

BALANCE SHEET
as at 31 December 2008

		2008		2007	
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	1		2,906		2,760
Investments (at market value)	2		<u>212,613</u>		<u>278,677</u>
			215,519		281,437
Current Assets					
Debtors	3	1,039		1,562	
Creditors: Amounts falling due within one year	4	<u>(13,246)</u>		<u>(8,354)</u>	
Net Current Liabilities			<u>(12,207)</u>		<u>(6,792)</u>
			203,312		274,645
Creditors: Amounts falling due after more than one year	5		<u>(1,601)</u>		<u>(4,833)</u>
			<u>201,711</u>		<u>269,812</u>
Funds					
Foundation Capital			<u>201,711</u>		<u>269,812</u>

The Financial Statements were approved on behalf of the Trustees at a meeting of the Finance and Personnel Committee on 20 May 2009.

Chair of the Trustees	Deborah Ounsted
Deputy Chair of the Trustees	Anthony D Stoller
Director of Finance	Paul M Dack

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
INCOMING RESOURCES			
Incoming resources from generated funds	6	9,677	8,101
Other income and expenditure	7	3	144
TOTAL INCOMING RESOURCES		9,680	8,245
RESOURCES EXPENDED			
Charitable Activities			
Grant commitments	8	3,519	5,365
Support costs	9	3,572	3,347
		7,091	8,712
Governance Costs	10	44	36
TOTAL RESOURCES EXPENDED		7,135	8,748
NET INCOMING RESOURCES/(RESOURCES EXPENDED)		2,545	(503)
OTHER RECOGNISED GAINS AND LOSSES			
Net (losses)/gains on investments			
Quoted investments	2	(63,254)	4,706
Other Investments	2	(5,674)	(98)
Directly Managed Investment Properties	2	(1,366)	1,220
Rented Housing	2	425	29
Fees paid to Investment Managers		(777)	(857)
		(68,101)	4,497
Total Funds brought forward at 1 January		269,812	265,315
TOTAL FUNDS CARRIED FORWARD AT 31 DECEMBER		201,711	269,812

There are no recognised gains or losses other than those outlined in the Statement of Financial Activities. All funds are unrestricted. The resources expended/incoming resources and resulting net movements in funds arise from continuing operations. Under Clause 26 of the 1904 Deed of Foundation, Trustees have power to spend both income and capital.

CASH FLOW STATEMENT
for the year ended 31 December 2008

	2008		2007	
	£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating activities		542		(662)
Capital expenditure and financial investment				
Disposal of fixed assets	2		-	
Purchase of other fixed assets	(333)		(310)	
Purchase of quoted investments	(49,733)		(62,019)	
Sale of quoted investments	43,331		69,981	
Purchase of Other Investments	(980)		(17,617)	
Sale of Other Investments	821		1,119	
Expenditure on Investment Properties	(144)		(1,930)	
Sale of Investment Properties	-		6,691	
Provision of Bridging Loan	(1,818)		(4,053)	
Repayment of loans for rented housing	1,820		28	
Provision of Hartrigg Oaks loans	(618)		(1,166)	
Repayment of Hartrigg Oaks loans	1,094		1,667	
Fees paid to Investment Managers	<u>(777)</u>		<u>(857)</u>	
		(7,335)		(8,466)
Management of liquid resources				
Decrease in cash held for investment		<u>2,422</u>		<u>7,807</u>
Decrease in cash		<u>(4,371)</u>		<u>(1,321)</u>

NOTES TO THE CASH FLOW STATEMENT

1 Reconciliation of cash inflow/(outflow) from operating activities

Net incoming resources/(resources expended) in the year		2,545		(503)
Depreciation of fixed assets	185		163	
Decrease in outstanding grant commitments	(2,291)		(238)	
Decrease/(Increase) in debtors	523		(671)	
(Decrease)/Increase in creditors	<u>(420)</u>		<u>587</u>	
		<u>(2,003)</u>		<u>(159)</u>
Net cash inflow/(outflow) from operating activities		<u>542</u>		<u>(662)</u>

CASH FLOW STATEMENT
for the year ended 31 December 2008

NOTES TO THE CASH FLOW STATEMENT (continued)

	2008	2007
	£'000	£'000
2 Analysis of Decrease in cash		
Balance at 1 January	(2,636)	(1,315)
Balance at 31 December	(7,007)	(2,636)
	<hr/>	<hr/>
Decrease in cash	(4,371)	(1,321)

STATEMENT OF ACCOUNTING POLICIES

The Financial Statements of the Foundation meet the requirements of the Deed of Foundation and have been prepared under the historic cost convention modified to include the valuation of investments in accordance with applicable accounting standards, the Statement of Recommended Practice *Accounting and Reporting by Charities* (revised 2005) and comply with the Charities Act 1993.

1 Investments

- (a) Quoted Investments, Property Unit Trusts and Alternative Investments are included in the Balance Sheet at market value on 31 December 2008.
- (b) Investment properties are included in the Balance Sheet at Trustees' valuation. One of the Trustees is a member of the Royal Institute of Chartered Surveyors and in addition to this, external assurance of the Trustee valuation is obtained every three years. The historical cost of investment properties includes directly attributable finance costs which are capitalised until the property reaches practical completion.
- (c) Investment in rented housing comprises loans made to Registered Social Landlords. One type of loan was outstanding at 31 December 2008, which was to provide temporary Bridging Finance to the Joseph Rowntree Housing Trust and has been made at a variable rate of interest linked to the Foundation's overdraft rate.
- (d) Investment in Hartrigg Oaks Loans comprises loans made to the Joseph Rowntree Housing Trust to fund Hartrigg Oaks, a Continuing Care Retirement Community situated in New Earswick, York. There was one type of loan outstanding at 31 December 2008, which was a Fixed Interest Loan that is being repaid over a 25 year term ending in 2023 with interest being charged at a rate of 6.75% per annum.

2 Depreciation

Buildings are depreciated over their estimated economic lives. They are maintained to a high standard by carrying out a continuing and planned programme of refurbishment and maintenance. As a consequence, the buildings are estimated to have an outstanding economic life of a minimum of 100 years: the charge for depreciation is, therefore, immaterial so no provision has been included in the Accounts.

Depreciation of other assets is calculated at the following rates on a straight line method:-

- Short Leasehold Buildings: over the term of the lease
- Vehicles, Furniture, Office Equipment and Computer Software: over five years
- Computer Hardware: over three and five years

Items of £3,000 and less are not capitalised but are included in 'Resources expended' in the year of purchase.

3 Investment Income

Income from UK and Overseas Equities is brought into account on the date that the stock is declared *Ex-dividend*. All other income is accounted for on an accruals basis.

4 Grant Commitments

Grant commitments charged in the accounts represent the new commitments made by the Foundation in the year. Grant commitments for which expenditure was outstanding at the year-end are shown as liabilities in the Balance Sheet.

STATEMENT OF ACCOUNTING POLICIES (continued)

5 Support Costs

Support costs comprise staff costs and associated overheads incurred on staff directly engaged in the management of and in the dissemination of the results of work funded by the Foundation, together with staff costs and associated overheads incurred on staff undertaking financial, personnel, Information Technology and general administrative duties.

6 Governance Costs

Governance costs comprise internal and external audit, legal advice for Trustees, costs associated with constitutional and statutory requirements and expenditure relating to Trustees.

7 Fees paid to Investment Managers

The Trustees' objective is to maintain the value of Foundation Capital in real terms and the Investment Managers are appointed on this basis. Fees paid to the Investment Managers are, therefore, included within 'Net gains/(losses) on Investments' on the Statement of Financial Activities.

Where Investment Managers' fees have been deducted from distributions by Funds under their management, Investment Income and Fees paid have been grossed up accordingly.

8 Pensions

The pensions costs charged in the accounts are calculated so as to spread the cost of pensions over the service lives of employees in the Social Housing Pension Scheme.

9 Joseph Rowntree Housing Trust

The Joseph Rowntree Foundation (JRF) has the same Trustees as the Joseph Rowntree Housing Trust (JRHT). The JRHT is a charity and Registered Social Landlord providing housing and care facilities in York and the northeast of England.

Directors and staff are employed by the JRF and Administration Costs are shared between JRF and JRHT. Those costs which are solely attributable to one of the organisations are charged to that organisation. Shared costs are apportioned between JRF and JRHT on the basis of an estimated division of staff time.

NOTES TO THE ACCOUNTS

1 Tangible Assets

	Freehold Land and Buildings £'000	Short Leasehold Land and Buildings £'000	Furniture and Equip- ment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2008	2,342	116	1,741	26	4,225
Additions	-	-	333	-	333
Disposals	-	-	(3)	(15)	(18)
At 31 December 2008	<u>2,342</u>	<u>116</u>	<u>2,071</u>	<u>11</u>	<u>4,540</u>
Depreciation					
At 1 January 2008	-	116	1,326	23	1,465
Charge in the year	-	-	182	3	185
Disposals	-	-	(1)	(15)	(16)
At 31 December 2008	<u>-</u>	<u>116</u>	<u>1,507</u>	<u>11</u>	<u>1,634</u>
Net Book Value					
At 1 January 2008	<u>2,342</u>	<u>-</u>	<u>415</u>	<u>3</u>	<u>2,760</u>
At 31 December 2008	<u>2,342</u>	<u>-</u>	<u>564</u>	<u>-</u>	<u>2,906</u>

Freehold Land and Buildings consists of the Foundation's offices at The Homestead, York.

2 Investments

	Market Value 1.1.08 £'000	Purchases/ Additions £'000	Sales/ Repay- ments £'000	Gains/ (Losses) £'000	Market Value 31.12.08 £'000	Cost 31.12.08 £'000
Quoted Investments						
UK Fixed Interest	-	-	-	-	-	-
UK Equities	138,558	28,344	(20,466)	(43,361)	103,075	145,726
Overseas Equities	88,435	21,389	(22,865)	(19,893)	67,066	67,917
	<u>226,993</u>	<u>49,733</u>	<u>(43,331)</u>	<u>(63,254)</u>	<u>170,141</u>	<u>213,643</u>
Other Investments						
Property Unit Trusts	14,926	980	(500)	(3,293)	12,113	17,116
Alternative Investments	13,490	-	(321)	(2,381)	10,788	10,500
	<u>28,416</u>	<u>980</u>	<u>(821)</u>	<u>(5,674)</u>	<u>22,901</u>	<u>27,616</u>
Investment Properties						
Directly Managed	8,423	144	-	(1,366)	7,201	5,373
	<u>8,423</u>	<u>144</u>	<u>-</u>	<u>(1,366)</u>	<u>7,201</u>	<u>5,373</u>
Rented Housing						
Index-linked Equity Loans	674	-	(1,015)	341	-	-
Fixed Interest Loans	721	-	(805)	84	-	-
Bridging Loan	4,053	1,818	-	-	5,871	5,871
	<u>5,448</u>	<u>1,818</u>	<u>(1,820)</u>	<u>425</u>	<u>5,871</u>	<u>5,871</u>
Unquoted Investments						
Clifton Estate Limited	-	-	-	-	-	17
Cober Hill Limited	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>
Hartrigg Oaks Loans						
Variable	395	618	(1,013)	-	-	-
Fixed	1,064	-	(81)	-	983	983
	<u>1,459</u>	<u>618</u>	<u>(1,094)</u>	<u>-</u>	<u>983</u>	<u>983</u>
Cash held for Investment	<u>7,938</u>	<u>-</u>	<u>(2,422)</u>	<u>-</u>	<u>5,516</u>	<u>5,516</u>
	<u>278,677</u>	<u>53,293</u>	<u>(49,488)</u>	<u>(69,869)</u>	<u>212,613</u>	<u>259,019</u>

The holding of Alternative Investments is 9,086 units (2007: 9,086) in Winchester Futures Ltd, Olympia Star Series II (Fund of Funds). Sales/Repayments in the year represent management fees deducted from unit Funds.

All Bridging Loans repayable at the year end were advanced to the Joseph Rowntree Housing Trust.

2 Investments (continued)

The Foundation owns 100% of the Ordinary Share Capital of Clifton Estate Limited and 51% of the Ordinary Share Capital of Cober Hill Limited. No value has been placed on these shareholdings in the Accounts: in the opinion of the Trustees, any sum would be immaterial in the context of the Foundation's total investment portfolio.

3 Debtors

	2008	2007
	£'000	£'000
Prepayments	216	59
Accrued income	595	1,314
Other Debtors	228	189
	1,039	1,562

4 Creditors: Amounts falling due within one year

	2008	2007
	£'000	£'000
Outstanding Grant Commitments (Note 5)	5,750	4,800
Bank Overdraft (unsecured)	7,007	2,636
Accruals	185	148
Deferred Income	35	35
Other Creditors	269	735
	13,246	8,354

5 Creditors: Amounts falling due after more than one year

	2008	2007
	£'000	£'000
Outstanding Grant Commitments:		
At 1 January	9,248	9,486
New grant commitments during year (Note 8)	3,519	5,365
Grants paid during year	(5,810)	(5,603)
	6,957	9,248
Less: Amounts falling due within one year (Note 4)	(5,750)	(4,800)
At 31 December	1,207	4,448
Other Creditors	394	385
	1,601	4,833

The timing of grant payments is largely dependent upon the submission of claims from the receiving institution. The division of outstanding grant commitments between those payable within one year and those payable after more than one year is, therefore, not certain, so that the division shown in the Balance Sheet can only be indicative.

6 Incoming Resources from Generated Funds

	2008		2007	
	£'000	£'000	£'000	£'000
Quoted Investments				
UK Fixed Interest		-		148
UK Equities		6,044		4,885
Overseas Equities		1,940		1,592
		<u>7,984</u>		<u>6,625</u>
Other Investments				
Property Unit Trusts		642		391
Investment Properties				
Rents and other income net of voids and bad debts	563		564	
Direct property expenditure including management	<u>(92)</u>		<u>(27)</u>	
		471		537
Rented Housing				
Interest receivable		96		108
Hartrigg Oaks Loans				
Interest receivable		100		125
Cash held for Investment				
Interest receivable		<u>384</u>		<u>315</u>
		<u>9,677</u>		<u>8,101</u>

7 Other Income and Expenditure

	2008	2007
	£'000	£'000
Gift Aid - Clifton Estate Ltd	59	75
Other	(56)	69
	<u>3</u>	<u>144</u>

8 Grant Commitments

	2008	2007
	£'000	£'000
Research and Development		
Strategy Groups (Note i)	2,005	773
Housing and Neighbourhoods	95	950
Poverty and Disadvantage	61	1,412
Practice and Research	42	426
Bradford	200	408
Policy and Practice Development	-	193
c/f	<u>2,403</u>	<u>4,162</u>

8 Grant Commitments (continued)

	2008	2007
	£'000	£'000
b/f	2,403	4,162
Other Commitments		
Trustee Direct Commitments (Note ii)	729	856
York Charities	100	86
General Grants	140	137
Publication and Dissemination (net)	(13)	(49)
Homestead Park	160	173
	3,519	5,365
	2008	2007
	£'000	£'000
(i) Strategy Groups		
Poverty	1,251	526
Place	499	23
Empowerment	255	224
	2,005	773
	2008	2007
	£'000	£'000
(ii) Trustee Direct Commitments		
Our Role in the UK	125	-
Summer School 2009	110	-
Strategy Group Conference 2009	77	-
Social Evils	62	170
Journalist Fellowships	25	110
Scottish and Welsh Advisers	25	-
Other commitments less than £25,000	305	59
Marking Ten years of Devolution	-	155
Hartfields Charitable Trust Village Appeal	-	100
Commission on Public Service Reform in the North East	-	75
Ethnic Diversity in Social Science	-	69
Joseph Rowntree School Development	-	35
Mapping Britain's Existing and Emerging Needs	-	30
Action in Rural Areas	-	28
The Development of Continuing Care Retirement Communities	-	25
	729	856

Further information on the grant commitments in the year is available in the Trustees' Annual Report and on the JRF website.

9 Support Costs

	2008	2007
	£'000	£'000
Staff costs, including training	2,630	2,416
Office costs	553	543
JRF Literature including Search	24	17
Travel and subsistence	188	221
Consultancy and professional fees	168	135
Research committee costs	9	15
	3,572	3,347

10 Governance

	2008	2007
	£'000	£'000
Trustees' Travel and Subsistence	19	15
Trustees' Meeting Expenses and Training	15	11
Auditors' remuneration	10	10
	44	36

11 Trustees' Emoluments

No Trustee received any emoluments or benefits in kind in respect of their services. Trustees are reimbursed for travel and subsistence costs incurred in carrying out their duties. The total sum reimbursed in the year was £18,853 (2007: £14,956) and is included within Governance (Note 10). The number of Trustees reimbursed during the year was 10 (2007: 10).

12 Employee Information

(a) Staff Costs

Whilst employed by JRF, certain members of staff are engaged in duties on behalf of the Joseph Rowntree Housing Trust (JRHT). Costs are apportioned between JRF and JRHT on the basis of an estimated division of time. Total staff costs, including those shared with JRHT, during the year were:-

	2008	2007
	£'000	£'000
Wages and salaries	9,229	8,346
National Insurance contributions	674	602
Other pension costs (Note 13)	666	650
	10,569	9,598

The average weekly number of persons, including part-time staff, employed by JRF in conjunction with JRHT during the year was 494 (2007: 487). £2,611,000 (2007: £2,405,000) of the staff costs were apportioned to JRF.

12 Employee Information (continued)

(b) Higher paid employees

The number of employees whose emoluments, excluding pension contributions but including benefits in kind, in the following ranges were:-

	2008	2007
£50,001 - £60,000	1	1
£60,001 - £70,000	-	2
£70,001 - £80,000	3	2
£80,001 - £90,000	1	-
£90,000 - £100,000	1	-
£110,001 - £120,000	1	1
£140,001 - £150,000	1	1

All of the higher paid employees are ordinary members of the pension scheme.

A loan for a car required for business purposes was advanced to one of the Directors during the year. The details of the loan, for which a commercial rate of interest is being charged, are:-

	£
Sum advanced	5,355
Repayments	(470)
Balance at 31 December 2008	<u>4,865</u>

13 Pension Costs

The JRF participates in the Social Housing Pension Scheme (SHPS). SHPS is a multi-employer defined benefit scheme where the share of assets and liabilities applicable to each employer is not identified. Accordingly, the JRF accounts for its pension costs on a defined contribution basis in accordance with Financial Reporting Standard 17.

Contributions to the scheme are based on applicable pension costs across the participating organisations taken as a whole and are charged to the Statement of Financial Activities so as to spread the costs over the members' working lives. The pensions charge recorded by the JRF during the account period was equal to the contributions payable.

The results and assumptions of the most recent valuation of the scheme are as follows:-

Valuation date	30 September 2005
Valuation method	Projected Unit Credit
Value of assets	£1,278m
Value of liabilities	£1,561m
Funding level for accrued benefits	82%
Investment return on future contributions per annum	7.2%
Investment return on accumulated assets per annum	4.8%
Salary scale increases per annum to 30 September 2010	5.0%
Salary scale increases per annum from 1 October 2010	4.0%
Pension increases per annum	2.5%
Rate of Price Inflation	2.5%

13 Pension Costs (continued)

As a result of this valuation, the funding of the scheme was reviewed from 1 April 2007. Existing staff had the option of remaining in the final salary arrangement where the average employee contribution rate was increased from 5.6% to 9.1%, or to transfer to a Career Average Revalued Earnings (CARE) arrangement where the average employee contribution rate remained at 5.6%. New staff from 1 April 2007 are entitled to join the CARE arrangement.

The JRF's standard contribution rate was increased from 1 April 2007 from 10.7% to 12.9% for both the final salary and CARE arrangements. In order to phase in the increase for staff remaining in the final salary arrangement, the JRF contribution rate for those staff was increased to 14.65% in the year to 31 March 2008 with a consequential average employee contribution rate of 7.35%.

14 Joseph Rowntree Housing Trust (JRHT) - Related Party Transactions

(a) Guarantee

The Foundation has provided a guarantee to Lloyds TSB plc against a loan to the JRHT. At 31 December 2008 the balance outstanding on the loan was £3,547,060 (2007: £3,748,467). The loan is at a fixed rate of interest of 4.89% and is due to mature on 28 February 2021.

(b) Loans

Outstanding loans to JRHT at 31 December 2008 amounted to £6,853,786 (2007: £5,512,000). Loans made during the year amounted to £2,438,000, and loan repayments amounted to £1,094,000. Interest charged on these loans during the year was £334,000 (2007: £244,000).

15 Clifton Estate Limited (CE) - Related Party Transactions

The Joseph Rowntree Foundation holds all the share capital of CE. Three of the Directors of CE are also Trustees of the JRF. No Trustee or Director received any payment in respect of this service. CE made a Gift Aid payment to JRF during the year of £59,000 (2007: £75,000).

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

Under the Trust Deed of the charity and charity law, the Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare Financial Statements for each financial year.

The Financial Statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these Financial Statements, generally accepted accounting practice entails that the Trustees:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- state whether the Financial Statements comply with the Trust Deed and rules, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are required to act in accordance with the Trust Deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under section 42(1) of the Charities Act 1993, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF JOSEPH ROWNTREE FOUNDATION

We have audited the financial statements of Joseph Rowntree Foundation for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's Trustees as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

The Trustees' responsibilities for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 15.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept properly accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the Financial Statements:-

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2008 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

KPMG LLP
Chartered Accountants
Registered Auditors
Leeds