

THE EXPERIENCE CORPS
REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2002

HORWATH
CLARK WHITEHILL

Chartered Accountants

A member of Horwath International

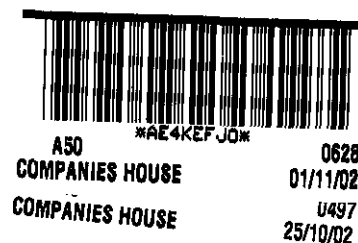
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**THE EXPERIENCE CORPS
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PERIOD ENDED 31 MARCH 2002**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Baroness Sally Greengross (appointed 21 March 2001)
Brian Basham (appointed 1 January 2002)
Sir Kenneth Calman (appointed 1 January 2002)
Peter Davies (appointed 1 January 2002)
Stuart Etherington (appointed 1 January 2002)
Elizabeth Hoodless (appointed 15 May 2001)
Gordon Lishman (appointed 1 January 2002)
Anne Watts (appointed 1 January 2002)

SECRETARY

Temple Secretarial Limited

REGISTERED OFFICE

16 Old Bailey
London
EC4M 7EG

BANKERS

Lloyds TSB Bank
Threadneedle Street

SOLICITORS

Withers Solicitors
16 Old Bailey
London
EC4M 7EG

AUDITORS

Horwath Clark Whitehill
25 New Street Square
London
EC4A 3LN

THE EXPERIENCE CORPS
DIRECTORS' REPORT
PERIOD ENDED 31 MARCH 2002

DIRECTORS' REPORT

The directors present their first annual report and audited financial statements for the period from the date of incorporation of the company on 21 March 2001 to 31 March 2002. The report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

PRINCIPAL ACTIVITY

The overall aim of The Experience Corps is to encourage people over 50 to offer their skills and experience to benefit local communities, with a view to getting 250,000 more people to be more active in their communities by 2004. This will make a significant contribution to government's target of getting 1 million more people into volunteering by 2004.

FINANCIAL REVIEW

The Experience Corps, which is a not-for-profit company limited by guarantee, is funded principally by a grant-in-aid from the Home Office. This is its first year of operation. Confirmed funding levels for the start of 2002/03 and 2003/04 are £7.2m and £7.2m payable quarterly in line with an agreed Business Plan.

The Company's agreement with the Home Office, which was concluded at the end of September 2001 and is lodged in the House of Commons Library, establishes the formal financial relationship between the Experience Corps and the Home Office, identifies the conditions on which grant is payable and the financial management and control required for the stewardship of the funds allocated to the company. The Board has designated the Chief Executive as the person responsible for that stewardship, and she is responsible to them for ensuring that the terms of the agreement are fulfilled.

The Experience Corps' financial management systems are formed around the requirements of the financial agreement with the Home Office. They include:

- regular reviews by the Chief Executive, with Company's senior management team and the Board, of monthly and annual financial reports;
- agreement of a detailed business plan by the Board and the Home Office for each year of operation, against which financial and other performance is measured and reviewed regularly;
- clear budget delegations and authorities;
- targets for performance, which have been delegated to regional and individual animator level and are reviewed weekly.

Policies have been designed and adopted to ensure that conflicts of interest are avoided and that adequate controls are in place to safeguard company funds.

The company's principal activities over this first year of operation have been to put in place the IT, accounting, HR and accommodation infrastructures to support its objectives, recruit and deploy over 80 staff across England, and build the Experience Corps brand, within – and assisted by – the Home Office's grant-in-aid. At the end of the financial year 2001/02 the company had expended all but some £49,289 of the Home Office grant for the year in this work. The Directors believe that these initial activities have been carried out successfully in a short time under the careful guidance of the Company's Chief Executive, Maggie Semple, building a sound financial and operating framework for the company's major operational challenges in 2002/03.

DIRECTORS AND THEIR INTERESTS

The directors are set out on page 1. Baroness Sally Greengross received £15,000 remuneration in the year.

**THE EXPERIENCE CORPS
DIRECTORS' REPORT
PERIOD ENDED 31 MARCH 2002**

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

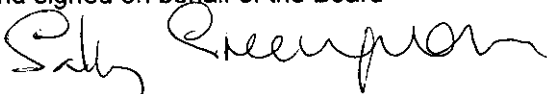
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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

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

AUDITORS

The board has exercised its powers to appoint Horwath Clark Whitehill as auditors of the company. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 22 July 2002
and signed on behalf of the Board



Baroness Sally Greengross
Director

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CLARK WHITEHILL**

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE EXPERIENCE CORPS LIMITED**



We have audited the financial statements of The Experience Corps for the period ended 31 March 2002 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the 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 directors' remuneration and transactions with the company is not disclosed.

We read the 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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.

Unqualified Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

22 July 2002

25 New Street Square
London

Horwath Clark Whitehill

Horwath Clark Whitehill
Chartered accountants
and registered auditors

**THE EXPERIENCE CORPS
PROFIT AND LOSS ACCOUNT
PERIOD ENDED 31 MARCH 2002**

	Notes	2002 £
TURNOVER	2	5,292,000
Administrative expenses		(3,795,202)
Staff costs	3	<u>(964,508)</u>
OPERATING PROFIT		532,290
Interest receivable		<u>28,292</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		560,582
Tax on ordinary activities	5	<u>149</u>
RETAINED PROFIT		<u>560,433</u>

There are no recognised gains or losses for the period other than those recorded in the profit and loss account above.

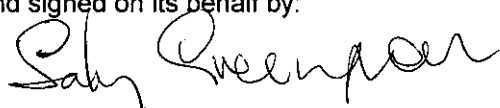
All operations are continuing.

**THE EXPERIENCE CORPS
BALANCE SHEET
AS AT 31 MARCH 2002**

	Notes	2002 £
FIXED ASSETS		
Tangible fixed assets	6	<u>769,740</u>
CURRENT ASSETS		
Debtors	7	51,112
Cash at bank and in hand		<u>49,289</u>
		100,401
CREDITORS: Amounts falling due within one year	8	<u>(309,708)</u>
NET CURRENT LIABILITIES		<u>(209,307)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>560,433</u>
RESERVES		
Profit and loss account		<u>560,433</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Board of Directors on 22 July 2002 and signed on its behalf by:



Baroness Sally Greengross - Director

THE EXPERIENCE CORPS
CASH FLOW STATEMENT
PERIOD ENDED 31 MARCH 2002

**RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM
 OEPRATING ACTIVITIES**

	2002 £
Profit on ordinary activities before taxation	560,582
Adjustment for:	
Depreciation	384,870
Creditors	309,559
Debtors	<u>(51,112)</u>
	<u>1,203,899</u>

CASH FLOW STATEMENT

Net cash inflow from ordinary activities	1,203,899
Capital expenditure and financial investment	
Purchase of fixed assets	<u>(1,154,610)</u>
Increase in cash	<u>49,289</u>

Analysis of the balance of cash and cash equivalents as shown in the balance sheet

	21 March 2001 £	31 March 2002 £	Change in year £
Cash at bank and in hand	<u>-</u>	<u>49,289</u>	<u>49,289</u>

**THE EXPERIENCE CORPS
NOTES TO THE ACCOUNTS
PERIOD ENDED 31 MARCH 2002**

1. ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and the special provisions of Part VII of the Companies Act 1985 relating to small companies.

b) Tangible Fixed Assets

Depreciation is provided for on the cost of assets in equal annual instalments over their estimated useful lives. The rates of depreciation are as follows:

Office equipment - over three years

2. TURNOVER

Turnover comprises government grants.

All activities arise in the United Kingdom.

3. STAFF COSTS

**2002
£**

Wages and salaries
Social security

**956,682
7,826**

964,508

One director received remuneration in the year.

4. OPERATING PROFIT

Operating profit is stated after charging:

**2002
£**

Auditors' remuneration
Depreciation

**7,070
384,870**

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

United Kingdom corporation tax at 20%

149

THE EXPERIENCE CORPS
NOTES TO THE ACCOUNTS (CONTINUED)
PERIOD ENDED 31 MARCH 2002

6. FIXED ASSETS

	Office equipment 2002 £
Cost	
Additions	<u>1,154,610</u>
At 31 March 2002	<u>1,154,610</u>
Depreciation	
Charge for the year	<u>384,870</u>
At 31 March 2002	<u>384,870</u>
Net book value	
At 31 March 2002	<u>769,740</u>

7. DEBTORS

	2002 £
Other debtors	57
Prepayments	<u>51,055</u>
	<u>51,112</u>

8. CREDITORS: amounts falling due within one year

	2002 £
Trade creditors	302,489
Accruals	7,070
Corporation tax due	<u>149</u>
	<u>309,708</u>

9. LEASING COMMITMENTS

	2002 £
Annual operating lease commitments in respect of building were as follows:	
Two to five years	<u>33,360</u>