



The Revolving Doors Agency

**Trustees' Report and Annual Review
and Financial Statements**

For the year ended 31 March 2008

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 bring excluded people into the mainstream of support.

Trustees' report and annual review and financial statements

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Foreword

Our activities during 2007/08 clearly demonstrate our continuing commitment to support those who face the 'revolving door' between prison and vulnerability in the community. The year also saw the start of substantial and strategic changes for Revolving Doors Agency (RDA), as we began to transform our core task from the direct delivery of services to working in partnership with a range of providers and commissioners, sharpening our focus on research and development.

Through strategic alliances with major social care charities St Mungo's, P3 and Richmond Fellowship, we were able to draw upon the expertise, infrastructure and capacity of excellent partners to deliver and sustain services, allowing us to focus on identifying needs and developing and evaluating new approaches.

We established two new partnership projects: a pilot Neighbourhood Link Worker Scheme with St. Mungo's, developing a model of support for people identified by the Metropolitan Police's new Safer Neighbourhood Teams; and a pathfinder project for 'adults facing chronic exclusion' in Milton Keynes with P3 and the Community Safety Partnership, as part of the work of the Government's Social Exclusion Task Force.

Within our National Development Programme (NDP) we carried out a needs analysis in each of the English regions and in Wales, to identify the gaps within existing provision for our target group. This resulted in the development of eight pilot projects, with a range of statutory and voluntary sector partners.

We launched two new research programmes, both of which will be well placed to inform future policy. The Strengthening Families and Social Networks project will deepen our understanding of the contribution that personal relationships can make to breaking the 'revolving door' cycle. And our Financial Crisis, Crime and Mental Illness project will interrogate the learning drawn from Revolving Doors' practical experiences and establish evidenced links between financial, health and criminal justice policy.

We have always believed that policy must be informed by the views of those receiving services and in 2007/08 we undertook a thorough review of the mechanisms by which we ensure that the voices of people with personal experience of the criminal justice system underpin all aspects of our work. As a first step we began work on establishing the UK's first policy forum for people with personal experience of both mental health needs and offending. Members of this forum will engage directly in the policy debates that affect their lives. This is an exciting opportunity and represents the first in a number of new user-involvement initiatives that we plan to facilitate.

While Government publications¹ demonstrate an enhanced commitment to address the unmet mental health needs of people in the criminal justice system, policy and practice continue to fail vulnerable people. We will therefore continue to strive for them to be seen, heard and supported. This will involve further organisational consolidation and change for RDA as we maximise our potential to influence policy, and even more importantly, to improve access to effective services on the ground. This is our challenge for 2008/09.

Gary Lashko
Chair of Trustees

Julian Corner
Chief Executive

At the time of preparing this report, Julian Corner, our Chief Executive for the past 4 ½ years, is about to leave Revolving Doors to take up a position as Head of the Government's Crime Strategy Unit. We are sad to lose Julian, who has contributed greatly to RDA's success over those years. On behalf of the Board of Trustees I would like to express our thanks to Julian and to wish him good luck in his new role.

Gary Lashko, Chair of Trustees

¹ Reaching Out: An Action Plan for Social Exclusion in 2006 and the draft strategy for offender health, Improving Health, Supporting Justice, in 2007.

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The Trustees, who are Directors for the purposes of company law, present their report and audited accounts for the year ended 31st March 2008.

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 16 and 17 and comply with the Agency'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 2008 are as follows

	C Askew
	A Cohen
	J Fulton
	G Lashko (appointed 25.4.07, appointed Chair 27.6.07)
	E Liberda-Moreni (Honorary Treasurer)
	P Ryan
	D T Warner (resigned 15.1.08)
	J Weston
	D Walton
Chief Executive	Julian Corner (resigned 1 August 2008) Kevin Ireland (from 4 August 2008)
Company Secretary	Jane Seaton
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

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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 Agency's (full-time equivalent) staff averaged 14 during 2007/8 and currently number 9. Staff work within project teams, reporting either directly or through line 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.

At the date of this report, the Trustees are prioritising the following two risk areas as they identify and recruit a permanent Chief Executive, complete a dialogue about long term funding with major funders, and continue the transition to a new organisational structure:

- Failure to secure funding for ongoing and planned activity
- Changes to national policy drivers and local commissioning priorities

Objectives and activities

Objectives

Our mission is to create opportunities for people caught up in a cycle of crisis, crime and mental illness to transform their lives. We have two principal objectives in seeking to achieve this:

- Developing and demonstrating new approaches; and
- Pressing for change by influencing policy.

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Developing new approaches

We 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 work across the following areas to improve the response of a range of Government departments: poverty; multiple needs; imprisonment; early intervention; and choice.

- 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.

Discontinued activities

Following a review in 2006/7 Revolving Doors Agency continued to move its focus away from directly delivered services in favour of research and development, and partnership working with a range of service providers and commissioners. In 2007/8 the Agency decided to negotiate the transfer of its schemes to larger providers, and this process was completed by September 2007. Partnership agreements with some of these providers allow the Agency to continue to support the schemes, develop new approaches and evaluate the benefits delivered, both to our client group and to commissioners and other stakeholders.

The Milton Keynes link worker scheme, now MK Link Worker Plus, has been operated by P3 since September 2007, and is a National Pathfinder project in the Cabinet Office's Adults Facing Chronic Exclusion programme. Revolving Doors Agency remains a key partner in the pathfinder, providing service improvement consultancy to the commissioning group.

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

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

In HMP Holloway a 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.

During the year, our Development Fund ceased to administer funding and provide support for mainstream services which continue to be delivered by P3 in Northamptonshire.

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Schemes which transferred during the year concentrated on managing a period of transition for their clients, whilst the Agency worked to build constructive relationships with new and existing partners.

Activities during 2007-8

I. Developing and demonstrating new approaches

Service Development and Partnerships

During 2006-7 funding was secured for a new link worker scheme in Islington, focused on taking referrals from Safer Neighbourhood Teams. This scheme, funded by BIG, Safer London Foundation and Department of Health, commenced operation in September 2007. It is run by St Mungo's Housing Association, in partnership with Revolving Doors Agency, and its work is overseen by a steering group of local and national stakeholders.

The Milton Keynes Linkworker Plus Project also began in September 2007 and got off to a very successful start, receiving over 90 referrals in its first six months of operation. The scheme is delivered in partnership with P3 and is part of the cross government Adults facing Chronic Exclusion pathfinder. A strong multi-agency partnership group oversees the project.

National Development Programme

During 2006/7, our National Development Programme began with needs analyses in Wales and seven regions of England, to identify particular gaps in support and develop opportunities to work with local commissioners and agencies to establish pilot schemes. In 2007/8, through a network of regionally based advisors and an in-house team of development staff, the Programme:

- established the priorities of local service providers, statutory commissioners and potential beneficiaries (i.e. people with mental health problems who are involved in crime);
- secured the active support of local and regional statutory commissioners;
- mapped local service provision, identifying unmet needs for our target group; and
- identified appropriate points of intervention in the system to respond to those needs (e.g. Accident and Emergency Wards; Neighbourhood Policing; Courts; or Prison Resettlement).

By 31 March 2008, £270,000 of pump priming funding had been secured for pilot projects, and for associated central office and evaluation costs.

The National Development Programme continues to be the central means by which Revolving Doors takes forward, replicates and refines the methodology that it has developed to date.

HMP Lewes

The Revolving Doors Agency was commissioned by HMP Lewes and St Sarkis Trust to undertake a needs analysis of short-term prisoners with complex needs leaving the prison and returning to Brighton and Hove, followed by developmental negotiations on a possible response. This project follows sustained experience that many of these people are rapidly returned to the prison. A pilot project arising from this work has been integrated into the National Development Programme.

Sheppey

The Agency was commissioned by the Sheppey Prison cluster and St Sarkis Trust to undertake an audit of the role of the Information, Advice and Guidance Service in the resettlement of short term prisoners leaving the cluster and returning to the London area. The initial research

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has been followed by the facilitation of links between the prison and both strategic bodies and service providers in London.

2. Influencing Policy

Engaging with policy makers

During the year we continued to work collaboratively with other agencies to engage with policy-makers across Government in order to highlight the needs of our target group and recommend opportunities for reform. Alongside the Sainsbury Centre for Mental Health, we jointly hosted a series of fringe events at the 2007 Liberal Democrat, Labour and Conservative party conferences, focusing on prison reform. At the events we launched a briefing paper, entitled "Prisons: Britain's Social Dustbins", that put forward four proposals for policy reform:

- *Tightening the Safety Net*: prisons cannot and should not be relied upon to underwrite community services.
- *Reinvesting in Solutions*: a significant proportion of the criminal justice resources spent on people with mental health problems should be re-invested to fund preventative measures outside the criminal justice system.
- *Intervening Earlier*: early entry points in the criminal justice system should be used as opportunities for social inclusion with increased access to health and social care services to help target the risk factors associated with crime.
- *Strengthening Community Sentencing*: community sentences should be enhanced with mental health support for those with common mental health problems.

Participants at the fringe events included Hilary Armstrong MP (former Minister for Social Exclusion), David Heath MP (Lib Dem Shadow Secretary of State for Justice), Baroness Neuberger (Champion on Volunteering and former Lib Dem Health spokesperson) and Edward Garnier QC MP (Conservative Shadow Minister for Justice).

Transition to Adulthood

Revolving Doors Agency began work on a two year policy project, Transition to Adulthood, focussing on the needs of young adult offenders with mental health and substance use needs. The project builds on the recommendations of the Barrow Cadbury Commission's report, "Lost in Transition" (2006).

The central component of the project is the establishment of a team of Central Government policy-makers, service providers and young adults. The team will work together to undertake a series of best practice visits across England and Wales. Along with contextual policy and research analyses, these visits will inform the development of a recommended framework for health, substance use and criminal justice commissioners alongside a series of best practice principles for service providers.

Sentencing

In partnership with the Elmore Team, an independent community services team working in Oxford, Revolving Doors Agency submitted a joint response to the Sentencing Guidelines Council's consultation on the breach of Anti-Social Behaviour Orders.

This response signifies the start of a programme of joint policy activities to be undertaken by Revolving Doors Agency and the Elmore Team during 2008/09.

The consultation response focused on two key recommendations:

- *Looking at the Bigger Picture*: when sentencing a person with a mental health problem for breach of an ASBO, courts should consider two issues: (i) whether the offender had unmet health and social care needs when the ASBO was issued; and (ii) if so, whether those needs have been met in the meantime.

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- *Creating a Gateway to Health and Social Care*: sentencing for breach of an ASBO should be an opportunity to address the underlying health and social care needs of offenders, providing a truly rehabilitative response.

3. Research and evaluation

The Cycle of Financial Crisis, Crime and Mental Illness

This project, funded by Friends Provident Foundation, aims to provide an evidence base for the experiences of the Revolving Doors Agency target group in relation to a) accessing mainstream financial services, b) managing finances and c) the impact of a police issued fine. During 2008/9 these findings will be 'reality checked' with a national forum from Citizens Advice and produce recommendations to translate into both service delivery and policy messages.

Families and Social Networks

Monument Trust and Tudor Trust have funded a project on the theme of families and social networks. Following both service provider focus groups and a new Government initiative focused on families, Think Family, the project aims were modified. We now plan to examine the principles of Think Family in relation to the Agency target group. This will test the capacity of services to incorporate families and social networks in their work with individuals. This project will move into the development phase in 2008/9.

Elmore Team evaluation

The Elmore Team in Oxford have been funded by the Tudor Trust to pilot an enhanced programme of support for people issued with Antisocial Behaviour Orders and/or Acceptable Behaviour Contracts. Revolving Doors Agency is also being funded by the Tudor Trust to evaluate the programme.

Outcomes Toolkit

The Barrow Cadbury Trust has funded Revolving Doors Agency to produce a method of measuring change in individuals over time. We are particularly interested in being able to measure small steps and soft outcomes. The toolkit is already being used by partner organisations and will be used in the NDP pilot projects.

International Review of Mental Health and Policing

During the year we produced a report that detailed how various other countries deal with the role of the police in relation to mental health and produced a series of recommendations that could be used by the Metropolitan Police Force when addressing their existing provision.

4. Service User Involvement

Revolving Doors Agency has been funded by Paul Hamlyn Foundation to establish the first policy forum for people with personal experience of both mental illness and the criminal justice system.

This national service user forum will create opportunities for service users to articulate their ideas and experiences to a wide range of public, Government and voluntary sector audiences. Members of the forum will receive training and support in order to engage in a variety of activities, including media work, speaking at conferences and producing recommendations for policy reform.

Service users from across the Agency's partner organisations, including St. Mungo's, Mind, Addaction, The Elmore Team and P3, are being invited to join the forum.

5. Change management and capacity building

As a result of the Agency's decision to move away from direct service delivery and into partnership working, the first stage of a programme of change management was undertaken to

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ensure that the Agency has the resources and funding necessary to deliver its strategic objectives. This programme included a review of staffing, skills and working methods. Skill deficits have been addressed through training and recruitment, and the Agency has worked with external consultants to explore options for sustainable income generation.

Plans for future periods

The Revolving Doors Agency is at an important stage in its development and in achieving its vision of transforming the lives of those caught up in the cycle of crisis, crime and mental illness. During 2006/07 and 2007/08, we consciously moved away from a model of continually expanding service delivery, in order to develop collaborative approaches that more clearly identify the needs of our target group and how these may be met by commissioners and service providers. In 2008/09 we plan to progress further along this route, with a greater focus on influencing both national policy and the delivery of services at the regional and local level. The National Development Programme provides an exemplar of how we will work in future: as catalyst – broker – consultant – evaluator – co-ordinator – adviser – champion, to bring about national policy change.

This will involve one further structural change for Revolving Doors. We plan to move towards a slimmer core team, focussing on policy and influencing, backed up by collaborative innovation in service delivery and underpinned by greater service user involvement.

The funding requirement arising from these plans has been identified, and discussions are taking place with potential funders. Not all the necessary funding had been secured at the date of this report.

The role and contribution of volunteers

We have continued to benefit greatly from the contribution of the 'Revolvers' group of service users, as well as other service user initiatives. We have also involved volunteers through intern schemes 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.

Patrons

The Agency is grateful for the continued interest and expertise offered by senior supporters who act as patrons, ambassadors and advisors for our work.

Revolving Doors Agency's Patrons at the date of this report are

Rt. Hon. Hilary Armstrong (joined RDA in 2007/8)	Member of Parliament for North West Durham and former Cabinet Minister for Social Exclusion and Duchy of Lancaster
Mike Boyle	Retired Director of Strategy, National Probation Directorate
Ian Bynoe	Acting Deputy Chair, Independent Police Complaints Commission
Viscount Colville of Culross QC	Former Chair of the Mental Health Act Commission and Parole Board for England and Wales

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His Honour Judge Fabyan Evans	
Rose Fitzpatrick	Deputy Assistant Commissioner, Metropolitan Police
Professor John Gunn	Professor of Forensic Psychiatry
Chris Holmes	Youth Justice Board Member
Gillie Johnson	Consultant (voluntary sector)
Bharat Mehta	Chief Executive, City Parochial Foundation
Baroness Julia Neuberger (joined RDA in 2007/8)	Prime Minister's Champion on Volunteering and Former Liberal Democrats spokesperson on Health in the House of Lords
Dr Gillian Pugh DBE	Former Chief Executive, Coram Family
Lord David Ramsbotham	Former Chief Inspector of Prisons
Dr John Reed	Former Health Adviser to Chief Inspector of Prisons
Dru Sharpling CBE	London Director- Crown Prosecution Service
Joe Simpson	Consultant
Ann Windiate	Former Director, Medway Social Services
Peter Wrench	Director of Strategy and Assurance, National Offender Management Service

Financial review

Total income for the year to 31 March 2008 was £958,916, a decrease of 25% over the previous year. During the year, the Agency discontinued its direct delivery Link Worker Schemes. Continuing research and development activity showed a 61% increase in income from charitable activities compared to 2006/7

Charitable expenditure amounted to £933,566, 27% less than in the previous year. Expenditure on support costs was £292,054, a decrease of 4% over the previous year. £38,601 of total support costs were expenditure on the Agency's move away from directly delivered services and the development of structures and skills to support partnership working with service providers and commissioners. Support costs were 31% of total costs.

Total expenditure exceeded income for the year ended 31 March 2008 by £1,245.

All directly delivered link worker schemes were discontinued in 2007/8.

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 2008, unrestricted expenditure totalled £361,490. Unrestricted reserves in the year averaged 2.4 months unrestricted expenditure, rising to 3.1 months at 31 March 2008. 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 staff roles that contribute to effective delivery of its strategic objectives.

Principal funding sources

Revolving Doors Agency has maintained relationships with existing funders, identifying areas of activity within its Strategic Plan which fit with funders' priorities. The Esmée Fairbairn Foundation and the Department of Health have fully funded the National Development

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Programme through to the end of 2008/9. Other funding has been secured from major charitable trusts.

In addition, several funders have made significant contributions to the Agency's core costs.

We are indebted to our funding partners, without whom our work would not be possible.

A full list of the Agency's funding partners is given on page 18, in note 2 to the financial statements.

Future funding

At the date of this report, the Agency had a funding deficit of £26,000 for 2008/9, and £370,000 for 2009/10. The Agency is currently undertaking a review of its structure, strategy and funding. Potential funding sources for a new structure and funding model have been identified and bids prepared, or already submitted where funders' timetables allow, for funding totalling £30,000 for 2008/9 and £280,000 for 2009/10.

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.

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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

Gary Lashko

Chair of Trustees

11 September 2008

The Revolving Doors Agency

Independent Auditor's report for the year ended 31 March 2008

to the members of the Revolving Doors Agency

We have audited the financial statements of Revolving Doors Agency for the year ended 31 March 2008 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.

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.

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Independent Auditor's report for the year ended 31 March 2008

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 2008 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.

Emphasis of matter – Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the accounts of Revolving Doors Agency concerning the going concern basis of accounting, the validity of which depends upon adequate future funding being secured.

In view of the significance of the uncertainty inherent in this matter, we have considered that it should be drawn to your attention, but our opinion is not qualified in respect of the above.

London, UK

10 October 2008

PKF (UK) LLP

Registered auditors

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Statement of financial activities
Summary income and expenditure account
for the year ended 31 March 2008

	Notes	Unrestricted funds	Restricted funds	Total 2008	Total 2007
		£	£	£	£
Incoming resources	2				
Incoming resources from generated funds					
Voluntary Income		125,740	–	125,740	192,666
Bank deposit interest		4,450	19,640	24,090	15,234
		<u>130,190</u>	<u>19,640</u>	<u>149,830</u>	<u>207,900</u>
Incoming resources from charitable activities					
Link worker schemes (discontinued)		22,171	56,139	78,310	665,959
Research and development		57,618	568,574	626,192	388,606
		<u>79,789</u>	<u>624,713</u>	<u>704,502</u>	<u>1,054,565</u>
Other income	3	104,584	–	104,584	24,969
Total incoming resources		<u>314,563</u>	<u>644,353</u>	<u>958,916</u>	<u>1,287,434</u>
Resources expended					
Costs of generating voluntary income	4	3,945	–	3,945	8,679
Charitable activities:	5				
Link worker schemes (discontinued)		74,827	117,506	192,333	773,323
Research and development		260,068	481,165	741,233	499,783
		<u>334,895</u>	<u>598,671</u>	<u>933,566</u>	<u>1,273,106</u>
Governance costs	6	22,650	–	22,650	28,355
Total resources expended		<u>361,490</u>	<u>598,671</u>	<u>960,161</u>	<u>1,310,140</u>
Net incoming (outgoing) resources		(46,927)	45,682	(1,245)	(22,706)
Gross transfer between funds	14	84,081	(84,081)	–	–
Net movement in funds		<u>37,154</u>	<u>(38,399)</u>	<u>(1,245)</u>	<u>(22,706)</u>
Total funds brought forward at 1 April 2007		55,842	254,698	310,540	333,246
Total funds carried forward at 31 March 2008		<u>92,996</u>	<u>216,299</u>	<u>309,295</u>	<u>310,540</u>

On 6 December 2006, RDA decided to discontinue the operation of link worker schemes. All such schemes were closed or transferred to alternative providers by 30 September 2007.

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 unless otherwise stated.

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

The notes on pages 16 to 23 form part of these accounts.

The Revolving Doors Agency
Balance sheet as at 31 March 2008

	Notes	Unrestricted funds	Restricted funds	Total 2008	Total 2007
		£	£	£	£
Fixed assets					
Tangible fixed assets	10	<u>472</u>	<u>–</u>	<u>472</u>	<u>4,767</u>
Current assets					
Debtors	11	22,473	39,483	61,956	87,051
Cash at bank and in hand		<u>140,874</u>	<u>596,772</u>	<u>737,646</u>	<u>460,918</u>
		<u>163,347</u>	<u>636,255</u>	<u>799,602</u>	<u>547,969</u>
Liabilities					
Creditors: amounts falling due within one year	12	<u>70,823</u>	<u>419,956</u>	<u>490,779</u>	<u>242,196</u>
Net current assets		<u>92,524</u>	<u>216,299</u>	<u>308,823</u>	<u>305,773</u>
Net assets		<u>92,996</u>	<u>216,299</u>	<u>309,295</u>	<u>310,540</u>
Reserves					
Unrestricted income funds		92,996	–	92,996	55,842
Restricted income funds	14	<u>–</u>	<u>216,299</u>	<u>216,299</u>	<u>254,698</u>
		<u>92,996</u>	<u>216,299</u>	<u>309,295</u>	<u>310,540</u>

The notes on pages 16 to 23 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

11 September 2008

11 September 2008

The Revolving Doors Agency

Notes to the accounts for the year ended 31 March 2008

I Principal 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.

At 31 March 2008, the Agency had positive unrestricted reserves of £92,996. Projections prepared at the date of this report show a funding deficit of £26,000 for 2008/9, and £370,000 for 2009/10. The Agency is currently undertaking a review of its structure, strategy and funding. Potential funding sources for a new structure and funding model have been identified and bids prepared, or already submitted where funders' timetables allow, for funding totalling £30,000 for 2008-9 and £280,000 for 2009-10.

Because of the nature of the structural change and the scale of the funding applications, the Board considers that there is considerable uncertainty as to the availability, timing and structure of funding for the twelve months from the date of this report. The Board is confident that a sufficient proportion of proposed bids will be successful, or that other steps to reduce costs can be taken, to ensure the delivery of the current programmes, and the operation of the Agency with positive unrestricted reserves, at least until September 2009.

The Board has reviewed projected cash flow information for the period ending 12 months from the date of their approval of these financial statements, and on the basis of this information and discussions with the Agency's principal grant funders, they consider it appropriate to prepare the financial statements on the going concern basis, which assumes that sufficient funds will continue to be forthcoming from funders, to enable Revolving Doors Agency to continue as a financially viable concern.

The Trustees anticipate that adequate future funding will be agreed for periods beyond 31 March 2009 and are therefore confident that Revolving Doors Agency can continue to meet its commitments as they fall due.

These financial statements do not include any adjustments that would result from insufficient funding leading to a decision to cease some or all of the Agency's activities.

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 $\frac{1}{3}$ % 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.

The Revolving Doors Agency

Notes to the accounts for the year ended 31 March 2008

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.

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 7 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 2008

2 Incoming Resources

All grants are shown at the agreed level of funding for the year 2007/8

	Unrestricted funds	Restricted funds	Total 2008	Total 2007
	£	£	£	£
Voluntary income				
Donations	740	–	740	166
Grants for core funding				
Baring Foundation	–	–	–	12,500
Health and Offender Partnerships	75,000	–	75,000	75,000
New Philanthropy Capital	20,000	–	20,000	35,000
Tudor Trust	–	–	–	20,000
Henry Smith	–	–	–	20,000
Peter de Haan	–	–	–	10,000
Monument Trust	30,000	–	30,000	20,000
Total voluntary income	<u>125,740</u>	<u>–</u>	<u>125,740</u>	<u>192,666</u>

Incoming resources from charitable activities

Grants and contractual income

Association of London				
Government	–	–	–	73,128
Baring Foundation	–	–	–	10,000
Barrow Cadbury	–	12,550	12,550	14,620
Big Lottery Fund	–	27,417	27,417	–
Chiltern District Council	–	1,250	1,250	5,000
City Parochial Foundation	–	27,000	27,000	17,000
Comic Relief	–	7,500	7,500	30,000
Communities and Local				
Government	–	89,000	89,000	–
Connecting Communities	–	11,364	11,364	44,745
Custody 2 Work	–	4,375	4,375	35,750
Department of Health	–	176,624	176,624	–
Esmée Fairbairn	–	60,000	60,000	18,564
Ethnic Minorities Intervention				
Fund	–	6,362	6,362	39,219
Friends Provident Foundation	–	16,138	16,138	–
Haringey Youth Offending Team	–	–	–	10,588
Henry Smith	–	–	–	40,000
HM Prison Service	–	20,000	20,000	–
Home Office - Mental Health				
Unit	–	–	–	45,066
Islington Social Services / PCT	–	25,288	25,288	74,149
King's Fund	–	–	–	15,819
Lankelly Chase Foundation	–	–	–	15,000
Lloyds TSB	–	–	–	119,600
Milton Keynes CSP	–	–	–	85,000
Monument Trust	–	30,000	30,000	–
Northamptonshire Primary Care				
Trust	46,118	–	46,118	92,236
Paul Hamlyn Foundation	–	50,000	50,000	–

The Revolving Doors Agency

Notes to the accounts for the year ended 31 March 2008

	Unrestricted funds	Restricted funds	Total 2008	Total 2007
	£	£	£	£
Grants and contractual income continued				
Rayne Foundation	–	–	–	25,000
Safer London Foundation	–	–	–	20,000
Saint Sarkis Charity Trust	–	20,000	20,000	–
Supporting People	22,171	–	22,171	126,995
Thames Valley Police	–	–	–	5,000
Tudor Trust	–	39,845	39,845	–
Volunteering England	–	–	–	35,000
Wycombe Primary Care Trust	–	–	–	30,000
Other contracts	11,500	–	11,500	27,086
Total incoming resources from charitable activities	79,789	624,713	704,502	1,054,565
3 Other income			2008	2007
Other income comprises			£	£
Secondment of staff, and related cost reimbursements			60,662	11,886
Income from licencing surplus office space			9,667	3,333
Fees for staff release			9,400	6,800
Recovery of debts			4,375	657
Compensation for cancelled funding			18,285	–
Miscellaneous income			2,195	2,293
			104,584	24,969
4 Costs of generating voluntary income			2008	2007
			£	£
Direct employment costs			2,714	5,511
Fundraising costs			79	212
Support costs			1,152	2,956
			3,945	8,679
5 Costs of charitable activity				
	Link worker schemes (discontinued)	Research and development	Total 2008	Total 2007
	£	£	£	£
Direct employment costs	50,521	221,921	272,442	617,297
Recruitment	–	6,133	6,133	23,342
Redundancy	–	–	–	16,092
Training and staff development	–	2,313	2,313	6,324
Agency staff and contractors	51,524	101,533	153,057	89,175
Communications	997	448	1,445	14,288
Consultancy and facilitation	–	7,250	7,250	41,104
Meetings and events	9	1,767	1,776	5,605
Travel and subsistence	1,960	5,837	7,797	22,388
Other direct scheme and project costs	915	19,779	20,694	25,285
Payments to partner agencies	–	172,637	172,637	107,942
Bad debts	–	–	–	13,125
Support costs	86,407	201,615	288,022	291,139
	192,333	741,233	933,566	1,273,106

The Revolving Doors Agency

Notes to the accounts for the year ended 31 March 2008

6 Governance costs	2008	2007
	£	£
Audit fees and associated costs	9,460	8,943
Direct employment costs	7,644	9,558
Sundry legal costs, subscriptions and meetings	2,666	–
Support costs	<u>2,880</u>	<u>9,854</u>
	<u>22,650</u>	<u>28,355</u>

7 Support costs	2008	2007
	£	£
Direct employment costs	151,564	138,234
Redundancy	1,400	–
Recruitment	4,700	9,500
HR advice and staff welfare	5,865	–
Training and staff development	8,267	2,279
Agency staff and contractors	4,728	31,882
Communications	14,366	14,803
Consultancy	21,755	981
Meetings and events	662	169
Financial and legal costs	1,406	2,932
Travel and subsistence	968	4,250
Premises and office services	73,695	96,954
Miscellaneous costs and recoveries	<u>2,678</u>	<u>1,965</u>
	<u>292,054</u>	<u>303,949</u>

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

	2008	2007
	%	%
Costs of generating voluntary income	0.4	1.0
Governance costs	1.0	3.2
Link worker schemes	29.6	47.2
Research and development	<u>69.0</u>	<u>48.6</u>
	<u>100.0</u>	<u>100.0</u>

8 Operating surplus

The operating surplus is shown after charging:	2008	2007
	£	£
Depreciation of tangible fixed assets	4295	8391
Auditors' remuneration - audit fees	9460	8943
Auditors' remuneration - non audit fees	0	2350
Amounts charged under operating leases for office equipment	12826	8366

The Revolving Doors Agency

Notes to the accounts for the year ended 31 March 2008

9 Staff costs and emoluments	2008	2007
	£	£
Salaries	384,240	680,466
National insurance	39,336	69,855
Pension costs	12,512	20,279
	<u>436,088</u>	<u>770,600</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. (2007 – None)

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

	2008	2007
Support staff	<u>4</u>	<u>4</u>
Staff employed in charitable activities		
Link worker schemes	2	12
Research and development	<u>8</u>	<u>7</u>
	<u>10</u>	<u>19</u>
	<u>14</u>	<u>23</u>

10 Tangible fixed assets

Movements in the year

	Opening balances	Additions	Disposals	Closing balances
Cost	£	£	£	£
Equipment	38,324	–	–	38,324
Short leasehold improvements	26,597	–	–	26,597
	<u>64,921</u>	<u>–</u>	<u>–</u>	<u>64,921</u>

	Opening balances	Additions	Disposals	Closing balances
Depreciation	£	£	£	£
Equipment	33,557	4,295	–	37,852
Short leasehold improvements	26,597	–	–	26,597
	<u>60,154</u>	<u>4,295</u>	<u>–</u>	<u>64,449</u>

	2008	2007
Net book values	£	£
Equipment	472	4,767
Short leasehold improvements	–	–
	<u>472</u>	<u>4,767</u>

The Revolving Doors Agency
Notes to the accounts for the year ended 31 March 2008

11 Debtors

	Unrestricted funds	Restricted funds	Total 2008	Total 2007
	£	£	£	£
Grant income debtors	–	39,483	39,483	55,030
Prepayments & other debtors	22,473	–	22,473	32,021
	<u>22,473</u>	<u>39,483</u>	<u>61,956</u>	<u>87,051</u>

12 Creditors

Amounts falling due within one year

	Unrestricted funds	Restricted funds	Total 2008	Total 2007
	£	£	£	£
Deferred income	–	341,750	341,750	122,527
Expense creditors	18,130	3,050	21,180	75,248
Taxation and social security	11,772	–	11,772	–
Accruals and other creditors	40,921	75,156	116,077	44,421
	<u>70,823</u>	<u>419,956</u>	<u>490,779</u>	<u>242,196</u>

Commitments under operating leases for office equipment at the year end totalled £48,645, payable over 5 years. (2007 – £19,564 over 4 years)

	2008	2007
	£	£
Movements on deferred income during the year		
Balance brought forward at 1 April 2007	122,527	125,661
Released during the year	(122,527)	(125,661)
Received and deferred during the year	<u>341,750</u>	<u>122,527</u>
Balance carried forward at 31 March 2008	<u>341,750</u>	<u>122,527</u>

13 Related party transactions

No Trustee received any remuneration during the year (2007 – £nil). One Trustee was reimbursed travel expenses totalling £54 (2007 – £36).

The Revolving Doors Agency

Notes to the accounts for the year ended 31 March 2008

14 Restricted funds

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

	Balance at 31.3.07	Income	Expenditure	Transfers from/(to) other funds	Balance at 31.3.08
	£	£	£	£	£
Funding for change management	35,822	2,779	38,601	–	–
Funding for Policy staff salary	–	27,000	27,000	–	–
Funding for link worker and related schemes –					
South Bucks Link Worker	2,492	5,818	15,574	7,264	–
Islington Link Worker	928	43,086	51,674	7,660	–
Milton Keynes Link Worker	41,662	3,232	38,296	(6,598)	–
Young People's Link Worker	–	7,500	382	(7,118)	–
Development fund (pump-priming for new projects)	10,488	40,813	25,021	(18,280)	8,000
National Development Programme	119,600	219,278	196,030	(41,700)	101,148
Other project funding					
User Forum	–	50,000	6,152	(98)	43,750
Safer Neighbourhood Teams	20,000	55,593	66,987	(8,606)	–
Transition to Adulthood	–	12,550	4,919	(1,913)	5,718
Link Worker Plus	–	89,000	79,404	(1,913)	7,683
Financial Exclusion Strengthening Families and Social Networks	–	16,138	9,038	(7,100)	–
Elmore Evaluation	–	65,000	12,820	(2,180)	50,000
User Involvement	–	4,845	1,346	(3,499)	–
Policy and Research	22,181	1,721	23,902	–	–
	1,525	–	1,525	–	–
	<u>254,698</u>	<u>644,353</u>	<u>598,671</u>	<u>(84,081)</u>	<u>216,299</u>

Transfers to other funds consist of allocations of unrestricted funds to specific charitable activities at the discretion of the Directors, 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.