

ROMSEY MILL TRUST

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

**ROMSEY MILL TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

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Principal Address and Registered Office

Romsey Mill
Hemingford Road
Cambridge
CB1 3BZ

Auditors

Chater Allan LLP
Beech House
4a Newmarket Road
Cambridge
CB5 8DT

Solicitors

Matthew, Winter and Bullock
168 Mill Road
Cambridge
CB1 3LP

Registered Charity Number

1069905

Registered Company Number

03556721

**ROMSEY MILL TRUST
BOARD OF MANAGEMENT REPORT
FOR THE YEAR ENDED 31 MARCH 2012**

BACKGROUND

Romsey Mill was first set up as a community organisation by local churches in 1980. Its purpose was to create opportunities with young people and families, supporting in particular those living in Cambridge and its surrounding districts experiencing disaffection and disadvantage. In 1998 Romsey Mill Trust was constituted as a charitable company. Romsey Mill is dedicated to overcoming disadvantage, promoting inclusion and developing wellbeing with these young people and families.

DIRECTORS/TRUSTEES

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and are collectively referred to as the Board of Management (the Board). The members of the board of management during the year were as follows:

A Barry
M Ingram
S Leeke
T Phipps (Vice-Chair)
M Saunders (appointed 2 December 2011)
V Schuster-Beesley
S Taylor
E Willis (resigned 10 October 2012)
M Wylie (Chair)
J Fletcher (resigned 15 November 2011)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Romsey Mill Trust is constituted as a charitable company registered with the Charity Commission in May 1998 (under charity number 1069905). Romsey Mill is a Company Limited by Guarantee, incorporated and registered in England and Wales on 1st May 1998 (company number 03556721). Romsey Mill is governed by its Memorandum and Articles of Association, dated 1st May 1998.

Organisational structure

The directors of the company form the Board of Trustees of Romsey Mill. The Board of Trustees has a minimum of 2 and no maximum number of members. The directors/trustees (hereafter referred to as trustees) are responsible for the overall strategic leadership and governance of the charity. They give their time freely and receive no remuneration or other financial benefits.

The trustees convene a full board meeting at least once a quarter. They approve the strategic and business plans, annual budgets and end of year accounts. They receive management accounts (Profit and Loss Account and Balance Sheets) and quarterly financial summaries, enabling them to monitor actual income and expenditure against budgets. Major capital projects need to be approved by the trustees as do the creation of any new staff posts which constitute a significant financial commitment. The Board of Trustees use the PQASSO quality assurance framework as a business tool to help Romsey Mill continually improve standards and performance across the organisation.

To assist with the efficient and effective running of the charity, the trustees have set up a number of committees which have delegated responsibility for specific areas of work. Committees currently in operation are: Finance, Programme, Fundraising and Communications, Personnel, and Buildings/Health and Safety. The committees are always chaired by a trustee. Other people with relevant skills and experience participate in these meetings as required and at the invitation of the trustees. The committees usually meet four times a year and report to the full Trustee Board meeting. These committees take an active interest in operational management and development matters. These committees also undertake regular reviews of policies linked to their areas of work, approving new policies to be adopted by the full Board of Trustees and reviewing and updating existing policies and procedures. The charity has a broad range of policies including but not limited to: Safeguarding Children and Young People, Equal Opportunities and Diversity, Health and Safety, Data Protection, Employment, Disciplinary, Grievance, Complaints, Staff Training and

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Development. The Personnel Committee's responsibilities include reviewing staff salaries, with new salary levels being approved by the Finance Committee before being adopted by the Board of Trustees.

The day-to-day leadership and management of Romsey Mill are delegated to the organisation's Chief Executive Officer (CEO). The CEO is appointed by the Trustees and s/he is responsible to them for the leadership and management required to fulfil the charity's aims and objectives. The CEO attends all the Trustees' board meetings. Other members of Romsey Mill's staff team attend as required. The CEO directs a staff 'Leadership and Management' Team. Members of the Leadership and Management Team attend committees (referred to previously) relevant to their job roles/responsibilities.

Recruitment and appointment of trustees

To carry out all its duties efficiently and effectively, the Board of Trustees requires breadth and depth of skills, relevant knowledge and experience, a reasonable balance of age and gender, and the ability to actively promote the work of Romsey Mill.

The current members of the board have a good range of skills and experience from areas including education, finance, leadership, marketing and communications, fundraising, management within voluntary and statutory sectors, health and pastoral care. As set out in Romsey Mill's Articles of Association, new members of the Board of Trustees are appointed by existing trustees. Existing trustees and Romsey Mill's CEO have considered the Charity Commission and the National Council for Voluntary Organisations' guidance on recruiting and appointing trustees including *Trustee Recruitment, Selection and Induction (Charity Commission publication RS1)* and the *Trustee Recruitment Toolkit (NCVO)*. Prospective trustees are either suggested by members, staff, supporters and users, or may come forward following selective advertising. Where possible, Romsey Mill looks to identify new trustees from among our programme participants (service users). With the existing trustees' agreement, people may then be approached. Potential candidates are invited to meet with the Chair of Trustees and another trustee (or CEO) to discuss the role and responsibilities. They receive a 'Trustee Pack' consisting of a copy of Romsey Mill's Memorandum and Articles of Association, Vision/Mission/Ethos document, strategic plan, annual reports, budgets, accounts, and any other relevant documentation relating to the charity's aims, activities and governance. If willing to serve, potential trustees are then formally proposed at a subsequent trustees' meeting and, if all agree, appointed, subject to references and necessary checks. This process allows due consideration of the person's eligibility, personal competence, specialist knowledge and skills.

Induction and training of trustees

Following appointment, further induction of new trustees is the responsibility of the Chair of Trustees supported by the Chief Executive Officer. The induction process for new trustees is intended to familiarise them with the work of the charity, the context in which it operates, and their responsibilities as board members. New Trustees go through the 'Trustee Pack' with the Chair of Trustees and/or CEO and also receive other general publications from the Charity Commission and the NCVO such as *The Essential Trustee: What you need to know (CC3)*, *Hallmarks of an Effective Charity (CC60)*, *Good Governance: A Code for the Voluntary and Community Sector (NCVO)* and the Charity Commission's recent guidance on charities and public benefit.

New trustees will typically be invited to become involved in one of the charity's committees and assist with particular activities and projects. Board members are encouraged to attend relevant and appropriate external training events and conferences.

Risk Management

The Trustees have undertaken an organisational risk assessment, which identifies the major risks by area, identifying degrees of exposure and the steps necessary to manage these. This helps towards ensuring that we are paying due attention to the stability of our operations and to our duty of care to both our staff and programme participants. The trustees review this Risk Register annually and are satisfied that systems and procedures are in place to manage the risks identified. In particular, appropriate Criminal Records Bureau (CRB) checks are made for all staff members and volunteers who work with children, young people and vulnerable adults across our programmes; suitable insurance

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BOARD OF MANAGEMENT REPORT
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cover is in place for Romsey Mill; finances are kept under consistent review; IT systems are secured and data frequently backed-up.

VISION and PURPOSE

Romsey Mill's Vision and Purpose

Romsey Mill's vision is of a transformed society in which all young people, children, and families fully belong, positively contribute and thrive.

Working towards making this vision a reality, Romsey Mill purpose is to overcome disadvantage, promote inclusion and develop personal, social and spiritual wellbeing.

The focus of our work is particularly (though not exclusively) among children, young people and young families in the County of Cambridgeshire.

Romsey Mill is a Christian faith-based charity working inclusively with people of any faith and of none. We fulfil all our charitable objects through carrying out activities that challenge injustice, promote inclusion, and contribute towards a better society by improving social cohesion and social capital.

Romsey Mill's Charitable Objects are set out in our Memorandum of Association (dated 1st May 1998) and can be summarised as follows:

- (a) to advance education
- (b) to promote good citizenship for the public benefit with the commitment to promote equal opportunities for those individuals and groups who encounter discrimination
- (c) to advance the Christian faith
- (d) to provide help, advice and positive support to those in economic or other need or hardship
- (e) to promote and fulfil such other charitable purposes beneficial as the trustees may from time to time think fit

STRATEGIC OUTCOMES, METHODS and STAFFING

Strategic Outcomes

Romsey Mill's strategic plan identifies a number of strategic outcomes we aim to achieve during the three year period April 2011 – March 2014. They are to have:

1. *Developed our Programme activities by:*
 - establishing the reach of specific programme work in two distinct geographical locations beyond Cambridge city
 - enhancing targeted/intensive work within existing programmes through specific staff roles and particular interventions
 - expanding our provision of courses and structured learning opportunities, enabling 60 young people per annum to gain accredited outcomes by March 2013 and maintaining this level in March 2014 (from a base-line figure of 46 in 2009-10)
 - becoming more intentional and effective in supporting programme participants' spiritual wellbeing - through providing specific training to staff, utilising appropriate resources, and improving practice against the relevant modules from the Occupational Standards for Youth Workers
 - increasing the total number of children, young people and families we work with annually from baseline figure of 1,700 in 2008/09 to our target of 2,500 per annum by March 2013, and maintaining this number in March 2014
2. *Strengthened and grown our partnership work with:*
 - local churches and other faith-based groups - particularly through increased shared responsibility for projects and activities
 - local voluntary and statutory organisations and agencies providing services for children, young people and families, particularly by improving information sharing
3. *Assessed opportunities to increase awareness of Romsey Mill's work regionally and nationally, and the benefits thereof.*
4. *Improved our strategic planning processes and organisational management practice (using the PQASSO Quality Standard Framework to measure progress) to:*
 - raise overall standards in management and delivery of services

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- better demonstrate the outcomes and impact of our work
- enable participants to play a full role in planning and progressing our work

These strategic aims are set to help Romsey Mill fulfil all of our charitable objects in ways that reflect the charity's values and ethos. Each year our trustees review our outcomes and methods to ensure they continue to support our charitable objects. In carrying out this review the trustees have considered the Charity Commission's guidance on charities and public benefit.

Methods

In pursuance of our charitable objectives and to achieve our strategic outcomes Romsey Mill's current focus includes work with teenage parents, young people with autism, families with small children and young people experiencing vulnerability and/or disadvantage. Romsey Mill employs diverse and innovative methods of engaging with and supporting participants including: group work, 1:1 support, home visits, vocational courses, work in schools, detached youth work, activity-based groups (e.g. urban music, sports), the provision of alternative education, holiday clubs, trips and outdoor residential experiences.

Romsey Mill creates opportunities with young people, children and families in Cambridgeshire, particularly with those experiencing significant disadvantage, through a long-term relational approach and programmes developed with participants. Over the year that this report relates to the work has been managed, coordinated and delivered under the following programme areas:

- *Aspire Programme* - creating social space with 9-16 year-olds on the autistic spectrum
- *Transitions Programme* - helping 10-14 year-olds to increase their self-esteem, confidence, aspirations and skills, including specific help to make a smoother transition from primary to secondary school
- *Social Inclusion Programme* - supporting 13-25 year-olds who are at risk (including those who may not be in education or employment) to fulfil their potential through providing positive activities, advice and guidance, skills development and assistance into employment
- *Alternative Education Program* – currently helping 14-16 year olds, struggling with school, to achieve by providing a range of personal social development and vocational courses
- *Young Parents Programme* - providing intensive personal, educational and parenting support for parents under 21 years of age
- *Children's Centre and Play Group* – the Children's Centre provides information, advice, and support to parents of children under 5 and groups for parents and their babies or toddlers. The Playgroup offers early years care and education to children 2-4 years of age

Much of our work is delivered from Romsey Mill Centre located in Cambridge City – this community hub also offers hireable meeting rooms, training facilities, and halls to all in the local community. We also run a charity shop that provides volunteering opportunities and affordable goods to those in need. Our work is financially resourced through individual and organisational donations, statutory grants and earned income. Most of our activities are free to participants but where there is a charge concessions are made for people in financial need.

Another important part of our strategy is to engage in cross-sector partnerships with a broad range of public bodies, private companies, other voluntary organisations and churches in order to support young people, children and families as effectively as possible.

Staff and Volunteers

The CEO leads a staff team currently made up of 46 employees, including 25 people in full-time roles. Volunteers play a vital role in the life of Romsey Mill and are involved in many areas of our operation. More than 115 volunteers have participated in work with Romsey Mill during the last twelve months. This includes a team of 21 volunteers who support the running of our charity shop and 25 volunteers who provide the intensive support needed by the young people in our Aspire Programme. Membership of our committees is also on a voluntary basis. Students on work experience placements as part of their studies also contribute to the delivery of our programmes. Romsey Mill's patrons offer their time in 'championing' the charity's work.

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ACTIVITIES, ACHIEVEMENTS AND PUBLIC BENEFIT

During the 2011-12 year Romsey Mill continued to provide its broad range of existing Programme activities. There was growth in our (Aspire) work supporting young people with autistic spectrum conditions and new work in additional schools supporting young people through our Transitions and Alternative Education work. During this year Romsey Mill has begun the process of establishing our Alternative Education Provision as a Programme Area distinctive from our Social Inclusion work.

The approach Romsey Mill takes to developing and delivering its programmes and activities is such that individual activities often contribute to achieving more than one of our charitable objects in an integrated way. The Trustees confirm they have complied with section 4 of the Charities Act 2006, to have due regard to the Charity Commissioners general guidance on Public Benefit, 'Charities and Public Benefit'. Summarised below are some examples of Romsey Mill's activities that the trustees consider have provided benefit to a broad range of people.

Advancing education:

We advance education across all of our Programmes in a range of ways, informally and through more structured learning opportunities.

In our *Playgroup* 81 children received early years care and education, including 12 high need 2-year-olds. Ofsted Inspectors rates Romsey Mill's Playgroup as outstanding.

In our Children's Centre we ran an ESOL course in partnership with a local school. Out of 4 parents who attended the course 3 progressed onto the higher level and 1 progressed on to the Regional College. Nineteen parents gained new parenting skills through our *Raising Toddlers* course. During the year we offered a number of First Aid courses specifically for parents of young children and trained a total of 83 parents.

In our *Transitions Programme* we prepared 82 young people to make a successful transfer from fifteen Primary schools to four Secondary schools. Post-transfer support enabled at-risk young people to engage successfully with education. 260 educationalist were trained by our staff in using Ready to Go, the resource we have produced for the primary-to-secondary school transition.

In our *Aspire Programme* 55 young people, all with an autistic spectrum condition, attended our clubs. Through this support they grew in confidence and developed vital social skills. We review the activities we provide for young people with autistic spectrum conditions in order to maximise the positive impact for them and their families. The positive outcome of this process was that two new Aspire groups started in the north of Cambridge, extending this much needed provision beyond Romsey Mill Centre.

In our *Young Parents Programme* 19 young parents achieved 26 externally recognised qualifications, having attended Romsey Mill run courses such as literacy, numeracy, and self-confidence. Five dads also completed a baby care course to grow their skills and equip them for practical care.

In our *Social Inclusion Programme* 220 young people acquired social and personal skills with 55 young people moving into work or training. We developed and ran 'Kickstart' – a course which reengaged NEET young people with learning and raised aspirations. 100% of those participating moved on to training or work.

In our *Alternative Education Programme* 30 students achieved 73 recognised qualifications in areas such as Sports Leadership, Arts, Uniformed Services, Drug and Alcohol Misuse Awareness, Enterprise, Cooking skills and Music Technology. An attendance rate of 95% was achieved by students at our Alternative Education sessions. 73% of students made a successful transition to work or college.

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Promoting good citizenship for the public benefit with the commitment to promote equal opportunities for those individuals and groups who encounter discrimination:

Through our *Social Inclusion Programme* during the April 2011 - March 2012 year we engaged 340 at-risk young people through street-based outreach, positive activities and mentoring. The majority of the young people we supported had experienced a significant level of disaffection and deprivation. The positive activities, including late-night football and boxing groups, gave young people the chance to develop skills and aspiration as well as diverting them from crime. We ran a number of social action projects during the year including an event with young women to raise awareness of human trafficking.

Our *Transitions Programme* team supported the Beyond Belief Initiative engaging young people in positive activities around Cambridge which included social action work in local communities.

Our *Aspire Programme* promotes and actively creates opportunities with all our participants who, because of their autistic spectrum conditions, experience discrimination in the form of a lack of equal opportunities to enjoy positive activities.

Advancing the Christian faith:

The Christian faith requires us to treat every individual as a unique and valuable person. Romsey Mill works inclusively with people of any faith and of none and we never impose our faith or beliefs on others. We are a faith-based not a faith-biased organisation.

Romsey Mill realised the charitable objective of advancing the Christian faith principally through carrying out activities that challenge injustice, promote inclusion, and contribute towards a better society by improving social cohesion and social capital.

In 2011-12 Romsey Mill worked in partnership with several local churches engaged in community-based social justice work such as the Beyond Belief Initiative (in the autumn of 2011). Other activities undertaken in partnership with local churches, such as a summer holiday club, offered more specific opportunity for participants to explore Christianity. We have also explored possibilities for increasing direct partnership work with churches serving local communities.

Providing help, advice and positive support to those in economic or other need or hardship:

We increased the number of Playgroup places supporting 2-year-olds with higher needs to twelve.

The Children's Centre managed by Romsey Mill links families with preventative services for children, from pre-birth up to the age of 5 years old. These support services are provided either directly by Romsey Mill or through other agencies. Services include parenting and family support; help and guidance for parents to enable them to progress into training and employment, access to wider services, including health advice, with support from health visitors and midwives; and services to support children with additional needs early in a child's life. During the last year 1106 parents attended Children Centre activities including new parents groups, first aid courses and health clinics.

Within Romsey Mill's Young Parents Programme 70 expectant young parents attended tailored antenatal courses. 199 young mothers and 76 young fathers were given advice and guidance through group and one-to-one support sessions.

As part of our *Aspire Programme*, guidance and advice was given by our Family Support Worker to 14 parents needing help to secure appropriate educational provision and benefits for their children.

**ROMSEY MILL TRUST
BOARD OF MANAGEMENT REPORT
FOR THE YEAR ENDED 31 MARCH 2012**

FINANCIAL REVIEW

Like many charities, we have been adversely affected by the national economic challenges and we are grateful to generous supporters and funding partners without whom our work would not be possible.

We continue to generate income from a range of sources and this diverse funding base helps us to manage the risk that loss of income would lead to the immediate curtailing of activities. Total income within the year was £882,755 and our overall expenditure was £973,418. Staff costs, £701,854, continue to be the largest percentage (72%) of our total expenditure. Central support costs continue to be allocated to each programme based on the full cost recovery toolkit produced by AVECO. This allows Romsey Mill to show the full cost of each programme more accurately, and helps towards achieving full cost recovery.

We had forecast a deficit at the year-end and used some of our unrestricted reserves (totalling £377,638 at the beginning of the year) and a designated Sustainability Fund to meet this shortfall in income.

The cost of generating unrestricted funds, £99,425 included the cost of running the charity shop, which is a community service as well as an income generating activity. From a modest level in 2010-11, our income from the community and from grant-making trusts has doubled over the last 12 months. This welcome trend needs to continue if we are to sustain and develop our services whilst statutory funding, which still provides over half our income, may further decline. We are hopeful that as local authorities consider commissioning and purchasing services from the voluntary and community sector they will recognise the excellent programmes and value for money that Romsey Mill offers by awarding us contracts to deliver services.

Reserves Policy

The charity needs reserves to meet its current commitments, and to provide long-term stability to its programmes. The trustees regularly review the level of funds that the charity requires in order to honour its liabilities to staff, suppliers and other organizations and planned investments or budget deficit, and to have sufficient cash flow to continue to discharge its social obligations to beneficiaries with continuing professionalism. Core to Romsey Mill's effectiveness is the ability to build long-term relationships with young people, children and families. The trustees, therefore, wish to ensure that Romsey Mill is able to continue to provide support in the event of an unforeseen drop in income until appropriate action can be taken. Based on these considerations, the Trustees' current policy is to maintain free reserves of between three and six months' worth of the following year's projected expenditure.

Financial procedures

All income and expenditure transactions are entered into the computerized SAGE accounts system. Bank reconciliation is carried out monthly and a set of management accounts are also produced monthly. Quarterly reports are produced and a comparison made against budgeted figures.

Invoices received are compared with any purchase order and any discrepancies investigated. Invoices are stamped with the date received and signed as proof that the goods or services have been received. Invoices are paid as they fall due (usually 30 day terms). Two signatories are required for all cheques. If the amount is above £2,000 one signatory must be the CEO or Trustee.

The payroll is processed monthly. The CEO or immediate manager signs off any changes to agreed salary payments. Trustees agree annual salary changes. Trustee approval is also required for any major capital projects, the creation of any new posts, or other undertaking, that will have a significant short or long term financial impact.

**ROMSEY MILL TRUST
BOARD OF MANAGEMENT REPORT
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PLANS FOR NEXT 12 MONTHS

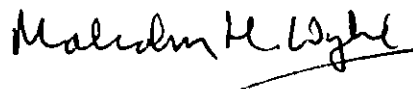
Our plans for the next year include the following development aims:

- Respond to need and opportunities to offer our Transitions Programme interventions to schools in and around Cambourne.
- Implement continuing improvement plan within Children's Centre and Playgroup following very positive Ofsted Inspections.
- Strengthen the transition links between Romsey Children's Centre and local Early Years Education and Care settings (including Romsey Mill Play Group) to help ensure best continuity of support particularly for families in receipt of 2-year-old funding.
- Respond to commissioning opportunity in order to continue providing excellent support service for young parents in South Cambridgeshire and Cambridge city.
- Increase the number of children and young people with autistic spectrum conditions that our Aspire Programme supports, scoping the potential for new groups in Cambourne.
- Research and develop Alternative Education Programme, in response to gaps in current provision across City and South Cambridgeshire, with young people aged 14-19.
- Deliver the various Social Inclusion Programme activities funded through the 'Integrated Youth Support Service' grant whilst working to identify new funding to allow this work to continue.
- Continue to explore possibilities for increasing direct partnership work with churches serving local communities.
- Improve the overall organisational quality of Romsey Mill using the PQASSO excellence framework to evaluate our progress.
- Grow relationships with existing and new sponsors and supporters, aiming to increase unrestricted income from the Cambridge community of businesses, churches, individuals.

Romsey Mill's 3 Year Strategic Plan and Income and Marketing Strategy contain more detailed information on our future priorities and intended outcomes.

On behalf of the Board of Trustees/Directors

M Wylie (Chair):



Date:

5/12/12

REPORT OF THE INDEPENDENT AUDITORS TO THE BOARD OF MANAGEMENT OF ROMSEY MILL TRUST

STATEMENT OF BOARD OF MANAGEMENT'S RESPONSIBILITIES

The Board of Management are responsible for the preparation of annual financial statements and ensuring that Romsey Mill Trust maintains proper accounting records. They are also responsible for safeguarding the assets of Romsey Mill Trust and thereby taking reasonable steps to ensure the prevention and detection of fraud and other

REPORT OF THE INDEPENDENT AUDITORS TO THE BOARD OF MANAGEMENT OF ROMSEY MILL

We have audited the financial statements of Romsey Mill Trust for the year ended 31 March 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Board of Management and Auditors

As described above the Board of Management are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' and Directors' 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 charitable company's affairs as at 31 March 2012, and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006 In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE BOARD OF MANAGEMENT OF
ROMSEY MILL TRUST**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or records adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime

Graham Michael David Day (Senior Statutory Auditor)
For and on behalf of
Chater Allan LLP
Chartered Accountants & Statutory Auditors
Beech House
4a Newmarket Road
Cambridge
CB5 8DT

Date: 13 December 2012

**ROMSEY MILL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2012**

| | Note | Restricted Funds | | Total 2012 | Total 2011 |
|---|------|-----------------------|--------------------------------|----------------|------------------|
| | | Unrestricted Funds | Romsey Mill Centre Funds | | |
| | | £ | £ | £ | £ |
| Income and Expenditure | | | | | |
| Incoming Resources | | | | | |
| Generated funds: | | | | | |
| Voluntary income | 2a | 69,702 | - | 69,702 | 88,868 |
| Activities for generating funds | 2b | 62,736 | - | 64,736 | 111,243 |
| Investment income | | 4,057 | - | 4,057 | 8,945 |
| Charitable activities: | | | | | |
| Social Inclusion Programme | | 58,910 | - | 160,485 | 371,071 |
| Transitions Programme | | 4,170 | - | 79,008 | 91,263 |
| Aspire Programme | | 43,305 | - | 25,445 | 23,146 |
| Young Parents Programme | | 122,365 | - | 57,345 | 127,485 |
| Children's Centre | | 213 | - | 147,421 | 155,352 |
| Playgroup | | 40,872 | - | 721 | 28,940 |
| Community activities | | 4,000 | - | - | 1,569 |
| Total Incoming Resources | | 410,330 | - | 472,425 | 1,007,882 |
| Resources Expended | | | | | |
| Costs of generating funds: | | | | | |
| Costs of generating voluntary income | | 55,107 | - | - | 41,291 |
| Costs of activities for generating funds | | 44,318 | - | 2,000 | 50,958 |
| Charitable activities: | | | | | |
| Social Inclusion Programme | 3 | 193,544 | - | 164,838 | 376,062 |
| Transitions Programme | | 7,433 | - | 78,338 | 118,301 |
| Aspire Programme | | 42,289 | - | 18,986 | 61,216 |
| Young Parents Programme | | 153,708 | - | 14,016 | 164,031 |
| Children's Centre | | 540 | - | 146,938 | 137,271 |
| Playgroup | | 37,278 | - | 721 | 29,376 |
| Community activities | | 850 | - | 2,073 | 5,351 |
| Governance costs | 5 | 10,441 | - | 10,441 | 12,978 |
| Total Resources Expended | | 545,508 | - | 427,910 | 996,834 |
| Net incoming/(outgoing) resources before transfers | | (135,178) | | 44,515 | 11,048 |
| Transfer between funds: | | | | | |
| Restricted Fund: | | | | | |
| Transfer from Romsey Mill Centre | | 3,203 | (3,203) | - | - |
| Transfer from Other Restricted Funds | | 1,344 | - | (1,344) | - |
| Net Movement In Funds | | (130,631) | (3,203) | 43,171 | (90,663) |
| Fund Balances at 31 March 2011 | | 664,408 | 902,623 | 110,602 | 1,677,633 |
| Fund Balances at 31 March 2012 | | 533,777 | 899,420 | 153,773 | 1,586,970 |

Income and expenditure is derived solely from continuing operations.

**ROMSEY MILL TRUST
BALANCE SHEET**

| | | 31 March 2012 | | 31 March 2011 | |
|-------------------------------|------|------------------|------------------|------------------|------------------|
| | Note | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 7 | | 912,070 | | 932,848 |
| CURRENT ASSETS | | | | | |
| Debtors and prepayments | 8 | 54,073 | | 24,692 | |
| Deposit accounts | | 427,139 | | 561,206 | |
| Cash at bank and in hand | | <u>243,107</u> | | <u>261,764</u> | |
| | | 724,319 | | 847,662 | |
| CURRENT LIABILITIES | | | | | |
| Creditors due within one year | 9 | <u>49,419</u> | | <u>102,877</u> | |
| NET CURRENT ASSETS | | | 674,900 | | 744,785 |
| NET ASSETS | | | <u>1,586,970</u> | | <u>1,677,633</u> |
| FUNDS | | | | | |
| Unrestricted funds | | | | | |
| General funds | | 382,507 | | 377,638 | |
| Designated funds | 12 | <u>151,270</u> | | <u>286,770</u> | |
| | | | 533,777 | | 664,408 |
| Restricted funds: | | | | | |
| Other Restricted funds | 10 | 153,773 | | 110,602 | |
| Romsey Mill Centre funds | 11 | <u>899,420</u> | | <u>902,623</u> | |
| | | | 1,053,193 | | 1,013,225 |
| | | | <u>1,586,970</u> | | <u>1,677,633</u> |

Approved by the Board of Management on *5th December* 2012

M Wylie (Chair)

Malcolm H Wylie

**ROMSEY MILL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

1 STATEMENT OF ACCOUNTING POLICIES

a) Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Charities Statement of Recommended Practice (2005).

b) Incoming resources

Donations and legacies are accounted for when received or when receipt is reasonably certain. Other income is accounted for on an accruals basis.

c) Depreciation

Depreciation is not provided on the freehold building as any provision (annual or cumulative) would not be material due to its expected remaining useful economic life and because its expected residual value is not materially less than its carrying value. The Trust has a policy of regular structural inspection, repair and maintenance and the building is therefore unlikely to deteriorate or suffer from obsolescence. Floor coverings within the building are depreciated over 10 years on a straight line basis.

Depreciation on all other assets is provided at the following rates in order to write off each asset over its estimated useful life down to its residual value:

Fixtures and fittings - 20% straight line
Motor vehicles - 20% straight line

d) Charitable expenditure

Expenditure incurred on fundraising and publicity to generate unrestricted income to support direct charitable activities is included in costs of generating funds. That incurred to generate restricted income is included in support costs (see note 4 below).

e) Pension costs

Romsey Mill contributes, on certain conditions, into employees' own pension schemes. Contributions payable are charged to the statement of financial activities in the period to which they relate.

2 INCOMING RESOURCES FROM GENERATED FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Total funds 2012 £ | Total funds 2011 £ |
|---|----------------------------|--------------------------|--------------------------|--------------------------|
| a) Voluntary Income | | | | |
| Donations from businesses | 3,382 | | 3,382 | 2,193 |
| Donations from individuals | 32,586 | | 32,586 | 27,280 |
| Tax reclaimed (gift aid) | 6,368 | | 6,368 | 4,273 |
| Donations from Churches and Chapels | 10,600 | | 10,600 | 9,042 |
| Donations from Community Groups | 1,990 | | 1,990 | - |
| Grants from Trusts | 14,110 | | 14,110 | 14,000 |
| Grants from YSDF | | | - | 32,080 |
| Other income | 666 | | 666 | - |
| | 69,702 | - | 69,702 | 88,868 |
| b) Activities for generating funds | | | | |
| Fundraising events | 141 | | 141 | 41,995 |
| Other generated funds | 107 | | 107 | - |
| Cambridge City Council Enterprising Communities | | 2,000 | 2,000 | - |
| Grants from YSDF | | | - | 4,835 |
| Room hire | 29,496 | | 29,496 | 24,470 |
| Charity Shop | 32,992 | | 32,992 | 39,943 |
| | 62,736 | 2,000 | 64,736 | 111,243 |

ROMSEY MILL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

3 COST OF CHARITABLE ACTIVITIES

| Activity | Activities undertaken directly £ | Support costs (note 4) £ | Total 2012 £ | Total 2011 £ |
|----------------------------|-------------------------------------|-----------------------------|-----------------|-----------------|
| Social Inclusion Programme | 282,768 | 75,614 | 358,382 | 376,062 |
| Transitions Programme | 65,015 | 20,756 | 85,771 | 118,301 |
| Aspire Programme | 45,035 | 16,240 | 61,275 | 61,216 |
| Young Parents Programme | 133,899 | 33,825 | 167,724 | 164,031 |
| Children's Centre | 119,351 | 28,127 | 147,478 | 137,271 |
| Playgroup | 29,419 | 8,580 | 37,999 | 29,376 |
| Community activities | 2,439 | 484 | 2,923 | 5,351 |
| | <u>677,926</u> | <u>183,626</u> | <u>861,552</u> | <u>891,608</u> |

4 SUPPORT COSTS

| | Administration £ | Management £ | Raising Restricted Funds £ | Education & Awareness £ | Total 2012 £ | Total 2011 £ |
|----------------------------|---------------------|-----------------|-------------------------------|----------------------------|-----------------|-----------------|
| Social Inclusion Programme | 34,183 | 14,880 | 25,094 | 1,457 | 75,614 | 72,341 |
| Transitions Programme | 6,895 | 5,890 | 7,346 | 625 | 20,756 | 30,340 |
| Aspire Programme | 6,232 | 2,454 | 7,346 | 208 | 16,240 | 17,870 |
| Young Parents Programme | 18,076 | 7,362 | 7,346 | 1,041 | 33,825 | 35,562 |
| Children's Centre | 13,972 | 9,816 | 1,841 | 2,498 | 28,127 | 30,887 |
| Playgroup | 6,692 | 1,472 | - | 416 | 8,580 | 5,256 |
| Community activities | 484 | - | - | - | 484 | 2,234 |
| | <u>86,534</u> | <u>41,874</u> | <u>48,973</u> | <u>6,245</u> | <u>183,626</u> | <u>194,491</u> |

The Trust allocates its support costs as shown in the note above. See page 7 of the accounts under Financial Review.
Administration is inclusive of general administration, office premises, finance and IT costs.

5 GOVERNANCE COSTS

| | Total 2012 £ | Total 2011 £ |
|------------------------|-----------------|-----------------|
| Bank charges | 139 | 132 |
| Auditors' remuneration | 4,200 | 4,926 |
| Executive time | 6,064 | 7,920 |
| Trustees' expenses | 38 | - |
| | <u>10,441</u> | <u>12,978</u> |

ROMSEY MILL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

| 10 OTHER RESTRICTED FUNDS | At 1 April 2011 £ | Transfers £ | Income £ | Expenditure £ | At 31 March 2012 £ |
|--|----------------------------|----------------|-------------|------------------|-----------------------------|
| Generating Funds | | | | | |
| Cambridge City Council Enterprising Communities | | | 2,000 | (2,000) | - |
| Social Inclusion Programme | | | | | |
| BBC Children in Need | | | 14,763 | (1,596) | 13,167 |
| Cambridge City Council: Community Development | | | 13,000 | (13,000) | - |
| Cambridge City Council: Community Development | 1,855 | | | (1,855) | - |
| Cambridge City Council: Community Development | | | 5,000 | (5,000) | - |
| Cambridge City Council: Safer City | | | 4,033 | (4,033) | - |
| Cambridge City Council: Safer City | | | 3,095 | (120) | 2,975 |
| * CCC - Adult Learning Development Fund | 1,344 | (1,344) | | | - |
| * CCC - IYSS Cambridge North | | | 13,533 | (4,511) | 9,022 |
| * CCC - IYSS Cambridge South | | | 4,793 | (3,590) | 1,203 |
| * CCC - IYSS Cambourne | | | 2,763 | (1,373) | 1,390 |
| * CCC - South Cambs & City CYP Area Partnership | 10,228 | | 4,000 | | 14,228 |
| * CCC - Youth Offending Service Dance Offensive | 39,375 | | | (39,375) | - |
| Cambridge University Press | | | 4,500 | (4,500) | - |
| Clore Duffield Foundation | | | 2,499 | | 2,499 |
| Ebyon Trust | | | 200 | (200) | - |
| Lloyds TSB Foundation for England & Wales | 5,833 | | | (5,833) | - |
| South Cambs District Council Community Chest | | | 875 | | 875 |
| The Police Southern Division BCU Fund (Football) | | | 750 | (750) | - |
| The Police Southern Division BCU Fund (Football) | | | 543 | (543) | - |
| The Prince's Trust | 270 | | 1,740 | (390) | 1,620 |
| Transition Fund Grant, Office for Civil Society | | | 76,469 | (73,469) | 3,000 |
| Young Women's work (The Big Give Appeal) | | | 7,180 | (4,669) | 2,510 |
| Young Lives: Dragon's Den | | | 750 | (30) | 720 |
| Transitions Programme | | | | | |
| Arbury Road Baptist Church | | | 340 | (340) | - |
| Cambridge Central Aid Society | | | 275 | (125) | 150 |
| Cambridge City Council ChYpPs | | | 302 | (302) | - |
| Cambridge City Council: Community Development | 1,777 | | | (1,777) | - |
| Cambridge United Charities | | | 1,000 | (1,000) | - |
| Cambridge University Press | | | 2,250 | (2,250) | - |
| Church Schools of Cambridge | | | 24,771 | (24,771) | - |
| Parkside Federation | | | 20,607 | (20,607) | - |
| Paul Hamlyn Foundation | 4,752 | | 29,363 | (27,066) | 7,049 |
| St Andrew's Church, Chesterton | | | 100 | (100) | - |
| Aspire Programme | | | | | |
| Autistic Support Trust | 1,001 | | | (1,001) | - |
| Baily Thomas Charitable Fund | | | 3,000 | (3,000) | - |
| * CCC - Short Breaks Innovation Fund | | | 1,991 | (1,181) | 810 |
| Eastern Counties Educational Trust | | | 9,700 | (9,700) | - |
| Individual donations and sponsorship | | | 1,229 | (1,229) | - |
| Natwest Community Force | | | 6,275 | (1,500) | 4,775 |
| Tesco Charity Trust | | | 500 | (500) | - |
| Vodafone World of Difference | | | 2,750 | (875) | 1,875 |
| Balance carried down | 66,435 | (1,344) | 266,938 | (264,162) | 67,867 |

**ROMSEY MILL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

| NOTE 10 (contd) | At 1 April 2011 £ | Transfers £ | Income £ | Expenditure £ | At 31 March 2012 £ |
|---|----------------------------|----------------|----------------|------------------|-----------------------------|
| Balance brought down | 66,435 | (1,344) | 266,938 | (264,162) | 67,867 |
| Young Parents Programme | | | | | |
| Cambridge Central Aid Society | | | 125 | (125) | - |
| Cambridge City Council Community Development | | | 500 | (500) | - |
| * CCC - Domestic Violence | 1,716 | | 963 | (963) | - |
| * CCC - Family Learning Service, Adult Learning Service | | | 3,132 | (3,132) | - |
| * CCC - Family Learning Service, Adult Learning Service | | | 7,357 | (7,357) | - |
| Care to Learn | | | 121 | (89) | 32 |
| Ebyon Trust | | | 37,013 | | 37,013 |
| Esmée Fairbairn Foundation | | | 135 | (135) | - |
| Individual donations | | | 8,000 | - | 8,000 |
| Porticus UK | | | | | |
| Children's Centre | | | | | |
| Cambridge Central Aid Society | | | 150 | - | 150 |
| * CCC - Children's Centre Main Revenue | 40,374 | | 147,171 | (146,838) | 40,707 |
| Community Donation | | | 100 | (100) | - |
| Playgroup | | | | | |
| * CCC - Training grants | | | 500 | (500) | - |
| Individual donations | | | 221 | (221) | - |
| Community Activities | | | | | |
| South Cambs District Council | 2,073 | | | (2,073) | - |
| | <u>110,602</u> | <u>(1,344)</u> | <u>472,425</u> | <u>(427,910)</u> | <u>153,773</u> |

* CCC denotes Cambridgeshire County Council

The restricted funds being carried forward at the end of the year generally represent grants received in advance for work to be carried out in the following year.

For information regarding the various activities outlined above, see pages of the accounts under 'Methods'.

11 ROMSEY MILL CENTRE FUND

| | At 1 April 2011 £ | Transfers £ | Income £ | Expenditure £ | At 31 March 2012 £ |
|--------------------|----------------------------|----------------|-------------|------------------|-----------------------------|
| Romsey Mill Centre | 902,623 | (3,203) | - | - | 899,420 |
| | <u>902,623</u> | <u>(3,203)</u> | <u>-</u> | <u>-</u> | <u>899,420</u> |

The purpose of the Fund is to represent the net book value of the building in Note 7.

ROMSEY MILL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

12 DESIGNATED FUNDS

| | At 1 April 2011 £ | Transfers £ | Income £ | Expenditure £ | At 31 March 2012 £ |
|--|----------------------------|----------------|-------------|------------------|-----------------------------|
| Vehicle Renewal Reserve | 15,000 | - | - | - | 15,000 |
| Building Maintenance Reserve | 23,000 | - | - | - | 23,000 |
| Programme, Research and Development Fund | 65,000 | - | - | - | 65,000 |
| Young Parents Hardship Progressions Fund | 2,770 | - | - | (500) | 2,270 |
| Staff Contingency Fund | 30,000 | - | - | - | 30,000 |
| Social Inclusion Sustainability Fund | 151,000 | - | - | (135,000) | 16,000 |
| | <u>286,770</u> | <u>-</u> | <u>-</u> | <u>(135,500)</u> | <u>151,270</u> |

Vehicle Renewal Reserve

This reserve is to ensure Romsey Mill Trust is able to replace the minibuses when they are no longer fit for purpose.

Building Maintenance Reserve

This reserve is to ensure that Romsey Mill Trust's buildings are maintained in a good state of repair.

Programme, Research and Development Fund

This fund will enable Romsey Mill Trust to resource the development of existing and potentially new areas of work in response to need and opportunity.

Young Parents Hardship Progressions Fund

This fund has been created in order to support progression, e.g. to college of young parents who are part of Romsey Mill's Young Parents Programme - where all other funding options have been exhausted. The initial £3,000 to set up this fund was donated by Mills & Reeve.

Staff Contingency Fund

This fund has been created in order to cover all staff eventualities such as maternity/paternity leave, sickness, resignation etc.

Social Inclusion Sustainability Fund

This fund was created at the end of last year in response to the projected funding shortfall in our Social Inclusion Programme. Spending against it this year has enabled us to continue our ongoing relationships with young people whilst seeking further funding for the future.

13 STAFF COSTS

| | Total 31 March 2012 £ | Total 31 March 2011 £ |
|-----------------------|--------------------------------|--------------------------------|
| Wages and salaries | 638,292 | 663,994 |
| Social security costs | 53,451 | 56,704 |
| Pension costs | 10,111 | 11,274 |
| | <u>701,854</u> | <u>731,972</u> |

There are 25 (2011:22) full time and 21 (2011:20) part time members of staff who are all involved in direct charitable activities. This equates to 33 full-time equivalent staff at 31 March 2012. No employee received £60,000 or more in the year. The charity's trustees received no remuneration during the year.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds | | Restricted funds | | Total £ |
|--------------------|-----------------------|--------------------------|----------------------------|-----------------------------------|------------------|
| | General funds £ | Designated funds £ | Romsey Mill Centre £ | Other Restricted funds £ | |
| Fixed assets | 12,650 | - | 899,420 | - | 912,070 |
| Net current assets | 369,857 | 151,270 | - | 153,773 | 674,900 |
| | <u>382,507</u> | <u>151,270</u> | <u>899,420</u> | <u>153,773</u> | <u>1,586,970</u> |