>	<i>Movement in the year £</i>	<i>Transfers in the year £</i>	<i>Balance 31 March 2006 £</i>
Property Funds	958,375	(1,271)	(811,320)	145,784
Revenue Funds	4,067	(4,067)	—	—
	<u>962,442</u>	<u>(5,338)</u>	<u>(811,320)</u>	<u>145,784</u>

Property Funds

These funds originally consisted of three properties donated by the Founders. During the year, one property was sold at a profit of £168,330. This sale was made in order to purchase other property now occupied by beneficiaries of the Trust who have autism and learning difficulties.

The Founders have now confirmed that their original gift was made without restriction. Consequently, amounts representing the net book values of the properties have been transferred to General Funds.

The balance on the Funds represents properties financed by Oxfordshire County Council.

All properties owned by the Trust are occupied by beneficiaries of the Kingwood Trust who have autism and learning difficulties.

Revenue Funds

Revenue funds represent grants awarded to finance specific development activities. Donors include The Health Foundation (formerly the PPP Foundation), The Three Guineas Trust and CHK Charities.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Tangible fixed assets £</i>	<i>Investments £</i>	<i>Net current assets/ (liabilities) £</i>	<i>Total £</i>
Restricted funds	145,784	—	—	145,784
Unrestricted funds	946,442	6,141	409,061	1,361,644
Totals	<u>1,092,226</u>	<u>6,141</u>	<u>409,061</u>	<u>1,507,428</u>

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2006

16. OTHER FINANCIAL COMMITMENTS

At 31 March 2006 the Trust had annual commitments under a non-cancellable operating lease as set out below:

	<i>Land and buildings</i>	
	<i>2006</i>	<i>2005</i>
	£	£
Operating lease which expires:		
Within two to five years	18,240	15,000
In over five years	—	6,240
	<u>18,240</u>	<u>21,240</u>