

Registered Charity Number: 1059050
Registered Company Number: 03263519

NORWOOD

Norwood Ravenswood
Trustees' Annual Report and Financial Statements
31 March 2011

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Charity information

Constitution

Norwood Ravenswood operates under the name Norwood. It is a charity registered in England and Wales – Number 1059050 and a company limited by guarantee, registered in England and Wales - Number 03263519.

Auditor

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Investment advisors

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Trustees' Annual Report

The Trustees are pleased to submit their report and the audited financial statements for the year ended 31 March 2011.

Norwood supports people with learning disabilities and children and families in need. We provide vital, personalised services to the Jewish community and to people in the wider community, in London and the South East.

Since 1795, Norwood has always sought to improve the lives of the most vulnerable people in society. Each year, Norwood supports thousands of people with learning disabilities, and children and families in need. We provide vital, personalised services to the Jewish and wider communities in London and the South East.

We passionately believe that everyone, irrespective of ability or circumstance, has the right to live the life they choose and achieve their goals.

Delivered by 1,200 staff and supported by 800 dedicated volunteers, Norwood provides the following wide range of Children & Family Services and Adult Learning Disability Services in pursuit of this vision.

Children and Family Services

- Family support
- Inclusive nursery
- Special education
- After-school clubs and holiday schemes
- Short breaks
- Transition support
- Adoption

Adult Services

- Life skills and Learning
- Work Skills and Employment
- Sports and Leisure
- Enabling and Therapeutic Services
- Supported Living
- Residential Care

During the financial year, Norwood has responded to the cuts in government spending which are resulting in a reduction in the fees and grants received from local authorities. We restructured most of our adult residential services and following consultation and negotiation with staff and the recognised union, Unite, these changes were successfully implemented in May 2011, leading to lower operating costs. We have also reduced the number of staff providing administrative support and achieved savings through our supply chain. An appeal to our supporters at the annual dinner received an excellent response. As a result of all these factors we have been able to continue to provide our full range of services.

Our Objectives, Vision, Mission, Strategy and Values

Objects and activities

The Charity's objects are specifically restricted to the relief of children, young people and adults drawn primarily, but not exclusively, from the Jewish community, who are in need by reason of disability, abuse, neglect, financial hardship or other disadvantage, through providing or securing or assisting in the provision of education, training, support, care, treatment, substitute family care, adoption services, accommodation and/or other assistance of a charitable nature.

Our vision

- We believe people should live the life they choose

Our mission

- Norwood supports people with learning disabilities and children and families in need. We work with individuals to improve the quality of their lives and achieve their goals. Our services are provided to the Jewish community and also to people in the wider community

Our strategy

Norwood has a bold vision of the future – a three-year strategy which puts the needs and wishes of the children, adults and families we support at the heart of everything we do. Under our plans for 2010-13 we are: enhancing our Life Long Learning services; placing a greater emphasis on our Supported Living services; and expanding our Children & Family services, particularly in those areas with a rapidly growing Jewish population.

One of the key drivers of the strategy is Personalisation - a concept which puts everyone, including those with the most complex needs, in control of their own lives, while giving them the support they need to achieve this. Personalisation stems from Government policy which focuses on greater independence, inclusion and integration for people with disabilities. Norwood has been closely involved in these changes and fully endorses this person-centred approach.

Our strategy highlights Norwood's commitment to Life Long Learning with three streams of services centred on Workskills and Employment; Lifeskills and Learning; and Sports and Leisure.

In line with the move to greater independence, Norwood will also increase the provision of Supported Living accommodation, in the form of houses and flats, in the heart of the Jewish community.

Meanwhile, Norwood is expanding its Children & Family services in areas where the Jewish population has grown in recent years. This includes: the extension of family support services in South Hertfordshire; enhanced support for children with learning, education and emotional problems; increased support for a greater number of Jewish families in need; and more emphasis on supporting young adults with learning disabilities facing the post-education transition to adulthood.

Our values

- We **empower** the people who use our services to achieve their aspirations
- We are **ambitious** for our service users and Norwood
- We treat everyone involved with Norwood with **respect**
- We encourage creativity, **imagination** and new ideas
- We are **professional** in the way we deal with people and in the information that we give them

Public benefit

The Trustees confirm that they have paid due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. Our direct activities with and for both children and families in need and people with learning disabilities are generally free at the point of delivery and the benefits we provide to both children and families in need and people with learning disabilities are set out in this report.

Aims, Achievements, Performance and our People

Children & Family Services

Norwood offers a range of support services to children and families at every stage of their lives, spending £6.1m during the year. Services are run from our three Children and Family Centres, and incorporate:

- Special Education
- Respite and Recreational Services
- Family Support, including Social Work
- Adoption

Our three children and family centres provide a wide range of services as follows:

- The Kennedy Leigh Centre in Hendon, North West London, which brings together early education, childcare, health and family services
- The Somers Children and Family Centre in Hackney, North London, which specialises in accommodating the needs of the large Jewish community that is present in that area. It is also the location for Wellbeing at Bearsted; a partnership between Norwood and the City and Hackney Primary Care Trust, which provides expert health care advice
- The Leonard Sainer Children and Family Centre in Redbridge, North East London, which provides a multi-disciplinary service to the local community. Alongside the services it provides for children and families, the Leonard Sainer centre provides support for adults with learning disabilities

Special Education

Norwood provides Special Education including:

- The inclusive Norwood Nursery, for children with and without learning disabilities aged between two and five years old
- Binoh, which provides specialist multi-disciplinary professional support to children with additional and/or special education needs
- The Hope Centre, which specialises in developing thinking skills in children aged 3 to 19 years, and gives students the tools to become confident and independent learners
- Norwood is a partner with The Jewish Community Secondary School (JCoSS), which provides special education through the Pears Special Resource Provision (PSRP)

Respite and Recreational Services

We also provide recreational services for children and young people with disabilities through:

- Buckets & Spades Lodge, an overnight short-break service for children and young people with physical and learning disabilities aged up to 19 years.
- Unity, our recreational service for children and young people with disabilities aged between 5 and 18 years old.

Family Support

The Family Support service is based in each of our three children and family centres covering the areas of North-East, North and North-West London. The Family Support team includes social work professionals that provide advice and support for adults and families with and without learning disabilities, and help guide people towards the most appropriate services for them.

Adoption

Norwood Adoption Society works with children and families from many different religions, cultures and ethnic groups, and is both a domestic and international adoption agency.

Progress in 2010/11

What we said in our strategic plan 2010-2013 Children & Family Centres

We will be expanding our activities for children and families, into areas with growing Jewish communities. We will explore options for the development of services in South Hertfordshire which, in addition to our three existing children and family centres, will support children and families in need.

What we have done

In October we launched a new Family Support Service for families living within the growing Jewish community in Hertfordshire. Local families have the opportunity to meet with a member of the Family Support team at Allum Lane Community Centre. A registered Norwood professional is on-hand to provide a range of practical and emotional support.

Aims, Achievements, Performance and our People (continued)

Children & Family Services (continued)

What we said in our strategic plan 2010-2013

Special Education

We will continue to develop the Special Education services we provide to the Jewish community. We wish to ensure that Binoh and Hope complement each other and look forward to offering educational services to children with autistic spectrum conditions at the new Pears Special Resource Provision at JCoSS in Barnet from September 2010.

Transition

We will be developing support services for young adults facing the transition to adulthood. This will include some specific accommodation which will be adapted to suit individual needs.

Other projects

We also plan to adapt and refurbish the Buckets & Spades short-break service and offer increased outreach and holiday schemes to children with complex needs.

Meanwhile, our Adoption and Family Support services, as well as the inclusive Norwood Nursery, will continue to be adapted to ensure they keep pace with the changing needs of the children and families who use them.

What we have done

The Pears Special Resource Provision, built as part of a new Jewish Community Secondary School, opened in September 2010. Inspired and developed by Norwood, the PSRP will eventually cater for 50 children with autistic spectrum conditions. First-class facilities include a hydrotherapy pool, a sensory room and individual therapy rooms. There are quiet spaces for children indoors and outdoors, and a replica of a one-bedroom flat to prepare students for independent living.

Plans were developed for a service offering education, accommodation and support to young adults. A potential partnership with a tertiary college and a national charity was pursued but we were unable to make further progress.

We launched a new Sunday club offering a range of activities, workshops and outings for young people with disabilities. The weekly term-time club is based at Kennedy Leigh and caters for people aged between 12 and 18. The project complements Norwood's ongoing Unity recreational service for children and young people with disabilities. The young people take part in group activities, such as arts and crafts, sports, cookery and drama workshops, and go on outings including bowling, horse riding and going out to eat.

We launched Time 4 U, which offers children and young people with disabilities the opportunity to access holiday play schemes and home support during the half term holidays. It is funded through Aiming High for Disabled Children which was set up as part of a government initiative to provide short breaks for children with disabilities and their parents or carers. It is run by the Redbridge Children's Trust at Norwood's Leonard Sainer Centre in Redbridge, or receiving home support.

Aims, Achievements, Performance and our People (continued)

Adults' Services

Norwood aims to enable adults with learning disabilities to live full and independent lives, spending £24.0m during the year. Norwood encourages them to make choices about their lives and works with them to achieve their goals. Norwood offers a range of services to support the varying needs of people who are registered as having a learning disability. These services are tailored according to individual needs and cover the following areas:

- Adult Opportunities
- Housing & Support
- Supported Employment Service

Adult Opportunities

Adult Opportunities are varied and stimulating and match individual preferences. Leisure and friendships play an important role in ensuring that adults have fulfilled lives and Norwood supports them to make choices and to access opportunities and experiences that promote their well being and enrich them.

Housing and Support

Norwood's Housing and Support helps people to live their lives in the type of home they choose, suiting their own particular needs. This could be in one of our registered homes, a group home or living independently in their own accommodation in London or at Ravenswood in Berkshire.

Supported Employment Service

Work is a vital part of life for many of us and Norwood's Supported Employment Service is designed to provide training and access to work experience, helping individuals to decide what kind of work they would like to do. Our job coaches support adults with a learning disability into employment and the support is ongoing once they have found work that is right for them.

Progress in 2010/11

What we said in our strategic plan 2010-2013

Life Long Learning

We will expand our Life Long Learning services, which cover activities such as education, training, therapies and the development of skills that will give people greater choice and control in their lives and help them become more independent.

Our Supported Employment service will focus on increasing access to both sheltered and mainstream employment for all adults with learning disabilities, not just the most able.

Life Skills, which includes a wide variety of sport, leisure and social activities, will be reorganised to take greater advantage of appropriate opportunities provided in the wider community and assist people in developing the skills they need to lead independent lives.

Supported Living

We will be increasing choice and independence for the people we support by placing a greater emphasis on Supported Living. This will mean more people will have the opportunity to move from registered care into individual and shared tenancies where appropriate. Norwood will provide support ranging from a few hours a week to 24 hours a day as required. We will also help people who live in their own homes. Accommodation will be situated in areas with large Jewish communities close to local amenities, and a key feature of the service will be the increased use of assistive technology.

What we have done

Through our WorkHub, 58 people have successfully moved into paid or voluntary work.

We launched a new online shop which sells jewellery and other items made by adults with learning disabilities. www.norwood.org.uk/gifts carries a wide range of one-off bracelets, brooches, earrings, necklaces and rings hand-crafted at jewellery workshops held at the RD Crusaders WorkHub in Stanmore. The initiative is a social enterprise project which allows people to gain important employment based skills, become involved with the website and, potentially, earn an income.

The number of people using our Supported Living service increased from 45 at the start of the year to 60 at March 2011; including 6 people new to Norwood. The ratio of registered care: supported living has moved from 82%:18% to 77%:23%

The acquisition of Daniel Court in partnership with the Industrial Dwelling Society will add 14 new places. Combined with the re-provision of other homes, we expect to have just over 90 people in supported living by March 2012.

Aims, Achievements, Performance and our People (continued)

Staff

The changing mix of services and the expected needs of service users has led us to review the size and shape of our workforce. The objective was to create a more flexible workforce for more flexible services and bring labour costs closer to sector-wide benchmarks. Following the review, we restructured most of our adult residential services and, after consultation and negotiation, these changes were successfully implemented in May 2011. We also developed new training programmes focussing on active support and training in systematic instruction

We are ensuring that the people who use our services are integral to the appointment of new employees. During the year our Inclusive Recruitment initiative was rolled out across the organisation. Under the scheme, the people who use Norwood's services are encouraged to participate in its recruitment campaigns in a number of different ways. For example:

- People have the opportunity to sit in on interviews and ask questions of prospective employees
- Those who are unable to communicate verbally are asked to draw up a 'wish list' describing their ideal candidate
- Others contribute to job descriptions, review interview questions, and assess how applicants interact with people who use our services.

Our Management Development Programme has continued during the year and has reached all relevant managers. A programme of bite-sized training has been established to follow on from this programme, addressing specific management concerns.

Learning and development materials are increasingly available to staff using our intranet and we are planning to introduce a new learning platform during the next year.

Employing disabled people

Norwood is positively committed to promote the employment of disabled people through recruitment, retention, training and career development. This commitment ensures that disabled people are supported by Norwood as an employer and treated fairly at every stage of their selection and employment. Our commitment has been recognised and we have achieved *Positive about Disability* status and therefore:

- interview all disabled applicants who meet the minimum criteria for a job vacancy and to consider them on their abilities
- ensure there is a mechanism in place to discuss, at any time but at least once a year, with disabled employees, what both parties can do to make sure disabled employees can develop and use their abilities
- make every effort when employees become disabled to make sure they stay in employment
- take action to ensure that all employees develop the appropriate level of disability awareness needed to make sure these commitments work
- review these commitments each year and assess what has been achieved, plan ways to improve on them and let employees and Jobcentre Plus know about progress and future plans

Involving employees

We have formal and informal ways to communicate with staff. Formal consultation is carried out through frequent meetings with our recognised trade union. We also operate a monthly Teambrief, explaining what is happening at Norwood, which allows information to be cascaded to all employees and enables their views to be fed back to senior managers. Teambrief includes a quarterly report of the finances of the organisation. In addition, the Directorate provides briefings to employees about the financial and economic factors affecting Norwood's performance.

Volunteers

Volunteers are a vital resource for Norwood. We welcome and value their involvement because we appreciate the uniquely special contribution they make in enabling the people we support to live the lives they want. Our volunteers work with children in our children and family centre groups, our special educational services, our nursery and directly with families. Our volunteers work with adults in their own homes or the homes we manage, support them at work and in a wide range of social activities. During the year, we restructured our volunteering services to integrate them more closely with our operations. We are seeking the national Investing in Volunteers standard.

Governance, Trustee Board and Trustees' responsibilities

Patron

HM The Queen

President

Richard Desmond

Patron of Children's services

Cherie Blair

Trustee Board

The Trustees have a broad range of backgrounds, including social care, voluntary sector, business, property, law and accountancy. Members of the Board of Trustees are drawn from the Members and appointed by the Board. The Board uses public advertisement as one of the tools to achieve an appropriate mix of skills and expertise. Selection is by a panel of Trustees.

Trustees (and directors of the company)

Bernie Myers	Chairman	
Julia Chain	Deputy Chairman	
Andrew Viner	Honorary Treasurer	
Gary Sacks	Fundraising Chairman	
David Ereira		Retired 3 December 2010
Ian Fagelson		
Linda Goldberg		Appointed 14 May 2010
Elliott Goldstein		Appointed 3 December 2010
David Goldstone		
Ronnie Harris		
Andrea Kelmanson		
Neville Kahn		
Beverly Taylor		

The group purchases Directors' and Officers' indemnity cover at an annual premium of £6,000.

Advisory Council

The Advisory Council provides valuable advice and guidance to help Norwood provide excellent services. Members of the Advisory Council are eminent professionals in their own fields and bring a wealth of knowledge and experience to Norwood.

David Ereira (Chair)
Professor Simon Baron-Cohen
Max Caller CBE
Ruth Fasht
Gill Gallick
Dr Danya Glaser
Gillian Howard
Ruth Levere
John Libson
Jack Rabinowich
Dr Valerie Sinason
Sir Harry Solomon
Michael Teacher
Dr Richard Trompeter

Directorate

Norma Brier	Chief Executive
Philip Bunt	Director of Corporate Services and Company Secretary
David Harris	Director of Operational Services

Governance, Trustee Board and Trustees' responsibilities (continued)

Our Constitution

Norwood is a company limited by guarantee and charity registered in England and Wales, which can trace its establishment to 1795. It is governed by Articles of Association adopted on 2009.

The governing body of Norwood is the Trustees Board which comprises up to twelve members and meets six times a year. Trustees are appointed for a four year term and may serve a second consecutive term. The Directorate attend all Board meetings.

Each new Trustee attends a planned induction to the organisation, the range of services provided and their role presented by the other Trustees and the Directorate. Trustees are also provided with training to ensure that they are properly briefed about relevant changes to the law and matters concerned with learning disabilities.

Norwood has 40 members who are individuals with a long association with the organisation or trustees. Any individual seeking to become a Member has to apply to the Board. Members are entitled to attend and vote at General Meetings.

The Board appoints a Chairman, Deputy-Chairman and Treasurer.

Norwood has close, but informal relationships with other charities working within the Jewish community and charities in the wider community working with people with learning disabilities.

Board Committees

The Board has established three principal advisory committees each with specific terms of reference and functions delegated by the Board with a Trustee as chairman: Corporate Services; Operational Services; and Campaign Committee. The Corporate Services Committee has established Audit and Investment Committees. The membership of each committee is drawn from the Board and a pool of voluntary lay experts with relevant skills and experience. The committee terms of reference are reviewed annually and amended where appropriate.

The Corporate Services Committee is concerned with matters of finance, investment, human resources, information technology, health and safety and property; the Operational Services Committee is concerned with the range of services offered and to be offered by Norwood; and the Campaign Committee is concerned with the generation of voluntary income.

The Audit Committee is concerned with ensuring that there is a framework for accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring Norwood is complying with all aspects of the law, relevant regulations and good practice. The Audit Committee also oversees the internal audit function and reviews the performance of the external auditors.

The Investment Committee is concerned with ensuring that there is a framework for examining and reviewing the investment strategy and investment performance including risk analysis and risk management. The responsibilities include treasury matters and property investments as well as financial investments.

In addition to the trustees, lay expert members of all the committees provide a vital additional resource to Norwood. They bring skills and expertise in areas including learning disabilities, social disadvantage, fundraising, property and finance. We use their expertise to assist with governance and to support the Directors and their teams.

Members of the Directorate attend meetings of the principal advisory committees and sub-committees. The external auditors attend some meetings of the Audit Committee.

The Board decides on the strategy of Norwood, with the implementation of the strategy and day-to-day operational management delegated by the Board to the Chief Executive and Directorate.

Governance, Trustee Board and Trustees' responsibilities (continued)

Trustees' Responsibilities Statement

The Trustees (who are also directors of Norwood Ravenswood for the purposes of company law) are responsible for preparing the Trustees' 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 have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the charitable company's auditor are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Management of Risk

Norwood has a risk management policy, procedure and strategy which documents Norwood's approach to risk management; the roles and responsibilities of Trustees, the Directorate and employees; the methodology for identifying and assessing potential risks, existing controls and further controls and the reporting and review procedures. The risk management process is designed to ensure that Norwood continues to address the major operational, financial, reputational, regulatory and governance risks that might impact on Norwood's objectives and its ability to meet them. Risks are assessed by considering the likelihood of an event occurring and the impact should it occur.

The Audit Committee reviews and approves the Corporate Risk Register once a year and provides an update to the Trustee Board. The Audit Committee receives assurance on the management of risk from the work of an in-house internal audit function. Norwood has systems of control that include: a comprehensive annual budgeting process; regular review of management accounts, variances from budget and non-financial management information; an established and documented policy framework.

The Corporate Risk Register sets out the principal risks as: (1) Failure to achieve our charitable objectives; (2) statutory and other non-voluntary income not meeting the actual cost of service provision; and (3) a large fall in voluntary income leading to unavoidable cuts in services.

To manage these principal risks the Trustee Board: (1) considers whether any changes to the range of services further the charitable objectives; (2) regularly reviews the short and long-term trend in statutory and other non-voluntary income; and (3) regularly reviews the level of voluntary income.

Governance, Trustee Board and Trustees' responsibilities (continued)

Whilst the Trustees are of the opinion that reasonable steps have been taken to ensure that the major risks to which Norwood is exposed are identified and reviewed and that there are systems in place to mitigate them, we are aware that such processes are designed to manage rather than eliminate all major risks and they can provide only reasonable but not absolute reassurance. Norwood is committed to ensuring that best practice for risk identification and its management is applied across the organisation. The new risk management framework sets out the process for the Audit Committee and Directorate to receive regular update reports from the internal audit function of progress made to implement any further controls required to mitigate risk. Norwood is also committed to ensuring that its workforce is risk aware and that its operational processes reflect risk management best practice.

Financial Review

Overview

Against the backdrop of an increasingly difficult economic environment, Norwood has completed the financial year with operational income slightly higher than operational expenditure (excluding the provision for a grant to fund construction and opening of the JCoSS PSRP). In addition, further amounts have been received towards capital expenditure. The overall financial performance can be summarised as follows:

	<i>Year ended 31 March 2011</i>	<i>Year ended 31 March 2010</i>
Operational incoming resources less operational resources expended	£0.1m	£0.3m
Amounts received to fund capital projects for future services	£0.5m	£0.3m
Provision for JCoSS PSRP	-	£(0.5m)
Net gains on investments	£0.2m	£0.9m
Overall increase in funds during the year	£0.8m	£1.0m

Incoming resources

Operational incoming resources increased 1% from £33.7m to £33.9m. The largest source of operational incoming resources was statutory income which fell slightly, from £21.2m to £21.1m. The other major source of operational incoming resources was donations and legacies which increased 5% from £9.5m to £10.0m. It is only with this voluntary income that Norwood is able to provide the quality and range of services expected by the community. Adults' Services are primarily funded through statutory income, while Children and Family Services are primarily funded through voluntary income.

Resources expended

Operational resources expended decreased less than 1% from £33.9m to £33.8m, of which resources expended on charitable activities decreased 2% from £30.4m to £29.7m. The £30.4m expenditure includes the grant and provision for the Pears Special Resource Provision of £0.1m in 2010/11 and £0.5m in 2009/10, a reduction of £0.5m. Excluding this amount, operational resources expended increased 1% from £33.4m to £33.8m, while resources expended on charitable activities fell 1% from £29.9m to £29.7m.

The strategic plan for 2010 to 2013 places a greater emphasis on Supported Living which is expected to enable more people to have the opportunity to move from Registered Care into individual and shared tenancies where appropriate. Resources expended included the reversal of a provision of £0.9m towards the cost of achieving this change.

The proportion of voluntary income spent on raising that income was unchanged at 27%.

Our largest area of expenditure is on people. During the year the average full time equivalent number of staff decreased from 773 to 766, while the resources expended on staff fell by 7% from £24.6m to £22.9m, following the restructuring of staff contracted hours.

To protect the Group against fluctuations in interest rates on the loan used to finance the purchase of Broadway House, a base rate collar is in place. The collar ensures that the maximum effective base rate which the Group will pay is 6.5% and the minimum is 5.25%. As a result of the significant reduction in UK interest rates during the year, the interest paid on the loan was higher than it would have been had the collar not been in place.

Financial Review (continued)

During the year work continued on the construction of the Jewish Community Secondary School (JCoSS) which includes the construction of an integrated Special Resource Provision which is being funded by Norwood. Grants of £1.3m were paid by Norwood during the year and in accordance with financial reporting standards the financial statements recognise, as a liability, a grant of £2.5m which represents the related constructive obligations at the end of the financial year.

Investment performance

Norwood holds investments in securities to generate investment returns which are used to partly fund charitable activities. It holds funds on deposit awaiting their use for capital projects. The investment policy remains unchanged and is set out below. The Investment Committee meets with the investment managers and reviews the performance every six months.

Our objective remains to obtain a reasonable long-term total return with a moderate level of portfolio risk. The Trustees have set the investment manager a target total return of 6.5% over the long term.

During the year total investment returns generated a surplus of £0.9m, compared to a surplus of £1.8m in the previous year. While the Group was affected by lower interest rates, the market value of investments was affected by the recovery in the investment markets. The targeted total return for the investments in securities was £0.6m, but due to the recovery in the investment markets the actual return was £0.9m.

Investment performance is measured against a benchmark agreed with the investment managers. The benchmark is a composite of different investment indices which reflect the mix of investments. During the year the performance was four percentage points worse than the benchmark. The long term benchmark is a real return of 4% assuming CPI inflation is 2.5%.

The Trustees are satisfied that Norwood can continue to meet all its financial obligations on an on-going basis. The Trustees have decided that one operational property is no longer required and this has been transferred to fixed asset investments.

Balance Sheet

During the year the Group invested £0.5m in new buildings which are used to provide services.

Overall, the balance sheet grew during the year, with total funds at the end of the year of £35.8m compared to £34.9m at the beginning of the year.

The Norwood Group

Much of the activity of the Norwood Group takes place through subsidiary charities and companies. Norwood Ravenswood is primarily responsible for fundraising, Norwood Ravenswood Services Limited provides services to local authorities; Binoh Charitable Trust and The Hope Charity Limited provide special education services and Norwood Schools Limited provides charitable services to the Group. The financial performance of each subsidiary undertaking was satisfactory and summary financial results, assets and liabilities of the subsidiaries are set out in note 4.

Reserves Policy

Approximately two thirds of our operating income comes from the government, mostly through contracts for care services with Local Authorities. In the event that these contracts were terminated and the income stopped, we would also stop providing the care services thereby reducing costs. The trustees consider that Norwood does not need to hold financial reserves against the risk that these contracts might cease. Norwood only recovers approximately 85% of the cost of providing those care services.

The remaining one third of Norwood's income comes from voluntary donations and a reduction in this income would directly affect our ability to provide our services. The trustees consider that financial reserves need to be held to allow sufficient time to reduce expenditure and identify alternative funding. The trustees have therefore set a reserves policy which recognises this risk and they seek to hold reserves which would cover a 25% reduction in net voluntary income for the next year. Based on the budget for the year ending 31 March 2011 this would amount to £1.3m.

In considering the risk of a reduction in voluntary income, the trustees consider each major source and the likelihood that this might rise, fall or remain stable.

Financial Review (continued)

In considering the financial reserves available, the trustees recognise that most of the unrestricted funds are used to finance tangible fixed assets which Norwood uses to provide its services. Although these assets could be sold to release cash, this would take time. The tangible fixed assets are partly financed by a bank loan falling due between two and twenty two years.

The trustees have therefore excluded the tangible fixed assets and bank loan from the calculations of available financial reserves. The trustees have used unrestricted balance sheet fixed asset investments and liquid net current assets as the basis for considering the financial reserves available.

At 31 March 2011 the Group had unrestricted balance sheet fixed asset investments, excluding property, of £9.4m and liquid net current assets of £2.4m. It had liabilities due between 12 and 24 months of £Nil. The total financial reserves were therefore £11.8m, which were in excess of the £1.3m target. At 31 March 2011 the Group had other restricted net current assets of £2.6m and expenditure from these would be covered from the excess of total financial reserves.

Basis of preparation

In preparing this report and accounts the directors have complied with the Companies Act 2006, the Charities Act 1993, the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005) and applicable United Kingdom accounting standards.

Auditor

Grant Thornton UK LLP were appointed during the year. The directors will place a resolution before the Annual General Meeting to reappoint Grant Thornton UK LLP as auditors for the ensuing year.

By order of the Board

Bernie Myers
Chairman of the Board

Andrew Viner
Treasurer

22 July 2011

Group Statement of Financial Activities for the year ended 31 March 2011 (incorporating the Income and Expenditure Account)

	Note	Unrestricted Funds £'000	Endowment Funds £'000	Restricted Funds £'000	Total 2011 £'000	Total 2010 £'000
Incoming resources						
Incoming resources from generated funds	2					
<i>Voluntary income</i>		8,411	-	2,285	10,696	10,026
<i>Activities for generating funds</i>		637	-	-	637	555
<i>Investment income</i>		636	51	32	719	907
Incoming resources from charitable activities	2	22,330	-	-	22,330	22,535
Total incoming resources		32,014	51	2,317	34,382	34,023
Resources expended						
Costs of generating funds	3					
<i>Costs of generating voluntary income</i>		2,863	-	-	2,863	2,699
<i>Fundraising trading: cost of sales of donated goods</i>		448	-	-	448	417
Cost of generating Investment Income		355	9	-	364	-
Total costs of generating funds		3,666	9	-	3,675	3,116
Charitable activities	3					
<i>Adults' Services</i>		23,452	43	146	23,641	24,048
<i>Children and Family Services</i>		5,174	8	901	6,083	6,384
Total charitable activities		28,626	51	1,047	29,724	30,432
Governance costs	3	382	-	-	382	369
Total resources expended		32,674	60	1,047	33,781	33,917
Net incoming resources before transfers		(660)	(9)	1,270	601	106
Gross transfers between funds	13	765	-	(765)	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		105	(9)	505	601	106
Other recognised gains and losses						
Net gains on investment assets – realised	7	271	41	-	312	(13)
Net income		376	32	505	913	93
Net gains/(losses) on investment assets - unrealised	7	(4)	2	(87)	(89)	863
Net movement in funds		372	34	418	824	956
Reconciliation of funds						
Fund balances as at 1 April 2010		30,207	1,455	3,275	34,937	33,981
Fund balances carried forward at 31 March 2011	13	30,579	1,489	3,693	35,761	34,937

All of the above results derive from continuing activities in the period.

The accompanying notes form an integral part of these accounts.

Group and Parent Charity Balance Sheets as at 31 March 2011

Registered Company Number: 03263519

	Note	Group 2011 £'000	Group 2010 £'000	Parent Charity 2011 £'000	Parent Charity 2010 £'000
Fixed Assets					
Tangible fixed assets	6	27,034	28,527	1,989	1,878
Investments	7	10,099	9,632	9,266	8,720
		<u>37,133</u>	<u>38,159</u>	<u>11,255</u>	<u>10,598</u>
Current Assets					
Debtors	9	2,373	2,758	1,467	1,777
Investments - money market deposits	7/21	8,159	7,062	6,015	4,780
Cash at bank and in hand	21	256	845	129	447
		<u>10,788</u>	<u>10,665</u>	<u>7,611</u>	<u>7,004</u>
Creditors: Amounts falling due within one year	10	<u>(5,480)</u>	<u>(5,198)</u>	<u>(5,242)</u>	<u>(3,498)</u>
Net current assets		<u>5,308</u>	<u>5,467</u>	<u>2,369</u>	<u>3,506</u>
Total Assets less Current Liabilities		42,441	43,626	13,624	14,104
Creditors: Amounts falling due after one year	11	(6,680)	(7,570)	-	-
Provisions for liabilities	12	-	(1,119)	-	-
Net assets	18	<u>35,761</u>	<u>34,937</u>	<u>13,624</u>	<u>14,104</u>
Funds					
	13				
(including revaluation reserve of £1,674k (2010 deficit of £968k))					
Restricted Funds		3,693	3,275	580	583
Endowment Funds		1,489	1,455	1,489	1,455
Unrestricted Funds:					
General funds		28,185	27,459	10,335	10,846
Designated funds		2,394	2,748	1,220	1,220
		<u>35,761</u>	<u>34,937</u>	<u>13,624</u>	<u>14,104</u>

The financial statements on pages 16 to 34 were approved and authorised for issue by the Board of Directors on 22 July 2011 and are signed on its behalf by:

Bernie Myers Chairman

Andrew Viner Treasurer

The accompanying notes form an integral part of these accounts.

Group Cash Flow Statement for the year ended 31 March 2011

	Note	2011 £'000	2010 £'000
Net Cash Inflow/(Outflow) from Operations	21A	1,686	(632)
Returns on Investments and Servicing of Finance			
Investment income	2	719	907
Interest payable on bank loan	3	(420)	(434)
		299	473
Capital Expenditure and Financial Investment			
Purchase of tangible fixed assets		(1,242)	(965)
Proceeds on sale of tangible fixed assets		10	402
Purchase of fixed asset investments	7	(240)	(318)
Proceeds on disposal of fixed asset investments	7	0	27
Net Cash Outflow from Investing Activities		(1,472)	(854)
Acquisitions			
Cash acquired on merger with subsidiary	4	-	142
Net Cash Outflow before Financing		513	(871)
Management of liquid resources			
Purchase of current asset investments	7	(1,247)	(2,138)
Proceeds on disposal of current asset investments	7	145	2,355
Decrease in current asset investments		(1,102)	217
(Decrease)/increase in Cash	21B	(589)	(654)

Notes to the Financial Statements for the year ended 31 March 2011

1 Principal accounting policies

The principal accounting policies have remained unchanged since the previous year.

Accounting convention

The financial statements are prepared in accordance with the Companies Act 2006, under the historical cost convention, modified to include the revaluation of investments to market value and in accordance with applicable UK accounting standards and comply with the Statement of Recommended Practice Accounting and Reporting by Charities, SORP 2005.

The parent charity and its united charity

The results of the company relate to the activities, assets and liabilities undertaken by the company in its own name, together with the activities, assets and liabilities of the charity united with it under the Charities Act 1993. As at 31 March 2011, Norwood Homes for Jewish Children is the only charity that is united with the parent charity. We account for united charities by treating them as branches.

Group financial statements

The financial statements represent a consolidation of Norwood Ravenswood (including its united charity – Norwood Home for Jewish Children) and its subsidiary undertakings listed in note 8. The results of the subsidiaries are consolidated on a line-by-line basis.

In accordance with section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005, no income and expenditure account has been prepared for Norwood Ravenswood.

Depreciation

Depreciation is provided on all tangible fixed assets in order to write off their cost to their estimated realisable values by annual instalments over the following expected useful lives:

Freehold land	Not depreciated
Freehold buildings	50 years
Motor vehicles	4 years
Furniture, fixtures, fittings and equipment*	4 years
Long leasehold land & buildings	Length of lease up to a maximum of 50 years

*Items of equipment are capitalised where the purchase price exceeds £1,000.

Where there are indications that assets are or may be impaired in value or use, an impairment review is undertaken to establish the net realisable value and the value in use. The carrying amount of the assets is reduced by any excess over the higher of these valuations.

Payments on account and assets under construction

In the course of capital projects where costs are incurred for payments on account and assets under construction or installation of equipment, they are not subject to depreciation until they are reclassified after their completion and brought into use.

Incoming resources

All incoming resources are included in the Statement of Financial Activities on an accruals basis. The following specific policies apply to categories of income:

Statutory income is recognised as the services are provided to the beneficiaries.

Legacies are recognised in the accounts, provided the amount that will be received can be estimated sufficiently accurately and the charity has entitlement before the year end.

No amounts are included in the financial statements for the services donated by volunteers.

Gifts donated for resale are included as income, when, and at the price at which, they are sold.

Donations and gifts in kind for retention are included on a receivable basis.

Grants receivable are treated in accordance with the terms of the grant and are recognised when the conditions for receipt are complied with.

Fund accounting

Restricted, endowment, designated and unrestricted funds are separately disclosed, as set out in note 13. The different funds held are defined as follows:

Restricted funds are funds, the uses of which are subject to specific restrictions imposed by the donors or by the nature of the appeal.

Designated funds are set aside at the discretion of the Board for specific purposes. They would otherwise form part of general funds. Transfers to and from designated funds are recognised as and when the Board designates or undesignated funds.

General funds are available to spend at the discretion of the Board, in furtherance of the charitable objectives of the charity.

Endowment funds are funds where capital is retained and has been invested to provide income that is subject to specific restriction by the donor.

Investments

Investments are stated at market value. Changes in market value are recorded in the Statement of Financial Activities. Unrealised gains and losses are calculated based on the carrying value of the investments in the balance sheet.

Resources expended

Resources expended are recognised in the period in which they are incurred.

The costs of charitable expenditure, costs of generating funds (including fundraising and publicity), and governance, comprises staff costs, other directly attributable costs and apportioned support costs for each activity, the basis of apportionment being given in note 3.

Support costs comprise all services supplied centrally, such as financial management, information systems, property and facilities, human resources and central management.

Governance costs include both direct and indirect costs relating to the governance arrangements of the Charity, including internal and external audit costs, costs of Board meetings and a relevant proportion of the costs of the Directorate.

Irrecoverable VAT is charged as a cost to the Statement of Financial Activities, being allocated on the same basis as the underlying expenditure to which it relates.

Grants to individuals are recognised on payment and grants to institutions are recognised when there is a constructive obligation to make the payment.

Investment properties

Investment properties are revalued annually by the trustees and every third year by independent Chartered Surveyors on an open market basis. Changes in market value are recognised in reserves other than deficits expected to be permanent, which are charged to the SOFA account for the period. Therefore no depreciation is provided on investment properties.

Investment management costs

Investments are held within collective investment schemes and it is not practicable to ascertain the management costs with reasonable accuracy. The investment income is therefore reported net of investment management costs.

Leases

Operating lease rentals are charged to the Statement of Financial Activities as they are incurred.

Financial liabilities — recognition and measurement

Financial liabilities are recognised on the date on which the Group becomes a party to the contractual provisions of the instrument giving rise to the liability. Financial liabilities are initially recognised at fair value plus transaction costs and are no longer recognised when the contractual obligations are discharged, cancelled or expire.

Management of liquid resources

Liquid resources include sums on short-term deposits with recognised banks and building societies and government securities.

Pensions

The charity operates a defined contribution scheme. The assets of the scheme are held separately from the charity. The contributions to the scheme are recognised in the year in which they fall due.

2 Incoming resources

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000	Total 2010 £'000
<i>Incoming resources from generated funds – by source</i>				
Donations	7,017	1,991	9,008	7,923
Legacies	1,394	100	1,494	1,930
Grants		194	194	173
Voluntary income	8,411	2,285	10,696	10,026
Activities For Generating Funds – retail turnover	637	-	637	555
Investment income	636	83	719	907
	9,684	2,368	12,052	11,488
<i>Investment income – by source</i>				
Bank deposit interest	12	29	41	22
Dividends	289	54	343	383
Rental income	335	-	335	502
	636	83	719	907
<i>Incoming resources from charitable activities – by source</i>				
Statutory income	20,845	-	20,845	21,219
Gross fee income	553	-	553	593
Less: bursaries and grants	(100)	-	(100)	(113)
Rental income	359	-	359	281
Other income	673	-	673	555
	22,330	-	22,330	22,535
<i>Incoming resources from charitable activities – by activity</i>				
Adults' Services	19,904	-	19,904	20,262
Children and Family Services	2,426	-	2,426	2,273
	22,330	-	22,330	22,535

3 Resources expended

	Grant funding of activities £'000	Cost of activities directly undertaken		Apportioned support costs £'000	Total 2011 £'000	Total 2010 £'000
		Staff £'000	Other £'000			
Costs of generating funds	-	1,264	2,083	328	3,675	3,116
Charitable expenditure						
Adults' Services		14,688	5,986	2,967	23,641	24,048
Children and Family Services	108	4,294	788	893	6,083	6,384
Total charitable expenditure	108	18,982	6,774	3,860	29,724	30,432
Governance costs	-	-	49	333	382	369
Total resources expended	108	20,246	8,906	4,521	33,781	33,917

£108,000 (2010 - £500,000) was a grant to an institution, JCoSS (see note 14).

Analysis of governance costs

	2011 £'000	2010 £'000
Trustee board administration	178	178
Trustees, officers and senior staff indemnity insurance	6	6
External audit and related costs	55	56
Allocation of executive directors' costs	143	129
Total expenditure	382	369

Analysis and allocation of support costs

	Financial management £'000	Information systems £'000	Human resources £'000	Property and facilities £'000	Central management £'000	Total 2011 £'000	Total 2010 £'000
Costs of generating funds	57	75	41	8	147	328	353
Adults' Services	487	437	631	208	1,204	2,967	3,158
Children and Family Services	103	332	134	32	292	893	940
Total support costs	647	844	806	248	1643	4,188	4,451

Support costs

	Basis of allocation	2011 £'000	2010 £'000
Financial management	Direct expenditure on each activity	647	815
Information systems	Number of users	844	811
Human resources	Estimated time and number of employees	806	881
Property and facilities	Estimated time spent	248	283
Central management	Direct expenditure on each activity	1,643	1,661
		4,188	4,451

Resources expended also include

	2011 £'000	2010 £'000
Auditor's remuneration: Statutory audit of the accounts of the company	20	18
Statutory audit of accounts of subsidiary undertakings	35	31
Tax advisory services	-	8
Depreciation of owned tangible fixed assets	1,325	1,298
Impairment of owned tangible fixed assets	1,685	-
Interest payable on bank loan	420	435
Operating lease rentals: Hire of plant and machinery	153	159
Properties	146	106
Trustees' indemnity insurance premiums	6	6

4 Subsidiaries and parent charity

Throughout the financial year Norwood Ravenswood had six operating subsidiary undertakings and one dormant subsidiary undertakings. Details of each subsidiary undertaking are listed in note 8 together with their activities. Summary results for the period during which each subsidiary was part of the Norwood group and the assets of the subsidiary undertakings and the parent charity are as shown below.

The Parry Charitable Foundation was dormant throughout the year. It had no assets or liabilities at 31 March 2011 or 31 March 2010.

Weald Lane Investments Limited was dormant from 1 April 2010 until it was struck off on 16 June 2010 at the request of the Directors. It had no assets or liabilities at any time during the year.

	Binoh Charitable Trust	The Hope Charity Limited	Sussex Tikvah	Norwood New Projects Limited	Norwood Ravenswood Services Limited	Norwood Schools Limited	Parent Charity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2011							
Incoming resources/turnover	1,586	483	182	12	18,887	30,069	2043
Resources expended	(1,582)	(506)	(184)	(12)	(18,887)	(28,670)	(2,829)
Net gains/(losses) on investments	-	-	-	-	-	(92)	306
Net movement in funds	4	(23)	(2)	-	-	1,307	(480)
Total assets	247	452	-	1	500	33,500	18,866
Total liabilities	(81)	(36)	-	(1)	(500)	(11,513)	(5,242)
Net assets/funds	166	416	-	-	-	21,987	13,624
2010							
Incoming resources/turnover	1,459	338	180	84	19,794	30,765	1,018
Resources expended	(1,460)	(574)	(184)	(84)	(19,794)	(29,223)	(2,483)
Net losses on investments	-	-	47	-	-	(300)	1,103
Net movement in funds	(1)	(236)	43	-	-	1,242	(362)
Total assets	1,211	957	331	3	469	33,662	35,427
Total liabilities	(1,049)	(518)	(19)	(3)	(469)	(13,302)	(21,324)
Net assets/funds	162	439	312	-	-	20,360	14,103

5 Staff and Trustees Information

	2011 £'000	2010 £'000
Staff costs:		
Wages and salaries	19,645	19,869
Social security costs	1,831	1,886
Pension costs	419	395
Total direct staff costs	<u>21,895</u>	<u>22,150</u>
Agency costs	1,338	805
Other staff costs	(338)	1,678
Total staff expenditure	<u>22,895</u>	<u>24,633</u>

Trustees received no remuneration and were not reimbursed any expenses in either year.

Average number of staff employed and the full-time equivalent

	2011 Staff employed Number	2010 Staff employed Number	2011 Full-time equivalent Number	2010 Full-time equivalent Number
Fundraising	54	48	40	38
Adults' Services	689	708	547	561
Children and Family Services	405	340	119	110
Support Services	78	78	60	64
	<u>1,226</u>	<u>1,174</u>	<u>766</u>	<u>773</u>

The number of employees who earned more than £60,000 during the year was:

	2011 Number	2010 Number
£60,001 - £70,000	7	4
£80,001 - £90,000	2	3
£100,001 - £110,000	1	-
£120,001 - £130,000	-	1

Contributions made to the pension scheme for the 10 (2010 - eight) employees who earned more than £60,000 amounted to £67,365 (2010 - £49,225).

During the year the Group entered into a thirty year lease with The Industrial Dwellings Society (1885) Limited (IDS) for the provision of Supported Living accommodation at an initial rental of £120,000 per year. Before the Trustee Board considered and approved the transaction Mr Bernie Myers declared his interest as a director of IDS and he did not participate in the decision making process.

Norwood will spend approximately £364,000 plus VAT on the refurbishment and adaptation of the above property. After a competitive tender the contract for these works was awarded to C J O'Shea and Co Limited. C J O'Shea and Co Limited also undertake construction work for companies controlled by Mr Gary Sacks, who did not participate in the award of the contract.

6 Tangible Fixed Assets

(a) Group

	Freehold properties £'000	Long leasehold properties £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At 1 April 2010	32,766	3,986	810	2,686	40,248
Additions	226	294	75	922	1,517
Disposals	-	-	(31)	-	(31)
Reclassification	(6)	-	-	6	-
At 31 March 2011	32,986	4,280	854	3,614	41,734
Depreciation					
At 1 April 2010	8,670	1,123	566	1,362	11,721
Charge for the year	654	95	33	543	1,325
Impairment for the year	1,685	-	-	-	1,685
Disposals	-	-	(31)	-	(31)
Reclassification	(3)	-	-	3	-
At 31 March 2011	11,006	1,218	568	1,908	14,700
Net Book Values					
At 31 March 2011	21,980	3,062	286	1,706	27,034
At 31 March 2010	24,096	2,863	244	1,324	28,527

During the year an impairment review was undertaken in respect of the buildings at Ravenswood Village. The impairment charge was calculated by reference to value which could be achieved from sale of the fixed assets or by value in use. In arriving at 'value in use', discounted rate has been matched to expected increase in income rates.

(b) Parent Charity

	Freehold properties £'000	Long leasehold properties £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At 1 April 2010	636	2,400	22	308	3,366
Additions	313	-	-	2	315
At 31 March 2011	949	2,400	22	310	3,681
Depreciation					
At 1 April 2010	359	826	22	281	1,488
Charge for the year	147	43	-	14	204
At 31 March 2011	506	869	22	295	1,692
Net Book Values					
At 31 March 2011	443	1,531	-	15	1,989
At 31 March 2010	277	1,574	-	27	1,878

7 Investments

(a) Fixed asset investments

	Group 2011 £'000	Group 2010 £'000	Parent charity 2011 £'000	Parent charity 2010 £'000
Market values at 1 April 2010	9,632	7,327	8,720	7,327
Net Book Value of property transferred from tangible fixed assets	-	1,058	-	-
Investment in the year	239	424	240	318
Disposals in the year	-	(27)	(29)	(27)
Net investment losses - realised	317	(13)	322	(13)
Net investment gains/(losses) - unrealised	(89)	863	(16)	1,115
Market values at 31 March 2011	10,099	9,632	9,266	8,720
Historical cost at 31 March 2011	8,425	9,171	8,277	8,037
Unrealised investment gains at 31 March 2011	1,674	461	989	683

The underlying investments comprised:

	Group 2011 £'000	Group 2010 £'000	Parent charity 2011 £'000	Parent charity 2010 £'000
Fixed interest securities	3,157	4,403	3,157	4,403
Common Investment Fund and Equity shares	6,174	4,351	6,012	4,198
Freehold property	671	759	-	-
Cash	97	119	97	119
Total Market Values at 31 March 2011	10,099	9,632	9,266	8,720

The proportions by market value invested by manager were:

Newton Fund Managers	100%	98%	100%	100%
M&G Securities Limited	-	2%	-	-

At 31 March 2011 the trustees had allocated £4.1m into fixed interest securities, £2.6m into UK equities, £2.2m into overseas equities and £2.5m into other investments.

The valuation of the investment property was made by the directors on an open market basis in accordance with the Statement of Assets Valuation Practice No. 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors.

(b) Current asset investments (all held in the UK)

	Group 2011 £'000	Group 2010 £'000	Parent charity 2011 £'000	Parent charity 2010 £'000
Carrying values at 1 April 2010	7,062	7,129	4,780	6,003
Investment in the year	1,247	2,138	1,235	1,132
Disposals in the year	(145)	(2,355)	-	(2,355)
Net investment (losses) – realised	(5)	-	-	-
	8,159	6,912	6,015	4,780
Donation in kind during the year – long leasehold property for resale	-	150	-	-
Carrying values at 31 March 2011	8,159	7,062	6,015	4,780
Historical cost at 31 March 2011	8,159	8,491	6,015	6,359

(c) Net gains/(losses) on investments

			Group	Group	Parent Charity	Parent charity
	Realised	Unrealised	2011	2010	2011	2010
	£'000	£'000	£'000	£'000	£'000	£'000
Net gains/(losses) on fixed asset investments	317	(89)	228	850	306	1,103
Net losses on current asset investments	(5)	-	(5)	-	-	-
Net gains/(losses) on investments	<u>312</u>	<u>(89)</u>	<u>223</u>	<u>850</u>	<u>306</u>	<u>1,103</u>

8 Interests in Subsidiary Undertakings

Subsidiary Undertaking	Activity
Binoh Charitable Trust	Provision of Special Education
The Hope Charity Limited	Provision of Special Education
Norwood New Projects Limited	Design and build of new operational facilities
Norwood Ravenswood Services Limited	Provision for welfare services
Norwood Schools Limited	Charitable services
The Parry Charitable Foundation Limited	Provision of residential homes – now dormant
Sussex Tikvah	Provision of welfare services
Weald Lane Investments Limited	Dormant (struck off on 16 June 2010 at the request of the Directors)

All subsidiary undertakings are 100% owned or controlled and incorporated/registered and operate in England. All are included in the Group accounts.

Norwood New Projects Limited and Norwood Ravenswood Services Limited are wholly owned subsidiary companies. Each has two of Norwood Ravenswood's trustees as directors. The total amount invested in the ordinary share capital of these companies is £4.

Norwood Ravenswood is a corporate trustee of Binoh Charitable Trust, The Hope Charity Limited, Norwood Schools Limited, The Parry Charitable Foundation Limited and Sussex Tikvah. Norwood Ravenswood's trustees govern these four registered charities. Norwood Ravenswood's trustees have also each been appointed as trustees of Binoh Charitable Trust.

9 Debtors

	Group	Group	Parent charity	Parent charity
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Accrued legacies (see note 16)	871	1,457	871	1,457
Amounts due from subsidiary undertakings	-	-	257	1
Local Authorities and trade debtors	813	749	-	-
Other debtors	47	39	30	30
Prepayments and accrued income	642	513	309	289
	<u>2,373</u>	<u>2,758</u>	<u>1,467</u>	<u>1,777</u>

10 Creditors: Amounts falling due within one year

	Group	Group	Parent charity	Parent charity
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Accruals and deferred income	1,538	997	235	203
Amounts due to subsidiary undertakings	-	-	4,902	3,176
JCoSS SRP grant (see note 14)	2,541	2,862	-	-
Other creditors	92	99	60	48
Other taxes and social security costs	657	648	-	22
Trade creditors	652	592	45	49
	<u>5,480</u>	<u>5,198</u>	<u>5,242</u>	<u>3,498</u>

11 Creditors: Amounts falling due after more than one year

	Group	Group	Parent charity	Parent charity
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Bank loan repayable within two to five years (41 instalments (2010 – 29))	1,141	807	-	-
Bank loan repayable after five years (199 instalments (2010 – 211))	5,539	5,873	-	-
	<u>6,680</u>	<u>6,680</u>	<u>-</u>	<u>-</u>
JCoSS SRP grant (see note 14)	-	890	-	-
	<u>6,680</u>	<u>7,570</u>	<u>-</u>	<u>-</u>

The long term bank loan is secured by a charge over Broadway House, Stanmore, bears interest at 1% over base rate and is repayable in 240 monthly instalments, the first payment due in November 2012. To protect the Group against fluctuations in interest rates, a base rate collar has been purchased at a cost of £21,000. The collar ensures that the maximum effective base rate which the Group will pay is 6.5% and the minimum is 5.25%. Interest paid on the loan during the year amounted to £420,000 (2010 - £435,000). Without the collar, interest paid during the year would have been £317,000 lower.

12 Provisions for liabilities

	Group	Group	Parent charity	Parent charity
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Balance at 1 April 2010	1,119	-	-	-
Additions in the year	-	1,119	-	-
Spent during the year	(239)	-	-	-
Released during the year	(880)	-	-	-
Balance at 31 March 2011	<u>-</u>	<u>1,119</u>	<u>-</u>	<u>-</u>

The strategic plan for 2010 to 2013 places a greater emphasis on Supported Living which is expected to enable more people to have the opportunity to move from Registered Care into individual and shared tenancies where appropriate. The charity estimated the costs of achieving this change and provided for those costs where implementation had started and the main features were announced during the prior financial year. The provision was partly utilised during the year and the remainder was released.

13 Funds (Group)

	1 April 2010	Incoming resources	Outgoing resources	Transfers between funds	Investment gains and losses	31 March 2011
	£'000	£'000	£'000	£'000	£'000	£'000
<i>(a) Unrestricted Funds</i>						
<i>Designated funds</i>						
JCoSS SRP	2,298	-	-	(354)	-	1,944
Properties Improvement and Dilapidations	450	-	-	-	-	450
<i>Total designated funds</i>	<u>2,748</u>	<u>-</u>	<u>-</u>	<u>(354)</u>	<u>-</u>	<u>2,394</u>
<i>General funds</i>	<u>27,459</u>	<u>32,014</u>	<u>(32,674)</u>	<u>1,119</u>	<u>267</u>	<u>28,185</u>
<i>Total unrestricted funds</i>	<u>30,207</u>	<u>32,014</u>	<u>(32,674)</u>	<u>765</u>	<u>267</u>	<u>30,579</u>
<i>(b) Endowment Funds</i>						
Endowment fund for Jewish Children	178	8	(8)	-	7	185
Ernst and Dola Fischer fund	324	17	(17)	-	5	329
Somers Fund	953	26	(35)	-	31	975
	<u>1,455</u>	<u>51</u>	<u>(60)</u>	<u>-</u>	<u>43</u>	<u>1,489</u>
<i>(c) Other restricted funds</i>						
Bearsted/Surestart project	36	-	(5)	-	-	31
Binoh	145	86	(125)	-	-	106
Restricted property - The Grange	-	275	-	-	-	275
Harper Collins	124	-	-	-	-	124
The Hope Charity	68	237	(305)	-	-	-
Horinsky Overseas Holiday	94	-	-	-	-	94
JAPH	56	-	(2)	-	-	54
JCoSS SRP	-	462	(108)	-	-	354
Dementia Training	285	-	(20)	-	-	265
Lira Abeleva	88	1	(11)	-	-	78
Norwood Nursery	-	164	-	(110)	-	54
Supported living	-	300	-	-	-	300
Sussex Tikvah Charity	269	-	-	-	-	269
Tager Autistic Centre	-	100	(8)	(37)	-	55
Restricted property – Somers House	1,259	-	-	(501)	(87)	671
Other funds valued under £50,000	851	692	(463)	(117)	-	963
<i>Total other restricted funds</i>	<u>3,275</u>	<u>2,317</u>	<u>(1,047)</u>	<u>(765)</u>	<u>(87)</u>	<u>3,693</u>
<i>Total Funds</i>	<u>34,937</u>	<u>34,382</u>	<u>(33,781)</u>	<u>-</u>	<u>223</u>	<u>35,761</u>

13 Funds (Parent Charity)

	1 April 2010	Incoming resources	Outgoing resources	Transfers between funds	Investment gains and losses	31 March 2011
	£'000	£'000	£'000	£'000	£'000	£'000
<i>(a) Unrestricted funds</i>						
<i>Designated funds</i>						
JCoSS SRP	1,220	-	-	-	-	1,220
<i>Total designated funds</i>	1,220	-	-	-	-	1,220
<i>General Funds</i>	10,846	1,936	(2,710)	-	263	10,335
<i>Total unrestricted funds</i>	12,066	1,936	(2,710)	-	263	11,555
<i>(b) Endowment funds</i>						
Ernst and Dola Fischer Fund	324	17	(17)	-	5	329
Fund for Jewish Children	178	8	(8)	-	7	185
Somers Fund	953	26	(35)	-	31	975
	1,455	51	(60)	-	43	1,489
<i>(c) Other restricted funds</i>						
Harper Collins	124	-	-	-	-	124
Horinsky Overseas Holiday	94	-	-	-	-	94
Lira Abeleva	88	1	(11)	-	-	78
Other Funds valued under £50,000	277	55	(48)	-	-	284
<i>Total other restricted funds</i>	583	56	(59)	-	-	580
Total funds	14,104	2,043	(2,829)	-	306	13,624

Transfer between funds

Other transfers from restricted funds to unrestricted general funds relate to fulfilment of restrictions by capital expenditure during the year from those restricted funds.

Designated Funds

The trustees have designated funds to be used for specific purposes. Where the trustees conclude that these designations are no longer required, they are undesignated and returned to unrestricted general funds.

JCoSS SRP

Designated for a Special Resource Provision at the Jewish Community Secondary School. Details of the use of this fund are set out in note 14.

Properties Improvement and Dilapidations Fund

Designated for major expenditure on buildings and infrastructure. The fund will be used for further refurbishment work over the next two years.

Restricted and Endowment Funds

Restricted funds are funds, the uses of which, are subject to specific restrictions imposed by the donors or by the nature of the appeal. They include both restricted income funds, where the income has to be applied for a specific purpose and restricted endowed funds where the capital is invested and only the income can be applied. The nature of the restrictions on the key funds are explained below.

Endowment Funds

Endowment Fund for Jewish Children

The fund is the permanent endowment for Norwood Homes for Jewish Children and represents the original endowment made on its inception. Income arising from the fund is restricted and can only be used for the provision of services for children.

Ernst and Dola Fischer Fund

This is an endowment, originally of £350,000, where the income is used to fund the charity's home at 94 Station Road, Hendon.

Somers Fund

This is an endowment, originally of £1 million, where the income is used to fund the charity's family centre at Hackney.

Restricted Funds

Bearsted/Surestart project

This grant is for the provision of 'wellbeing' services to the Jewish community in Hackney.

Binoh

Funds to be spent on this special educational needs service.

Dementia Training

The fund will be used to provide training for staff so that they can support people with Dementia and learning disabilities.

The Grange

This represents donation of a flat which can only be used by the current resident during his lifetime.

Harper Collins

Copyright money received on sale of "Halliwell Film Guide". Provisionally classed as restricted fund, pending further discussion with the Halliwell family.

The Hope Charity

Incoming resources arising on the merger with The Hope Charity to be spent on this special educational needs service.

Horinsky Overseas Holiday

Providing holidays for Jewish children and their families.

Jewish Association for the Physically Handicapped (JAPH)

The fund is being spent on supporting physically handicapped users.

Lira Abeleva

This fund is set up to provide an educational and respite care facility for disabled children in Minsk, Belarus.

Norwood Nursery

These funds have been raised and are being spent to provide an integrated Norwood Nursery at the Kennedy Leigh Children and Family Centre.

Supported Living

These funds received during the year are set aside for support/transition of service users to more independent living.

Sussex Tikvah

Incoming resources arising on the merger with Sussex Tikvah to be spent on this adults' residential service.

Tager Autistic Centre

This fund is for further property improvements at the Tager Centre.

Restricted Property Fund – Somers House

The restricted property fund is a fund, the use of which is subject to specific restrictions imposed by the donors. The property has been sold and the funds released will be used for another property with the agreement of the original donor.

14 Jewish Community Secondary School

The Jewish Community Secondary School (JCoSS) in North London opened in September 2010. JCoSS includes a Special Resource Provision (SRP) for students with special educational needs, mostly at the severe end of the autistic spectrum.

Government funding has been made available for the majority of the capital cost. Norwood has agreed to fund in full the balance of the cost of constructing and fitting out the SRP. Norwood has also agreed to fund special equipment for use within the SRP and some of the start-up costs.

Norwood is using restricted donations and designated funds to meet these obligations. Within these financial statements provision has been made for the estimated costs and actual payments made as set out below. These amounts are recognised in the financial statements of Norwood Schools Limited:

	1 April 2010	Addition during Year	Payments during year	31 March 2011
	£'000	£'000	£'000	£'000
Construction and fitting out expenditure	3,052	-	(1,211)	1,841
Special equipment and start-up costs	700	-	-	700
	<u>3,752</u>	<u>-</u>	<u>(1,211)</u>	<u>2,541</u>
Additional grant to JCoSS	-	108	(108)	-
	<u>3,752</u>	<u>108</u>	<u>(1,319)</u>	<u>2,541</u>
Creditors: Amounts falling due within one year	2,862	-	-	2,541
Creditors: Amounts falling due after more than one year	890	-	-	-
	<u>3,752</u>	<u>-</u>	<u>-</u>	<u>2,541</u>

15 Contingent Liability

A contribution of £250,000 made by Westminster Regional Health Authority in respect of the registered care home at 60 Woodcock Dell in Harrow, is repayable should the property cease to be used as a residential care home.

16 Legacies

Legacies which were notified to the Group and have not been included in the Statement of Financial Activities because the conditions for recognition have not been met are estimated at £ Nil (2010 £Nil).

17 Capital Commitments

	2011 £'000	2010 £'000
Contracted for but not provided in the accounts:		
Information technology	-	235
Property refurbishment	432	127
	<u>432</u>	<u>362</u>
Approved but not contracted for:		
Adults' services	647	552
Children's Services	162	177
Information technology	506	119
Support services and retail shops	15	20
	<u>1,330</u>	<u>868</u>

18 Analysis of Net Assets between Funds

Group

	Unrestricted funds £'000	Designated funds £'000	Endowment funds £'000	Restricted funds £'000	Total funds £'000
2011					
Tangible fixed assets	26,088	-	-	946	27,034
Investments	8,448	-	1,489	162	10,099
Net current assets	329	2,394	-	2,585	5,308
Liability due after one year	(6,680)	-	-	-	(6,680)
Provision for liabilities	-	-	-	-	-
	28,185	2,394	1,489	3,693	35,761
2010					
Tangible fixed assets	27,268	-	-	1,259	28,527
Investments	8,177	-	1,455	-	9,632
Net current assets	(187)	3,638	-	2,016	5,467
Liability due after one year	(6,680)	(890)	-	-	(7,570)
Provision for liabilities	(1,119)	-	-	-	(1,119)
	27,459	2,748	1,455	3,275	34,937

Parent Charity

	Unrestricted funds £'000	Designated funds £'000	Endowment funds £'000	Restricted funds £'000	Total funds £'000
2011					
Tangible fixed assets	1,989	-	-	-	1,989
Investments	7,777	-	1,489	-	9,266
Net current assets	569	1,220	-	580	2,369
	10,335	1,220	1,489	580	13,624
2010					
Tangible fixed assets	1,878	-	-	-	1,878
Investments	7,265	-	1,455	-	8,720
Net current assets	1,703	1,220	-	583	3,506
	10,846	1,220	1,455	583	14,104

19 Operating Lease Commitments

At the year end, the group was committed to making the following payments during the next year in respect of operating leases. The parent charity did not have any operating lease commitments:

	Properties 2011 £'000	Other 2011 £'000	Properties 2010 £'000	Other 2010 £'000
Expiring within one year	39	20	98	-
Expiring within two to five years	68	117	42	137
Expiring after five years	50	15	15	15
	157	152	155	152

20 Pensions

Norwood Ravenswood operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the charity. Contributions payable in respect of the year were £419,000 (2010 - £396,000).

21 Cash Flow Statement

	2011 £'000	2010 £'000
Note A: Reconciliation of Changes in Resources to Net Cash Inflow from Operations		
Net incoming resources before other recognised gains and losses	601	106
Depreciation and impairment	3,010	1,298
Gain on disposal of fixed assets	(8)	(288)
Donation in kind	(275)	(419)
(Increase)/decrease in debtors	385	(845)
Increase/(decrease) in creditors	(609)	(1,130)
Decrease in provision for liabilities and charges	(1,119)	1,119
Investment income	(719)	(907)
Loan interest	420	434
Net cash (outflow)/inflow from operations	<u>1,686</u>	<u>(632)</u>

Note B: Reconciliation of Net Cash to Movement in Net Funds

(Decrease)/Increase in cash at bank	(589)	(654)
Cash outflow from movement in liquid resources	1,247	(217)
Movement in net funds	<u>658</u>	<u>(871)</u>
Unrealised loss – non-cash movement	-	-
Net funds as at 1 April 2010	1,077	1,948
Net funds as at 31 March 2011	<u>1,735</u>	<u>1,077</u>

Note C: Analysis of net funds

	Net funds at 1 April 2010 £'000	Cash flows £'000	Net funds at 31 March 2011 £'000
Cash at bank and in hand	845	(589)	256
Cash on money market investments	6,912	1,247	8,159
Bank loan	(6,680)	-	(6,680)
	<u>1,077</u>	<u>658</u>	<u>1,735</u>

Independent Auditor's Report to the members of Norwood Ravenswood

We have audited the financial statements of Norwood Ravenswood for the year ended 31 March 2011 which comprise the Group Statement of Financial Activities, the Group and Parent Balance Sheets, the Group cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011 and of the group's and the parent's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Carol Rudge
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
22 July 2011