



## **The Revolving Doors Agency**

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### ***Trustees' Report and Financial Statements***

***For the year ended 31 March 2009***

*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.*

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## Foreword

2008/9 has been a year of substantial change for Revolving Doors Agency as we continued our organisational transformation coupled with an ambitious workplan designed to ensure we achieve our aim of improving the lives of those with mental health problems and multiple needs in contact with the criminal justice system.

Working alongside a plethora of statutory and 3<sup>rd</sup> sector partners and responding to local need, we have developed a national network of innovative pilot responses designed to meet the needs of this group. These, coupled with established delivery partnerships with major social care charities St Mungo's and P3 and our research work, are allowing us to test and evaluate a range of responses to adults with multiple needs in contact with the criminal justice system. Development through partnership working is now established as one of three key planks in the transformed organisation structure.

We have always believed that the expertise of those with lived experience is critical in shaping responses to people with multiple needs. This year we have made very good progress in achieving this aim through the establishment of our national policy forum for people with personal experience of both mental health needs and offending. The expansion of this work in 2009-10 coupled with the establishment of a Service User Involvement Directorate signals our commitment to the harnessing of service user experience in shaping service and policy responses to this group.

Our Transition to Adulthood Project began in 2008/9 and brings together practitioners, policy makers and service users to design solutions to help young people with multiple problems in the transition between children's and adults services. The design of this project signals an aspiration to combine the expertise of professionals and service users in developing creative and sustainable solutions. Our new structure seeks to embody this synergy within an organisational structure that combines development and user involvement and is led by a new Chief Executive who brings to the organisation significant experience of influencing government. We are pleased to announce the appointment of Dominic Williamson to this key role.

We believe that this synergy of professional expertise and lived experience will maximise our potential to influence policy so as to improve the lives of those whom we seek to help.

Gary Lashko  
Chair of Trustees

14<sup>th</sup> July 2009

## **The Revolving Doors Agency**

### **Trustees' Report for the year ended 31 March 2009**

The Trustees, who are Directors for the purposes of company law, present their report and audited accounts for the year ended 31st March 2009.

### **Reference and administrative details of the Agency, its Trustees and Advisors**

The accounts have been prepared in accordance with the accounting policies set out on pages 19 and 20 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 2005.

The members of the Board at the date of this report, and who served during the year ended 31 March 2009 are as follows:	C Askew A Cohen J Fulton G Lashko (Chair) E Liberda-Moreni (Honorary Treasurer) P Ryan J Weston D Walton
<b>Chief Executive</b>	Julian Corner (resigned 1 August 2008) Kevin Ireland (4 August 2008 – 30 June 2009) Dominic Williamson (from 1 July 2009)
<b>Company Secretary</b>	Jane Seaton (resigned 12 February 2009) Elizabeth Liberda-Moreni (from 12 February 2009)
<b>Company number</b>	2845452
<b>Charity registration number</b>	1030846
<b>Principal office</b>	Units 28 & 29, The Turnmill 63 Clerkenwell Road London EC1M 5NP
<b>Telephone</b>	020 7253 4038
<b>Facsimile</b>	020 7553 6079
<b>Email</b>	admin@revolving-doors.org.uk
<b>Website</b>	www.revolving-doors.org.uk
<b>Auditors</b>	PKF (UK) LLP Farringdon Place, 20 Farringdon Road London EC1M 3AP
<b>Bankers</b>	CAF Bank Limited Kingshill, West Malling, Kent, ME19 4TA  Co-operative Bank Plc 1 Balloon Street Manchester M60 4EP

## ***The Revolving Doors Agency***

### ***Trustees' Report for the year ended 31 March 2009***

#### ***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 10 during 2008/9 and currently number 7. 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 areas of external risk, as they restructure the organisation with a tighter focus on influencing policy, commissioning and implementation:

- The impact of the downturn in the economy and its influence on independent and, in particular, public sector funding. This could affect not only the Agency's potential to raise funds for its own future operations, but also the extent to which resources are available for public sector commissioning and service delivery.

## ***The Revolving Doors Agency***

### ***Trustees' Report for the year ended 31 March 2009***

- The impact of changes in national policy with respect to criminal justice and the treatment of offenders and how this will impact in terms of local commissioning practice.

Whilst both of the above issues create opportunities for Revolving Doors Agency, they also constitute the key areas of risk and will be carefully monitored and responded to during the coming year. Additionally, Trustees will also focus on a key internal risk:

- Building an effective team to deliver the necessary impact in influencing policy, commissioning and service delivery, whilst sustaining a small voluntary organisation at a time of considerable uncertainty.

## ***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
- Bringing about change through influencing policy and practice.

### ***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.

### ***Bringing about 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 service 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.

## **The Revolving Doors Agency**

### **Trustees' Report for the year ended 31 March 2009**

#### **Public Benefit**

The Trustees are aware of the need to ensure that the objects, aims and activities of the Agency comply with the Charity Commission guidance on public benefit and have taken due account of this guidance. As the following section explains, they have undertaken in the past year a comprehensive review of the charity's aims and how best these can be achieved. As a result, action has been taken to strengthen the capacity of the Agency to meet developing needs amongst the 'revolving door' target group.

In terms of public benefit, the Agency's activities (described in detail below) are targeted at a particularly disadvantaged group in society – those with mental health and complex needs who come into contact with the criminal justice system. Our research and activities over many years demonstrates the extent to which this group is disadvantaged by lack of access to effective support and services, as well as suffering disproportionately from poor health, poverty and other social disadvantage.<sup>1</sup> We were especially pleased that Lord Bradley's review highlighted the Islington Neighbourhood Link scheme, a joint initiative between St Mungo's, the Metropolitan Police and Revolving Doors Agency, as an "exceptional" example of best practice in the report, underlining the public benefit of our activities.<sup>2</sup>

#### **Restructuring – developing a new organisational model**

We reported last year that the Revolving Doors Agency was 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 progressed further along this route, reorganising the Agency to facilitate a greater focus on influencing both national policy and the delivery of services at the regional and local level. In order to put this reorganisation into effect we were fortunate in receiving pledges of support from a range of informed and knowledgeable funders and we are extremely grateful to them: City Parochial Foundation, Department of Offender Health, Esmée Fairbairn Foundation, Henry Smith Charity, Lankelly Chase Foundation, Monument Trust, Pilgrim Trust, Tudor Trust.

The reorganisation began to take effect in 2008/09 and will be completed in 2009/10, following the appointment of a new Chief Executive with effect from 1<sup>st</sup> July 2009. The principal change within 2008/09 was that the in-house research team was disbanded with effect from the end of March 2009. Whilst research will continue to be an important part of the Revolving Doors approach, it will in future be out-sourced. The reorganisation will produce a slimmer core team, focussing on policy and influencing, backed up by collaborative innovation in service delivery and underpinned by greater service user involvement.

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<sup>1</sup> See for instance: "Hand to mouth: The impact of poverty and financial exclusion on adults with multiple needs" and "Unfamiliar Territory: adult services 'thinking family'", two recent research reports produced by the Agency.

<sup>2</sup> Lord Bradley's "Review of people with mental health problems or learning disabilities in the criminal justice system", Department of Health, May 2009

## The Revolving Doors Agency

### Trustees' Report for the year ended 31 March 2009

#### Activities during 2008/09

##### 1. Service Development and Partnerships

The RDA partnerships and development programme aims to stimulate innovation in service delivery through multi-agency partnership and collaboration in service delivery. Our work in this area has expanded rapidly since 2007 and the programme now includes our National Development Programme, our Safer Neighbourhood Team (SNT) partnership project in Islington and the Milton Keynes Link Worker Plus Project.

During 2008/9 our National Development Programme portfolio of pilot projects expanded and we now have eight operational pilots across England and Wales with a 9<sup>th</sup> due to start in summer 2009. All have their roots in seeking solutions to meeting the needs of our target group through multi-agency partnership and collaborative working.

Three pilots are testing innovative responses to prison resettlement for those in custody with mental health problems and multiple needs who are serving a sentence of less than one year. We are pleased that this work has been supported by the Lloyds TSB Foundation which awarded us £200,000 over three years to test and comparatively evaluate these projects.

Work with Police, at or prior to point of arrest is a focus of a further three pilot projects and also of our partnership with the Safer Neighbourhood Policing Initiative in London Borough of Islington. The work of the latter was cited in the Bradley Report as an example of best practice in work in this area.

The particular needs of women in the criminal justice system have been well documented and three of the pilot initiatives are responding specifically to the needs of women including one of the prison pilots above.

##### 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 in four significant areas using evidence from our development and partnership work.

- **Tightening the Safety Net: prisons cannot and should not be relied upon to underwrite community services.**

This remains an overarching principle of our work and is the impetus behind much of our policy work as described below.

- **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.**

We continued to work on this area during 2008/9. In May 2008, we made a written submission to the Justice Select Committee on Justice Re-investment in the UK. Following a request, we also gave evidence in person to the Select Committee drawing predominantly on the experience of our partnership project Linkworker Plus in Milton Keynes.

## The Revolving Doors Agency

### Trustees' Report for the year ended 31 March 2009

- **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.**

In Autumn 2008, we attended a series of workshops organised by the Sainsbury Centre for Mental Health at the Party conferences. These centred on a theme of effective early diversion from the criminal justice system for those with mental health problems.

Following the appointment of Lord Bradley, by the Home Secretary, to conduct a review of diversion from the Criminal Justice System, we made a written submission and met with Lord Bradley, describing our work and particularly our national development programme pilots. We have also participated in and lobbied as part of the 3<sup>rd</sup> Sector Forum on Criminal Justice and Mental Health with such partners as Sainsbury Centre for Mental Health, MIND, NACRO and Rethink.

Our Transition to Adulthood Project is one of a series of projects funded by Barrow Cadbury which aims to provide effective services to young people in transition between children and adult services. We are active members of the Transition to Adulthood Alliance and have made contributions to a manifesto positing the need for early intervention with this group. We anticipate completing further work in this area in the coming year.

- **Strengthening Community Sentencing: community sentences should be enhanced with mental health support for those with common mental health problems.**

This was another area about which we made representation to Lord Bradley. We also spoke at a fringe event at the Labour Party conference on this theme using evidence from our national development programme. We were able to use this event to lobby ministers on the ineffectiveness of sending people with mental health problems to prison for short periods.

### 3. Research and evaluation

#### Financial Exclusion

In March 2009, we completed our research work on adults caught in a cycle of crisis, crime and mental health problems in partnership with Citizens Advice. The report entitled "Hand to Mouth" graphically illustrated the poverty of many of the interviewees, as well as the associated detrimental effects on mental wellbeing and the links with offending.

This work was launched in April 2009 and will be used in policy and campaigning work in the coming year.

## **The Revolving Doors Agency**

### **Trustees' Report for the year ended 31 March 2009**

#### **Families and Social Networks**

In March we published our research "Unfamiliar Territory: adults services 'thinking family'". This work was supported by the Monument and Tudor Trusts. The research focused on practitioners working with adults with multiple needs and explored their attitudes towards including families in their work. It found that practitioners and organisations often lack both resources and competence in undertaking work with families. It concluded with identifying the need for capacity building within the sector and the imperative to develop greater links between adults and children's services. In line with our strategic aim of developing new approaches, these findings are being taken forward in partnership development work with three agencies in London and the South East, thus directly benefitting the users and families of users of their services.

In March 2009, we concluded our work on the evaluation of a support programme for people issued with Anti-Social Behaviour Orders (ASBO's), run by the Elmore Team in Oxford. The evaluation highlighted the multiplicity of needs amongst this group and demonstrated the value of support in reducing incidents of anti-social behavior. In line with our strategic aim of pressing for national change, we will continue to work with the Elmore Team to campaign against the use of ASBO's for adults with mental health problems and multiple needs.

#### **4. Service User Involvement**

With funding from the Paul Hamlyn Foundation, we have made excellent progress in the establishment of a service user forum for adults with multiple needs including mental health problems and contact with the criminal justice system. We have recruited 25 forum members and provided training in working in groups. This year our focus has included building individual and collective capacity within the forum membership, as well as establishing robust policy and procedures for involvement and remuneration.

Forum members have thus have taken part in a range of policy and research activities including meeting with officials from the Ministry of Justice, speaking at the launch of research reports and contributing to organisational work more broadly. The forum meets quarterly in London and there are plans for Forum members to develop and deliver training courses in Service User Involvement, to organisations working across criminal justice and mental health.

#### **Future Plans**

2008/09 has been a period of transition for Revolving Doors Agency and 2009/10 will see the impact of that change in terms of the output and, we hope, the influence and achievements of the Agency. Following an exhaustive recruitment process, the Board has recently appointed Dominic Williamson as Chief Executive. Prior to taking up his post on 1<sup>st</sup> July, Dominic was Director of Policy, Practice and Campaigns at Homeless Link. Dominic will lead a small core team working alongside a group of expert associates and our service user forum. Our associate network has grown from our network of regional advisors recruited as part of the roll-out of our national development programme. We recognise the need to extend both our reach and our expertise and we believe that a network of associates will enable us to do this

## The Revolving Doors Agency

### Trustees' Report for the year ended 31 March 2009

deftly without the need to expand our organisational infrastructure. In the coming year we will be strengthening this network further.

The synergy of our development programme with the lived experience of our forum members will, we believe, enable us to influence persuasively and with passion. An enhanced communication function will enable us to disseminate our learning nationally, regionally and locally, using our national programme of pilots as exemplars.

Internal transformation has taken place against a background of great economic and political turbulence and we are grateful to our funders for their sustained support. With prison numbers and arrests growing each year and a renewed policy focus on those with mental health problems in the criminal justice system, our mission remains highly relevant. Our commitment to achieving it remains steadfast and we believe that our slimmer structure will enable a sharpened more urgent focus.

### 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	Member of Parliament for North West Durham and former Cabinet Minister for Social Exclusion and Duchy of Lancaster
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
His Honour Judge Fabyan Evans	
Rose Fitzpatrick	Deputy Assistant Commissioner, Metropolitan Police
Professor John Gunn OBE	Emeritus Professor - Institute of Psychiatry
Chris Holmes	Youth Justice Board Member
Gillie Johnson	Consultant (voluntary sector)
Bharat Mehta	Chief Executive, City Parochial Foundation
Baroness Julia Neuberger	Prime Minister's Champion on Volunteering and Former Liberal Democrats spokesperson on Health in the House of Lords
Lord David Ramsbotham	Former 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

During the year the following Patrons stood down and we are grateful to them for their service and support over the years:

Mike Boyle  
Dr Gillian Pugh DBE  
Dr John Reed

## **The Revolving Doors Agency**

### **Trustees' Report for the year ended 31 March 2009**

#### **Financial review**

Total income and expenditure for the year to 31 March 2009 remained at roughly the same levels as that for 2007-8. Total income was £994k, an increase of 4%, and total expenditure was £942k, a decrease of 2% compared to the previous year. Charitable expenditure amounted to £812k, compared to £863k in the previous year.

There was an increase in governance costs, related to restructuring and strategic planning activity, and also an increase in the costs of generating funds.

Total income exceeded expenditure for the year ended 31 March 2009 by £53k; compared to previous year deficit of -£1k in the year.

#### **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 2009, unrestricted expenditure and transfers to unrestricted funds totalled £185k. Unrestricted reserves in the year averaged 3.5 months unrestricted expenditure, rising to 3.9 months at 31 March 2009. The Agency aims to maintain its reserves target 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 Department of Health remained our largest funder in 2008/09 (£366,667). Other major donors included Communities and Local Government (£89,000), the Big Lottery Fund (£82,362), Friends Provident Foundation (£75,596), Esmée Fairbairn Foundation (£60,000) and Lloyds TSB Foundation (£50,000). We are indebted to all our funding partners, without whom our work would not be possible. A full list of the Agency's funders is given on page 21, in note 2 to the financial statements.

#### **Future funding**

The Agency has been fortunate in obtaining pledges of funding support that will ensure that its operating costs are met in full in 2009/10, with a substantial contribution also in future years. Further funding will, however, be required for new initiatives and opportunities and we will continue to seek to identify additional funding sources to meet these needs.

## ***The Revolving Doors Agency***

### ***Trustees' Report for the year ended 31 March 2009***

#### ***Statement of Trustees' responsibilities***

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those 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 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.

## ***The Revolving Doors Agency***

### ***Trustees' Report for the year ended 31 March 2009***

#### ***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

14 July 2009

## *The Revolving Doors Agency*

### *Independent Auditor's report for the year ended 31 March 2009*

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE REVOLVING DOORS AGENCY**

We have audited the financial statements of The Revolving Doors Agency for the year ended 31 March 2009 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the cash flow statement 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 trustees' 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 and whether the information given in the trustees' annual report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with those accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

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

## **The Revolving Doors Agency**

### **Independent Auditor's report for the year ended 31 March 2009**

#### **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.

#### **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 2009 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' annual report is consistent with the financial statements.

**PKF (UK) LLP**  
Registered auditors  
London, UK  
6 August 2009

**The Revolving Doors Agency**  
**Financial Statements for the year ended 31 March 2009**

**Statement of financial activities**  
**Incorporating income and expenditure account**  
**for the year ended 31 March 2009**

	Notes	Unrestricted funds	Restricted funds	Total 2009	Total 2008
		£	£	£	£
<b>Incoming resources</b>	<b>2</b>				
Incoming resources from generated funds					
Voluntary Income		67,364	–	67,364	125,740
Bank deposit interest		7,598	17,676	25,274	24,090
Incoming resources from charitable activities		-	824,035	824,035	704,502
Other incoming resources	<b>3</b>	77,704	–	77,704	104,584
<b>Total incoming resources</b>		<b>152,666</b>	<b>841,711</b>	<b>994,377</b>	<b>958,916</b>
<b>Resources expended</b>					
Costs of generating funds	<b>4</b>	13,986	–	13,986	3,945
Charitable activities	<b>5</b>	-	812,204	812,204	863,504
Governance costs	<b>6</b>	50,372	–	50,372	22,650
Other resources expended	<b>7</b>	65,155	–	65,155	70,062
<b>Total resources expended</b>		<b>129,513</b>	<b>812,204</b>	<b>941,717</b>	<b>960,161</b>
Net incoming resources		23,153	29,507	52,660	-1,245
<b>Gross transfer between funds</b>	<b>15</b>	<b>-55,756</b>	<b>55,756</b>	<b>–</b>	<b>-</b>
Net movement in funds		-32,603	85,263	52,660	-1,245
Total funds brought forward		92,996	216,299	309,295	310,540
<b>Total funds carried forward</b>		<b>60,393</b>	<b>301,562</b>	<b>361,955</b>	<b>309,295</b>

A comprehensive description of charitable activities can be found on pages 8 to 10.

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 19 to 26 form part of these accounts.

**The Revolving Doors Agency**  
**Financial Statements for the year ended 31 March 2009**

**Balance sheet as at 31 March 2009**

	Notes	Unrestricted funds	Restricted funds	Total 2009	Total 2008
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	11	–	–	–	472
<b>Add: Current assets</b>					
Debtors	12	16,405	100,660	117,065	61,956
Cash at bank and in hand		251,174	489,204	740,378	737,646
		267,579	589,864	857,443	799,602
<b>Less: Liabilities</b>					
Creditors: amounts falling due within one year	13	207,186	288,302	495,488	490,779
<b>Net assets</b>		60,393	301,562	361,955	309,295
<b>Reserves</b>					
Unrestricted income funds		60,393	–	60,393	92,996
Restricted income funds	15	–	301,562	301,562	216,299
		60,393	301,562	361,955	309,295

The notes on pages 19 to 26 form part of these accounts.  
 These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small entities.

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

14 July 2009

14 July 2009

# **The Revolving Doors Agency**

## **Financial Statements for the year ended 31 March 2009**

### **Notes to the accounts for the year ended 31 March 2009**

#### **1. 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 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.

The accounts are prepared on a going concern basis. The Board is confident that the operation of the Agency and the delivery of the current programmes are ensured for the foreseeable future and that the Agency can continue to meet its commitments as they fall due.

During 2008-9, the Agency has maintained its reserves target of at least 3 months expenditure. The Agency has also been fortunate in obtaining pledges of funding support that will ensure that its operating costs are met in full in 2009/10, with a substantial contribution also in future years.

##### **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.

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.

# **The Revolving Doors Agency**

## **Financial Statements for the year ended 31 March 2009**

### **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 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 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 8 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**  
**Financial Statements for the year ended 31 March 2009**

**Notes to the accounts for the year ended 31 March 2009**

**2 Incoming Resources**

All grants are shown at the agreed level of funding for the year 2008/9

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Voluntary income</b>		
<b>Donations</b>	364	740
<b>Grants for core funding</b>		
City Parochial Foundation	7,000	-
Department of Health	-	75,000
London Housing Foundation	30,000	-
New Philanthropy Capital	-	20,000
Monument Trust	30,000	30,000
<b>Total voluntary income</b>	<u>67,364</u>	<u>125,740</u>

**Incoming resources from charitable activities**

**Grants**

Barrow Cadbury	37,512	12,550
Big Lottery Fund	82,362	27,417
Chiltern District Council	-	1,250
City Parochial Foundation	-	27,000
Clinks	5,000	-
Comic Relief	-	7,500
Communities & Local Government	89,000	89,000
Connecting Communities	-	11,364
Custody 2 Work	-	4,375
Department of Health	366,667	176,624
Esmée Fairbairn	60,000	60,000
Ethnic Minorities Intervention Fund	-	6,362
Friends Provident Foundation	75,596	16,138
HM Prison Service	20,000	20,000
Islington Social Services / PCT	-	25,288
Lloyds TSB	50,000	-
Monument Trust	30,000	30,000
Northamptonshire Primary Care Trust	-	46,118
Paul Hamlyn Foundation	-	50,000
Saint Sarkis Charity Trust	-	20,000
Supporting People	-	22,171
Tudor Trust	7,898	39,845
Other contracts	-	11,500
	<u>824,035</u>	<u>704,502</u>

## The Revolving Doors Agency

### Financial Statements for the year ended 31 March 2009

<b>3 Other incoming resources</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Other income comprises		
Secondment of staff, and related cost reimbursements	56,155	60,662
Income from licencing surplus office space	12,000	9,667
Fees for staff release	9,000	9,400
Recovery of debts	–	4,375
Compensation for cancelled funding	–	18,285
Miscellaneous income	549	2,195
	<u>77,704</u>	<u>104,584</u>
	<u><u>77,704</u></u>	<u><u>104,584</u></u>
<b>4 Costs of generating voluntary income</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Direct employment costs	1,656	2,714
Consultancy & contractors	8,080	–
Fundraising costs	–	79
Support costs	4,250	1,152
	<u>13,986</u>	<u>3,945</u>
	<u><u>13,986</u></u>	<u><u>3,945</u></u>
<b>5 Costs of charitable activities</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Direct employment costs	204,823	272,442
Recruitment	2,006	6,133
Training and staff development	2,273	2,313
Consultancy & contractors	154,471	160,307
Communications	4,320	1,445
Meetings and events	4,463	1,776
Travel and subsistence	8,893	7,797
Other direct scheme and project costs	8,895	20,694
Payments to partner agencies	265,190	172,637
Support costs	156,870	217,960
	<u>812,204</u>	<u>863,504</u>
	<u><u>812,204</u></u>	<u><u>863,504</u></u>
<b>6 Governance costs</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Audit fees and associated costs	7,322	9,460
Direct employment costs	4,822	7,644
Consultancy & contractors	24,240	–
Sundry legal costs, subscriptions and meetings	1,299	2,666
Support costs	12,689	2,880
	<u>50,372</u>	<u>22,650</u>
	<u><u>50,372</u></u>	<u><u>22,650</u></u>

# The Revolving Doors Agency

## Financial Statements for the year ended 31 March 2009

### 7 Other resources expended

	2009	2008
	£	£
Direct employment & related cost reimbursements	56,155	60,662
Support costs	9,000	9,400
	65,155	70,062

### 8 Support costs

	2009	2008
	£	£
Direct employment costs	64,379	90,902
Redundancy	–	1,400
Recruitment	18,110	4,700
HR advice and staff welfare	2,288	5,865
Training and staff development	4,227	8,267
Consultancy & contractors	18,454	26,483
Communications	619	14,366
Meetings and events	378	662
Financial and legal costs	–	1,406
Travel and subsistence	44	968
Premises and office services	73,991	73,695
Miscellaneous costs and recoveries	319	2,678
	182,809	231,392

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

	2009	2008
	%	%
Costs of generating voluntary income	2.3	0.5
Governance costs	6.9	1.2
Other resources expended	4.9	4.1
Research and development	85.8	94.2
	100.0	100.0

### 9 Operating surplus/(deficit)

The operating surplus/(deficit) is shown after charging:

	2009	2008
	£	£
Depreciation of tangible fixed assets	472	4,295
Auditors' remuneration - audit fees	7,322	9,460
Amounts charged under operating leases for office equipment	13,237	12,826

# The Revolving Doors Agency

## Financial Statements for the year ended 31 March 2009

### 10 Staff costs and emoluments

	2009	2008
	£	£
Salaries	293,957	384,240
National insurance	30,652	39,336
Pension costs	5,902	12,512
	<u>330,511</u>	<u>436,088</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. (2008 – None)

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

	2009	2008
Support staff	2	3
Staff on secondment	1	1
Staff employed in charitable activities	7	10
	<u>10</u>	<u>14</u>

### 11 Tangible fixed assets

#### Movements in the year

	Opening balances	Additions	Disposals	Closing balances
	£	£	£	£
<b>Cost</b>				
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	Depreciation for the year	Closing balances
	£	£	£
<b>Depreciation</b>			
Equipment	37,852	472	38,324
Short leasehold improvements	26,597	–	26,597
	<u>64,449</u>	<u>472</u>	<u>64,921</u>

	2009	2008
	£	£
<b>Net book values</b>		
Equipment	–	472
Short leasehold improvements	–	–
	<u>–</u>	<u>472</u>

# The Revolving Doors Agency

## Financial Statements for the year ended 31 March 2009

### 12 Debtors

	Unrestricted funds	Restricted funds	Total 2009	Total 2008
	£	£	£	£
Grant income debtors	–	100,660	100,660	39,483
Prepayments & other debtors	16,405	–	16,405	22,473
	<u>16,405</u>	<u>100,660</u>	<u>117,065</u>	<u>61,956</u>

### 13 Creditors

Amounts falling due within one year

	Unrestricted funds	Restricted funds	Total 2009	Total 2008
	£	£	£	£
Deferred income	150,000	70,436	220,436	341,750
Expense creditors	21,251	120,768	142,019	21,180
Taxation and social security	7,920	–	7,920	11,772
Accruals and other creditors	28,015	97,098	125,113	116,077
	<u>207,186</u>	<u>288,302</u>	<u>495,488</u>	<u>490,779</u>

Commitments under operating leases for office equipment at the year end totalled £35,408, payable over 3 years. (2008 – £48,645 over 4 years )

	2009	2008
	£	£
Movements on deferred income during the year		
Balance brought forward at 1 April 2008	341,750	122,527
Released during the year	-341,750	-122,527
Received and deferred during the year	<u>220,436</u>	<u>341,750</u>
Balance carried forward at 31 March 2009	<u>220,436</u>	<u>341,750</u>

### 14 Related party transactions

No Trustee received any remuneration during the year (2008 – Enil). One trustee was reimbursed travel expenses of £38 (2008 – £54).

## The Revolving Doors Agency

### Financial Statements for the year ended 31 March 2009

#### 15 Restricted funds

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

	<b>Balance at 31.3.08</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers from unrestricted fund</b>	<b>Balance at 31.3.09</b>
	£	£	£	£	£
National Development Programme	101,148	398,265	315,257	19,584	203,740
Service User Forum	43,750	83,575	54,128	4,558	77,755
Safer Neighbourhood Team	–	119,029	121,951	2,922	–
Transition to Adulthood	5,718	37,980	49,218	6,166	646
Link Worker Plus	7,683	89,628	98,996	1,685	–
Financial Exclusion	–	75,596	87,683	12,087	–
Strengthening Families	50,000	24,086	61,067	6,402	19,421
Elmore Evaluation	–	7,898	7,898	–	–
Other programmes	8,000	5,654	16,006	2,352	–
	<u>216,299</u>	<u>841,711</u>	<u>812,204</u>	<u>55,756</u>	<u>301,562</u>

Transfers to restricted funds consist of allocations of unrestricted funds to specific charitable activities at the discretion of the Trustees.