



The Revolving Doors Agency

**Trustees' Report and
Financial Statements**

**For the year ended 31 March
2007**

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Our mission is to create opportunities for people caught up in a cycle of crisis, crime and mental illness to transform their lives. We do this by developing solutions that close the gaps in the established structure of support, and so bring excluded people into the mainstream of support.

Foreword

2006/07 was a year of substantial strategic change for Revolving Doors Agency. We sharpened radically our focus on research and development work and, in doing so, shifted our core focus away from directly delivered services towards partnership working with a range of service providers and commissioners.

This shift towards partnership relationships allowed Revolving Doors Agency to retain its commitment to experimental and progressive service development, in the face of mainstream commissioning processes becoming increasingly geared towards much larger providers. Through strategic alliances with major social care charities, such as St Mungo's, P3, and Richmond Fellowship, Revolving Doors has been able to specialise its skills in evidencing, developing and evaluating effective new approaches, while drawing upon the expertise, infrastructure and capacity of partners to deliver and sustain the resulting services.

To mark this shift, Revolving Doors launched its Strategic Plan 2010 in January 2007. This set out three clear objectives that will drive our work over the next three years

- **Reaching More People**

Revolving Doors aims to develop a range of services nationally that can improve outcomes for at least 1,000 more people a year by 2010. The main vehicle for this work will be our National Development Programme, which will highlight unmet needs in every region of England and in Wales, with a view to developing and piloting improved services and systems in 2008/09.

- **Developing New Approaches**

Over the next three years, Revolving Doors will research the evidence base for interventions that can improve the resilience of people with multiple needs, particularly by improving their family and social networks and their life skills. This work will lead to the development of services aimed at completing the pathway away from the cycle of crisis, crime and mental illness towards full social inclusion.

- **Pressing For National Change**

The publication of Reaching Out: An Action Plan for Social Exclusion in September 2006 was a significant breakthrough in Revolving Doors' bid to get the needs of people with multiple needs recognised across Government policy. Building on this success, we will press for further change in a number of key areas affecting our client group: multiple needs; early intervention; choice; poverty; and imprisonment.

Underpinning all three objectives will be an even stronger focus on service user involvement. Revolving Doors is currently seeking the resources to create an expert user panel that will be the country's only group focused on mental health and criminal justice.

The shifts in Revolving Doors Agency's strategy are designed to increase our impact, while enabling us to retain a critical and independent focus on the gaps and challenges within the system. Our renewed focus on research, development, policy and service user involvement will ensure that we are offering the right kind of ideas, evidence and analysis to make a real difference.

We would like to thank all those who supported Revolving Doors through this successful year of change.

Julian Corner
Chief Executive

24 October 2007

The Revolving Doors Agency

Directors' and Trustees' report for the year ended 31 March 2007

The Trustees, who are Directors for the purposes of Company law, present their report and audited accounts for the year ended 31st March 2007.

Reference and administrative details of the Agency, its Trustees and Advisers

The accounts have been prepared in accordance with the accounting policies set out on pages 13 and 14 and comply with the charity's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities issued in March 2006.

The members of the Board at the date of this report, and who served during the year ended 31 March 2007 are as follows:

	C Askew
	A Cohen
	D Cox (resigned 24.4.07)
	J Fulton
	G Lashko (appointed 25.4.07, appointed Chair 27.6.07)
	E Liberda-Moreni (Honorary Treasurer, appointed 20.9.06)
	P Ryan
	E M Tudball (resigned 20.9.06)
	D T Warner (resigned as Chair 27.6.07)
	J Weston
	D Walton
Chief Executive Officer	Julian Corner
Company Secretary	Jane Seaton (appointed 6.6.06)
Company number	2845452
Charity registration number	1030846
Principal office	Units 28 & 29, The Turnmill 63 Clerkenwell Road London EC1M 5NP
Telephone	020 7253 4038
Facsimile	020 7553 6079
Email	admin@revolving-doors.org.uk
Website	www.revolving-doors.org.uk
Auditors	PKF (UK) LLP Farringdon Place, 20 Farringdon Road London EC1M 3AP
Bankers	CAF Bank Limited Kingshill, West Malling, Kent, ME19 4TA
	National Westminster Bank Plc 10 Southwark Street London SE1 1TT

The Revolving Doors Agency

Directors' and Trustees' report for the year ended 31 March 2007

Structure, Governance and Management

Status

The Revolving Doors Agency is registered under the Companies Act 1985 as a Company limited by guarantee and not having a share capital. The Agency is registered as a charity under registration number 1030846.

The Directors, who are also the Trustees of the Agency, have no beneficial interest in the Agency other than as members. All of the Trustees are members of the Agency and guarantee to contribute £1 in the event of a winding up.

Recruitment and appointment of Trustees

The Board has the power to appoint additional Trustees. The Agency has detailed job descriptions for Board members in general, and for the Treasurer and Chair in particular. Recruitment is carried out by advertising, with support from personal recommendation where appropriate. The Agency endeavours through the recruitment methods adopted to reach groups of people who are under-represented in its employment, those who are members of the communities in which the Agency works, and those who can bring relevant skills and experience to the work of the Board.

Induction and training of Trustees

The induction and training of new Trustees includes the provision of up to date financial and other information about the Agency, Charity Commission publications giving guidance on the role of trustees, a skills audit, and a meeting with the Chief Executive.

Organisational structure

The charity's (full-time equivalent) staff averaged 23 during 2006/7 and currently number 10. Staff work within project teams, reporting through managers to the Senior Management Team. The Chief Executive, who is part of the Senior Management Team, is accountable to the Agency's Board of Trustees.

Risk management

The Trustees assess the strategic, business and operational risks facing the Agency during their reviews of the Agency's performance during the year, and when formulating plans for future periods. Policies and procedures are developed to minimise identified risks.

Objectives and activities

Our mission is to create opportunities for people caught up in a cycle of crisis, crime and mental illness to transform their lives. We do this by working towards the following objectives

- Reaching more people: across England and Wales, we will set up new or improved systems and services that can improve the lives of at least 1,000 more people by 2010. We will then network these improvements to create a groundswell of change for the client group as a whole.
- Developing new approaches: we will research and develop new approaches to increasing the resilience of people with multiple needs, so that the chasm between the revolving door cycle and full social inclusion can be bridged.
- Pressing for change: local service improvements need to be mirrored by national policy change. We will work across the following areas to improve the response of a range of Government departments: poverty; multiple needs; imprisonment; early intervention; and choice.

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Directors' and Trustees' report for the year ended 31 March 2007

Meeting these objectives involves the following activities

- establishing and promoting a clear understanding of the issues faced by this group;
- working with other organisations to establish how they can contribute effectively to improved outcomes;
- testing the effectiveness of different approaches to reaching, supporting and empowering the client group;
- disseminating our learning and that of our partners in forms that are trusted by other organisations and equipping them to meet their own objectives;
- promoting the central importance of user involvement to improving outcomes for this client group; and
- building lasting networks and alliances between the fields of mental health, social and housing support and criminal justice.

In 2006/07, Revolving Doors Agency's principle activity remained the delivery of Link Worker Schemes. We worked with local commissioners and partner agencies to provide support to people with mental health problems, through work with the police, courts and prisons, and social, housing and health providers.

We operated experimental pan-criminal justice schemes, delivered directly and in partnership, in a number of areas in London, the South East, Cheshire, Derbyshire and Northamptonshire. These projects provided support to mentally vulnerable offenders, and produced research findings which were used to influence service development and policy on a national level. Most significantly, the needs of the revolving door client group and the effectiveness of Revolving Doors Agency's methodology formed a central plank of the Social Exclusion Task Force's report, Reaching Out. Revolving Doors Agency's work in Islington was also awarded a Positive Practice Award by CSIP in the category of mental health and offending.

The Agency has provided evaluation and project consultancy services to commissioners and other agencies across the country seeking to run similar schemes. Its work with P3 in the Midlands was Highly Commended by the Criminal Justice Awards.

During 2006/7, Revolving Doors' National Development Programme started work in Wales and all seven regions of England, to identify particular gaps in support, and corresponding opportunities to work with local commissioners and agencies to establish pilot schemes. This programme forms the central means by which Revolving Doors will take forward, replicate and develop the methodology that it has developed to date.

Current activities

Service Development and Partnerships

Throughout 2006/07, Revolving Doors ran a number of Link Worker Schemes. During the year, the Agency reviewed its capacity to deliver link worker schemes directly within the financial constraints of statutory funding. As a result of this review, the Agency undertook the process of negotiating the transfer of scheme to larger providers. Partnership agreements with these providers have been developed which will enable the Agency to continue to support these schemes, to develop new approaches, and to evaluate the benefits delivered, both to our client group, and to commissioners and other stakeholders.

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Directors' and Trustees' report for the year ended 31 March 2007

The following is a breakdown of the frontline schemes delivered throughout 2006/07 that, due to the strategic changes, have since either ceased operation or been transferred to an alternative provider:

Southern Buckinghamshire: a scheme taking adult referrals from the police and prison. This was retendered by Supporting People and transferred to a consortia headed by Bromford Housing Group in June 2007.

Islington: a scheme taking adult referrals from the police. This was re-tendered by the PCT and transferred to Southside Partnership in July 2007.

HMP Pentonville: a scheme taking referrals of men returning to London Borough of Islington. Changes in commissioning priorities led to this scheme terminating in March 2007.

Islington Resettlement Project: a residential scheme, run in partnership with St Mungo's, taking referrals from HMP Pentonville. Islington Supporting People agreed its transfer to St Mungo's in March 2007.

Milton Keynes: a year long piece of action research, which began in September 2007 taking referrals from the police and A&E. This scheme has been awarded National Pathfinder status by the Cabinet Office's Adults Facing Chronic Exclusion programme, and delivery will transfer to P3 in September 2007. Revolving Doors Agency will remain a key partner in the pathfinder, providing service improvement consultancy to the commissioning group.

Young Persons Link Worker Project: this three year pilot, running in Haringey and Kent, came to end in March 2007. Findings will be written up in a final evaluation later in 2007.

HMP Holloway: this three year scheme began in October 2006, taking referrals of women from black, asian and minority ethnic backgrounds returning to three London boroughs. Communities and Local Government agreed its transfer to St Mungo's for September 2007.

National Development Programme

By 2010, Revolving Doors Agency aims to reach significantly more people with mental health problems in the criminal justice system by establishing a national network of offender care pathway projects. Through its National Development Programme, launched in 2006/07, Revolving Doors aims to work in partnership with local service providers in order to develop at least one support service in every English region and Wales, thereby meeting the needs of at least 1000 people per year.

The National Development Programme will involve three phases: needs assessment; pilot; and mainstreaming. In 2007, Revolving Doors Agency commenced the needs assessment phase. This involves conducting 7 region-wide needs assessments and one needs assessment in Wales in order to

- establish the priorities of local service providers, statutory commissioners and potential beneficiaries (i.e. people with mental health problems who are involved in crime);
- secure the active support of local and regional statutory commissioners;
- map local service provision; and
- identify unmet needs of our client group and the appropriate point(s) in the system to respond to those needs (e.g. Accident and Emergency Wards; Neighbourhood Policing; Courts; or Prison Resettlement).

Consultants based in each of the regions have been recruited to act as Revolving Doors Agency's Regional Advisers.

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Directors' and Trustees' report for the year ended 31 March 2007

HMP Lewes

Revolving Doors was commissioned by HMP Lewes to undertake a service audit relating to people with personality disorder and complex needs who are discharged from the prison to Brighton and Hove. This project follows sustained experience that many of these people are rapidly returned to the prison. This analysis is near completion, and is being followed up by developmental negotiations on a possible response.

HMP Styal

Revolving Doors launched its report, *Working With Complexity*, at HMP Styal in late 2006. This set out the findings and recommendations from action research undertaken in the prison in partnership with the Richmond Fellowship. The event attracted a wide range of stakeholders from the region, and is being followed up by on-going discussions about a possible response.

Policy

In January 2007, Revolving Doors published its report on Early Interventions for people with mental health problems in the criminal justice system. This work was funded as part of the developmental programme overseen by the Government's Health and Offender Partnerships Directorate. Findings from the report have been instrumental in helping to shape future policy in this area.

Through 2006/07, Revolving Doors worked closely with the Social Exclusion Task Force on its report 'Reaching Out: An Action Plan for Social Exclusion'. Revolving Doors' Link Worker Scheme in Islington was shadowed by Task Force officials, and Ministers met with Revolving Doors clients and staff. The issues facing the 'revolving door' client group and Revolving Doors' own recommendations and practice formed the major strand of the Adult Years section of the report. A national pathfinder scheme focused on Adults facing Chronic Exclusion was launched in 2007 as a result, and Revolving Doors' Director of Development, Nick O'Shea was seconded to the pathfinder team.

Service User Involvement

The Agency facilitates Revolvers, the only service user group in the UK dedicated to people who have experience of both the criminal justice and mental health systems. This group has membership from our own clients, both current and previous, and from people who have similar issues but have never used our services e.g. they may live in different areas. The group meets fortnightly to discuss the Agency's work; and they meet regularly with research and policy staff to channel messages and ideas.

25 individuals are involved as volunteers in the Revolvers service user group. In 2006/07, Revolvers provided crucial input into the Social Exclusion Task Force's preparation for its report, *Reaching Out*. The group also assisted in a London-wide survey of mental health services in the community, conducted by the Women's Resource Centre and the Greater London Authority.

Change management and capacity building

As a result of the Agency's decision to move away from direct service delivery and into partnership working, a programme of change management was agreed in the latter part of 2006/07, to ensure that the Agency has the resources and funding necessary to deliver its strategic objectives. This programme has included a review of staffing, skills and working methods. Skill deficits are being addressed through training and recruitment, and the Agency is also working with external consultants to explore options for sustainable income generation. The successful transfer of the Agency's remaining Link Worker projects was also a key

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Directors' and Trustees' report for the year ended 31 March 2007

component of the process, and the Agency invested considerable time in ensuring that the commissioners, staff and clients were supported and informed throughout.

The role and contribution of volunteers

In addition to the Revolvers service user group, the Agency also regularly involves volunteers in an intern scheme for university students and others to gain work experience in Research, Policy and Business Development .

All volunteers make a generous and significant contribution to the work of the Agency, and we offer them challenging opportunities to develop themselves professionally and gain valuable vocational experience.

Achievements and performance

2006/07 was a year of transition for Revolving Doors Agency, during which our core focus shifted towards research and development, and away from directly delivered services in favour of partnership working with a range of service providers and commissioners. Schemes scheduled for closure or transfer at or shortly after the end of the year ceased taking referrals, and concentrated on closing cases and referring clients onwards to alternative sources of support.

Revolving Doors Agency's clients have a range of complex needs and the Agency's work addresses a multitude of issues. During 2006/07, the Barrow Cadbury Foundation has funded the Agency to conduct a thorough review of the mechanisms used to collect data about our clients and our work: The Outcomes Project. The results of this review will be published in 2007/08.

Development Fund

During the year, the projects supported by the Revolving Doors Development Fund received 160 referrals and worked with 77 service users (2005/06 152 and 96).

Plans for future periods

Revolving Doors Agency has developed a strategic plan for 2007/10, in consultation with a number of key stakeholders.

The objectives are

1. Reaching a greater number of excluded people
2. Creating New Opportunities for Social Inclusion
3. Pressing for National Change

In fulfilling these objectives, the Agency intends that by 2010

- 700 people a year will have a meaningful engagement with a support service, with projects available in every English region and Wales. A 'meaningful engagement' is one that enables a client to identify and seize opportunities that will enable him/her to break the cycle of crisis, crime and mental illness. This work will be completed in three phases: (i) needs analysis, (ii) pilot and (iii) mainstream. 2007/08 will focus on the first phase, conducted largely through regional consultant, recruited in each English region and in Wales.
- Revolving Doors Agency will have researched, developed and piloted at least two new opportunities to promote the social inclusion of our client group. Funding has now been secured to begin work on a 'Families and Social Networks' project, which in 2007/08 will focus on a research and consultation phase.

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Directors' and Trustees' report for the year ended 31 March 2007

- The needs of Revolving Doors Agency's client group will have been highlighted within Government policy and a comprehensive set of actions will be in place to address them. Revolving Doors will be focusing on at least 2 policy messages over the next year: (i) Prison shouldn't be used as a social dustbin; and (ii) Tackling poverty cuts mental illness and crime. Both of these messages will be evidenced by research and service users consultation and will result in reports, briefings and policy recommendations.

Fundraising

Revolving Doors Agency has maintained relationships with existing funders, identifying areas of activity within its Strategic Plan which fit with funders' priorities. By March 2007, funding had been received for a major programme of change management to ensure the Agency has the capacity to deliver its strategic objectives.

For Objective 1, statutory funding for direct and partnership delivery of services has been supplemented by funding from charitable trusts, central government and multi-agency commissioning panels. Lloyds TSB, Esmee Fairburn and Health and Offender Partnerships have jointly funded the Agency's National Development Programme through to the end of 2007/08.

Funding to deliver the Agency's planned programmes of work under Objectives 2 and 3 has been secured from major charitable trusts and Health and Offender Partnerships. In addition, several funders have made significant contributions to the Agency's core costs.

The Agency is currently exploring opportunities for corporate fundraising as a means of covering core costs and pump-priming the expansion in activity planned for 2007/10.

Financial review

The total income for the year to 31 March 2007 was £1,287,434, a decrease of 14% over the previous year. The Agency had difficulty maintaining funding for some link worker schemes at viable levels, and this is reflected in the decreased total income. £96,000 of new link worker scheme activity in 2006/07 was financed from funds received in 2005/06 for that purpose.

Charitable expenditure amounted to £1,273,106, 7% less than in the previous year. Expenditure on support costs was £303,949, an increase of 9% over the previous year. This was largely due to the employment of a full time Business Development Manager, and the recognition that more resources were needed for central administration and finance. Support costs were 23% of total costs.

Total expenditure exceeded income for the year ended 31 March 2007 by £22,706. However, £119,600 for the new National Development Programme, which was received, and available to spend, in 2006/07, is budgeted to be spent in 2007/08. Other programmes and support activities showed a deficit in the year of £132,306.

Reserves policy

It is the Agency's policy to maintain unrestricted funds, which are the funds expendable at the discretion of the Trustees, at a level equal to approximately three months unrestricted expenditure. During the year ended 31 March 2007, unrestricted expenditure totalled £328,173. Unrestricted reserves in the year averaged 2.6 months unrestricted expenditure. The Agency aims to meet its reserves target by 2010 by working towards full cost recovery in all its funding applications, and by seeking direct funding of central service roles that support effective delivery of its strategic objectives.

The Revolving Doors Agency

Directors' and Trustees' report for the year ended 31 March 2007

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees are required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity, including its income and expenditure, for that period. In preparing these financial statements the trustees are required to

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

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

Disclosure of information by the Trustees to the auditors

Each of the Trustees has confirmed that so far as they are aware, there is no relevant audit information of which the Agency's auditors are unaware, and that they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the Agency's auditors are aware of that information.

Charitable and Political Donations

During the year the Agency made no political or charitable donations.

Auditors

A resolution to re-appoint PKF (UK) LLP will be proposed at the next Annual General Meeting.

Approved by the Board and signed on its behalf by

Elizabeth Liberda Moreni

Hon. Treasurer

24 October 2007

The Revolving Doors Agency

Independent Auditor's report for the year ended 31 March 2007

to the members of the Revolving Doors Agency

We have audited the financial statements of Revolving Doors Agency for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of the Company for the purposes of Company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

We report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

The Revolving Doors Agency

Independent Auditor's report for the year ended 31 March 2007

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the trustees' report is consistent with the financial statements.

London, UK
24 October 2007

PKF (UK) LLP
Registered auditors

The Revolving Doors Agency
Statement of financial activities
Summary income and expenditure account
for the year ended 31 March 2007

	Notes	Unrestricted funds	Restricted funds	Total 2007	Total 2006
		£	£	£	£
Incoming resources	2				
Incoming resources from generated funds					
Voluntary Income		107,666	85,000	192,666	176,050
Bank deposit interest		6,194	9,040	15,234	8,404
		<u>113,860</u>	<u>94,040</u>	<u>207,900</u>	<u>184,454</u>
Incoming resources from charitable activities					
Link worker schemes		126,995	538,964	665,959	743,772
Research and development		21,586	367,020	388,606	568,942
		<u>148,581</u>	<u>905,984</u>	<u>1,054,565</u>	<u>1,312,714</u>
Other income		24,969	–	24,969	4,193
Total incoming resources		<u>287,410</u>	<u>1,000,024</u>	<u>1,287,434</u>	<u>1,501,361</u>
Resources expended					
Costs of generating voluntary income	3	8,679	–	8,679	2,669
Charitable activities:	4				
Link worker schemes		143,330	629,993	773,323	769,628
Research and development		147,809	351,974	499,783	601,822
		<u>291,139</u>	<u>981,967</u>	<u>1,273,106</u>	<u>1,371,450</u>
Governance costs	5	28,355	–	28,355	24,344
Total resources expended		<u>328,173</u>	<u>981,967</u>	<u>1,310,140</u>	<u>1,398,463</u>
Net incoming (outgoing) resources		(40,763)	18,057	(22,706)	102,898
Gross transfer between funds	13	24,198	(24,198)	–	–
Net movement in funds		<u>(16,565)</u>	<u>(6,141)</u>	<u>(22,706)</u>	<u>102,898</u>
Total funds brought forward at 1 April 2006		72,407	260,839	333,246	230,348
Total funds carried forward at 31 March 2007		<u>55,842</u>	<u>254,698</u>	<u>310,540</u>	<u>333,246</u>

This statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985

All results have been derived from continuing activities.

The Agency has no other recognised gains or losses other than those stated above.

The notes on pages 13 to 21 form part of these accounts.

The Revolving Doors Agency
Balance sheet as at 31 March 2007

	Notes	Unrestricted funds	Restricted funds	Total 2007	Total 2006
		£	£	£	£
Fixed assets					
Tangible fixed assets	9	<u>4,767</u>	<u>–</u>	<u>4,767</u>	<u>11,738</u>
Current assets					
Debtors	10	31,721	55,330	87,051	141,034
Cash at bank and in hand		<u>65,292</u>	<u>395,626</u>	<u>460,918</u>	<u>408,444</u>
		<u>97,013</u>	<u>450,956</u>	<u>547,969</u>	<u>549,478</u>
Liabilities					
Creditors: amounts falling due within one year	11	<u>45,938</u>	<u>196,258</u>	<u>242,196</u>	<u>227,970</u>
Net current assets		<u>51,075</u>	<u>254,698</u>	<u>305,773</u>	<u>321,508</u>
Net assets		<u>55,842</u>	<u>254,698</u>	<u>310,540</u>	<u>333,246</u>
Reserves					
Unrestricted income funds		55,842	–	55,842	72,407
Restricted income funds	13	<u>–</u>	<u>254,698</u>	<u>254,698</u>	<u>260,839</u>
		<u>55,842</u>	<u>254,698</u>	<u>310,540</u>	<u>333,246</u>

The notes on pages 13 to 21 form part of these accounts.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

Gary Lashko (Chair)

Elizabeth Liberda Moreni (Honorary Treasurer)

24 October 2007

24 October 2007

The Revolving Doors Agency

Notes to the accounts for the year ended 31 March 2007

I Principle accounting policies

Basis of preparation of accounts

The accounts are prepared under the historical cost convention and include the results of the charity's operations, which are described in the Directors' and Trustees' Report.

The accounts have been prepared in accordance with the requirements of the Charities Act 1993. Applicable United Kingdom Accounting Standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) have been followed in the preparation of these accounts.

Tangible fixed assets and depreciation

All assets costing over £500 and with an expected useful life exceeding one year are capitalised.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis

Equipment	–	33 ¹ / ₃ % of cost
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Leases

Rentals payable under operating leases are transferred to the Statement of Financial Affairs on a straight line basis over the lease term.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants and donations from government and other agencies and charitable foundations are included as income from activities in furtherance of the charity's objectives where these amount to a contract for services, but as voluntary income where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Grants for the purchase of fixed assets are recognised in full in the year in which they are received.

Resources expended

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following

The costs of generating voluntary income include the salaries, direct costs and support costs associated with generating donated voluntary income.

The costs of activities in furtherance of the Agency's objectives comprise expenditure on the Agency's primary charitable purposes as described in the Directors' and Trustees' Report.

Governance costs comprise those costs attributable to constitutional and statutory requirements and to the strategic management of the Agency.

The Revolving Doors Agency

Notes to the accounts for the year ended 31 March 2007

Certain shared costs (support costs) are apportioned between the activities listed above on the basis of direct staff involvement in these areas. The percentages used are given in note 6 to the accounts.

Taxation

The Agency is a registered charity, and therefore is not liable for Income Tax or Corporation Tax on income derived from charitable activities, as it falls within the various exemptions available to registered charities.

Pension Contributions

The Agency operates a defined contribution pension scheme on behalf of its staff. Contributions are paid to an insured scheme and are charged to the Statement of Financial Activities in the year in which they are paid. The assets of the scheme are held separately from those of the Agency in an independently administered fund. The pension costs charged in the accounts represent the contributions payable by the charity during the year in accordance with FRS 17.

Unrestricted and restricted income and reserves

Unrestricted income and reserves comprise those monies which may be used towards meeting the charitable objectives of the Agency at the discretion of the Board, or are given specifically to fund core costs.

The restricted income funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

The Revolving Doors Agency
Notes to the accounts for the year ended 31 March 2007

2 Incoming Resources

All grants are shown at the agreed level of funding for the year 2006/7

	Unrestricted funds	Restricted funds	Total 2007	Total 2006
	£	£	£	£
Voluntary income				
Donations	166	—	166	50
Grants for core funding				
Baring Foundation	12,500	—	12,500	25,000
Department of Health	—	—	—	36,000
Health and Offender Partnerships	75,000	—	75,000	—
John Ellerman Foundation	—	—	—	20,000
New Philanthropy Capital	—	35,000	35,000	—
Tudor Trust	20,000	—	20,000	—
Henry Smith	—	20,000	20,000	—
Peter de Haan	—	10,000	10,000	—
Monument Trust	—	20,000	20,000	95,000
Total voluntary income	107,666	85,000	192,666	176,050
Incoming resources from charitable activities				
Grants and contractual income				
Association of London Government	—	73,128	73,128	73,129
Baring Foundation	—	10,000	10,000	—
Barrow Cadbury	—	14,620	14,620	—
Change Up	—	—	—	114,750
Chiltern District Council	—	5,000	5,000	5,000
City Parochial Foundation	—	17,000	17,000	25,500
Comic Relief	—	30,000	30,000	30,000
Connecting Communities	—	44,745	44,745	—
Custody 2 Work	—	35,750	35,750	35,500
Department of Health	—	—	—	30,000
Drug Interventions Programme	—	—	—	55,000
Esmee Fairburn	—	18,564	18,564	—
Ethnic Minorities Intervention Fund	—	39,219	39,219	—
Haringey Youth Offending Team	—	10,588	10,588	78,568
Health and Offender Partnerships	—	—	—	100,000
Henry Smith	—	40,000	40,000	40,000
HM Prison Service	—	—	—	20,000
Home Office - Mental Health Unit	—	45,066	45,066	45,066
Homelessness Directorate	—	—	—	50,000
Islington Social Services / PCT	—	74,149	74,149	72,507
Kent, Surrey, Sussex Prisons	—	—	—	30,000
King's Fund	—	15,819	15,819	31,029
Lankelly Chase Foundation	—	15,000	15,000	20,000
Lloyds TSB	—	119,600	119,600	—
London Housing Foundation	—	—	—	10,000
Milton Keynes CSP	—	85,000	85,000	—
National Probation Service	—	—	—	8,000

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Notes to the accounts for the year ended 31 March 2007

	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Grants and contractual income continued				
Northamptonshire Primary Care Trust	–	92,236	92,236	110,517
Paul Hamlyn Foundation	–	–	–	22,500
Rayne Foundation	–	25,000	25,000	25,000
Safer London Foundation	–	20,000	20,000	–
Supporting People	126,995	–	126,995	120,553
Thames Valley Police	–	5,000	5,000	3,000
Tudor Trust	–	–	–	20,000
Volunteering England (see note 14)	–	35,000	35,000	40,000
Wycombe Primary Care Trust	–	30,000	30,000	30,000
Other contracts	21,586	5,500	27,086	65,305
Other grants and adjustments to previous	–	–	–	1,810
Total incoming resources from charitable activity	148,581	905,984	1,054,565	1,312,734

Association of London Government – Section 37 requirement

The grant from the Association of London Government of £73,128 (2006 – £73,129) has been spent in accordance with the conditions of the grant.

3 Costs of generating voluntary income

	2007 £	2006 £
Direct employment costs	5,511	1,842
Fundraising costs	212	–
Support costs	<u>2,956</u>	<u>827</u>
	<u>8,679</u>	<u>2,669</u>

4 Costs of charitable activity

	Link worker schemes £	Research and develop- ment £	Total 2007 £	Total 2006 £
Direct employment costs	414,489	202,808	617,297	753,972
Recruitment	23,008	334	23,342	9,352
Redundancy	16,092	–	16,092	–
Training and staff development	2,278	4,046	6,324	12,011
Agency staff and contractors	89,175	–	89,175	85,712
Communications	12,326	1,962	14,288	22,327
Consultancy, facilitation and clinical supervision	18,486	22,618	41,104	31,317
Meetings and events	448	5,157	5,605	17,519
Travel and subsistence	17,145	5,243	22,388	25,604
Other direct scheme and project costs	23,421	1,864	25,285	7,033
Payments to partner agencies	–	107,942	107,942	134,699
Bad debts	13,125	–	13,125	–
Support costs	143,330	147,809	291,139	271,904
	<u>773,323</u>	<u>499,783</u>	<u>1,273,106</u>	<u>1,371,450</u>

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Notes to the accounts for the year ended 31 March 2007

5 Governance costs	2007	2006
	£	£
Audit fees and associated costs	8,943	6,670
Direct employment costs	9,558	11,727
Support costs	<u>9,854</u>	<u>5,947</u>
	<u>28,355</u>	<u>24,344</u>

6 Support costs	2007	2006
	£	£
Direct employment costs	138,234	71,137
Recruitment	9,500	9,029
Training and staff development	2,279	4,307
Agency staff and contractors	31,882	53,764
Communications	14,803	9,654
Consultancy	981	8,888
Meetings and events	169	5,029
Financial and legal costs	2,932	3,618
Travel and subsistence	4,250	2,546
Premises and office services	96,954	109,377
Bad debts written off	–	3,653
Miscellaneous costs and recoveries	<u>1,965</u>	<u>(2,324)</u>
	<u>303,949</u>	<u>278,678</u>

The percentages used to allocate support costs to the expenditure headings in the Statement of Financial Activities are as follows:

	2007	2006
	%	%
Costs of generating voluntary income	1.0	0.3
Governance costs	3.2	2.1
Link worker schemes	47.2	42.8
Research and development	<u>48.6</u>	<u>54.8</u>
	<u>100.0</u>	<u>100.0</u>

7 Operating surplus

The operating surplus is shown after charging:	2007	2006
	£	£
Depreciation of tangible fixed assets	8,391	22,818
Auditors' remuneration - audit fees	8,943	6,637
Auditors' remuneration - non audit fees	2,350	–
Amounts charged under operating leases for office equipment	8,366	5,217

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Notes to the accounts for the year ended 31 March 2007

8 Staff costs and emoluments	2007	2006
	£	£
Salaries	680,466	740,284
National insurance	69,855	76,564
Pension costs	20,279	21,830
	<u>770,600</u>	<u>838,678</u>

Pension costs represent contributions paid to a defined contribution scheme on behalf of the Agency's employees. The assets of the scheme are held separately from those of the Agency in an independently administered fund. Contributions by the Agency are payable at a rate of 7% of gross salary. There were no employees whose annual emoluments were £60,000 or more. (2006 – None)

The average number of (full-time equivalent) staff employed by the Agency during the year was as follows:

	2007	2006
Support staff	<u>4</u>	<u>3</u>
Staff employed in charitable activities		
Link worker schemes	12	16
Research and development	<u>7</u>	<u>9</u>
	<u>19</u>	<u>25</u>
	<u>23</u>	<u>28</u>

9 Tangible fixed assets
Movements in the year

Cost	Opening balances £	Additions £	Disposals £	Closing balances £
Equipment	36,904	1,420	–	38,324
Short leasehold improvements	26,597	–	–	26,597
	<u>63,501</u>	<u>1,420</u>	<u>–</u>	<u>64,921</u>

Depreciation	Opening balances £	Charge for the year £	Disposals £	Closing balances £
Equipment	25,166	8,391	–	33,557
Short leasehold improvements	26,597	–	–	26,597
	<u>51,763</u>	<u>8,391</u>	<u>–</u>	<u>60,154</u>

Net book values	2007 £	2006 £
Equipment	4,767	11,738
Short leasehold improvements	–	–
	<u>4,767</u>	<u>11,738</u>

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Notes to the accounts for the year ended 31 March 2007

10 Debtors

	2007		2006	
	Unrestricted funds	Restricted funds	Total	Total
	£	£	£	£
Grant income debtors	–	55,030	55,030	112,642
Prepayments & other debtors	31,721	300	32,021	28,392
	<u>31,721</u>	<u>55,330</u>	<u>87,051</u>	<u>141,034</u>

11 Creditors

Amounts falling due within one year	2007		2006	
	Unrestricted funds	Restricted funds	Total	Total
	£	£	£	£
Deferred income	20,000	102,527	122,527	125,661
Expense creditors	5,635	69,613	75,248	34,467
Taxation and social security	–	–	–	20,922
Accruals and other creditors	20,303	24,118	44,421	46,920
	<u>45,938</u>	<u>196,258</u>	<u>242,196</u>	<u>227,970</u>

Commitments under operating leases for office equipment at the year end totalled £48,645, payable over 5 years. (2006 – £19,564 over 4 years)

	2007	2006
	£	£
Movements on deferred income during the year		
Balance brought forward at 1 April 2006	125,661	84,840
Released during the year	(125,661)	(84,840)
Received and deferred during the year	<u>122,527</u>	<u>125,661</u>
Balance carried forward at 31 March 2007	<u>122,527</u>	<u>125,661</u>

12 Related party transactions

No Trustee received any remuneration during the year (2006 – £nil). One Trustee was reimbursed travel expenses totalling £36 (2006 – £208).

The Revolving Doors Agency
Notes to the accounts for the year ended 31 March 2007

13 Restricted funds

The Agency's restricted funds consist of charitable and central and local statutory funding subject to specific trusts.

	Balance at 31.3.06 £	Income £	Expenditure £	Transfers to other funds £	Balance at 31.3.07 £
Funding for business development activity of the Agency	–	35,000	–	(35,000)	–
Funding for change management	–	50,000	14,178	–	35,822
Funding for staffing and other costs of the development team	15,280	–	15,280	–	–
Funding for link worker and related schemes –					–
South Bucks Link Worker	26,179	90,326	122,219	8,206	2,492
Islington Link Worker	47,472	217,971	251,025	(13,490)	928
Milton Keynes Link Worker	–	85,503	47,688	3,847	41,662
Young People's Schemes	–	167,068	200,596	33,528	–
Development fund (pump-priming for new projects)	81,729	155,606	174,343	(32,504)	30,488
National Development Programme	–	109,600	–	10,000	119,600
Other project funding					–
User Involvement	26,935	53,231	44,604	(13,381)	22,181
Policy and Research	40,166	35,719	94,640	20,280	1,525
Partners in Reducing Re-offending	23,078	–	17,394	(5,684)	–
	<u>260,839</u>	<u>1,000,024</u>	<u>981,967</u>	<u>(24,198)</u>	<u>254,698</u>

Transfers to other funds consist of allocations of unrestricted funds to specific charitable activities at the discretion of the Directors, and internal charges for support services, research and evaluation.

The Agency's link worker and related schemes had all been closed or transferred to other service providers by the end of September 2007. Restricted funding associated with these schemes was fully expended prior to closure or transfer.

The Revolving Doors Agency
Notes to the accounts for the year ended 31 March 2007

14 Grants with specific reporting requirements

Volunteering England has provided a grant of £35,000 which has been accounted for within the restricted fund for User Involvement projects. In accordance with the requirements of the funding agreement, the income and expenditure for the project funded by Volunteering England is reported here.

	2007	2006
	£	£
Income		
Grant income from charitable activities	35,000	40,000
Expenditure		
User involvement co-ordinator salary	5,489	14,700
User involvement worker salary	9,982	7,200
Employer's NI and pension costs	2,250	2,915
Insurance	90	245
Rent, rates, light and heating	2,795	2,121
Stationery, postage, telephone etc	972	1,548
Volunteer expenses	3,708	2,280
Audit fees	284	440
Management of co-ordinator	5,354	6,902
Consultancy and planning away days	–	949
Recruitment	–	700
In service training	314	–
CRB checks	18	–
Finance and admin costs	3,744	–
	<u>35,000</u>	<u>40,000</u>