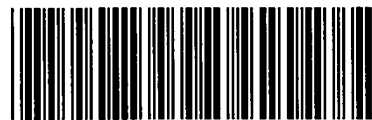




**FIRST INITIATIVES**  
**TRUSTEES' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

Company Registration No. 04250237 (England and Wales)  
Charity Registration No. 1099331

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# FIRST INITIATIVES

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr A Grainger Mrs J Howard
<b>Secretary</b>	Mr A Grainger
<b>Charity number</b>	1099331
<b>Company number</b>	04250237
<b>Registered office</b>	Goddard Hall 297 Knowsley Road Bootle Merseyside L20 5DF
<b>Auditors</b>	Duncan Sheard Glass Castle Chambers 43 Castle Street Liverpool L2 9TL

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# **FIRST INITIATIVES**

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# **FIRST INITIATIVES**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2015**

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The trustees present their report and accounts for the year ended 31 March 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

#### **CHARITY INFORMATION**

First Initiatives was established in 2001 to address the needs of people with learning disabilities. It became apparent through the experiences of its parent charity Autism Initiatives (UK), that there was also a need for a service for people with mental health problems. Having identified this need, the objectives of the Charity were revised to include this user group.

In November 2013 the trustees entered into an agreement with Alternative Futures Group to transfer the supported service operations of First Initiatives to them. This entailed the TUPE transfer of the charity's employees and the novation of its contracts with Liverpool and Sefton.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### Governing Document

First Initiatives is a company limited by guarantee and is governed by its Memorandum and Articles of Association incorporated 11th July 2001, as amended by special resolution dated 28th April 2005. First Initiatives is registered with the Charity Commission, number 1099331.

##### Membership

Autism Initiatives (UK) is the sole member until such time as the subscriber appoints other members, goes into liquidation or is subject to receivership.

##### Governance

There are currently two trustees (who are also the directors for the purposes of company law) who oversee the activities of the Charity. Trustees give their time voluntarily and receive no benefits from the Charity.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr A Grainger	(Appointed 1 June 2015)
Mrs J Howard	(Appointed 1 June 2015)
Mrs R V Buttery	(Resigned 31 May 2015)
Mr B Thomas	(Resigned 31 May 2015)

##### Organisational structure

The executive management team of Autism Initiatives (UK) oversee the operation of the charity.

# **FIRST INITIATIVES**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2015**

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### Risk Management

The risk management strategy is incorporated within the members' risk strategy. The trustees risk management strategy comprises: a yearly review, a system of establishing the high risk factors, a procedure to mitigate the risk and an implementation of procedures designed to minimise any potential impact should those risks materialise.

As well as a corporate risk management strategy; there are risk management procedures relating to specific services and individuals in place.

### **OBJECTIVES AND ACTIVITIES**

The charity's purpose as set out in the objects contained in the company's memorandum of association is:

- For any charitable purpose or purposes to meet the needs of people suffering from learning disabilities and or mental health disorders, their close families, and carers in respect of support, housing, respite care, day facilities or otherwise.

The aims of the charity are to meet the needs of both people with learning disabilities and or mental health problems and their families and carers throughout the UK by providing a comprehensive range of services which are person centred, professional and innovative.

The charity endeavours to ensure that the people it supports are fully included in their community through partnership working.

### **PUBLIC BENEFIT**

The trustees are confident that the charitable aims of First Initiatives satisfy the principles of public benefit as defined in the Charities Act 2006. The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

### **HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT**

The charity's activities focus on meeting the needs of vulnerable people, with mental health issues and or learning disabilities, and are undertaken to further its charitable purposes for the public benefit.

### **CESSATION AND TRANSFER OF SUPPORT ACTIVITIES**

First Initiatives was originally set up by Autism Initiatives in 2001 as a subsidiary company and a charity in its own right to provide support for those people with a dual diagnosis, i.e. autism and mental health issues, where the co morbid condition had resulted in hospitalisation or a significant input from mental health professionals.

The organisation developed rapidly, especially within the local authority of Sefton. To meet increased referrals from a broad spectrum of vulnerable people, it changed its business model to become a generalist provider of social care services.

As noted above, in the previous financial year the trustees entered into an agreement with Alternative Futures Group to transfer the supported service operations of First Initiatives to them. This entailed the TUPE transfer of the charity's employees and the novation of its contracts with Liverpool and Sefton.

# FIRST INITIATIVES

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2015**

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### OTHER ACTIVITIES

#### Community Centre – Goddard Hall

During the year First Initiatives discontinued activities at Goddard Hall and entered into negotiations to dispose of the property. These negotiations were successfully concluded prior to the year end although, due to unforeseen delays on the part of the purchaser, final completion did not take place until May 2015. Given that all contracts had been agreed at the year end the disposal has been recognised in the financial statements for the year ended 31st March 2015.

#### Freehold and leasehold properties

During the year First Initiatives has actively pursued a programme of transferring all of the remaining leasehold properties to alternative landlords. At the year end two leasehold properties remain and First Initiatives continues to provide landlords duties at these properties accordingly. The freehold property at Hyde road was disposed of during the year.

### FINANCIAL REVIEW

As noted above, the supported service operations were transferred out of the Charity in November 2013 to Alternative Futures Group. In consideration of this a donation of £1.3m was received from Alternative Futures Group (AFG). This was included within other incoming resources in the statement of financial activities in the previous year. The total incoming resources for the year were £859,426 (2014: £5,830,188). Resources expended have decreased by £3,594,151 from the prior year to £1,970,908. Included in resources expended are donations of £850,000 (2014: £800,000) to Autism Initiatives (UK) , £200,000 (2014 : £nil) to Autism Ventures and £100,000 (2014 : £nil) to Autism Ventures Scotland.

For the year ending 31st March 2015 First Initiatives has reported a deficit of £1,111,482 (2014: a surplus of £265,129) a year on year decrease of £1,376,611.

#### Principal source of funding

During the year the principal source of funding for the charity was rental and housing benefit income. As noted above, it is the intention of the charity to dispose of the remaining properties in the short term and ultimately cease all operations.

#### Reserves Policy

Historically it has been the policy of the charity that unrestricted funds, excluding fixed assets, which have not been designated for a specific use should be maintained at a level equivalent to between two and three months of expenditure. Given the transfer of the support activities noted above and the proposed intention to dispose of the remaining properties, the reserves policy is now under review and reserves are to be monitored on a monthly basis to ensure that the charity is able to maintain its operations in the short term up to the cessation of business.

The trustees are of the opinion that the level of free reserves does not impact on the charity's ability to meet its day-to-day activities.

### DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

## **FIRST INITIATIVES**

### **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2015***

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#### **AUDITORS**

A resolution proposing that Duncan Sheard Glass be reappointed as auditors of the company will be put to the members.

On behalf of the board of trustees



**Mr A Grainger**

Trustee

Dated: 21 July 2015

# **FIRST INITIATIVES**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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The trustees, who are also the directors of First Initiatives for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# FIRST INITIATIVES

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST INITIATIVES

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We have audited the accounts of First Initiatives for the year ended 31 March 2015 set out on pages 8 to 15. 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 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 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 auditors**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of First Initiatives for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its 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' Report for the financial year for which the accounts are prepared is consistent with the accounts.

## FIRST INITIATIVES

### INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF FIRST INITIATIVES

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**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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

**Jean Ellis BA FCA CTA (Senior Statutory Auditor)**  
for and on behalf of Duncan Sheard Glass



**Chartered Accountants**  
**Statutory Auditor**  
Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

Dated: 21 July 2015

## FIRST INITIATIVES

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
<b><u>Incoming resources from generated funds</u></b>			
Donations and legacies	2	-	11,965
Activities for generating funds		54,995	104,572
Investment income	3	5,055	10,781
		<u>60,050</u>	<u>127,318</u>
Incoming resources from charitable activities	4	666,045	4,402,870
Other incoming resources	5	133,331	1,300,000
		<u>859,426</u>	<u>5,830,188</u>
<b>Total incoming resources</b>			
<b><u>Resources expended</u></b>	6		
<b>Charitable activities</b>			
Cost of charitable activities		1,942,902	5,526,359
		<u>28,006</u>	<u>38,700</u>
Governance costs			
<b>Total resources expended</b>		<u>1,970,908</u>	<u>5,565,059</u>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(1,111,482)</b>	<b>265,129</b>
Fund balances at 1 April 2014		<u>1,391,601</u>	<u>1,126,472</u>
<b>Fund balances at 31 March 2015</b>		<b><u>280,119</u></b>	<b><u>1,391,601</u></b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

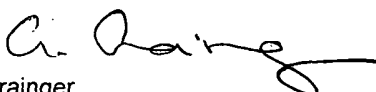
# FIRST INITIATIVES

## BALANCE SHEET

AS AT 31 MARCH 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	10		-		225,465
<b>Current assets</b>					
Debtors	11	231,196		91,645	
Cash at bank and in hand		504,280		1,414,625	
		<u>735,476</u>		<u>1,506,270</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(455,357)</u>		<u>(217,535)</u>	
<b>Net current assets</b>			<u>280,119</u>		<u>1,288,735</u>
<b>Total assets less current liabilities</b>			<u>280,119</u>		<u>1,514,200</u>
<b>Creditors: amounts falling due after more than one year</b>	13		-		(122,599)
<b>Net assets</b>			<u><u>280,119</u></u>		<u><u>1,391,601</u></u>
<b>Income funds</b>					
Unrestricted funds			<u>280,119</u>		<u>1,391,601</u>
			<u><u>280,119</u></u>		<u><u>1,391,601</u></u>

The accounts were approved by the Board on 21 July 2015

  
Mr A Grainger  
Trustee

Company Registration No. 04250237

# FIRST INITIATIVES

## NOTES TO THE ACCOUNTS

**FOR THE YEAR ENDED 31 MARCH 2015**

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

#### **1.2 Incoming resources**

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

The specific policies used are as follows:

- Donations are included when the monies have been received. Donations received for the general purpose of the charity are included in unrestricted funds. Donations which have been received for specific projects are included in restricted income.

- Grants are treated as restricted funds if they are for specific purposes. All grants are included when the charity is entitled to the monies.

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

#### **1.3 Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Restricted expenditure is set against restricted income.

The specific bases used are as follows:

- Charitable expenditure comprises direct expenditure in the furtherance of the charity's objectives.

- Governance costs include those incurred in the governance of its assets and are associated with constitutional and statutory requirements.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	2% straight line
Property improvements	10% straight line
Fixtures, fittings & equipment	25% straight line

#### **1.5 Leasing and hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### **1.6 Pensions**

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

#### **1.7 Accumulated funds**

# FIRST INITIATIVES

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

### 1 Accounting policies

(Continued)

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Unrestricted funds represent funds which the Trustee's are free to use in accordance with the charitable objectives.

### 2 Donations and legacies

	Total 2015 £	Total 2014 £
Donations and gifts	-	11,965

### 3 Investment income

	2015 £	2014 £
Interest receivable	5,055	10,781

### 4 Incoming resources from charitable activities

	2015 £	2014 £
Client support income	666,045	4,402,870

### 5 Other incoming resources

	2015 £	2014 £
Net gain on disposal of fixed assets	133,331	-
Other income	-	1,300,000
	133,331	1,300,000

# FIRST INITIATIVES

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

### 6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2015 £	Total 2014 £
<b>Charitable activities</b>					
Cost of charitable activities					
Activities undertaken directly	47,734	3,798	1,891,370	1,942,902	5,526,359
<b>Governance costs</b>	-	-	28,006	28,006	38,700
	<u>47,734</u>	<u>3,798</u>	<u>1,919,376</u>	<u>1,970,908</u>	<u>5,565,059</u>

Governance costs includes payments to the auditors of £4,870 (2014: £8,700) for audit fees.

Included in other costs are donations of £850,000 (2014 : £800,000) to Autism Initiatives (UK) , £200,000 (2014 : £nil) to Autism Ventures and £100,000 (2014 : £nil) to Autism Ventures Scotland.

### 7 Governance costs

	2015 £	2014 £
Other governance costs comprise:		
Legal and professional fees	28,006	30,000
Audit fees	-	8,700
	<u>28,006</u>	<u>38,700</u>

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or reimbursed expenses in the year.

# FIRST INITIATIVES

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2015 Number	2014 Number
Administration	2	4
Managers	1	12
Care workers	-	181
	<u>3</u>	<u>197</u>

#### Employment costs

	2015 £	2014 £
Wages and salaries	44,934	3,124,453
Social security costs	2,195	190,295
Other pension costs	605	33,278
	<u>47,734</u>	<u>3,348,026</u>

There were no employees whose annual remuneration was £60,000 or more.

### 10 Tangible fixed assets

	Land and buildings £	Property improvements £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 April 2014	269,000	47,658	18,939	335,597
Disposals	(269,000)	(47,658)	-	(316,658)
<b>At 31 March 2015</b>	<u>-</u>	<u>-</u>	<u>18,939</u>	<u>18,939</u>
<b>Depreciation</b>				
At 1 April 2014	43,983	47,658	18,490	110,131
On disposals	(47,332)	(47,658)	-	(94,990)
Charge for the year	3,349	-	449	3,798
<b>At 31 March 2015</b>	<u>-</u>	<u>-</u>	<u>18,939</u>	<u>18,939</u>
<b>Net book value</b>				
At 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2014	<u>225,017</u>	<u>-</u>	<u>448</u>	<u>225,465</u>



# FIRST INITIATIVES

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

<b>11 Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	16,357	61,598
Other debtors	213,889	30,047
Prepayments and accrued income	950	-
	<u>231,196</u>	<u>91,645</u>
<b>12 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank loans	-	11,000
Trade creditors	39,662	61,069
Amounts owed to group undertakings	300,000	-
Amounts owed to connected undertakings	5,821	22,938
Taxes and social security costs	138	2,158
Other creditors	1,923	1,736
Accruals	107,813	118,634
	<u>455,357</u>	<u>217,535</u>
<b>13 Creditors: amounts falling due after more than one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank loans	-	122,599
	<u>-</u>	<u>122,599</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	-	133,599
Included in current liabilities	-	(11,000)
	<u>-</u>	<u>122,599</u>
<b>Loan maturity analysis</b>		
Debt due in one year or less	-	11
In more than one year but not more than two years	-	11
In more than two years but not more than five years	-	35
In more than five years	-	76
	<u>-</u>	<u>133</u>

## FIRST INITIATIVES

### NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

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#### 14 Pension and other post-retirement benefit commitments Defined contribution

	2015 £	2014 £
Contributions payable by the company for the year	605	33,278

#### 15 Commitments under operating leases

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015 £	2014 £
Expiry date:		
Within one year	61,180	92,935
Between two and five years	-	471,479
	<u>61,180</u>	<u>564,414</u>

#### 16 Related parties

Autism Initiatives (UK), a company registered in England & Wales and a registered charity, is the sole member of and appoints all the trustees of First Initiatives.

The company is a wholly owned subsidiary and has taken advantage of the exemption contained in Financial Reporting Standard 8 which permits wholly owned subsidiaries to dispense with the disclosure of transactions with group companies. The exemption has been taken on the grounds that details of the subsidiary are included in the published consolidated accounts of the parent company