

LANGLEY HOUSE TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011





Our Vision, Our Mission and Our Christian Basis

Our Vision

The Trust will work towards the fulfilment of its vision of a crime-free society where no-one is unfairly disadvantaged or excluded because of their past.

Our Mission

As a Christian Charity, to work with those who are at risk of offending, or have offended, establishing positive foundations so that they can lead crime-free lives and become contributors to society.

Our Christian Basis

At Langley House Trust we believe all people are

- made in God's image
- loved by Him regardless
- called into community
- offered redemption by His grace
- promised His glory

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

CONTENTS

| | Page |
|--|-------------|
| Chairman's review | 1 |
| Achievements, performance and future plans | 2 |
| Trustees' report | 4 |
| Report of the independent auditors to the Trustees | 13 |
| Income and expenditure account | 14 |
| Balance sheet | 15 |
| Cash flow statement | 16 |
| Notes to the financial statements | 17 |
| Patrons, Trustees and Executive Directors | 33 |
| Principal advisors | 34 |
| Supporters | 35 |

CHAIRMAN'S REVIEW

Being Chairman of the Board for Langley House Trust is not only a great responsibility but also a great privilege. The years pass by, increasingly rapidly it seems, and it's only when taking a moment to reflect that I am able to look back and see how well the journey is progressing and far we have come.

“Our current reconviction rate of 2.2% is outstanding”

Helping our Service Users to breaking the cycle of reoffending is a constant challenge. Our current reconviction rate of 2.2% is outstanding reflecting the hard work and dedication of our excellent staff.

We have had some setbacks this year, it's true. Closing one project and re-styling another is never something we do lightly. When faced with the current economic climate we have to adapt, but I'm impressed with the innovative way we have approached matters, with the results we have achieved and with the way we are boldly facing up to the challenges of reduced funding, ever increasing demand and the numerous new initiatives that come our way.

Working with partner organisations, I'm delighted with the way plans for two new projects supporting ex-offenders from the Armed Forces are progressing. An alarming number of offenders come from the Services and it is right that we look to address ourselves to the needs of this particular group.

As ever, I am enormously grateful to my fellow members of the Board of Trustees and to the employees who work so tirelessly to help us achieve our aims. I was delighted that the Trust received an award from Best Companies as “one to watch 2011”. The award followed detailed questionnaires and interviews with various staff members.

I would also particularly like to thank all our sponsors, supporters and volunteers for their unstinting efforts during the year. Langley House Trust is only ever as strong as the sum of its parts, and I'm proud to see all that is taking shape for the year ahead.



Many thanks to each and all,



Anthony Howlett-Bolton
Chair to the Board
20 July 2011

“I was delighted that the Trust received an award from Best Companies as one to watch 2011”

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

The Trust's main objectives for the 2010-11 were:

- a) Making our services available to more people
- b) The development of new services
- c) Establishing a support and advice service linking communities with prisons
- d) The development of a Langley Academy offering a range of opportunities for service user education, training, voluntary work and employment opportunities
- e) Further developing the Trust's internet site.

Making our services available to more people

Over 900 individuals used the Trust's services than in 2010-11. This was a 52% increase in the number of individuals receiving the Trust's services in 2009-10. There was actually a slight drop in the number of service users making use of our floating support services; the large increase was due to the Trust's new programme to get ex-offenders back into work. In 2010-11 55% of individuals using the Trust's services were in accommodation services, 8% in floating support services and 37% in programmes to get ex-offenders back into employment. To further progress this work, in March 2011 the Trust was selected as a specialist sub contractor in the delivery of the DWP's Welfare to Work Programme in three regions.

Development of new services

In April 2010 the Trust re-opened Murray Lodge in Coventry as an eleven bed resettlement project. This project had previously been a drug rehab unit but due to financial pressures had ceased operations in 2008-09. The new Murray Lodge had a successful year and is proving to be a valuable resource for the Trust. During 2010-11 it was decided to set up a national training centre for the Trust in the grounds of Murray Lodge which has enabled the Trust to make saving on the amount spent on training venues.

In September 2010 the Trust took the strategic decision, based on a lack of available funding to move out of residential drug rehabilitation work. The last remaining drug rehab centre, Chatterton Hey, re-opened as a specialist care home for people with complex needs, including dual diagnosis, towards the end of 2010-11. The buildings have been completely renovated with special attention to disabled access and en-suite bedrooms, meeting the requirements of the Decent Homes standard for accommodation.

In addition to the work done at Chatterton Hey, the Trust has invested in upgrading the fabric of many of our other properties.



The House of St. Martin Project in Somerset has recently installed new training kitchens for Service Users. This is an essential part of rehabilitation, learning how to cook, clean and use modern equipment. This serves as both a part of personal development and Food Hygiene training which provides an excellent qualification. The project is also currently working with mental health charity MIND in developing a project around the horticultural opportunities available on-site. With a large orchard, poly-tunnels and greenhouses the extensive opportunities available will be used to benefit Service Users from both organisations.

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (continued)

The Trust is currently working to develop a number of projects targeting the particular rehabilitation needs of former members of the Armed Forces, recently released from prison. Two sites have been identified as possible projects, one in Bournemouth and one in Birmingham. Both offer exciting opportunities for the Trust to develop new models addressing the specific needs of this particular group of ex-offender.

Support and advice service

The establishment of a support and advice service linking communities with prison was not completed during the year. However it is intended that during 2011 an advice service linked to the DWP Welfare to Work programme (for offenders) will become operational.

Langley academy

The Langley Academy established on-line training facilities for service users and further expanded the range of its services during 2010-11. As a result our service users achieved 286 qualifications in the year.

Website development

The Trust has recently launched a new website. Many months of hard work have resulted in a clean, fresh look to the new site. Navigation has been greatly improved and the introduction of videos and a YouTube website have added interest to the content. All our job vacancies are available online thanks to a partnership with Jobs Go Public. This has resulted in savings in both cost and time as more people use the internet to both search and apply for vacancies.

Feedback from the users of our services:

The Trust Annual Service Users Survey is a vital tool for receiving feedback from those the Trust seeks to serve. Key statistics from the 2010 survey included:

- 92% were satisfied or very satisfied with their room
- 79% felt at home or very at home.
- 82% were happy or very happy with preparations for their next step.
- 88% of Service Users had a support plan
- 74% reported they met with their key worker weekly
- 93% of Service Users felt that they could approach staff at any time
- 91% felt that staff respected their rights and dignity.

Plans for Future Periods

The Trust has a five year development plan. Key targets within the plan for the 2011-12 financial year include:

- a) Developing employment and training opportunities for service users and others in the wider Criminal Justice System.
- b) Promoting our work to potential partners, seeking to outwork our mission and the Christian voice, through collaboration with local churches and other faith based groups.
- c) Continuing to develop and diversify our income streams to reduce our dependency on large statutory grants and services.
- d) Seeking to develop new areas of work that recognise our core strengths.

TRUSTEES' REPORT

Aims and Strategies of Langley House Trust

The Trust provides support, care and training, along with housing and accommodation services, for ex-offenders and those at risk of offending, with the objective of helping people lead fulfilling and crime-free lives and in so doing, contributing to the protection of the wider public.

To achieve this aim the Trust operates around thirty schemes in twelve towns or regions throughout England. Between them they provide accommodation and/or support for around 300 people at any one time who are either ex-offenders or those who are vulnerable and marginalised. The schemes include a variety of residential accommodation, including hostels, training centres, ordinary housing, Registered Care Homes and floating support schemes. In addition the Trust provides floating support services for service users who are not tenants of the Trust and employment support services for ex-offenders.

The key elements to the Trust's medium to long term strategy are:

- a) To develop its services appropriately, to meet both opportunity and the changing needs of society
- b) To provide quality, outcome focused, services
- c) To advance strategic and productive partnerships and relationships
- d) To build financial and staff capacity to maximise positive outcomes and impact
- e) To increase the Trust's influence, role and reputation
- f) To maintain and develop its Christian identity.

Public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. The Trust's work is financed through funding from local and central government and other public authorities, and through legacies, donations and grants. Residents contribute to their accommodation costs but are entitled to claim Housing Benefit and other benefits to allow them to finance their stay. Therefore those in poverty are not excluded from the opportunity to benefit from the Trust's services.

Structure, Governance and Management

Langley House Trust is a national Christian charity. The governing body is the Board of Trustees, working under the Trust Deed, whose members are non-executive and unpaid. The Board meets regularly, retains full and effective control over the charity and monitors the Business Plan. The Board is responsible for major strategic decisions and has ultimate responsibility for the conduct and financial stability of the Trust.

The Board delegates to the Chief Executive full control over the operation of the Trust within policy. The Chief Executive and other members of the Executive, titled Corporate Directors, attend meetings of the Board. The term "Directors" should not be construed as directors under the Companies Act. It is the duty of the Chief Executive to further the mission of the Trust and to ensure that management is efficient, effective and run in accordance with good business practice.

The Board determines the remuneration and the conditions of employment of the staff. The Board monitors and reviews the quality, effectiveness and timeliness of information provided by the Executive. The Board has access to independent professional advice if necessary, at the Trust's expense. The Board has formally adopted a schedule of matters which are required to be brought to its attention for decision so that effective control is maintained over appropriate strategic, financial, organisational and compliance issues. The schedule is regularly reviewed by the Board.

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

TRUSTEES' REPORT (continued)

The Trust Deed allows the Trustees unrestricted powers to invest the Charity's money. The Board has approved a Treasury Management Policy to assist with this area of responsibility.

The Board of Langley House Trust is content that the Trust complies with the National Housing Federation's (NHF) "Excellence in Governance Code and Good Practice Guidance" in the areas in which it applies to the Trust, subject to the following exceptions:

- a) The Langley House Trust is not a shareholding company, neither is it a part of a group structure or has subsidiary trading activities.
- b) Where the Code states that Board members must receive a properly resourced induction and an on-going training programme it notes that, although a basic induction process and regular training updates are in place, this is not fully formalised and this area requires greater attention to ensure the Board is able to make fully informed decisions. This is a matter that has received attention in 2010 and will continue to be developed.
- c) As laid down in the Charitable Deed, to reflect the complexity of the work of the Trust, there will be a maximum of fourteen Trustees. This is larger than the recommended maximum of twelve. Given the specialist nature of its work and its national spread of operations, the Trust feels this larger number to be appropriate.
- d) The Board has decided that it is not appropriate to allow Executive staff to become Board members. Co-opted Board members do not share same legal status as full Board members until elected as Board members.

As well as adopting the NHF Code of Governance the Trust is also committed to uphold the NHF Excellence in standards of conduct code for members. The Board plans to undertake a full check of compliance against this code in 2011-12. All Board members complete an annual declaration of interests and Board members excluded from taking part in discussions and votes where a clear conflict exists. The following relevant personal interests have been declared as existing at the date of this report:

| Board member | Personal Interests |
|---------------------------|---|
| Anthony Howlett-Bolton | Director of Achievement Consultants (UK) Ltd and Achievement Consulting Ltd (until end of March 2011). |
| Peter Davies | Employed as Corporate Services Director (Finance & Infrastructure) for Walsingham |
| Denise Sanderson-Estcourt | Employed by Nacro (until March 2011) |
| Tim Fallon | Employed as CEO of Hornsey YMCA and Hornsey (North London) YMCA Housing Society Ltd Director of Affordable Christian Housing Director of Lewisham Homes |
| Christine Harbottle | Employed by the Audit Commission (until February 2011) |
| Gerry Laker (co-optee) | Service User (until end of March 2011) |

TRUSTEES' REPORT (continued)

| Board member | Personal Interests |
|---------------------|--|
| Robert Nisbet | Employed by Department of Health Programme Lead (East Midlands Region), Social Care & Partnerships. Director of ETC Advice Ltd Independent chair of Leicestershire & Rutland's Counties Adult Safeguarding Board |
| Tony Pearson | Chair of The Butler Trust |
| David Priaulx | Director of Community and Voluntary Services Cheshire East Board member of Adullam Homes Housing Association |
| Rev Andy Rider | Trustee of Norton Folgate Almshouses Trustee of Dame Mary Baker charity |

In addition to the Board the Trust has an Audit Committee, a Remuneration Committee and an Operations Consultative Committee. These Committees have clear terms of reference and report directly to the Board.

The Trust's Standing Orders and Regulations set out the procedures to be followed in selecting Trustees and were last revised in March 2011. These state that in selecting Trustees the following criteria will be borne in mind:

- a) The range of skills, knowledge, experience and viewpoints which pertain to the work of the Trust and which need to be represented at governance level
- b) The maintenance of the ethos of the Trust and its Christian basis
- c) Appropriate representation of men and women and of service users and ethnic minorities.

The Trust's Regulations require Board members to be recruited by means of advertising, specialist recruitment agencies and/or personal contacts. Trustees are expected to serve a minimum of three years and normally a maximum of nine years, subject to an appraisal after one year and then at least every three years after appointment. During the year the Trust appointed two new Trustees.

Equality and Diversity

Langley House Trust takes its responsibilities seriously, and believes that to be truly diverse means that it should represent and draw talent from all parts of society. Within the context of its mission, the Trust endeavours to operate across all its activities without discrimination in relation to gender, sexual orientation, ethnic or national origin, age, disability, race or religious belief.

The Trust aspires to reflect in its workforce and in its services the diversity of modern culture and to this end has adopted an Equality and Diversity Strategy. 13% of the Trust's employees and 23% of the Board classify themselves as from a Black and Minority Ethnic' (BME) background. This compares favourably with the 2001 UK Population Census for England of 9%. In 2010-11 9% of the Trust's service users were from a BME background.

58% of the Trust's employees and 23% of the Board are female. Female employees are not blocked from progressing in the organisation due to their gender and are represented at all levels within the organisation.

TRUSTEES' REPORT (continued)

Disability

Langley House Trust recognises that it has clear obligations to ensure that people with disabilities are given equal opportunities to enter employment and take up accommodation. No disabled job applicant or employee is treated less favourably than another person, for a reason related to his or her disability, unless the Trust has a material and substantial reason for doing so. This means that the reason has to be related to the individual circumstances in question and also not just be trivial or minor. In addition, when staff members become disabled in the course of their employment, steps are taken, through retraining and redeployment if necessary, to enable them to remain in employment whenever possible. The Trust has seen an increase in the number of employees reporting a disability and measures those who are registered disabled and those who are classed as disabled within the definition of the Disability Discrimination Acts. Langley House Trust considers all reasonable modifications to its property to assist residents with particular disabilities.

Employee Involvement

The Trust seeks to engage all employees in its activities and achievements and holds the Investors in People Award. In 2011 it was also awarded Best Companies' One to Watch Accreditation. There are a number of routine communication methods, such as in-house magazines, management meetings, departmental staff meetings, regular e-mailed information sheets and the intranet. The Trust does not recognise a trade union but has a Joint Consultative Committee in line with best practice.

Service User Involvement

Through its work the Trust has always had close contact with its service users and has regularly involved them in local decision making, both at project level and in a wider context throughout the Trust. The Operations Consultative Committee provides a channel of communication between residents, managers and Trustees so that they may better understand each others' positions and the opportunities and constraints faced by the Trust. The Committee can also refer matters to the Board or to management where a decision is required and reports annually to the Board in writing. Service users also sit on a range of other consultative working parties and the National Health and Safety Committee. Two service users were co-opted to the Board in 2010.

Health and Safety

The Trust's employees maintain a high level of performance and awareness of health and safety in the organisation. The Board has designated one of its members to take a particular interest in health and safety matters and is committed to ensuring that high health and safety standards are maintained in all areas of the Trust's activities.

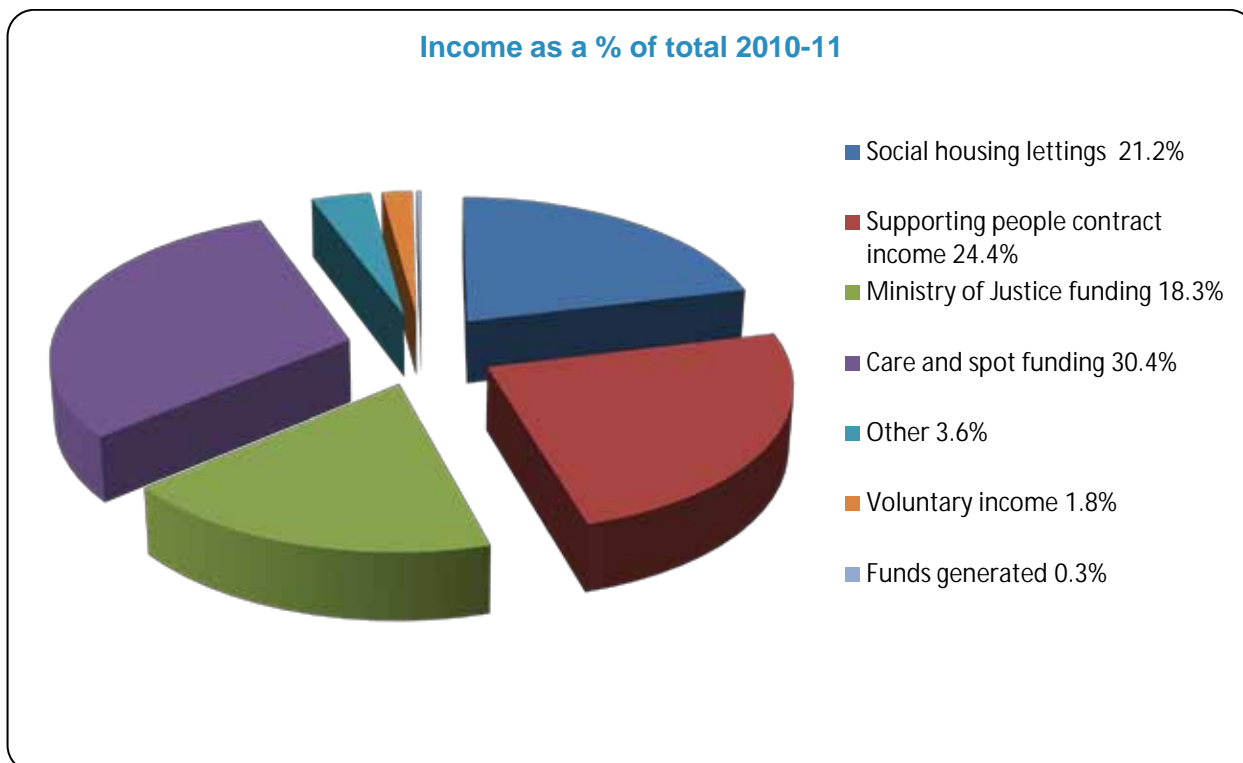
Achievements, performance and future plans

Achievements for the year and future plans are set out in full in the front section of this report. The following sections summarise some of the key areas which affect our financial statements.

TRUSTEES' REPORT (continued)

Financial Review

The Trust achieved a surplus on ordinary activities of £258,568 for the 2010-11 financial year. As in recent years this was significantly better than the approved budget for the year and places the Trust in a strong position going into a period of funding cuts.

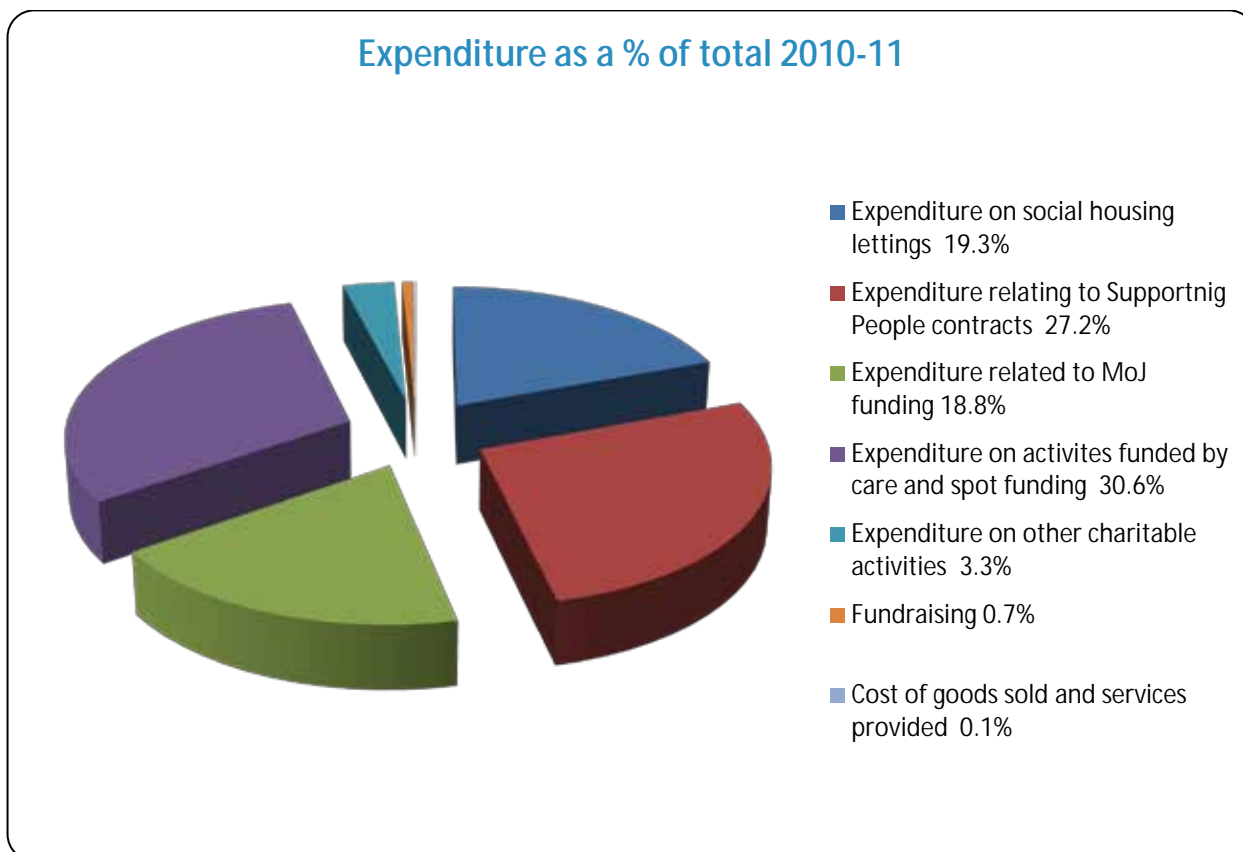


The Trust achieved an operating surplus of £200,819 in 2010-11. This was lower than that achieved in the previous year due to operating costs increasing by 2.1% in a period in which the Trust's turnover actually decreased slightly by 0.3%. The Trust suffered from a large reduction in Supporting People funding in the years and a further decrease in voluntary income. Despite this the Trust's turnover only decreased by £ 27,228 as a result of opening new services. 2010-11 also witnessed the re-opening in April 2010 of Murray Lodge as an eleven bed resettlement project.

The most significant increases in operating costs related to services provided to tenants, which was reflected in a corresponding increase in service charge income, plus expenditure relating to new income streams.

The Trust spent £389,066 on capital expenditure in 2010-11. Most of this spend was on updating properties to ensure they were fit for purpose and reflected the changing needs of stakeholders. This included reducing the number of shared rooms, increasing the number of on-suite or shared bathrooms and providing training kitchens to enable residents to learn vital life skills.

TRUSTEES' REPORT (continued)



The Trust received £45,725 of investment income in the 2010-11. In addition the capital value of the Trust's long term investments increased by 3% in 2010-11, however they remain below their initial purchase price. As these investments are held as long term investments there is no current plan to sell them, however, this position continues to be monitored.

As at 31 March 2011 the Trust's total reserves were £5.1 million which represents a £0.3 million increase on the reserves held at 31 March 2010. The Trust has accounting policies in respect of Revenue, Restricted and Designated Reserves and further details in respect of these policies can be found in Note 2 to the financial statements.

Post Balance Sheet Events

The Board considers that there have been no events since the financial year end that have had a significant effect on the financial position of the Trust.

Statement of the Trustees' responsibilities in respect of the accounts

The Charities Acts and Housing Acts require the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing these accounts the Trustees are required to:

- a) Select suitable accounting policies and then apply them consistently
- b) Make judgments and estimates that are reasonable and prudent
- c) State whether applicable accounting standards have been followed
- d) Prepare the accounts on the going concern basis unless it is inappropriate.

TRUSTEES' REPORT (continued)

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Acts and Housing Acts. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities by establishing and maintaining a satisfactory system of control over the Charity's accounting records, cash holdings and all its receipts and remittances.

Statement on the Trust's system of internal control

The Trustees have overall responsibility for establishing and maintaining the system of internal control and reviewing its effectiveness.

The Trustees recognise that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate all risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Trust's assets and interests.

In meeting their responsibilities, the Trustees have adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Trust is exposed.

The process adopted by the Trustees in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

- Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Trust's activities. The Executive team regularly consider significant risks facing the Trust and the Chief Executive is responsible for reporting to the Trustees any significant changes affecting key risks.

In accordance with the Trust's Risk Management Policy, the Summary Risk Map of the Trust is formally reviewed by the full Board at least once a year and the highest risks facing the Trust are discussed at each Audit Committee meeting.

- Environment and control procedures

The Trustees retain responsibility for a defined range of issues covering strategic, operational, financial and compliance issues. The Trust's Standing Orders and Regulations, policies and procedures cover issues such as delegated authority, segregation of duties, accounting, health and safety, data protection, fraud and whistle-blowing. The Trust also has an extensive range of policies and procedures relating to the safe management of the client group with which it works to minimise the risk to staff, the public and service users.

TRUSTEES' REPORT (continued)

- Information and financial reporting systems

The Trustees review and approve the annual budget and the 5 year financial plan for the Trust. Financial reporting procedures include detailed management accounts and forecasts which are reviewed by the Executive Directors and are presented to the full Board of Trustees. The Board also reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

- Monitoring and corrective action

A process of regular management reporting on control issues provides assurance to senior management and to Trustees. This includes ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services.

The internal control framework and the risk management process are subject to regular review by Internal Audit who advise the senior management team and report to the Audit Committee. A three-year Internal Audit plan exists to assist in this process and is approved annually by the Audit Committee. Progress against the plan is also monitored throughout the year and the Audit Committee formally reviews the performance of the Internal and External Auditors once a year. The Audit Committee considers internal control and risk at each of its meetings during the year. In addition to Internal Audit the Executive receive assurance on the operation of internal controls through a self-assessment audit toolkit used by the managers of its various projects.

The Audit Committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control process. The Audit Committee reports on progress to each Board meeting and makes an annual report to the Board of Trustees. The Board has received this report for 2010-11. In preparing its report the Audit Committee takes into account the various reports of the Internal and External Auditors, the Chief Executive's Annual Report on Internal Control, other reports from the Executive to the Audit Committee and full Trustee Board, the outcome of Regulation 26 visits as required by the Care Homes Regulations 2001 and inspection reports from the Care Quality Commission, the Tenant Services Authority and other regulatory bodies.

- Fraud prevention, detection, reporting and recovery.

The Trust takes fraud seriously and its Fraud Policy includes the responsibility of management to have an adequate control system that minimises the risk of fraud and ensures a reasonable likelihood of early detection. The Policy also states the procedure to be followed in the event of a suspected fraud, including reporting requirements and action to be taken for recovery.

The Trust maintains a register of actual and attempted frauds and thefts. The contents of the register are reported at least twice a year to the Audit Committee. During 2010-11 there were no significant losses identified as a result of fraud.

The Trustees confirm that there is an ongoing process for identifying, and managing significant risks faced by the Trust. This process has been in place throughout the year under review, up to the date of the annual report and accounts, and is regularly reviewed by Board of Trustees.

LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

TRUSTEES' REPORT (continued)

The Trustees who held office at the date of approval of this Trustees report, confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditors are unaware, and each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The Trustees' report was approved by the Board on 20 July 2011 and signed on its behalf by:

A handwritten signature in blue ink, reading "Anthony C. Howlett-Bolton". The signature is written in a cursive style and is positioned above a horizontal line that extends to the right.

Anthony Howlett-Bolton
Chair
20 July 2011

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

Independent Auditor's Report to the Trustees of Langley House Trust

We have audited the financial statements of Langley House Trust for the year ended 31 March 2011 on pages 14 to 32. 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 Trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Trustees and auditor

As explained more fully in the Trustees Responsibilities Statement set out on page 9 the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of 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 (APB'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 Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report 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 Trust's affairs as at 31 March 2011 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 1993, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

Matters on which we are required to report by exception

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

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Alperton House
Bridgewater Road
Wembley
Middlesex HA10 1EH

Beever and Struthers

Beever and Struthers
Chartered Accountants and Statutory Auditors
20 July 2011

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2011

| | Notes | 2010-11 £ | 2009-10 £ |
|--|-------|---------------------------|--------------------|
| Turnover | 3 | 8,758,242 | 8,785,470 |
| Operating costs | 3 | <u>(8,557,423)</u> | <u>(8,378,016)</u> |
| Operating surplus | 7 | 200,819 | 407,454 |
| Unrealised surplus on revaluation of investments | 17 | 12,664 | 91,157 |
| Surplus/(deficit) on disposal of fixed assets | 8 | 3,028 | (222) |
| Interest receivable and other income | 9 | 45,725 | 39,508 |
| Interest payable and similar charges | | (3,668) | (2,850) |
| Surplus on ordinary activities for the year | | <u>258,568</u> | <u>535,047</u> |

The overall surplus for the year is the historical cost surplus.

All recognised gains and losses are included in this statement.

The financial statements on pages 14 to 32 were approved by the Board on 20 July 2011 and were signed on its behalf by:



Chair – Anthony Howlett-Bolton



Treasurer – Peter Davies

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

BALANCE SHEET

As at 31 March 2011

| | Notes | 31-Mar-11 £ | 31-Mar-10 £ |
|--|-------|--------------------|--------------------|
| Fixed assets | | | |
| Housing properties at valuation and cost less depreciation | 14 | 5,534,733 | 5,296,703 |
| Less: Social Housing Grant and other grants | 14 | <u>(3,770,228)</u> | <u>(3,768,528)</u> |
| Net book value of housing properties | | 1,764,505 | 1,528,175 |
| Other fixed assets | 16 | 139,451 | 106,601 |
| Investments | 17 | <u>438,645</u> | <u>425,981</u> |
| | | 2,342,601 | 2,060,757 |
| Current assets | | | |
| Debtors | 18 | 437,989 | 567,189 |
| Cash at bank and in hand | | <u>3,453,854</u> | <u>3,476,759</u> |
| | | 3,891,843 | 4,043,948 |
| Less Creditors | | | |
| Amounts falling due within one year | 19 | <u>(1,148,686)</u> | <u>(1,272,719)</u> |
| Net current assets | | <u>2,743,157</u> | <u>2,771,229</u> |
| Total assets less current liabilities | | <u>5,085,758</u> | <u>4,831,986</u> |
| Provisions for liabilities and charges | 20 | 14,673 | 16,198 |
| Capital and reserves | | | |
| Designated reserves | 21 | 647,534 | 788,619 |
| Restricted reserves | | 75,024 | 51,134 |
| Negative goodwill | | 339,075 | 342,346 |
| Revenue reserves | | <u>4,009,452</u> | <u>3,633,689</u> |
| | 22 | <u>5,071,085</u> | <u>4,815,788</u> |
| | | <u>5,085,758</u> | <u>4,831,986</u> |

The financial statements on pages 14 to 32 were approved by the Board on 20 July 2011 and were signed on its behalf by:



Chair – Anthony Howlett-Bolton



Treasurer – Peter Davies

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

CASH FLOW STATEMENT

For the year ended 31 March 2011

| | Notes | 2010-11 £ | 2010-11 £ | 2009-10 £ | 2009-10 £ |
|--|-------|------------------|------------------|----------------|------------------|
| Net cash inflow from operating activities | 26 | | 307,269 | | 671,323 |
| Returns on investments and servicing of finance | | | | | |
| Interest received | 9 | 45,725 | | 39,508 | |
| Interest paid | | (3,668) | | (2,850) | |
| | | | 42,057 | | 36,658 |
| Capital Expenditure | | | | | |
| Acquisition and construction of housing properties | 14 | (279,441) | | (1,062,265) | |
| Capital grants received | 14 | 1,700 | | 1,467,034 | |
| Purchase of other fixed assets | 16 | (109,625) | | (18,396) | |
| Sale of other fixed assets | 8 | 15,135 | | 10,784 | |
| | | | (372,231) | | 397,157 |
| Increase/ (Decrease) in cash | 27,28 | | (22,905) | | 1,105,138 |

NOTES TO THE FINANCIAL STATEMENTS

1. LEGAL STATUS

Langley House Trust is a Registered Charity and is registered with the Tenant Services Authority as a Registered Provider as defined by the Housing and Regeneration Act 2008.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared on a going concern basis and in accordance with applicable accounting standards, the Statement of Recommended Practice: Accounting by Registered Social Landlords 2008, and the Accounting Requirements for Registered Social Landlords General Determination 2006.

Turnover

Turnover comprises rental income, service charge income, income from contracts with statutory bodies, including Supporting People Block Gross contracts and care fee income, Ministry of Justice grants, other revenue grants and income from the sale of other goods and services. Such income is recorded in the accounts as it becomes receivable.

The turnover of the trust also includes legacies, donations, gifts and other income, the accounting treatment of which is included in separate accounting policies.

Supporting People income and expenditure

The Trust operates a number of Supporting People Block Gross contracts. The income from these contracts is recognised in the income and expenditure account in the year in which it is receivable and expenditure charged to it in accordance with the matching concept. Income and expenditure in respect of Supporting People contracts is separately disclosed as a note to the accounts.

Legacies

Legacies are credited as income where the legacy has been received or if, before receipt, where there was sufficient evidence to provide the necessary certainty that the legacy would be received and its value known with sufficient reliability.

Donations, gifts and other income

Donations, gifts and other income are credited as income in the year in which they were receivable.

Grants receivable

Revenue grants received for specific purposes are accounted for as restricted funds. Income is not recognised as receivable until any conditions for receipt have been complied with. Where the restriction stipulates that the income is to be used over a period of time, the portion relating to future periods is deferred and shown under creditors.

Capital grants that are subject to external restrictions are shown as a deduction from the cost of the asset. Any grants that have not been expended are shown under creditors whilst those due but not received at the balance sheet date are shown as debtors.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Operating leases

Amounts due under operating leases are charged to the income and expenditure account as incurred.

Pensions

Contributions made by the Trust into pension schemes on behalf of employees are recognised within operating costs in the income and expenditure account for the period to which it relates.

Taxation

The Trust charges value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. Income is shown in the accounts net of any VAT charged. Expenditure is shown in the accounts inclusive of VAT less the value of any VAT recoverable from HM Revenue and Customs. The balance of any VAT payable or recoverable is included as a current liability or asset in the balance sheet.

Fixed Assets

The following items are classified as capital expenditure and included in the Balance Sheet as a Fixed Asset at cost less depreciation:

- Acquisition of land and property
- The purchase of motor vehicles
- Furniture or equipment costing in excess of £1,000

Certain kinds of work to existing housing properties are also capitalised in accordance with the works to existing housing properties accounting policy.

Valuation of housing properties

The Trust operates many of its services from properties it either owns or leases in which living accommodation is provided for service users. Housing properties are included in the accounts at cost less depreciation, except where the properties have been transferred from another Registered Provider or charity.

The cost of acquiring land and buildings, including professional fees, and development costs are included in these costs.

Transfer of properties from other Registered Providers and charities

Housing properties transferred from another Registered Provider or charity, including those acquired as a result of the acquisition of another charity or Registered Provider are professionally valued at existing use value for social housing and included at valuation with the resulting negative goodwill included in the capital and reserves section of the balance sheet.

Depreciation and impairment of fixed assets, including housing properties

Freehold land is not depreciated. Depreciation is calculated to write off the cost of fixed assets on a straight line basis over their estimated useful economic lives. The amount to be depreciated in respect of housing properties is original cost, less the proportion of social housing grant and other grants attributable to housing properties.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Fixed assets are depreciated on a straight line basis at the following annual rates:

| | |
|--------------------------------------|-----|
| Freehold properties (excluding land) | 2% |
| Plant and equipment | 20% |
| Computers | 25% |
| Motor vehicles | 25% |

Leasehold properties are depreciated by equal instalments over the life of the lease or their estimated useful economic life if shorter.

The carrying values of tangible assets are reviewed for impairment where events or changes in circumstances indicate that the carrying values may not be recoverable. If housing properties have suffered impairment, the appropriate fall in value is recognised after taking account of any related Social Housing Grant.

Works to existing housing properties

Works which result in an enhancement of the economic benefits of a property are capitalised. An enhancement of the economic benefits means an increase in the rental stream, a reduction in future maintenance costs or a significant extension of the life of the property.

Any work which does not result in an enhancement of the economic benefits of a property is treated as revenue expenditure and expended in the year that it was incurred. This includes expenditure incurred to ensure that the property can maintain its existing level of rental income or the standard of performance anticipated when the property was first acquired, constructed or last replaced.

Social Housing Grant

Social Housing Grant (SHG) is treated as either capital or revenue funding based on the classification of the expenditure it is helping to finance. Where SHG is used to fund capital expenditure it is shown separately in the balance sheet to reduce the cost of housing properties, except where the property is shown at valuation in which case the cost and SHG contribution are disclosed in a note. SHG due from the Homes and Community Agency (formally the Housing Corporation) or received in advance is included in the balance sheet as a current asset or liability. SHG received in respect of revenue expenditure is included in turnover in the same period as the expenditure to which it relates and disclosed in a note to the accounts.

Investments

Investments are stated at market value.

Net realised investment gains and losses for the year are disclosed in the income and expenditure account. Unrealised gains and losses are disclosed in the statement of total recognised surpluses and deficits and are shown in the investment revaluation reserve to the extent that the reserve is positive. Any excess deficits are taken to the general reserve.

Provisions

The use of provisions is restricted to situations where a liability exists, for example arising under a contract, but where there is some uncertainty as to the timing of the amount of the expenditure or the identity of the creditor.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Negative goodwill

Negative goodwill is separately disclosed on the face of the balance sheet within capital and reserves. Negative goodwill up to the fair values of the fixed assets is recognised in the income and expenditure account in the periods in which the non-monetary assets are recovered, whether through depreciation or disposal. Negative goodwill arising from the acquisition of net current assets is recognised in the income and expenditure account in the periods expected to be benefited.

Designated reserves

The Trustees have the option to set aside unrestricted reserves called designated reserves for specific purposes. Designated reserves are separately disclosed on the face of the Balance Sheet within Capital and Reserves.

The Trustees have responsibility to ensure sufficient reserves exist to maintain the structure and fabric of the Trust's buildings and its fixtures and fittings. To this end the Trustees have established two separate funds a Furniture Renewals Fund and a Sinking Fund which together form the Repairs and Maintenance Reserve. The Furniture Renewals Fund is used to finance the cyclical replacement of furniture and equipment. The Sinking Fund is used to finance major revenue property repairs.

Restricted Reserves

Grants and donations received which have restrictions as to their use are included in restricted reserves. The value of the reserve shown in the balance sheet is shown net of any transfers to the general revenue reserve in respect of expenditure to be financed by the restricted reserve.

Revenue Reserves

The Trustees have determined that the Trust should aim to maintain a level of Revenue Reserves no lower than the equivalent of 20 weeks turnover. This is to ensure that there are sufficient reserves, in addition to working capital, to allow the Trust time to respond to any significant reduction in funding. At 31 March 2011 the balance of the Revenue Reserve was equivalent to 24 weeks turnover.

LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT)

| | Turnover | 2010-11 Operating Costs | Operating Surplus/(deficit) |
|---|------------------|-------------------------------|--------------------------------|
| | £ | £ | £ |
| Social housing lettings (Note 5) | 1,860,796 | 1,656,608 | 204,188 |
| Other social housing activities | | | |
| Supporting people contract income | 2,148,364 | 2,323,799 | (175,435) |
| Other (Note 6) | 4,749,082 | 4,577,016 | 172,066 |
| TOTAL | <u>8,758,242</u> | <u>8,557,423</u> | <u>200,819</u> |
| | | 2009-10 | |
| | Turnover | Operating Costs | Operating Surplus/(deficit) |
| | £ | £ | £ |
| Social housing lettings (Note 5) | 1,589,064 | 1,539,724 | 49,340 |
| Other social housing activities | | | |
| Supporting people contract income | 2,382,912 | 2,445,094 | (62,182) |
| Other (Note 6) | 4,813,494 | 4,393,198 | 420,296 |
| TOTAL | <u>8,785,470</u> | <u>8,378,016</u> | <u>407,454</u> |

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. UNITS/BEDSPACES

| | Social housing Lettings | | 2010-11 Other social housing | | Total |
|-----------------------------------|-------------------------|------------|---------------------------------|---------------|-------|
| | Supported housing | Care homes | Registered care beds | General Needs | |
| Social Housing | | | | | |
| Under management at start of year | 160 | 15 | 52 | 1 | 228 |
| Under management at end of year | 173 | 11 | 55 | 2 | 241 |

| | Social housing Lettings | | 2009-10 Other social housing | | Total |
|-----------------------------------|-------------------------|------------|---------------------------------|---------------|-------|
| | Supported housing | Care homes | Registered care beds | General Needs | |
| Social Housing | | | | | |
| Under management at start of year | 179 | 15 | 51 | 0 | 245 |
| Under management at end of year | 160 | 15 | 52 | 1 | 228 |

| | 2010-11 | 2009-10 |
|-----------------------------------|---------|---------|
| Non-social Housing | | |
| Under management at start of year | 3 | 3 |
| Under management at end of year | 2 | 3 |

In addition to the above the trust also owns 24 units of accommodation in Torbay which is managed by Chapter One. The agent retains the rights and obligations of the scheme.

LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

| | Supported Housing | Care Homes | General Needs | TOTAL | TOTAL |
|---|----------------------|----------------|------------------|-------------------------|------------------|
| | 2010-11 | 2010-11 | 2010-11 | 2010-11 | 2009-10 |
| | £ | £ | £ | £ | £ |
| INCOME | | | | | |
| Rents receivable | 661,767 | 36,857 | 3,797 | 702,421 | 655,816 |
| Service income | 1,057,917 | 77,455 | 0 | 1,135,372 | 896,611 |
| Net rental income | <u>1,719,684</u> | <u>114,312</u> | <u>3,797</u> | <u>1,837,793</u> | <u>1,552,427</u> |
| Housing Corporation grants for major repairs | 0 | 0 | 0 | 0 | 0 |
| Other revenue grants | 12,286 | 7,446 | 0 | 19,732 | 33,100 |
| Other income | <u>3,271</u> | <u>0</u> | <u>0</u> | <u>3,271</u> | <u>3,537</u> |
| TURNOVER FROM SOCIAL HOUSING LETTINGS | <u>1,735,241</u> | <u>121,758</u> | <u>3,797</u> | <u>1,860,796</u> | <u>1,589,064</u> |
| EXPENDITURE | | | | | |
| Management | 258,143 | 32,402 | 80 | 290,625 | 316,993 |
| Services | 959,354 | 51,910 | 357 | 1,011,621 | 813,652 |
| Routine maintenance | 87,775 | 5,438 | 0 | 93,213 | 140,822 |
| Planned maintenance | 49,242 | 7,117 | 0 | 56,359 | 128,465 |
| Major repairs expenditure | 64,921 | 11,387 | 0 | 76,308 | 38,459 |
| Bad debts | 60,461 | (352) | 0 | 60,109 | 49,393 |
| Property lease charges | 41,240 | 1,589 | | 42,829 | 21,968 |
| Depreciation of housing properties | 22,978 | 2,549 | 17 | 25,544 | 29,972 |
| OPERATING COSTS ON SOCIAL HOUSING LETTINGS | <u>1,544,114</u> | <u>112,040</u> | <u>454</u> | <u>1,656,608</u> | <u>1,539,724</u> |
| OPERATING (DEFICIT) / SURPLUS ON SOCIAL HOUSING LETTINGS | <u>191,127</u> | <u>9,718</u> | <u>3,343</u> | <u>204,188</u> | <u>49,340</u> |
| Void losses | (198,278) | (41,857) | 0 | (240,133) | (209,522) |

During 2010-11 the Trust carried out major repairs on existing social housing properties to the value of £76,308 (2009-10 £38,459). All of this expenditure was charged to the income and expenditure account.

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. ANALYSIS OF OTHER INCOME & EXPENDITURE

| | 2010-11 | 2009-10 |
|---|-------------------------|------------------|
| | £ | £ |
| INCOME | | |
| Funding from the Ministry of Justice | 1,603,703 | 1,605,986 |
| Care and spot funding | 2,642,499 | 2,753,210 |
| Incoming resources from other charitable activities | 317,830 | 125,136 |
| Voluntary income | 162,685 | 294,078 |
| Activities for generating funds | 22,365 | 35,084 |
| | <u>4,749,082</u> | <u>4,813,494</u> |
| EXPENDITURE | | |
| Expenditure related to Ministry of Justice funding | 1,612,666 | 1,602,076 |
| Expenditure related to care and spot funding | 2,617,349 | 2,595,040 |
| Other charitable activities | 278,322 | 68,102 |
| Fundraising | 60,842 | 125,627 |
| Cost of goods sold and services provided | 7,837 | 2,353 |
| | <u>4,577,016</u> | <u>4,393,198</u> |
| OPERATING SURPLUS | <u>172,066</u> | <u>420,296</u> |

In 2010-11, expenditure related to care and spot funding included £221,277 of major repairs expenditure. Care and spot funding income included £29,786 of revenue grants to help finance this work.

7. OPERATING SURPLUS

| | 2010-11 | 2009-10 |
|---|----------------|---------|
| | £ | £ |
| Is stated after charging:- | | |
| Depreciation of housing properties | 41,411 | 40,203 |
| Depreciation of other tangible fixed assets | 64,667 | 78,008 |
| Operating lease rentals: | | |
| land and buildings | 130,084 | 104,070 |
| office equipment | 11,444 | 7,864 |
| Auditors remuneration (including VAT and expenses): | | |
| In their capacity as auditors | 13,599 | 12,009 |

8. SURPLUS/(DEFICIT) ON DISPOSAL OF FIXED ASSETS

| | 2010-11 | 2009-10 |
|--|---------------------|--------------|
| | £ | £ |
| Disposal proceeds | 15,135 | 10,784 |
| Carrying value of fixed assets disposed of during year | (12,107) | (11,006) |
| SURPLUS/(DEFICIT) ON DISPOSAL | <u>3,028</u> | <u>(222)</u> |

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. INTEREST RECEIVABLE AND OTHER INCOME

| | 2010-11 | 2009-10 |
|-----------------------------------|----------------------|---------------|
| | £ | £ |
| Dividends received on investments | 19,218 | 18,660 |
| Bank interest | 26,507 | 20,848 |
| TOTAL | <u>45,725</u> | <u>39,508</u> |

10. EMPLOYEE INFORMATION

| | 2010-11 | 2009-10 |
|---|-------------------------|------------------|
| The average number of staff employed during the year, expressed as full time equivalents, (i.e. 35 hours p.w.) was: | 207 | 201 |
| Staff costs | £ | £ |
| Wages and salaries | 4,383,833 | 4,243,255 |
| Social Security costs | 397,591 | 368,055 |
| Other pension costs | 96,881 | 105,826 |
| TOTAL | <u>4,878,305</u> | <u>4,717,136</u> |

During 2010-11 the Trust made severance and redundancy payments of £13,277

11. PENSION OBLIGATIONS

The Trust contributes to a group personal (defined contribution) pension scheme for those qualifying employees who have chosen to join the scheme.

The Trust has no legal or constructive obligation to pay further contributions if the pensions provider does not have sufficient assets to pay all benefits relating to employees' service in current and prior periods. Individual members' benefits are determined by reference to contributions paid into the scheme in respect of that member.

The cost of the pension scheme is equal to the contributions payable to the scheme for the accounting period. The cost is recognised within operating costs in income & expenditure account for the period to which it relates.

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. DIRECTORS' EMOLUMENTS

| | 2010-11 | 2009-10 |
|---|----------------|---------|
| | £ | £ |
| The aggregate emoluments paid to Executive Directors, including salary, employer's pension contributions and benefits-in-kind | 295,590 | 290,550 |
| The emoluments paid to highest paid director, including benefits in kind but excluding employer's pension contributions | 98,740 | 96,491 |

Board Members did not receive any fees in 2010-11 or 2009-10 from the Trust. They do receive reimbursement of necessary expenses incurred on behalf of the Trust.

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a group personal (defined contribution) pension scheme funded by the employer, with voluntary contributions payable by the employee. Contributions to the scheme for the Chief Executive and other senior staff, commences on the date of employment. For all other staff the employer's contribution commences after two years continuous employment. No other enhanced or special terms apply to the Chief Executive and there are no additional pension arrangements.

13. TAXATION STATUS

HM Revenue & Customs accepts that Langley House Trust is a charity for tax purposes (reference number X97668).

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

| | 2010-11 |
|--|------------------|
| | £ |
| COST/VALUATION | |
| At 1 April | 5,593,769 |
| Additions | 279,441 |
| Disposals | 0 |
| At 31 March | <u>5,873,210</u> |
| SOCIAL HOUSING GRANT AND OTHER GRANTS | |
| At 1 April | 3,768,528 |
| Received during the year | 1,700 |
| At 31 March | <u>3,770,228</u> |
| DEPRECIATION | |
| At 1 April | 297,066 |
| Charge for year | 41,411 |
| Disposals | 0 |
| At 31 March | <u>338,477</u> |
| NET BOOK VALUE | |
| At 31 March 2011 | <u>1,764,505</u> |
| | <u>1,528,175</u> |
| At 31 March 2010 | <u>1,528,175</u> |

The aggregate market value of the properties is, in the opinion of the Trustees, in excess of cost.

Housing properties comprises:

| | 31.3.2011 | 31.3.2010 |
|------------------|------------------|------------------|
| | £ | £ |
| Freeholds | 1,228,468 | 1,123,050 |
| Long leaseholds | 92,806 | 95,378 |
| Short leaseholds | 443,231 | 309,747 |
| TOTAL | <u>1,764,505</u> | <u>1,528,175</u> |

The value of freehold property at 31 March 2011 is split between £889,392 of assets shown at depreciated cost and £339,076 of assets at valuation, less depreciation. The items at valuation were transferred to the Trust in the 2005-06 financial year.

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. SOCIAL HOUSING GRANT

| | 2010-11 | 2009-10 |
|---|-------------------------|------------------|
| | £ | £ |
| The total accumulated SHG received or receivable at 31 March was: | | |
| Capital grants | 3,278,655 | 3,278,655 |
| Revenue grants | 1,591,066 | 1,591,066 |
| TOTAL | <u>4,869,721</u> | <u>4,869,721</u> |

Social Housing Grant is repayable under certain circumstances.

16. TANGIBLE FIXED ASSETS - OTHER

| | Plant and Equipment £ | Motor Vehicles £ | Total £ |
|-------------------------|--------------------------------------|---------------------------------|-----------------------|
| COST/VALUATION | | | |
| At 1 April | 491,911 | 168,399 | 660,310 |
| Additions | 40,827 | 68,798 | 109,625 |
| Disposals | | (44,909) | (44,909) |
| At 31 March | <u>532,738</u> | <u>192,288</u> | <u>725,026</u> |
| DEPRECIATION | | | |
| At 1 April | 418,278 | 135,431 | 553,709 |
| Charge for year | 42,007 | 22,660 | 64,667 |
| Disposals | | (32,801) | (32,801) |
| At 31 March | <u>460,285</u> | <u>125,290</u> | <u>585,575</u> |
| NET BOOK VALUE | | | |
| At 31 March 2011 | <u>72,453</u> | <u>66,998</u> | <u>139,451</u> |
| At 31 March 2010 | <u>73,633</u> | <u>32,968</u> | <u>106,601</u> |

17. FIXED ASSET INVESTMENTS

| | 31.3.2011 | 31.3.2010 |
|---|----------------------|---------------|
| | £ | £ |
| Market value of investments at start of year | 425,981 | 334,824 |
| Market value of investments at end of year | 438,645 | 425,981 |
| Gain in value during the year | <u>12,664</u> | <u>91,157</u> |
| Surplus charged to income and expenditure account | 12,664 | 91,157 |
| Historic cost of investments | 463,880 | 463,880 |

All investments are unit trusts managed by CCLA Investment Management Ltd.

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. DEBTORS

| | 31.3.2011 | 31.3.2010 |
|-------------------------------------|-----------------------|----------------|
| | £ | £ |
| Amounts falling due within one year | | |
| Rent arrears | 180,721 | 146,052 |
| Less: provision for bad debts | (84,469) | (67,710) |
| Non rental arrears | 270,145 | 395,281 |
| Less: provision for bad debts | (57,849) | (58,254) |
| Prepayment and accrued income | 129,441 | 151,820 |
| TOTAL | <u>437,989</u> | <u>567,189</u> |

19. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.3.2011 | 31.3.2010 |
|---|-------------------------|------------------|
| | £ | £ |
| Rent credit balances | 32,937 | 49,184 |
| Non rental credit balances | 58,448 | 46,464 |
| Trade creditors | 296,590 | 462,980 |
| Taxation, social security and pension payable | 134,329 | 115,923 |
| Accruals and deferred income | 293,020 | 234,081 |
| Supporting People contract income received in advance | 93,422 | 74,084 |
| Other grants in advance | 239,940 | 290,003 |
| TOTAL | <u>1,148,686</u> | <u>1,272,719</u> |

20. PROVISIONS FOR LIABILITIES AND CHARGES

| | 31.3.2011 | 31.3.2010 |
|------------------------------------|----------------------|---------------|
| | £ | £ |
| Opening balance as at 1 April | 16,198 | 100,000 |
| Utilised in the year | (16,198) | (83,802) |
| Charge in the year | 14,673 | 0 |
| Closing balance at 31 March | <u>14,673</u> | <u>16,198</u> |

In 2008-9 the Trust ceased operations at one of its drug rehab projects. As at 31 March 2009 it was still uncertain whether the property would be brought back into use. A provision was therefore made for the anticipated future cost of the building including lease payments and reinstatement costs. During 2009-10, funding was secured to enable the building to be redeveloped and it was re-opened subsequent to the year end as an 11 bed resettlement facility. As at 31 March 2010 the majority of redevelopment work had been completed, with some further costs expected in 2010-11. £83,802 of the provision was released to pay for this work in 2009-10. The remaining provision was released when the work was completed in 2010-11.

In 2010-11, provision was made for redundancy payments approved but not paid in the year and the future lease costs for a property no longer in use.

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RESERVES

| | Designated Reserves £ | Restricted reserves £ | Negative goodwill £ | Revenue reserves £ | Total £ |
|--|--------------------------------------|--------------------------------------|------------------------------------|-----------------------------------|--------------------|
| Opening balance as at 1.4.2010 | 788,619 | 51,134 | 342,346 | 3,633,689 | 4,815,788 |
| Surplus for the year | 0 | 0 | 0 | 258,568 | 258,568 |
| Disposals | 0 | 0 | (3,271) | 0 | (3,271) |
| Transfer for the year | (141,085) | 23,890 | 0 | 117,195 | 0 |
| Closing balance as at 31.3.2011 | 647,534 | 75,024 | 339,075 | 4,009,452 | 5,071,085 |

Negative goodwill relates to land and equipment acquired by the Trust as a result of the acquisition of Torbay Churches Homeless Trust and the transfer of a property from another Registered Provider in 2005-06. This amount of negative goodwill (with the exception of that relating to land values) will be amortised in the Trust's accounts to match the corresponding amount of depreciation.

22. RECONCILIATION OF MOVEMENT IN FUNDS

| | 2010-11 £ | 2009-10 £ |
|---------------------------------------|----------------------|----------------------|
| Total recognised surplus for the year | 258,568 | 535,047 |
| Opening total funds | 4,815,788 | 4,284,278 |
| Write down of negative goodwill | (3,271) | (3,537) |
| Closing total funds | 5,071,085 | 4,815,788 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. FINANCIAL COMMITMENTS

| | 31.3.2011 £ | 31.3.2010 £ |
|--|-----------------------|----------------------|
| Capital expenditure that has been contracted for but has not been provided for in the financial statements | 0 | 23,822 |
| Major repairs expenditure that has been contracted for but has not been provided for in the financial statements | 113,614 | 74,257 |
| Capital expenditure that has been authorised by Trustees but has not yet been contracted for | 0 | 0 |
| TOTAL | <u>113,614</u> | <u>98,079</u> |

The commitments as at 31 March will be financed as follows:

| | 31.3.2011 £ | 31.3.2010 £ |
|--|-----------------------|----------------------|
| Grants shown in the balance sheet as received in advance | 87,532 | 34,712 |
| Grants notified but not yet received | 10,624 | 0 |
| Release of provision | 0 | 16,198 |
| Revenue reserves of the Trust | 15,458 | 47,169 |
| TOTAL | <u>113,614</u> | <u>98,079</u> |

Operating leases:

The Trust holds properties and office equipment under non cancellable operating leases. At the end of the year the Trust had annual commitments under these leases as follows:-

| | 31.3.2011 £ | 31.3.2010 £ |
|---|-----------------------|----------------------|
| Land and buildings which expire:- | | |
| Leases expiring within the next year | 37,830 | 18,385 |
| Leases expiring in the second to fifth year | 38,184 | 39,800 |
| Leases expiring in more than five years | 26,055 | 25,361 |
| Others, which expire: - | | |
| Leases expiring within the next year | 0 | 1,998 |
| Expiring in the second to fifth year | 8,866 | 3,987 |
| TOTAL | <u>110,935</u> | <u>89,531</u> |

24. CONTINGENT LIABILITIES

There were no known contingent liabilities as at 31 March 2011.

25. RELATED PARTIES

The Trust had two service users co-opted to the Board during 2010-11. One of the Service Users was a tenant of the Trust and their tenancy was on normal commercial terms. The service provided to both service user co-optees was in line with that provided to other service users and at normal fees. Neither service user could use their position to their advantage. There were no other related party transactions during the financial year

LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. RECONCILIATION OF OPERATING SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2011 £ | 2010 £ |
|--|-----------------------|-----------------------|
| Operating surplus | 200,819 | 407,454 |
| Depreciation charges | 106,078 | 118,211 |
| Release of negative goodwill | (3,271) | (3,537) |
| Change in value of provisions | (1,524) | (83,802) |
| Decrease in debtors | 129,200 | (106,872) |
| Decrease/(increase) in creditors | (124,033) | 339,869 |
| Net cash inflow from operating activities | <u>307,269</u> | <u>671,323</u> |

27. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

| | 2011 £ | 2010 £ |
|--|-------------------------|-------------------------|
| Decrease in cash | (22,905) | (191,137) |
| Change in market value of investments | 12,664 | (126,813) |
| Total changes of net funds for the period | <u>10,241</u> | <u>(317,950)</u> |
| Net funds at 1 April | 3,902,740 | 3,024,395 |
| Net funds at 31 March | <u>3,892,499</u> | <u>2,706,445</u> |

28. ANALYSIS OF NET FUNDS

| | 1.4.2010 £ | Cash flow £ | Non-cash movement £ | 31.3.2011 £ |
|-----------------------------------|-------------------------|------------------------|---------------------------|-------------------------|
| Fixed asset investment | 425,981 | 0 | 12,664 | 438,645 |
| Cash at bank and in hand | 3,476,759 | (22,905) | 0 | 3,453,854 |
| Total changes in net funds | <u>3,902,740</u> | <u>(22,905)</u> | <u>12,664</u> | <u>3,892,499</u> |

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

PATRONS, TRUSTEES AND EXECUTIVE DIRECTORS

PATRONS

The Rt Rev Terence Brain
Mr Colin Honey
The Venerable William Noblett
The Rev Baroness Kathleen Richardson

TRUSTEES



Chair
Vice Chair
Treasurer

Anthony Howlett-Bolton BA (Hons); FCMI; FSy
Michael Jordan
Peter Davies BSc; CPFA

Other Trustees

Elfrida Calvocoressi SRN; SCM
Tim Fallon
Christine Harbottle BA (Hons) Oxon; MSc
Robert Nisbet BA(Hons). CQSW. MA (Appointed 26 January 2011)
Ade Oshodi
Tony Pearson CBE BA (Hons). DPSA
David Priaux B Pharm. PhD. FCQI CQP
Rev Andy Rider MA
Denise Sanderson-Estcourt (Appointed 26 January 2011)

EXECUTIVE DIRECTORS



Chief Executive
Corporate Services Director
Corporate Development Director
Corporate Operations Director

Steve Robinson MA, OSL, FRSA, CIH, MiMgt
Ken Brown CPFA
Andrew Lerigo MA FCIH
Tracy Wild MA BSC CQSW

CENTRAL OFFICE

PO Box 181
Witney
Oxfordshire OX28 6WD

REGISTERED NUMBERS

Registered Charity number 290059
Registered Provider number H4250

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

PRINCIPAL ADVISORS

EXTERNAL AUDITORS

Beever and Struthers
Chartered Accountants
Alperton House
Bridgewater Road
Wembley
Middlesex HA0 1EH

BANKERS

Bank of Scotland
33 Old Broad Street
London
BX2 1LB

**LANGLEY HOUSE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

SUPPORTERS

The Trustees wish to record their sincere thanks to the many individuals, churches, schools and colleges who offer financial and prayer support. In difficult financial times, the Trust is coming to rely increasingly on this generosity, and such support is never taken for granted.

The Trustees also thank The Methodist Church for its ongoing practical and financial support.

The Trust is grateful to colleagues in partner agencies and organisations including The Tenant Services Authority and Homes and Communities Agency (both previously the Housing Corporation), The Ministry of Justice, National Offender Management Service (NOMS), Probation, Supporting People, Social Services, the Police, NHS Trusts, Supporting Others through Voluntary Action (SOVA) and training providers.

The Trustees thank the Royds Community Foundation for the provision of space for our women's project.

We also acknowledge with gratitude those partner organisations from whom we lease property: MHS, AMAT, Eaves Brook, Headrow Housing Group, BPHA, Manchester and Salford Methodist Mission, Coventry City Council and Cheltenham Borough Council.

Trusts & Organisations

CHK Charities Ltd
City of London Justice Rooms Charitable Trust
Deus Laudamus Trust
Garfield Weston Foundation
Grace S L Booth Trust
Reading St Laurence Church Lands
The Albert Hunt Trust
The Barleycorn Trust
The Bedford Charity
The Bridgewater Charitable Trust
The Charles Irving Charitable Trust
The Community of the Presentation Trust
The Coutts Charitable Trust
The David Lister Charitable Trust
The Duchy of Lancaster
The Fairfield Charitable Trust
The Gibbs Charitable Trust
The GM Morrison Charitable Trust
The Noel Buxton Trust
The Rhododendron Trust
The Shone No.2 Charitable Trust



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Registered Charity number 290059

Registered Provider number H4250



INVESTORS
IN PEOPLE

