

Company Registration No 923975  
Charity Registration No 254591

**Roffey Park Institute Limited**  
**Reports and Accounts**  
**For the Year Ended**  
**31 July 2007**

**Roffey Park Institute Limited**  
**Reports and Accounts**  
**For the Year Ended**  
**31 July 2007**

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**Roffey Park Institute Limited**  
**Report of The Trustees and Directors**  
**31 July 2007**

**Board of trustees and directors**

The trustees of Roffey Park Institute Ltd, who were also the directors, and who, unless otherwise stated, served throughout the year were:

Ø	Mr D Cloke
* +	Mrs C E M Freeman (Vice-chair)
#	Mr P Gallagher
* +	Mr N A Hartley (Vice-chair)
Ø # * +	Ms V J Hammond (Chair)
#	Mr C S Horton (Elected 16 November 2006)
Ø	Mr R J Leek
Ø	Mr P H Ling
*	Mrs E V Rayner
#	Ms A J Ritchie (Resigned 14 July 2006)
	Mrs P M Vaz (Elected 14 July 2006)

- \* Member of the audit sub-committee
- Ø Member of the employment sub-committee
- # Member of the risk management sub-committee
- + Member of the nominations sub-committee

**Executive team**

Chief Executive	Mr J M Gilkes
Director of Open Programmes and Events (Until 23 April 2007)	Ms J Hennessy
Director of Open Programmes and Events (Appointed 24 April 2007)	Ms H J Clayton
Director of Research (Appointed 24 April 2007)	Ms J Hennessy
Director of Resources and Company Secretary	Mrs A K Humphrey
Director of Finance	Mr R C A Kinnison
Director of Marketing and Business Development	Mrs D M Marsland
Director of Bespoke Services	Mr S Tarpey

**The registered office and principal operating address is:**

Forest Road  
Horsham  
West Sussex  
RH12 4TB

**NB** The financial statements are available at the above address.

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**Advisers:**

**Bankers:** HSBC Bank Plc  
Global House  
High Street  
Crawley  
West Sussex  
RH10 1DL

**Solicitors:** Thomas Eggar LLP  
Belmont House  
Station Way  
Crawley  
West Sussex  
RH10 1JA

**Auditor:** Baker Tilly UK Audit LLP  
12, Gleneagles Court  
Brighton Road  
Crawley  
West Sussex  
RH10 6AD

**Insurance brokers:** HSBC Insurance Brokers Ltd  
Rockwood House  
9-17 Perrymount Road  
Haywards Heath  
West Sussex  
RH16 3DU

**Roffey Park Institute Limited**  
**Report of The Trustees and Directors**  
**31 July 2007**

The trustees and directors present their report and audited accounts for the year ended 31 July 2007 and confirm that they comply both with the Charities Statement of Recommended Practice (SORP) 2005 and with the governing instruments.

## **REFERENCE AND ADMINISTRATIVE INFORMATION**

### **Constitution and structure**

Roffey Park Institute Limited is a registered Charity No 254591 and a Company limited by guarantee and not having a share capital. Roffey Park Institute was incorporated under the Companies Acts, 1948 to 1967 on 30 November 1967, registration no 923975. Membership is by invitation from the Board of Trustees and Directors and the total number of members is limited to 50. Upon dissolution of the Institute, members guarantee to pay the sum of £1.

The trustees and directors, officers and the principal address of the charity are listed on page 3 and particulars of the charity's professional advisers are provided on page 4.

## **GOVERNANCE AND MANAGEMENT**

### **Governing document and body**

The charity's governing documents are its Memorandum and Articles of Association. The governing body of the charity is the Board of Trustees who are also the directors of the company.

### **Recruitment and training of trustees**

The Board's nominations sub committee nominates potential new trustees. Candidates from existing members or member companies are considered having regard to the overall skills required by the Board. The induction process includes interviews with existing Board members, the chief executive and members of the executive and the receipt of a trustee's induction pack. All trustees are briefed and updated on their professional responsibilities regularly. They are also enabled to attend a training event at Roffey Park or elsewhere when needed to help further their understanding.

A new trustee may be appointed to the Board at any time during the year. The appointment is confirmed at the following Annual General Meeting. The number of the Board of Trustees is limited at any one time to 18.

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**Report of The Trustees and Directors**  
**31 July 2007**

**Organisational management**

The Board are legally responsible for the overall management and control of the Charity and meet quarterly. It comprises ten independent trustees drawn from the current 38 members of Roffey Park. Trustees belonging to corporate members submit themselves for re-election every three years; other trustees submit themselves for re-election annually.

In addition the following sub committees meet at least once a year to discuss key areas in more detail and to report back to the main Board. The primary purpose of each committee is as follows: the Audit Committee meets to consider the future budget; the Employment Committee meets to consider employment related matters including those affecting the future budget; the Nominations Committee considers the potential recruitment of new trustees and the Risk Management Committee considers the latest updates to the risk management register as well as recommending on the Institute's approach to risk.

The day to day running of the charity is delegated to the Chief Executive supported by the Executive Team.

**Group structure and related parties**

Roffey Park Institute Ltd has a wholly owned non charitable subsidiary, Roffey Park Services Ltd which currently undertakes lettings and bar activities. The facilities are available for third party use at times when they are not required for charity business. Whilst charitable activities were maintained, more challenging market conditions led to the turnover of the subsidiary for the year reducing to £405,761 (2006 £530,565), a decrease of 24% on the previous year. As a result the subsidiary was able to make a gift aid donation to the charity of £107,395 (2006 £191,000).

**Risk management**

The Board of Trustees is responsible for the management of the risks faced by Roffey Park. Detailed considerations of risk are delegated to the Risk Management Committee who are assisted by the Executive Team. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management process is undertaken on an annual basis.

The key controls used by the charity include:

- formal agendas and minutes for all committee and Board activity;
- detailed terms of reference for all committees;
- comprehensive strategic planning, budgeting and management accounting;
- organisational structure and lines of reporting

The trustees have conducted their annual review of the major risks to which Roffey Park is exposed and are satisfied that systems have been established to mitigate those risks.

**Roffey Park Institute Limited**  
**Report of The Trustees and Directors**  
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## **OBJECTS AND AIMS**

### **Charity objects**

Roffey Park's two formal objectives are closely linked:

- to advance education by providing training and discussion programmes in all or any aspects of the science of personnel management for managers, administrators, supervisors and others having similar responsibilities.
- to conduct, promote and support for the benefit of the public, research into questions affecting the health and welfare of all those engaged in industry, commerce and the public services, particularly concerning the relationship between management and employees.

### **Aims and intended impact**

We have recently reviewed our organisational aims to provide a modern interpretation of our formal objectives. Our aim in life is to work with organisations and their people to create a more enlightened way of working.

### **How we achieve this**

Whilst Roffey Park Institute Ltd was established in 1967 our work first started in 1946 at the end of the Second World War. A group of pioneers, led by Lord Horder and Thomas Ling, developed innovative ways to assist individuals, with occupational or psychological disorders, back into the workplace. They ran programmes in which the "discussion method" was chosen as the preferred learning vehicle. Whilst with time the focus of these programmes has moved on, the same methods continue to underpin our work today.

Our philosophy is to work deeply with individuals and organisations. We are known for our strong values, for being confronting when needed and supportive always. At the individual level we are committed to our participants' developing themselves and taking charge. At the organisational level our clear approaches to thinking and learning allow organisations to develop creative strategies to tackle current and emerging issues.

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**Our people**

We have an excellent and committed team of people, our development professionals and researchers as well as our administrative and support staff, who put into practice our philosophy. This is instrumental to the overall quality of the learning experience that our participants enjoy.

**Our facilities**

Our facilities are modern and tailored to our activities and provide a tranquil setting in which to undertake our development activities. The facilities that were opened in the spring of 2003 have added to our offering and have made possible a significant increase in our activities. This has enhanced Roffey Park's reputation as an excellent venue for off-site conferences, workshops and learning events. Recently we have been accepted as a member of the Conference Centres of Excellence.

**Our beneficiaries**

The outputs from our research projects are available, for the benefit of the public, as publications and on our web site. Our training programmes are primarily available to people, in organisations, in positions of responsibility. The beneficiaries of our programmes are the participants, the organisations that they work for and the societies in which they live. Around 43% (2006 38%) of our training income comes from the public and not for profit sector and some 6% (2006 10%) from outside the UK.

**OBJECTIVES AND ACTIVITIES**

**Principal activities of the year**

We carry out a programme of research that is disseminated widely and offer a wide range of short educational programmes, workshops, conferences and seminars addressing personal and management development issues. Participants are sponsored by both national and international organisations, from the public, private and charitable sectors whilst others fund themselves.

**Objectives for the year**

- To achieve sustainable financial growth by further increasing our development and research capability
- To widen access to our services by introducing a formal policy to undertake gifted work for charities and a more flexible pricing policy to accommodate a broader range of users.
- To increase our communication with our public and widen our reputation and recognition of our work by redesigning our web site, publishing a minimum of 4 research reports/guides and securing opportunities for external conference participation.
- To develop our portfolio of products and services by launching at least one new open programme and achieving validation for one new qualification programme.

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**Report of The Trustees and Directors**  
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**Progress of objectives for the year**

Taking each of the objectives for the year in turn:

- Financially we are in a period of consolidation. With a relatively new development professional team we have managed to maintain our higher levels of charitable activity, first achieved in 2004-05. At the same time, by continuing to increase the team, we will increasingly have the capacity to undertake more charitable activity in the future. The team grew from 17 last year to 19 in the current year.
- During the year we undertook gifted work for charities, including some board facilitation for British Youth Opera. We have since undertaken further projects and others are planned. We have also adopted a more flexible pricing policy across all our development training activities.
- Our web site redevelopment is now nearing completion and our development professionals spoke at 14 conferences at European and UK locations. We published a research guide on talent management and the tenth Management Agenda (a yearly report providing an up to date snap shot of the issues facing managers in organisations). We also undertook a diversity survey and completed phase 2 of our major research project on Enlightenment at Work.
- As planned we have launched a new open programme for HR Business Partners and achieved validation for a new Postgraduate Diploma in Facilitation.

**ACHIEVEMENTS AND PERFORMANCE**

**Review of the year**

A major highlight of our year has been our project to explore and develop the meaning of enlightenment at work in a modern context. Our renewed organisational purpose is now reflected in our updated strap line, 'Enlightening People', which provides a golden thread to our 60 years of work in this area.

After experiencing higher than normal staff turnover last year, including a number of senior staff who moved overseas to follow their families, we have had a more stable year. This has assisted us with our medium term objective to increase our team of development professionals steadily towards a complement of 25.

Similarly to last year, around 7,000 participants benefited from our development training. The majority was provided on site at Roffey Park and the remainder at other locations in the United Kingdom and overseas. These activities amounted to some 14,000 participant days and our development professionals provided some 2,400 days of training. This means that our average development professional to participant ratio remains around 1 to 6, which helps us to achieve our aim of working deeply with individuals and organisations.

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The training has involved a broad cross section of those with management responsibilities from organisations of varying sizes across multiple sectors. Our development training activities have grown appreciably in recent years and we expect this underlying growth to continue. To assist this we continue to develop our portfolio and expect to release further new products and services regularly.

During the year we have consulted previous programme participants to better understand the way in which they wish to keep connected to Roffey Park. This resulted in holding a successful alumni conference “Refresh” in the Summer and developing plans to introduce personal portal access through our website.

Roffey Park's profile has continued to grow as we have increased and diversified our publicity and information activity. This included a heightened PR presence in national press, business and HR magazines. More new people are coming to Roffey Park and we have improved our accessibility by strengthening our online presence through advertising and more effective use of search engines.

We continue to invest in our people through development, our buildings and grounds through a programme of ongoing refurbishment and relevant technological improvements. We are also pleased to have gained star status within the Sunday Times 2007 Best Companies Accreditation Standard.

**Public Benefit**

Roffey Park continues to support less well off organisations, including charities, both through preferential pricing on programmes and gifted work. The facilities were regularly hired out at reduced rates to local charitable organisations. Concessions are available in each of our business streams and we estimate their worth to be in excess of £200k. Progress is being made to record them more fully. Over the next few years we expect the level of support to continue to increase significantly as we increase our gifted work.

Research projects continue to focus on the effects on people of change in organisational life and high performance in the workplace. Research in progress includes: the enlightened workplace; socially responsible leadership, complexity and learning in organisations, successful diversity and equality strategies and cross-cultural teams. Dissemination of information resulting from research projects was achieved by the publication of research reports and through books, articles, conference presentations, workshops and radio coverage.

Details of all our research reports are available on our website [www.roffeypark.com](http://www.roffeypark.com). Three reports are currently available free of charge: Volunteering for a Successful Business, The Rise of the Non-Executive Director and Project Management: A Journey Worth Taking. In addition, guides written by our development professionals on leadership, personal effectiveness and organisational development (OD) are also available free of charge.

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**Report of The Trustees and Directors**  
**31 July 2007**

## **FINANCIAL REVIEW**

### **Review of the year**

In financial terms 2006/07 was a year of further consolidation when we proved that we could continue to operate at the higher level reached as a result of the exceptional growth in 2004/05. Whilst maintaining revenue levels we were pleased to achieve our target surplus, whilst still investing for the future.

Total incoming resources in the current year increased by 1.5% from £5.88m to £5.97m. After allowing for finance costs of £210k in respect of a long-term loan on the new facilities, net incoming resources are £63k. This increases group net assets from £5.44m to £5.50m. The results for the year ended 31 July 2007 are shown on page 15 of the accounts in the Consolidated Statement of Financial Activities. We are pleased that, having taken out a long-term loan for £4m to finance the significant additional facilities some 5 years ago, the level of net debt has now reduced, as planned, to £2.70m. Also, we have not needed to use our secured overdraft facility of £250,000.

### **Reserves policy**

Roffey Park used reserves to part finance the significant additional facilities some 5 years ago. The trustees recognise that it will take some years to rebuild general funds and have therefore established a longer term policy whereby Roffey Park should work steadily towards a position where funds not committed or invested in land and buildings (the free reserves) should be between one and two months of budgeted expenditure. The trustees consider that this level will be adequate to cover short-term operational requirements and anticipated seasonal factors that may affect incoming resources. The CEEDCORN fund is a designated fund to provide start up resources for research projects. In the coming year it will be used to support a research project on enlightenment.

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**Report of The Trustees and Directors**  
**31 July 2007**

**FUTURE PLANS**

**To advance our research and development training the strategic goals that underpin our current medium term strategy are as follows:**

- To expand our research programme and widen the dissemination of its outputs.
- To widen access to our development training and increase participant numbers.
- To further enhance our reputation, with both HR and line managers, for thought leadership and excellence in our chosen fields of expertise.
- To further improve our participant experience and the 'magic of Roffey Park'.
- To develop a portfolio of products and services that are commensurate with our purpose and values and are relevant to future market needs.
- To improve management information to support future decision making.
- To continuously work towards becoming an enlightened organisation ourselves.
- To work to achieve sustainable financial growth in order to invest in our future.

Approved by the Board  
and signed on its behalf by



V J Hammond  
Chair

Forest Road, Horsham  
West Sussex RH12 4TB  
23 November 2007

**Roffey Park Institute Limited**  
**Statement of Trustees' Responsibilities**  
**31 July 2007**

The trustees are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under that law the trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the charity and the group and of the profit or loss of the group for that period. In preparing those accounts, the trustees are required to:

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

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

**Statement as to disclosure of information to auditor**

The trustees, who were in office on the date of approval of these accounts, have confirmed that, as far as they are aware, they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

## **Roffey Park Institute Limited Independent auditor's report**

### **Independent auditor's report to the trustees of Roffey Park Institute Limited**

We have audited the accounts on pages 15 to 26.

This report is made solely to the charitable company'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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

The responsibilities of the trustees (who are also the directors of Roffey Park Institute Limited for the purposes of company law) for preparing the Annual Report and the accounts 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 accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Trustees'/Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

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

#### **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 accounts. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

#### **Opinion**

In our opinion

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and group as at 31 July 2007 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees'/Directors' Report is consistent with the accounts.

12, Gleneagles Court  
Brighton Road  
Crawley, West Sussex  
RH10 6AD

  
BAKER TILLY UK Audit LLP  
Registered Auditor  
Chartered Accountants  
November 2007

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**Roffey Park Institute Limited**  
**Consolidated Statement of Financial Activities**  
(Including Income & Expenditure Account)  
**For the year ended 31 July 2007**

	Note	Unrestricted funds	
		2007	2006
		£	£
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generating funds</b>			
Activities for generating funds:			
Trading turnover: Roffey Park Services Ltd	3	405,761	530,565
Investment income: Bank interest		22,315	14,450
<b>Incoming resources from charitable activities</b>			
Education	2	5,354,265	5,121,623
Research		187,243	215,229
<b>Total incoming resources</b>		<b>5,969,584</b>	<b>5,881,867</b>
<b>RESOURCES EXPENDED</b>			
<b>Costs of generating funds</b>			
Trading: Roffey Park Services Ltd	3	299,743	338,164
Financing costs		210,393	201,611
<b>Charitable activities</b>			
Education		5,035,630	4,633,207
Research		315,322	413,749
<b>Governance costs</b>		45,000	43,000
<b>Total resources expended</b>	6	<b>5,906,088</b>	<b>5,629,731</b>
<b>NET INCOMING RESOURCES AND NET MOVEMENT IN FUNDS</b>		<b>63,496</b>	<b>252,136</b>
Total unrestricted funds at 1 August 2006		5,439,763	5,187,627
<b>Total unrestricted funds at 31 July 2007</b>	13	<b>5,503,259</b>	<b>5,439,763</b>

All the above amounts relate to continuing activities. All recognised gains and losses are included in the above statement of financial activities.

**Roffey Park Institute Limited**  
**Consolidated and Charity Balance Sheets**  
**At 31 July 2007**

	Note	Group 2007 £	Charity 2007 £	Group 2006 £	Charity 2006 £
<b>Fixed assets</b>					
Tangible assets	7	8,246,366	8,246,366	8,353,769	8,353,769
Investment in subsidiary	8	-	100	-	100
		8,246,366	8,246,466	8,353,769	8,353,869
<b>Current assets</b>					
Stocks	9	33,639	29,152	33,713	29,025
Debtors	10	1,168,178	1,156,868	915,906	924,435
Cash at bank and in hand		441,152	420,623	686,277	642,983
		1,642,969	1,606,643	1,635,896	1,596,443
<b>Creditors:</b> amounts falling due within one year	11	(1,428,045)	(1,401,380)	(1,421,474)	(1,391,849)
<b>Net current assets</b>		214,924	205,263	214,422	204,594
<b>Total assets less current liabilities</b>		8,461,290	8,451,729	8,568,191	8,558,463
<b>Creditors:</b> amounts falling due after more than one year	12	(2,958,031)	(2,958,031)	(3,128,428)	(3,128,428)
<b>Net assets</b>		5,503,259	5,493,698	5,439,763	5,430,035
<b>Total unrestricted funds</b>	13	5,503,259	5,493,698	5,439,763	5,430,035

The board of trustees approved and authorised for issue the accounts on pages 15 to 26 on 23 November 2007.

*Val Hammond*

Director

*M. Bartley*

Director

**Roffey Park Institute Limited**  
**Consolidated Cashflow Statement**  
**For the year ended 31 July 2007**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Net cash inflow from operating activities</b>	<u>270,632</u>	<u>534,333</u>
<b>Returns on investment and servicing of finance</b>		
Interest received	22,315	14,450
Interest paid	<u>(210,393)</u>	<u>(201,611)</u>
<b>Net cash (outflow) from returns on investments and servicing of finance</b>	<u>(188,078)</u>	<u>(187,161)</u>
<b>Capital expenditure</b>		
Receipts from sale of tangible fixed assets	3,087	1,348
Payments to acquire tangible fixed assets	<u>(133,320)</u>	<u>(147,044)</u>
<b>Net cash (outflow) from capital expenditure</b>	<u>(130,233)</u>	<u>(145,696)</u>
<b>Net cash (outflow)/inflow before financing</b>	<u>(47,679)</u>	<u>201,476</u>
<b>Financing</b>		
Bank loan repaid	<u>(197,446)</u>	<u>(201,566)</u>
<b>Net cash (outflow) from financing</b>	<u>(197,446)</u>	<u>(201,566)</u>
<b>Overall (decrease) in cash</b>	<u><b>(245,125)</b></u>	<u><b>(90)</b></u>
Cash at bank and in hand as at 1 August 2006	686,277	686,367
Cash at bank and in hand as at 31 July 2007	441,152	686,277
<b>Overall (decrease) in cash</b>	<u><u><b>(245,125)</b></u></u>	<u><u><b>(90)</b></u></u>

Further details are shown in note 16.

**Roffey Park Institute Limited**  
**Notes on Accounts**  
**31 July 2007**

**I. Principal accounting policies**

**Basis of accounting**

The accounts have been prepared in accordance with applicable accounting standards, the revised SORP "Accounting and Reporting by Charities" 2005 and under the historical cost convention except for freehold property which is stated at valuation.

No acquisitions took place during the year and all consolidated activities are continuing.

The statement of financial activities (SOFA) and balance sheet consolidate the accounts of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by section 230 of the Companies Act 1985 and SORP 2005.

**Incoming resources**

Income, including fees receivable and charges for services and use of premises, are accounted for in the period in which the service is provided and are stated net of vat.

- Generating funds include the trading activities of the subsidiary company, Roffey Park Services Ltd and bank interest receivable.
- Charitable activities represent the educational and research activities. Fees receivable are stated after deducting concessions. These are available in each of the business streams and are estimated to be in excess of £200k. Progress is being made to record them more fully.

**Resources expended**

Expenditure is accounted for on an accruals basis.

- Costs of generating funds include the trading activities of the subsidiary company, Roffey Park Services Ltd and the financing costs associated with interest on the long term bank loan.
- Charitable activities represent the educational and research activities and include both the direct costs and the support costs relating to them. Expenditure on research is charged to the SOFA as incurred.
- Governance costs are incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. They include the costs of Board and Committee meetings preparing statutory accounts and the associated external audit costs.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources e.g. allocating property costs on their usage and staff costs by time spent.

**Institute buildings and equipment**  
**Capitalisation and replacement**

The original Institute land and buildings were professionally valued by N Hodgson ARICS on 19 January 1996 at £2,367,680 on an existing use basis of which £2,034,680 related to the buildings and £333,000 to the land. A later addition to acquire building development land was revalued by the trustees on 31 July 1999 at £260,000 of which £60,000 related to the buildings, now demolished, and £200,000 to the land. These valuations have been adopted as the historical cost under the transitional provisions of the Financial Reporting Standard 15. The Institute is responsible for keeping the original buildings in fit and useful condition and these costs are written off as incurred.

**Roffey Park Institute Limited**  
**Notes on Accounts**  
**31 July 2007**  
(Continued)

**I Principal accounting policies (continued)**

**Depreciation**

Depreciation of fixed assets is charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives that are as follows:

Freehold land	Nil
Freehold buildings	50 years
Grounds store and workshop	20 years
Learning resources	5 years
Furniture, fittings and equipment	4-10 years
IT equipment	2-3 years

**Leases and hire purchase contracts**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to the SOFA as incurred.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and damaged items.

**Pensions**

Tutorial staff that joined the Institute prior to 30 June 2003 are eligible for membership of the Teachers Pension Scheme (TPS). This is a defined benefit scheme, which is externally funded and contracted out of the State Earnings Related Pension Scheme. Contributions to the scheme are charged to the SOFA so as to spread the cost of pensions over employees' working lives with the charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. For the TPS the contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method.

As from 1 July 2003 all staff are eligible for participation in a group personal pension plan managed by Prudential. This is a defined contribution scheme and contributions to the scheme are charged to the SOFA as incurred.

**Taxation**

Roffey Park Institute is a registered charity and as such its income and gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 256 of Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objects.

**Foreign currency**

Transactions expressed in foreign currencies are translated into sterling at rates of exchange approximating to those ruling at the date of transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the income and expenditure account.

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**2 Education**

6% (2006 10%) of the Institute's incoming resources from educational activities have been earned from services performed outside the UK and/or received from clients based outside the UK.

**3 Trading: Roffey Park Services Ltd**

The charity owns the whole of the share capital of Roffey Park Services Ltd, which undertakes lettings activities and provides bar facilities. Its trading results for the year, as extracted from the audited accounts, are summarised below.

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	405,761	530,565
Cost of sales	(116,231)	(154,968)
<b>Gross Profit</b>	<u>289,530</u>	<u>375,597</u>
Administration expenses	(183,512)	(183,196)
<b>Operating profit</b>	<u>106,018</u>	<u>192,401</u>
Investment income: Bank interest	1,377	1,230
Gift aid payable to the charity	(107,395)	(191,000)
<b>Profit on ordinary activities before taxation</b>	<u>-</u>	<u>2,631</u>
Corporation tax	(167)	-
<b>(Loss)/Profit on ordinary activities after taxation</b>	<u>(167)</u>	<u>2,631</u>
Retained profit brought forward	9,728	7,097
<b>Retained profit carried forward</b>	<u><u>9,661</u></u>	<u><u>9,728</u></u>

Trading costs of £299,743 (2006 £338,164), as shown on page 15, comprise cost of sales and admin expenses.

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>4 Expenditure</b>		
Total resources expended include:		
Auditor's remuneration - audit	15,692	14,015
- non audit services	-	-
Operating leases - equipment	41,395	42,617
Depreciation of tangible fixed assets - owned assets	236,107	223,026
(Profit)/Loss on sale of tangible fixed assets	<u>1,529</u>	<u>(1,348)</u>

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<b>5 Employees</b>	<b>2007</b>	<b>2006</b>
Staff costs:	<b>£</b>	<b>£</b>
Wages and salaries	2,757,427	2,515,952
Social security costs	288,012	254,128
Pension contributions	182,127	173,519
	<u>3,227,566</u>	<u>2,943,599</u>

Average number of staff employed stated as full-time equivalents:	<b>Number</b>	<b>Number</b>
Education	29	24
Research	4	5
Learning Resources and Information Technologies	8	8
Facilities	30	28
Administration and marketing	14	13
	<u>85</u>	<u>78</u>

The number of employees whose emoluments, as defined for taxation purposes, (total pay, vehicle and medical insurance) amounted to over £60,000 in the year was as follows:

	<b>2007</b>	<b>2006</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	8	7
£70,001 - £80,000	1	1
£140,001 - £150,000	1	1

No trustee received remuneration from the company during the year.

	<b>£</b>	<b>£</b>
Out of pocket, travel, subsistence and professional membership expenses incurred by and reimbursed to two (2006 one) trustees were:	<u>697</u>	<u>1,364</u>

**Pension costs**

The Charity's employees are eligible for membership of either the Teachers' Pension Scheme (TPS) or the Prudential Group Personal Pension Plan. However, the TPS was closed to new entrants with effect from 1 July 2003. The total pension cost for the period was £182,127 (2006 £173,519). For the employees whose emoluments are shown above the Charity contributed £43,795 to the TPS for 5 staff and £29,906 to the Prudential for 5 staff.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme is a statutory, unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972.

**Prudential Group Personal Pension Plan**

As from 1 July 2003 all staff are eligible for participation in a group personal pension plan managed by Prudential. The charity contributes 8% of pensionable salary into this defined contribution scheme.

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**5 Employees (continued)**

**FRS17**

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The Charity is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Charity has accounted for its contributions as if it were a defined contribution scheme.

**Valuation of the Teachers' Pension Scheme**

The last valuation of the TPS related to the period 1 April 2001 – 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution has been assessed at 19.75%, plus a supplementary contribution rate of 0.75% (to balance assets and liabilities as required by the regulations within 15 years); a SCR of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced – effective for the first time from 2008 valuation – a 14% cap on employer contributions payable.

The 2006 interim actuarial review, published in June 2007, did not recommend any changes to the SCR and concluded, as at 31 March 2006, and using the above assumptions, that the Scheme's total liabilities amounted to £176,600 millions.

**6 Resources expended**

Allocation of support costs within total resources expended

	<b>Roffey Park Services Ltd</b>	<b>Financing</b>	<b>Education</b>	<b>Research</b>	<b>Govern- ance</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>Total £</b>	<b>Total £</b>
<b>Direct costs</b>	27,890	210,393	2,504,561	187,661	16,390	2,946,895	2,792,625
<b>Support costs:</b>							
- IT and Learning Resources	9,168	-	252,505	32,143	-	293,816	322,630
- Facilities	157,838	-	1,248,413	-	-	1,406,251	1,342,121
- Admin and Management	81,163	-	603,833	71,834	28,610	785,440	702,285
- Marketing	23,684	-	426,318	23,684	-	473,686	470,070
<b>Total</b>	<b>299,743</b>	<b>210,393</b>	<b>5,035,630</b>	<b>315,322</b>	<b>45,000</b>	<b>5,906,088</b>	<b>5,629,731</b>

Financing costs of £210,393 (2006 £201,611) represent bank interest payable during the year on the long term loan.

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**7 Tangible fixed assets**

	<b>Freehold Land &amp; Buildings</b>	<b>Furniture &amp; fittings</b>	<b>IT Equipment</b>	<b>Learning Resources</b>	<b>Total</b>
<b>Group and Charity Cost or Valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
1 August 2006	8,134,825	1,394,809	207,242	23,111	9,759,987
Additions	-	84,678	48,643	-	133,321
Disposals	(4,433)	(95,929)	(25,001)	(23,111)	(148,474)
31 July 2007	<u>8,130,392</u>	<u>1,383,558</u>	<u>230,884</u>	<u>-</u>	<u>9,744,834</u>
<b>Depreciation</b>					
1 August 2006	414,044	862,028	107,035	23,111	1,406,218
Charge for year	77,082	106,181	52,844	-	236,107
Disposals	-	(95,745)	(25,001)	(23,111)	(143,857)
31 July 2007	<u>491,126</u>	<u>872,464</u>	<u>134,878</u>	<u>-</u>	<u>1,498,468</u>
<b>Net book amount</b>					
31 July 2007	<u>7,639,266</u>	<u>511,094</u>	<u>96,006</u>	<u>-</u>	<u>8,246,366</u>
1 August 2006	<u>7,720,781</u>	<u>532,781</u>	<u>100,207</u>	<u>-</u>	<u>8,353,769</u>
<b>Historical cost information</b>				<b>2007</b>	<b>2006</b>
				<b>£</b>	<b>£</b>
Historical cost of revalued land and buildings				7,964,390	7,964,390
Depreciation based on historical cost				(463,855)	(390,182)
Net book value				<u>7,500,535</u>	<u>7,574,208</u>
<b>Future capital commitments</b>					
Authorised and orders placed				<u>52,600</u>	<u>25,000</u>
<b>8 Investment</b>				<b>Charity 2007</b>	<b>Charity 2006</b>
<b>Cost</b>				<b>£</b>	<b>£</b>
1 August 2006 and 31 July 2007				<u>100</u>	<u>100</u>

The charity owns the whole of the 100 issued £1 ordinary share capital of Roffey Park Services Limited, a company registered in England. The subsidiary has a coterminous year-end. The subsidiary is used for non-primary purpose trading activities, namely letting of spare training room and bedroom space at the Institute and bar trading. All activities have been consolidated on a line by line basis in the SOFA. The subsidiary profits are distributed via gift aid to the charity.

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	<b>Group 2007</b>	<b>Charity 2007</b>	<b>Group 2006</b>	<b>Charity 2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>9 Stocks</b>				
Raw materials & consumables	8,194	8,194	6,447	6,447
Stocks for resale	21,445	16,958	23,266	18,578
Teaching aids	4,000	4,000	4,000	4,000
	<u>33,639</u>	<u>29,152</u>	<u>33,713</u>	<u>29,025</u>
<b>10 Debtors</b>				
Trade debtors	1,059,399	1,010,844	883,083	812,052
Amounts owed by subsidiary undertaking	-	37,245	-	79,560
Prepaid expenses	89,379	89,379	32,823	32,823
Accrued income	19,400	19,400	-	-
	<u>1,168,178</u>	<u>1,156,868</u>	<u>915,906</u>	<u>924,435</u>
<b>11 Creditors: amount falling due within one year</b>				
Bank loan	180,394	180,394	207,443	207,443
Trade creditors	380,005	376,453	327,110	322,923
Other taxation and social security	254,783	242,045	251,891	232,523
Fees receivable in advance	458,290	451,832	413,901	411,665
Accrued expenses	154,573	150,656	221,129	217,295
	<u>1,428,045</u>	<u>1,401,380</u>	<u>1,421,474</u>	<u>1,391,849</u>
<b>12 Creditors: amount falling due after more than one year</b>			<b>Group &amp; Charity 2007</b>	<b>Group &amp; Charity 2006</b>
Bank loan			<u>2,958,031</u>	<u>3,128,428</u>
Amount payable:				
In one year or less			180,394	207,443
In more than one but not more than two years			193,948	220,304
In more than two but not more than five years			673,741	746,301
In five years or more			<u>2,090,342</u>	<u>2,161,823</u>
			<u>3,138,425</u>	<u>3,335,871</u>

The bank loan is secured on the freehold property of the Institute. The loan is repayable over a term of sixteen years from 31 December 2001 at an interest rate of 1.2% per annum above LIBOR.

**Overdraft facility**

An overdraft facility of £250,000, secured against the freehold property of the Institute, is in place to provide working capital as the need arises.

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**13 Total unrestricted funds**

	Balance at 1 Aug 2006 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 July 2007 £
Revaluation reserve	146,572	-	-	(3,409)	143,163
Designated fund: CEEDCORN	23,664	-	(2,097)	-	21,567
General funds	5,259,799	5,562,446	(5,496,686)	3,409	5,328,968
<b>Charity</b>	<b>5,430,035</b>	<b>5,562,446</b>	<b>(5,498,783)</b>	<b>-</b>	<b>5,493,698</b>
Non charitable trading funds	9,728	407,138	(407,305)	-	9,561
<b>Group</b>	<b>5,439,763</b>	<b>5,969,584</b>	<b>(5,906,088)</b>	<b>-</b>	<b>5,503,259</b>

Depreciation on the revalued assets is transferred to the general fund account.

The designated CEEDCORN fund has been created to support exploratory research in education and development.

**14 Members' liability**

Roffey Park Institute Limited is limited by guarantee of its members, whose maximum number is 50. Each member's guarantee is limited to a sum not exceeding £1.

**15 Guarantees and other financial commitments**

Group financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 July 2008.

	Group & Charity 2007 £	Group & Charity 2006 £
<b>Expiring</b>		
Within one year	3,065	-
Between one and five years	28,106	35,994
	<u>31,171</u>	<u>35,994</u>

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		<b>Group 2007</b>	<b>Group 2006</b>
		<b>£</b>	<b>£</b>
<b>16</b>	<b>Cash flow statements</b>		
(a)	<b>Reconciliation of surplus of income to net cash inflow from operating activities</b>		
	Net movement in funds for the year	63,496	252,136
	Investment income	(22,315)	(14,450)
	Interest payable	210,393	201,611
	Depreciation	236,107	223,026
	Loss/(Profit) on disposal of fixed assets	1,529	(1,348)
	Decrease in stocks	74	1,516
	Increase in debtors	(252,272)	(155,549)
	Increase in creditors	33,620	27,391
	Net cash inflow from operating activities	<u>270,632</u>	<u>534,333</u>
(b)	<b>Reconciliation of net cash flow to movement in net debt</b>		
	Decrease in cash in the year	(245,125)	(90)
	Cash outflow from decrease in debt	197,446	201,566
		<u>(47,679)</u>	<u>201,476</u>
	Net debt at 1 August 2006	<u>(2,649,594)</u>	<u>(2,851,070)</u>
	Net debt at 31 July 2007	<u>(2,697,273)</u>	<u>(2,649,594)</u>
		<b>1 August 2006</b>	<b>Cash Flows</b>
		<b>£</b>	<b>£</b>
(c)	<b>Analysis of changes in net debt</b>		<b>31 July 2007</b>
	Cash at hand and in bank	686,277	(245,125)
	Bank loans due within 1 year	(207,443)	27,049
	Bank loan due after 1 year	(3,128,428)	170,397
		<u>(2,649,594)</u>	<u>(47,679)</u>
			<u>(2,697,273)</u>