

Annual Report and Accounts

31 March 2011

THE FIELD LANE FOUNDATION

Field Lane is a Christian charity that is committed to providing innovative accommodation and day centre support services for families who are homeless, older people and people with disabilities.

Registered Office: 16 Vine Hill, London EC1R 5EA
www.fieldlane.org.uk

The Field Lane Foundation

Annual Report and Accounts

for the year ended 31 March 2011

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The Field Lane Foundation Annual Report and Accounts

for the year ended 31 March 2011

Chair's Statement

Field Lane has continued to work hard to create and open new and successful projects and has done so but it has been difficult this year to achieve a satisfactory financial result. Although we were held back by the reduced income from the care homes, from fundraising and from investments Field Lane has maintained a determined approach to opening new work. We continue to seek new opportunities and find creative ways in which to meet our mission. The financial pressures have nevertheless been a main concern of the Board and, together with the senior team, we are taking actions to place the charity in a stronger and more sustainable position. These include forming a new management services company, reinvesting in new income producing projects such as the domiciliary care agency and deciding to move to rented modern offices.

The care of older people who are so vulnerable has been part of Field Lane's main work for over sixty years but the reduction in occupancy and income of the care homes due to a combination of local authority policies, which favour domiciliary care, and the heavy pressure on local authority budgets has required us to consider carefully what services can be provided.

The launch of Field Lane Management Services and the contract to give management support to a Religious Congregation's care home was an important development, combined with other consultancy work during the year. It is hoped that contracted management will be a successful addition to the current work areas of Field Lane.

The Board was very pleased to welcome four new Directors during the year and they have brought a range of knowledge and experience which will be valuable in the challenging times ahead.

I would like to give my thanks to all our supporters and volunteers who have been generous and encouraging throughout the year and without whom the lives of those we care for and support would be so much poorer.

John Furber QC
Chair

The Field Lane Foundation

Report of the Board of Trustees

for the year ended 31 March 2011

Administrative and Legal Information

Board Members

During the year, the following Board of Directors held office:

<i>Chair</i>	John Furber QC	
<i>Vice Chair</i>	Marcia Purnell MA LLM PhD	
<i>Chair of the Finance & General Purposes Committee</i>	Louis Lewis BSc (Est Man) FRICS MCIH	
<i>Chair of Services Quality and Development Committee</i>	Maggie Bishop CQSW DMS	
	Revd. R Michael Shaw Dip Ad Ed	Resigned October 2010
	Revd. Derek R Nixon BA FCIS ALBC	
	Linda Clarke BSc Dip App SS	
	Bayo Igoh MCIH	
	John Bigby FCIH, MCIM	Appointed October 2010
	John Green BA	Appointed October 2010
	Kate Power OND	Appointed October 2010
	Canon Andrew Tremlett M. Phil	Appointed January 2011

Senior Management Team

<i>Chief Executive and Company Secretary</i>	Jeremy Lamb MA CQSW
<i>Director of Finance</i>	Hien Le FCCA ACA DChA
<i>Director of Operational Services</i>	Jacky Owen MA

Constitution	Company registration number:	98226
	Charity registration number:	207493
	Registered Housing Association number:	LH3047

Professional Advisors

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Solicitors

Manches
Solicitors
9400 Garsington Road
Oxford Business Park
Oxford
OX4 2HN

Investment Managers

Coutts & Co.
440 Strand
London
WC2R 0QS

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Report of the Board of Trustees

for the year ended 31 March 2011

The Field Lane Foundation

Aims of Field Lane

Field Lane has aims that are clearly focussed on supporting and caring for people who are extremely vulnerable. Over the years the way in which the charity describes its work and how it brings benefits may have changed but the essential nature of Field Lane has not. To care for and support the most vulnerable remains its foundation, heart and focus. The charity has always aimed to provide what people need to lift and enrich their quality of life and constantly seeks ways to develop new responses and effective interventions. Field Lane has a Christian basis which sets the value base for all of its work. All of its services are open to all and none are restricted except by suitability.

History

The Field Lane Foundation was founded in 1841 in Clerkenwell as the Field Lane Ragged School and Refuges. Young people began to be trained in employable skills and the charity then opened Industrial Schools for girls and boys in London. These remained open until the 1930's; following the education and welfare legislation of the 1940's the decision was taken in 1947 to move the focus from young people and concentrate on the service of care of older people which it had earlier introduced in 1900. Other charities involved in the care of older or disabled people then transferred their homes or funds to Field Lane and the charity has since broadened its scope and range of operations. Field Lane is a registered housing association and during the past twenty years has maintained a range of activities and has developed a model of supported housing which will continue to be expanded.

Activities

Field Lane provides:-

- 1 Registered care and supported housing for older people especially for those with dementia.
- 2 Supported housing, registered care and domiciliary support for people with learning disabilities and those with additional mental health issues.
- 3 Supported housing and training for families and children who are in temporary accommodation or are vulnerable to becoming homeless.
- 4 Management and consultancy for care and support services.

Summary of progress and activities

Progress during the year

The policies of local authorities to reduce their expenditure on residential care together with the continuing low interest rates on investments meant that the Board had to approach future planning with clear strategic decisions. The business plan *Growing Through Service* was in its final year with almost all the goals having been met but the Board also wished to take advantage an opportunity to modernise the central offices. It was decided to move from the historic central offices which dated from 1878 to rented modern offices.

The board's strategic approach to diversification was maintained

Actions taken included:-

- Placing the offices in Vine Hill up for sale and planning to share with other charities.
- Recruiting new trustees and broadening the scope of experience and knowledge of the Board.
- To seek consultancy and management.
- Setting up Field Lane Management Services Ltd as the vehicle through which management contracts would be managed.
- Taking on contract management support with the first one being for a Religious Congregation of their nursing home in Harrogate.

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Report of the Board of Trustees

for the year ended 31 March 2011

- Assessing the future of the two residential care homes and exploring whether they should be retained, disposed of or redeveloped.
- To continue to seek partnerships for cost savings.
- Seeking a developing housing association as a partner for future projects

Progress was also made in the following areas:-

- Four new trustees were recruited who immediately demonstrated their commitment to Field Lane's strategic goals of developing new housing based services, fundraising and the niche position of the charity.
- The new supported housing projects were populated.
- Grant funding was received from the Homes and Communities Agency for one of the new supported housing projects and for two additional flats at Andrew Provan House for families.
- The second domiciliary care agency (Reigate) successfully took on more clients.
- The agreement and funding plan for the care home in Harrogate was completed and approved.
- Field Lane was approved and registered as a provider with the Care Quality Commission (CQC).
- Successfully negotiating adequate fee levels for care and support (not older persons care).

During the year the take-up of placements in the new supported housing projects were slower than expected and occupancy in the care homes was also reduced by more than had been expected. The pressures on local authority budgets continued to feed through into Field Lane as they do into most providers.

The Board invested in both care homes in order to make improvements for the benefit of residents and to assist marketing to the public.

Activities

Care of older people

Field Lane has two residential care homes, Dovers in Reigate with 39 beds and The Priory in Worthing with 42. Both homes specialise in dementia care. The local authorities from whom we receive referrals have taken policy decisions not to refer clients to residential care unless in exceptional circumstances and both care homes are having to monitor costs extremely carefully. Charitable funding has been very valuable and an appeal was launched to raise additional funds to support this work.

The personal care services needed by the increase in the older population are now being increasingly provided by domiciliary care agencies to people who are then able to remain at home for much longer. This is most people's expressed preference and Field Lane is looking at ways to adjust services so that the benefits of residential care for respite for example are not lost.

People with a disability

The two houses acquired and adapted in the year were furnished and occupied and rooms were let. The community model of a house with six ensuite private rooms including the training flat is popular and further properties will be taken on subject to financial constraints. The tenants, their families and the social services have reported high levels of satisfaction with the services and other housing providers have expressed an interest in working with Field Lane in this area of work

Families

The residential centre Andrew Provan House in the Royal Borough of Kensington and Chelsea had achieved high levels of occupancy and successfully supported families through their stay and into further accommodation. The Housing and Communities Agency (HCA) awarded Social Housing Grant which enabled the redundant training kitchen and nursery to be converted into two further flats for families, giving a total of nineteen families in residence. The project has attracted many visitors who comment favourably on the quality of the surroundings and the unique supported learning offered to the tenants.

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Report of the Board of Trustees

for the year ended 31 March 2011

External influences

Local authority referral policies

The financial pressures of the local authorities are being passed on to all providers through reductions of referrals and effective, in some cases actual, reductions in fees; Field Lane was no exception. The local authorities are taking more time over committing fees for people with a learning disability and are reducing substantially their referrals for older people.

Homes and Community Agency capital grant funding

The new programme for the HCA which requires smaller housing associations to be part of a consortium and bid for a four year development plan from April 2011 has been very difficult to access. However Field Lane has valuable experience which can be harnessed by developing associations and ways are being explored to form appropriate partnerships.

Regulators: Care Quality Commission and Tenant Services Authority

The registration of Field Lane and of its services followed changes to the registration system operated by CQC. The registration was time consuming but successful and further development of the registration criteria is to be welcomed if they focus on excellence and are less bureaucratic. A revised Code of Governance was approved by the board and proposals for the improved engagement of service users with the governance structure, as expected by the TSA, was planned.

Structure, Governance and Management

Constitution

The company is a registered charity and a registered social landlord (RSL) established under the Companies Acts and is limited by guarantee. Each member is under covenant to contribute a sum not exceeding one pound sterling in certain circumstances as set out in Paragraph 81 of the Articles of Association. At 31 March 2011 the number of members was 16 (2010:10).

The Board

The Governing Body of The Field Lane Foundation is the Board of Directors. The Directors are also the Trustees. The Board considers that its primary role is to establish the strategic direction of The Foundation, ensure financial viability and adopt and adhere to the highest standards of governance.

To fulfil this role, the Board meets four times a year for general meetings including a strategy planning day. Directors join one of the two sub-committees, Finance and General Purposes and the Services Quality and Development Committee which met regularly and pressed forward with the Board's strategy of reviewing the care homes, developing new houses and endeavouring to meet the ongoing political, financial and operational pressures within which Field Lane works.

The Standing Orders incorporate the National Housing Federation's Code of Governance which has been readopted in its revised format, and the Code of Governance produced by the Trustee Network. There is an *Information for Trustees* brochure containing information about governance and the charity's activities on its website. An annual self assessment survey is completed for the beginning of the financial year and the results inform future governance priorities.

The President and Vice President have been active in supporting the Foundation during the year and the Board is very grateful to them for their contributions.

The Quality and Development Committee has responsibility for services and formally receives the Regulation 26 reports for the Board. The Finance and General Purposes Committee has responsibility for all financial, legal and asset management functions. Partner organisations and experts can be invited to join the committees. This model ensures that the Board is well informed about any issues of concern at its meetings.

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Report of the Board of Trustees

for the year ended 31 March 2011

There were no Conflicts of Interest recorded during the year.

Directors do not have to be members of The Foundation, which allows people of other faiths to be Directors, but they are required to support the Articles which have a clear Christian basis. Members elect Directors to the Board at the Annual General Meeting. The Chief Executive is required to be of the Christian faith.

Recruitment and Appointment of Board Members

The Board

Four new trustees were welcomed onto the Board. They were recruited for their range of skills and experience which will assist in taking the charity forward. The composition of the Board is 11 (Male 7 Female 4) as recorded in the RSR submitted at the yearend to the Tenant Services Authority.

Responsibilities of Board Members

The Board members (who are also Directors of The Field Lane Foundation for the purposes of company law) are responsible for preparing the Board members' report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

Company law and registered social housing legislation require the Board members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for the year. In preparing those financial statements, the Board members are required to:-

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the RSL SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

The Board members are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure the financial statements comply with the Companies Act 2006, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to the statutory auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:-

- so far as the trustee is aware, no relevant audit information has been withheld from the statutory auditor; and
- the trustee has taken all the steps that he/she could reasonably be expected to have taken as a trustee in order to make himself/herself aware of any relevant audit information and has established that this information has not been withheld from the auditor.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 2006.

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Report of the Board of Trustees

for the year ended 31 March 2011

Membership of The Field Lane Foundation

Current membership stands at 16

Public benefit

The Board members are very conscious of their responsibility for public service and have had regard to Charity Commission guidance.

The aim of Field Lane is to support and care for those who are highly vulnerable and this aim is met with no regard as to a person's ability to pay for what they receive. All services are open to local authority referrals and the charity is willing to accept local authority rates and meet the full costs of care where necessary. Accommodation is let at levels of rent and service charges which can be met by housing benefit. At the end of the year 72.7% of the places in the charity's care homes and supported housing units were used by people funded by their local authority or let at housing benefit levels. The Board is determined that Field Lane will continue to support and care for people unable to meet the cost of their care and support.

The two social clubs in Southend and Redhill for people with a learning disability and their carers, maintain a successful weekly programme of activities. Staff and helpers give their time and membership has grown to over 300. This is a popular and well regarded initiative which has given the work of Field Lane an increased profile and encouraged support and the Board is very grateful to all the staff who give of their time to support this community initiative.

Accountability

The principal regulatory body is the Tenant Services Authority with whom Field Lane is registered as a Housing Association (Registered Provider). Annual Returns are also submitted to the Charity Commission and to Companies House.

Management

Executive responsibility is delegated to the Chief Executive who meets regularly with the Chair to discuss the charity's work and receive advice.

The senior management team comprises the Chief Executive, the Director of Finance and the Director of Operational Services. Marketing and project development are placed with consultants. The Property and Facilities Manager ensures value for money in procurement and property maintenance. Human resources advice and guidance is contracted from Peninsula Business Services. The charity also has Investor in People accreditation.

Risk management

The Board recognises that the work of The Foundation, due to its nature, carries a high level of risk. The high costs associated with caring for very frail and vulnerable people, the increased care needs that residents have when moving into registered care and the changing occupancy patterns all tend to put pressure on cash flow and reduce the surplus available for reserves and reinvestment. The Board remains committed to providing care and support for older people who are placed by local authorities although the cost of care exceeds the fee the authority is able to pay. This is considered to be a significant benefit that the charity brings to the community as it enables people who are unable to meet the costs of their own care and support to enjoy a quality of life that may otherwise have been denied to them.

In order to maintain occupancy and so protect services, the Board supports a mix of private and publicly funded care beds. As it wishes to continue with its range of work, the Board does expect all new services to deliver a financial return and for the financial risks to be minimised.

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Report of the Board of Trustees

for the year ended 31 March 2011

The Board is also mindful of the importance of risk management for service users. Residents are encouraged to pursue lives in which they have a great deal of choice over their lifestyle and in which risks are assessed and understood. Careful risk management allows people with high levels of frailty or disability to undertake activities that many organisations would bar. This approach supports innovative practice in all of Field Lane's activities and has met with approval from the commissioners and the service user's families as well as the Care Quality Commission.

Field Lane's training unit has extensive health and safety training for staff in its prospectus and the Property and Facilities Manager undertakes regular assessments of buildings and associated working practices.

Business continuation, although covered by insurance, is the subject of detailed guidance.

Business planning

Strategic planning

The Board meets for a strategic planning day in March every year in order:-

- to assess the results of the internal governance survey and address any issues arising;
- to discuss and approve the strategic plan and direction for the following year; and
- to approve the budget.

The political and economic changes, which have a powerful influence on local authorities' actions, are of great concern to the Board as Field Lane has to constantly adjust to a changing environment.

The primary strategic goal is to deal with the loss of income as a consequence of the reduction in local authority referrals, very low returns on cash deposits and the effect of inflation. The cost of the support required by older people referred by the local authority is now substantially more than the payments received and so Field Lane has to place more reliance on alternative income streams. These can be from new projects, contracted management and consultancy and from fundraising. Care services which cannot demonstrate a sustainable future are kept under close review with all options being considered.

The decision to sell Vine Hill offices was taken reluctantly as the Foundation had built them in 1878 and they represented a strong link with the charity's heritage. However they were no longer fully utilised and needed further investment so the decision to move to modern offices in a charity centre offered many benefits. The capital received will provide working capital and should enable Field Lane to invest in further care and support projects.

Within the context of Field Lane as a modern, Christian and innovative organisation, the continuing aim is to develop Field Lane's role as a provider and manager of specialist services and in particular to develop new houses for supported living for people with a learning disability.

During the year Field Lane considered tendering for services for local authorities but due to the TUPE and other requirements that contracts have included decided against the offered contracts. Management agreements similar to that with The Society of the Holy Child Jesus will be tendered for through Field Lane Management Services Ltd.

Business goals, achievements and performance

The total incoming resources to The Foundation rose by 11.1% which came from the additional rooms which were populated during the year and services offered by the Surrey domiciliary care agency Staff costs rose by 19.1% which reflected both the need to invest in staff ahead of income from new projects and the increasing cost of staff employment. Field Lane did not award a pay rise during the year. Costs overall rose by 14.2% which again reflected the new work.

The result for the year of a (£151,051) net deficit reflects the underlying situation of lower than expected occupancy and very low returns on invested cash deposits. It remains clear to the Board that the cost to the charity of the residential care places provided to a local authority for an older person puts a heavy

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Report of the Board of Trustees

for the year ended 31 March 2011

burden on The Foundation's funds and therefore on its ability to reinvest in new and essential facilities. The future of this business model, which results in a high level of subsidy, is being examined.

The fixed assets register reflects current property and equipment used by The Foundation; the maintenance of these assets is scheduled and the quality and procurement cost of all external services is kept under continuous review.

Investments

The investments are all held in treasury deposit fund accounts under three different fund managers - Coutts Bank, The Royal Bank of Scotland and CCLA Investment Management. The cash return on investments directly supports our charitable activities during the year.

The 60 Day Notice Account Fund is managed by Coutts. The total balance on the account at the year end is £670,566, including an average 0.9% yield or £5,869 return for the year. The NatWest Special Bearing Account was opened in October 2008. The total balance on the account at the year end is £352,286, including an average 0.4% yield or £1,728 return. The year end closing balance of CCLA investment is £0.4k to keep the account open.

Financial position and reserves

The Board has a policy aim to maintain a Designated Operational Fund equivalent to three months expenditure on service delivery. A new project has a period of five years to establish its contribution to that fund.

The Development Fund is designed to assist with the creation and development of new work.

The Tangible Fixed Asset Fund represents the tangible fixed assets of the charity, other than those representing endowment funds or covered by housing loans.

The Restricted Funds are mainly modest and come from bequests that have specified a particular purpose or from funds raised locally by projects for their amenities. All other restricted funding is shown in the Special Purposes Fund. This fund is accessed through financial procedures which ensure that it is used for the purpose and in the year for which it was given.

Undesignated Funds are intended to be sufficient to cover working capital requirements. The Board considers that there are sufficient funds for this purpose.

Fundraising

The work of the charity has been supported throughout the year by individuals, trusts and companies and the Board is very grateful to them all for sharing our commitment. Fundraising remains essential to maintain the unfunded elements of services - such as for children, or for the improvements to services and for the development of new services.

Legacies remain an important contribution to the funding available and the Board is extremely grateful for the generosity that people have shown in their bequests.

Use of Volunteers

Volunteers who give their time and expertise free of charge to Field Lane are a most valuable resource and enable essential functions such as the Board as well as additional activities and services to take place. Many staff and their families give of their own time throughout the year.

No monetary value has been placed on volunteers' time, however, it is clear that without their gift Field Lane would be faced with considerable additional expenditure in central services and in the projects. Therefore, their support and the ideas and enthusiasm that they bring is highly appreciated.

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Report of the Board of Trustees

for the year ended 31 March 2011

Individual training and development

The Foundation has Investor in People accreditation. All members of staff are supported through appropriate training and development programmes and all mandatory training is delivered through the in-house training unit. Individual development opportunities are also available to all volunteers.

Acknowledgements

The Board of The Field Lane Foundation wishes to record its deep appreciation of its staff and volunteers in a year in which extreme weather was an additional pressure on services. It would also like to thank its advisors and all the people and organisations which have supported Field Lane so strongly during the past year, and acknowledges their vital contribution to its work.

The Field Lane Foundation
16 Vine Hill
London, EC1R 5EA

By order of the Board
18th July 2011

Jeremy Lamb
Secretary

Independent Auditor's Report to the Members of The Field Lane Foundation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FIELD LANE FOUNDATION

We have audited the financial statements of The Field Lane Foundation for the year ended 31 March 2011 which comprise the Income and Expenditure Account, the Statement of Total Recognised Surpluses and Deficits, the Balance Sheet, the Cash Flow Statement, the Statement of Financial Activities 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 company in accordance with section 137(1) of the Housing and Regeneration Act 2008 and to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company and the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board of Trustees and auditor

As explained more fully in the Board of Trustees' responsibilities statement, the board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the [the board]; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 company'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and in accordance with the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of The Field Lane Foundation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FIELD LANE FOUNDATION (continued)

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 Housing and Regeneration Act 2008 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- a satisfactory system of control of those records, its cash holdings and its receipts and remittances has not been maintained; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Karen Thompson (Senior statutory auditor)

for and on behalf of PKF (UK) LLP, Statutory auditor
London, UK

2011

The Field Lane Foundation
Income and Expenditure Account
for the year ended 31 March 2011

	Supported Living £	Sheltered Housing £	Homeless Families Support £	Total 2011 £	Total 2010 £
Fees	3,231,126	-	-	3,231,126	2,736,938
Rents and service charges	-	102,902	306,074	408,976	407,930
Health authority grant	600,360	-	-	600,360	592,934
Local authority grants	-	-	115,088	115,088	115,088
Specific grants and donations	17,833	-	86,101	103,934	110,357
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,849,319	102,902	507,263	4,459,484	3,963,247
Operating costs	(3,967,707)	(70,169)	(429,186)	(4,467,062)	(3,866,171)
Interest payable	(3,471)	(9,650)	-	(13,121)	(13,418)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(121,859)	23,083	78,077	(20,699)	83,658
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		Note			
Restricted income for central office				50,606	3,424
Restricted expenditure by central office				(3,063)	(311)
Other donations and legacies				35,598	125,085
Public relations and fund-raising expenses		2		(44,574)	(42,066)
Unallocated central support costs		2		(175,676)	(152,905)
Expenditure on new projects				-	(42,641)
Short-term letting income				2,600	2,600
				<hr/>	<hr/>
Operating (deficit)/surplus		3		(155,208)	(23,156)
Investment income		4		4,157	3,203
				<hr/>	<hr/>
Deficit/surplus for the year				(151,051)	(19,953)
Transfers (to)/from:					
Other designated funds		14		(11,841)	7,815
Restricted funds		15		(9,250)	44,309
				<hr/>	<hr/>
Retained surplus for year		13		(172,142)	32,171
				<hr/> <hr/>	<hr/> <hr/>

All amounts derive from continuing activities.

There were no recognised gains or losses for the year other than the deficit for the year.

Approved and authorised for issue by the Board on 18th July 2011 and signed on their behalf by:

John Furber
Chair

Louis Lewis
Chair of the Finance and
General Purposes Committee

Jeremy Lamb
Chief Executive

The Field Lane Foundation
Statement of Total Recognised Surpluses and Deficits
for the year ended 31 March 2011

	<u>2011</u> £	<u>2010</u> £
(Deficit)/surplus for the year	(151,051)	(19,953)
Total recognised (deficit)/surplus for the year	<u>(151,051)</u>	<u>(19,953)</u>

Statement of Historic Cost Surpluses and Deficits

	<u>2011</u> £	<u>2010</u> £
Historic cost (deficit)/surplus for year	(151,051)	(19,953)
Retained historic cost surplus for year	<u>(172,142)</u>	<u>32,171</u>

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Balance Sheet

as at 31 March 2011

Company registration number: 98226

	<u>Note</u>	<u>2011</u> £	<u>2010</u> £
Fixed Assets			
Tangible fixed assets			
Housing properties	7	2,039,438	1,905,178
Other assets	8	393,925	376,629
		<u>2,433,363</u>	<u>2,281,807</u>
Investments			
(Representing some designated and restricted funds)	9	1,023,273	1,331,173
		<u>3,456,636</u>	<u>3,612,980</u>
Current Assets			
Debtors and prepayments	10	335,726	452,009
Cash at bank and in hand		48,343	19,711
		<u>384,069</u>	<u>471,720</u>
Creditors			
Amounts falling due within one year	11	352,329	406,651
		<u>31,740</u>	<u>65,069</u>
Net Current Assets			
		<u>3,488,376</u>	<u>3,678,049</u>
Total Assets Less Current Liabilities			
		<u>1,537,661</u>	<u>1,576,283</u>
Creditors			
Amounts falling due after more than one year	12	1,537,661	1,576,283
		<u>1,950,715</u>	<u>2,101,766</u>
Total Net Assets			
Reserves – Charity Funds			
Unrestricted Funds			
Undesignated fund	13	130,263	293,971
Tangible fixed assets fund	14	802,336	802,336
Operating fund	14	660,822	660,822
Development & major repairs fund	14	245,966	240,892
Restricted Funds			
Use restricted by donor	15	66,379	58,796
Endowment Fund			
Realised	16	44,949	44,949
		<u>1,950,715</u>	<u>2,101,766</u>
Total Funds			

Approved and authorised for issue by the Board on 18th July 2011 and signed on their behalf by:

John Furber
Chair

Louis Lewis
Chair of the Finance and
General Purposes Committee

Jeremy Lamb
Chief Executive

The Field Lane Foundation
Cash Flow Statement
for the year ended 31 March 2011

	<u>Notes</u>	<u>2011</u> £	<u>2010</u> £
Net cash (outflow)/inflow from operating activities	19	(39,485)	(29,000)
Returns on investments and servicing of finance			
Investment income received		4,157	3,203
Interest paid		(13,121)	(13,418)
Net cash flow from returns on Investments and servicing of finance		<u>(8,964)</u>	<u>(10,215)</u>
Capital expenditure and financial Investment			
Purchase of tangible fixed assets		(267,196)	(727,611)
Net cash (outflow) from capital expenditure resources and financing		<u>(267,196)</u>	<u>(727,611)</u>
Net cash (outflow) before use of liquid resources and financing		(315,645)	(766,826)
Financing and management of liquid resources			
Housing Corporation grant		(30,475)	(30,630)
Futurebuilders & HCA development grant		75,000	294,816
(Decrease)/increase in borrowings		(7,876)	459,364
Repayment of amounts borrowed		(272)	(245)
(Increase)/decrease in treasury deposits		307,900	(74,624)
Net cash inflow from financing and management of liquid resources		<u>344,277</u>	<u>648,681</u>
(Decrease)/increase in cash	20	<u><u>28,632</u></u>	<u><u>(118,145)</u></u>

The Field Lane Foundation
Statement of Financial Activities
for the year ended 31 March 2011

	<u>Note</u>	<u>General Fund</u> £	<u>Designated Fund</u> £	<u>Restricted Funds</u> £	<u>Endowment Funds</u> £	<u>2011 Total</u> £	<u>2010 Total</u> £
Incoming resources							
Incoming resources from generated funds							
Voluntary Income							
Donations		27,398	-	-	-	27,398	35,477
Legacies		8,200	-	-	-	8,200	89,609
Specific grants		-	-	75,755	-	75,755	78,885
Incoming resources from charitable activities							
Sheltered accommodation		102,902	-	-	-	102,902	103,195
Care and nursing services		3,231,126	-	-	-	3,231,126	2,736,937
Homeless families centre		306,074	-	-	-	306,074	304,735
Health authority grants		600,360	-	-	-	600,360	592,934
Local authority grants		148,703	-	-	-	148,703	149,984
Other Income		45,170	-	-	-	45,170	-
Investment income							
Net rent receivable		2,600	-	-	-	2,600	2,600
Dividends and interest		4,157	-	-	-	4,157	3,203
Total incoming resources		4,476,690	-	75,755	-	4,552,445	4,097,559
Resources expended							
Cost of generating funds	2	44,574	-	-	-	44,574	42,066
Charitable activities	2	4,528,666	(11,841)	66,505	-	4,583,330	4,000,112
Governance costs	2	75,592	-	-	-	75,592	75,334
Total resources expended		4,648,832	(11,841)	66,505	-	4,703,496	4,117,512
Net incoming/(outgoing) resources before transfers		(172,142)	11,841	9,250	-	(151,051)	(19,953)
Transfer between funds		8,434	(6,767)	(1,667)	-	-	-
Net incoming/(outgoing) resources for the year		(163,708)	5,074	7,583	-	(151,051)	(19,953)
Other recognised gains and losses							
Realised gains on investments		-	-	-	-	-	-
Net movement in funds		(163,708)	5,074	7,583	-	(151,051)	(19,953)
Balances as at 1 April 2010		293,971	1,704,050	58,796	44,949	2,101,766	2,121,719
Balances as at 31 March 2011		130,263	1,709,124	66,379	44,949	1,950,715	2,101,766

The Field Lane Foundation

Notes and Accounting Policies

for the year ended 31 March 2011

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

a) Accounting convention

The financial statements are prepared under the historical cost convention and comply with the Accounting Requirements for Registered Social Landlords General Determination 2006, applicable accounting standards and the Statement of Recommended Practice: "Accounting by Registered Social Landlords" (RSL SORP).

In addition the financial statements include a Statement of Financial Activities based on the principles contained in the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities' SORP). The only significant difference in accounting policies between the RSL and Charities' SORP is the treatment of the Capitalised Lease Premium (described in Note 12).

b) Fund accounting

Unrestricted funds - these are funds which can be used in accordance with The Foundation's charitable objects at the discretion of the Trustees. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market value.

Designated funds - these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds - these are funds received for undertaking an activity specified by the donor.

Endowment funds - in accordance with the Deeds of Trust, this fund is limited to the purpose of freehold property within a 5 mile radius of Vine Hill, London, EC1 or investment in trustee securities.

c) Depreciation

The Foundation continues to maintain all of its properties to ensure the comfort of those in care. Because of this, such properties maintain residual disposal values at least equal to their net book value and accordingly no provision for depreciation is made on freehold properties. The Foundation reviews its properties regularly for impairment and provision is made if required.

Depreciation is provided on:

Long leasehold buildings	- Over period of lease, straight line basis
Furniture, fixtures and fittings	- 10% on a reducing balance basis
Computer equipment	- 33.3% on a straight line basis
Motor vehicles	- 25% on a straight line basis

d) Investments

Investments are revalued annually to market value and any surplus or deficit taken to a revaluation reserve.

Realised and unrealised gains are combined in the appropriate section of the SoFA.

e) Incoming resources

Income in respect of rents, fees and grants are accounted for when receivable. Voluntary income is recognised in the period in which The Foundation is entitled to receipt and the amount can be measured with reasonable certainty. Income in respect of legacies is accounted for when The Foundation is advised by the personal representative of an estate that payment will be made and the amount involved can be quantified.

In preparing these accounts no value has been attributed to the work performed by volunteers, although their work is considered vital to the activities of the charity.

The Field Lane Foundation

Notes and Accounting Policies

for the year ended 31 March 2011

f) Resources expended

All expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

Charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure therefore include support costs and an apportionment of the overheads, as shown in note 2.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

g) Grants

Social Housing Grants made by the Housing Corporation and other capital grants are netted off against the cost of the relevant tangible fixed asset. Grants of a revenue nature are credited to income in the period to which they relate.

h) Stocks

Stock is valued at the lower of cost and net realisable value.

i) Leases

Rentals payable under operating leases are dealt with on a straight line basis over the lease term.

j) Allocation of overhead and Central support costs

Overhead and Central support costs have been allocated between Costs of Generating Funds, Charitable Activities and Governance Costs. Costs which are not wholly attributable to an expenditure category have been apportioned. The analysis of support costs and the bases of apportionment applied are shown in note 2.

k) Pensions

The Foundation's pension provision for employees is made through the Growth Plan administered by the The Pensions Trust. The Plan is in most respects a money purchase arrangement but there are certain guarantees made to participants. As the Plan is a multi-employer scheme, the accounting charge for pension costs for the year presents the contribution paid by The Foundation. Further details of the plan can be found in note 17.

The Field Lane Foundation
Notes and Accounting Policies
for the year ended 31 March 2011

2 Central support costs (Income and expenditure account)	<u>2011</u> £	<u>2010</u> £
Staff costs	496,671	480,895
Staff training	2,536	6,154
Telephone	4,230	5,011
Postage, stationery and printing	9,381	12,731
Vehicle running costs and travel	23,161	22,715
Vehicle depreciation	4,999	4,999
Legal and professional	33,947	33,939
Bank charges and interest	-	-
ICT & Sundries	30,017	30,557
Public Relations and Fundraising expenses	44,574	42,066
Property expenses	37,965	18,124
	<hr/>	<hr/>
	687,481	657,191
	<hr/>	<hr/>
Allocated to projects	467,231	462,220
Public Relations and Fundraising expenses	44,574	42,066
Unallocated Central Support costs	175,676	152,905
	<hr/>	<hr/>
	687,481	657,191
	<hr/>	<hr/>

2 Resources expended (Statement of financial activities)	<u>Direct Costs</u> £	<u>Support Costs</u> £	<u>Total 2011</u> £	<u>Total 2010</u> £
Cost of generating funds	-	44,574	44,574	42,066
Charitable activities				
Supported living	3,969,606	89,711	4,059,317	3,488,934
Sheltered accommodation	79,819	1,804	81,623	78,192
Homeless support	379,157	8,569	387,726	306,682
	<hr/>	<hr/>	<hr/>	<hr/>
	4,428,582	144,658	4,573,240	3,915,874
	<hr/>	<hr/>	<hr/>	<hr/>

Analysis of support costs

	<u>Supported Living</u> £	<u>Sheltered Housing</u> £	<u>Homeless Support</u> £	<u>Total 2011</u> £	<u>Total 2010</u> £
Management	77,925	2,314	12,464	92,703	81,382
Finance	23,278	691	3,723	27,692	24,084
Property	2,324	69	371	2,764	2,477
Information technology	3,464	103	554	4,121	3,253
Human resources	924	27	147	1,098	661
Communication and marketing	13,684	406	2,190	16,280	7,779
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	121,599	3,610	19,449	144,658	119,636
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Direct expenditure is allocated by categories of activity. Where expenditure cannot be directly allocated it represents support costs, and is apportioned on a basis consistent with the use of resources and by reference to number of staff.

The Field Lane Foundation

Notes and Accounting Policies

for the year ended 31 March 2011

Analysis of governance costs

The governance costs of The Foundation consisted of the following direct and indirect costs:

	<u>2011</u> £	<u>2010</u> £
Management	29,259	29,259
Finance	4,902	4,902
Audit and legal fees	33,947	33,939
Annual general meeting and reports	2,517	1,777
Trustees costs	2,316	2,272
Support costs	2,651	3,185
	<hr/>	<hr/>
	75,592	75,334
	<hr/> <hr/>	<hr/> <hr/>

Designated and Restricted funds (Statement of financial activities)

	<u>Designated Funds</u> £	<u>Restricted Funds</u> £	<u>Total 2011</u> £	<u>Total 2010</u> £
Charitable activities				
Supported living	(13,685)	15,258	1,573	19,503
Sheltered accommodation	-	-	-	-
Homeless support	(871)	50,899	50,028	63,849
Central office	2,715	348	3,063	42,952
	<hr/>	<hr/>	<hr/>	<hr/>
	(11,841)	66,505	54,664	126,304
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Support costs are not charged to restricted fund projects unless the project agreement allows such charges.

3 Operating surplus

	<u>2011</u> £	<u>2010</u> £
This is stated after charging:		
Operating leases	472	4,512
Depreciation	40,641	48,542
Auditors' remuneration:		
Audit	13,740	13,078
	<hr/>	<hr/>

The company incurred void charges of £8,170 (2010: £3,853) and no bad debts in respect of sheltered housing during the year. Rents of £400,139 (2010: £399,762) included £149,129 (2010: £145,296) for service charges.

4 Investment income

	<u>2011</u> £	<u>2010</u> £
Deposit account interest	4,157	3,203
	<hr/>	<hr/>
	4,157	3,203
	<hr/> <hr/>	<hr/> <hr/>

The Field Lane Foundation

Notes and Accounting Policies

For the year ended 31 March 2011

5 Staff costs

	<u>2011</u> £	<u>2010</u> £
The total staff costs during the year were:		
Wages and salaries	3,245,764	2,720,073
Social security costs	271,141	230,757
Other pension costs	10,883	12,442
	<u>3,527,788</u>	<u>2,963,272</u>

	<u>Number</u>	<u>Number</u>
The average number of staff employed during the year was:		
Homes and Centres	191	183
Central Office	9	11
	<u>200</u>	<u>194</u>

The average number of full time equivalent employees during the year was:

Total	<u>161</u>	<u>131</u>
-------	------------	------------

In addition there were a number of voluntary workers who donated their services.

The Board members are trustees of the charity, and as such are ineligible for remuneration. Expenses reimbursed to the Board members amounted to £151 (2009:£185).

	<u>2011</u> £	<u>2010</u> £
The emoluments receivable by the highest paid Senior Executive Including pension contributions were:	<u>75,834</u>	<u>75,834</u>
The emoluments of the highest paid Senior Executive excluding Pension contributions were:	<u>72,223</u>	<u>72,223</u>

The highest paid Senior Executive is an ordinary member of the scheme described in the accounting policies.

6 Taxation

The company is registered with the Charity Commissioners as a charity and is exempt from taxation in accordance with Section 505 of the Income and Corporation Taxes Act 1988.

The Field Lane Foundation
Notes and Accounting Policies
For the year ended 31 March 2011

7 Tangible fixed assets
Freehold and Leasehold housing properties

	<u>Sheltered Accommodation</u> £	<u>Support Activities</u> £	<u>Total</u> £
Cost			
At 1 April 2010	598,577	3,740,995	4,339,572
Additions	4,383	204,877	209,260
	-----	-----	-----
At 31 March 2011	602,960	3,945,872	4,548,832
	=====	=====	=====
Social Housing Grants			
At 1 April 2010	482,003	1,952,391	2,434,394
Additions	-	75,000	75,000
	-----	-----	-----
At 31 March 2011	482,003	2,027,391	2,509,394
	=====	=====	=====
Net book value			
At 31 March 2010	116,574	1,788,604	1,905,178
	=====	=====	=====
At 31 March 2011	120,957	1,918,481	2,039,438
	=====	=====	=====

There were 19 (2010:19) units of sheltered housing accommodation, 127 units (2010:91) registered care beds maintained throughout the year and 41 units (2010:39) supported housing. The additional supported housing units in the year are represented by Homes and Communities Agency funding and loan finance consisting of an adaptation at Andrew Provan House to add 2 further new units.

Housing properties at cost are comprised of:

	<u>2011</u> £	<u>2010</u> £
Freehold	1,786,979	1,651,845
Short leaseholds < 50 yrs	252,459	253,333
	-----	-----
	2,039,438	1,905,178
	=====	=====

The Field Lane Foundation
Notes and Accounting Policies
for the year ended 31 March 2011

8 Tangible fixed assets – Other

Residential	Freehold Property	Furniture, fixtures and fittings	Motor Vehicles	Total
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost				
At April 2010	54,536	709,546	47,320	811,402
Additions	-	57,936	-	57,936
Disposal	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	54,536	767,482	47,320	869,338
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At April 2010	-	399,533	35,240	434,773
Charge for the year	-	35,641	4,999	40,640
Disposal	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	-	435,174	40,239	475,413
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2010	54,536	310,013	12,080	376,629
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	54,536	332,308	7,081	393,925
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Post Balance Sheet Event

The Foundation's Central Office freehold property at Vine Hill was sold to Jerusalem Passage Limited, a subsidiary trading company of Delhi Investment Holdings Limited, for the amount of £790,000. The contract of sale was exchanged on the 18th April 2011 and completed on the 16th May 2011.

9 Deposit Fund Accounts

	<u>2011</u>	<u>2010</u>
	<u>£</u>	<u>£</u>
Coutts – 60 Day Notice Account (0.88%)	670,566	664,697
NatWest – Special Bearing Account (variable rate)	352,287	666,058
CCLA – COIF Deposit Account (variable rate)	420	418
	<hr/>	<hr/>
	1,023,273	1,331,173
	<hr/> <hr/>	<hr/> <hr/>

The Field Lane Foundation
Notes and Accounting Policies
for the year ended 31 March 2011

10 Debtors and Prepayments	<u>2011</u> £	<u>2010</u> £
Arrears of local authority and residents' contributions	228,083	208,328
Loans to employees – repayable within one year	8,076	2,844
Other debtors	49,289	5,992
Prepayments and accrued income	50,278	234,845
	<hr/>	<hr/>
	335,726	452,009
	<hr/> <hr/>	<hr/> <hr/>

11 Creditors	<u>2011</u> £	<u>2010</u> £
Amounts falling due within one year		
Trade creditors	91,156	161,469
Taxation and social security	76,640	59,371
Capitalised lease premium	27,715	27,413
Bank loan	95,595	68,209
Accruals and deferred income	48,551	73,880
Other creditors	12,672	16,309
	<hr/>	<hr/>
	352,329	406,651
	<hr/> <hr/>	<hr/> <hr/>

The average time taken to pay trade creditors over the year was 38 days (2010:39)

12 Creditors	<u>2011</u> £	<u>2010</u> £
Amounts falling due after more than one year		
Housing loans		
Housing Corporation (bearing interest at 10.625%)	90,615	90,885
NatWest (6.25%)	174,213	158,749
Futurebuilders (6.00%)	687,311	710,651
	<hr/>	<hr/>
	952,139	960,285
	<hr/>	<hr/>
ODPM Capitalised lease premium	585,522	615,998
	<hr/>	<hr/>
Balance carried forward	1,537,661	1,576,283
	<hr/> <hr/>	<hr/> <hr/>
Amounts owed on housing properties repayable:	<u>2011</u> £	<u>2010</u> £
In one year or less (included in liabilities)	95,595	68,209
Between two and five years	286,785	204,626
In five years or more, by instalments	574,740	664,772
	<hr/>	<hr/>
	957,120	937,607
	<hr/> <hr/>	<hr/> <hr/>

The Field Lane Foundation

Notes and Accounting Policies

for the year ended 31 March 2011

12 Creditors (continued)

The Housing Corporation loan is repayable in instalments over a maximum of 60 years from 1 April 1985 and is secured on Dovers Home. The loan from NatWest is secured on 88 Boston Avenue, Southend. The loan is at a rate of 6.25% (variable) repayable over 15 years from the date of the second drawdown calculated on a 20 year capital and interest repayment basis. The total loan is for £220,000 to be drawn down in 2 tranches, the first (£120,000) on purchase of the property and the second (£100,000) when development is complete. Repayments commence after the drawdown of the second tranche when fixed rate options will be considered.

The second loan from Nat West is for £50,000 and was used to finance the expansion at Andrew Provan House to add 2 new units. It was drawdown on the 31st March 2011 and is at a fixed rate of 4.98% to be repaid over 3 years. This was to top up the grant funding from the HCA of £75,000 which was received against the project.

The loan from Futurebuilders is secured on 10 Ailsa Road, Westcliffe-on-Sea and 34 Westmead Drive, Salfords. The loan from Futurebuilders is at a rate of 6.0% (fixed for 24 years) repayable over 24 years after one year from the date of the first drawdown, and calculated on a 24 year capital and interest repayment basis. The total loan is for £921,388 to be drawn down in stages to acquire the two properties, make the adaptations and provide fixtures and fittings. The loan is fully drawn by 31 March 2011.

A grant of £696,747 was received in 2004/5 from the Housing Corporation (capitalised lease premium) which is designed to partly offset the quarterly lease payments for Andrew Provan House over the period of the lease (29 years) and its use is restricted to that purpose. This money, including accrued interest, is treated as deferred income and included under creditors. A proportion of the fund is transferred to the Income and Expenditure Account and included under income to offset rent payable (included in operating costs) in the period (£30,629). The total grant is treated as a restricted fund and was shown under incoming resources in the 2005 accounts.

13 Undesignated funds

	<u>2011</u> £	<u>2010</u> £
Balance brought forward	293,971	254,181
Retained surplus for year	(172,142)	32,171
Transfer from major repairs fund	8,434	7,619
	<hr/>	<hr/>
Balance carried forward	130,263	293,971
	<hr/> <hr/>	<hr/> <hr/>

14 Designated funds

	<u>Major Repairs</u> <u>Fund</u>	<u>Operating</u> <u>Fund</u>	<u>Development</u> <u>Fund</u>	<u>Tangible</u> <u>Fixed Assets</u> <u>Fund</u>	<u>Total</u> £
	£	£	£	£	£
Balance brought forward	55,991	660,822	184,901	802,336	1,704,050
Transfer from/(to)	-	-	11,841	-	11,841
Transfer from/(to)	-	-	(6,767)	-	(6,767)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward	55,991	660,822	189,975	802,336	1,709,124
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Field Lane Foundation

Notes and Accounting Policies

for the year ended 31 March 2011

The Operating Fund is a reserve set aside to meet the operating costs of Dovers, Priory, Badgers, Andrew Provan House and Boston Avenue to ensure continuity of service should it be required. The basis of calculation was changed in the year from 6 months equivalent operating costs to 3 months for existing projects and for new projects the reserve is built up over 5 years.

The Development Fund exists for the purposes of initiating new work and enhancing existing services in the year. The Development Fund has been used principally to meet expenditure from new developments at Andrew Provan House not covered by grants and for Boston Avenue for development costs not met by the loan from NatWest (see note 11).

The Tangible Fixed Asset Fund represents the tangible fixed assets of the charity, other than those representing endowment funds or covered by the Housing loans.

15 Restricted funds Use restricted by donor

	<u>Amenities Funds</u> £	<u>Special Purpose Funds</u> £	<u>Spinks Bequest Fund</u> £	<u>Total</u> £
Balance brought forward	4,585	49,869	4,342	58,796
Transfer from/(to) income and expenditure a/c Capital fund	1,714 -	7,536 (1,667)	- -	9,250 (1,667)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward	6,299	55,738	4,342	66,379
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Amenities Funds, represent the balance of unspent donations and fundraising, usually locally raised, relating to specific Care Homes and Day Centres. They include the funds held by individual affiliated Friends Groups. Residents, Centre Users and staff are actively involved in deciding how these funds should be spent.

The Special Purposes Fund represents the balance of unspent donations, fundraising and grants received through Central Office, and relating strictly to specific purpose or activities in accordance with donors' wishes.

The Spinks Bequest Fund is for the assistance of people moving into Field Lane accommodation who are unable to meet the associated costs and may therefore be prevented from benefiting from the accommodation.

16 Endowment fund

	£
Balance brought forward	44,949
Capital fund	-
	<hr/>
Balance carried forward	44,949
	<hr/> <hr/>

In accordance with the Deeds of Trust, this Fund is limited to the purpose of freehold property within a 5 mile radius of Vine Hill, London, EC1, or investment in trustee securities.

The fund is represented by:	£
Freehold property	44,949
	<hr/>
	44,949
	<hr/> <hr/>

The Field Lane Foundation

Notes and Accounting Policies

for the year ended 31 March 2011

17 Pension costs

The Foundation participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not a contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

The Foundation paid contributions at the rate of 5% during the accounting period. Members paid contributions at the rate of 5% during the accounting period.

As at the balance sheet date there were 9 active members of the Plan employed by The Foundation. The Foundation continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme where the Plan assets are co-mingled for investment purposes, and benefits are paid from the total Plan assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2008 have now been completed in 2009 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The Field Lane Foundation

Notes and Accounting Policies

for the year ended 31 March 2011

17 Pension costs (continued)

The financial assumptions underlying the valuation as at 30 September 2008 were as follows:

	%
	per annum
- Investment return pre retirement	7.6
- Investment return post retirement	
Actives/Deferreds	5.1
Pensioners	5.6
- Bonuses on accrued benefits	0.0
- Rate of price inflation	3.2

In determining the investment return assumptions, the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2010. The market value of the Plan's assets at that date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £825 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £45 million, equivalent to a funding level of 95%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 10 years if the investment returns from assets are in-line with the 'best estimate' assumptions. 'Best estimate' means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 8.4% per annum pre-retirement, 5.1% per annum post retirement (actives and deferreds) and 5.6% per annum post-retirement (pensioners).

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2008 valuation was forwarded to The Pensions Regulator on 18 December 2009, as is required by legislation.

The next full actuarial valuation will be carried out as at 30 September 2011.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre-October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The Field Lane Foundation

Notes and Accounting Policies

for the year ended 31 March 2011

17 Pension costs (continued)

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre-October 2001 liability attributable to employment with the leaving employer, compared to the total amount of the Plan's pre-October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including; total Plan liabilities, Plan investment performance the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Foundation has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2010. As of this date the estimated employer debt for The Foundation was £480,807.

18 Operating lease commitments

The Foundation had annual commitments under non-cancellable operating leases expiring as follows:

	<u>2011</u> £	<u>2010</u> £
Property		
Within one year	-	-
More than five years	67,500	67,500
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Equipment		
In two to five years	472	4,512
	<u> </u>	<u> </u>

The Field Lane Foundation
Notes and Accounting Policies
for the year ended 31 March 2011

19 Reconciliation of operating surplus to net cash outflow from operating activities

	<u>2011</u> £	<u>2010</u> £
Operating (deficit)/surplus	(155,208)	(23,157)
Interest payable on Housing loans	13,121	13,418
Depreciation charges	40,641	48,542
Decrease/(Increase) in debtors	116,282	(187,588)
Decrease/(Increase) in creditors	(54,321)	119,785
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Net cash (outflow)/inflow from operating activities	(39,485)	(29,000)
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20 Reconciliation of net cash flow to movement in net funds

	<u>2011</u> £	<u>2010</u> £
(Decrease)/increase in cash	28,632	(118,145)
Net cash inflow/(outflow) from movements in treasury deposits	(307,900)	74,624
Cash outflow from net movement in loans	8,147	(459,118)
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Movement in net funds during year	(271,121)	(502,639)
Net funds at beginning of year	390,599	893,238
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Net funds at end of year	119,478	390,599
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21 Analysis of movement in net funds during the year

	31 March <u>2011</u> £	Cash flow £	31 March <u>2010</u> £
Cash at bank and in hand	48,343	28,632	19,711
Treasury deposits	1,023,273	(307,900)	1,331,173
Housing Loans	(952,138)	8,147	(960,285)
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	119,478	(271,121)	390,599
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