

**Genesis Community Foundation**  
**(a company limited by guarantee)**

Trustees' report and financial statements

Registered number 05350679

Charity number 1109918

31 March 2011

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## **Trustees, officers, registered office and advisers**

### **Name of the charity**

Genesis Community Foundation

### **Statutory registrations**

Registered with the Charity Commission,  
Charity No 1109918  
Company limited by guarantee,  
Company No 05350679

### **Directors and trustees**

Susan Higgins BSc (Hons), PGCE, MA, JP  
Neil Hadden BA(Hons), MCIH, ACIS  
Colin Allies C Eng F I GEM, MCMI  
Iain Mackechnie-Jarvis  
Denis Argent FCCA  
Jacquie Cannon BSc, OBE  
Tony Clouting (appointed 30 June 2010)

Chair  
Trustee  
Trustee  
Trustee  
Trustee  
Trustee

### **Investment holders**

Charities Aid Foundation  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4TA

### **Registered office**

Capital House  
25 Chapel Street  
London  
NW1 5DT

### **Fund managers**

Octopus Investments  
20 Old Bailey  
London  
EC4M 7AN

### **Head of Genesis Community Foundation**

Iain Mackechnie-Jarvis

### **Company secretary**

Jackie Bligh

### **Bankers**

Barclays Bank plc  
Floor 28, 1 Churchill Place  
London  
E14 5HP

### **Auditor**

KPMG LLP  
Chartered Accountants and Registered Auditor  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

## **Report of the trustees**

The trustees present their report and financial statements for the year ended 31 March 2011

### **Objectives and activities**

The objectives of the charity are set out in full in its Memorandum and Articles. The charity aims to promote and develop socio-economic programmes for the benefit of the communities, and those living in them, in areas in which Genesis Housing Group Limited owns or manages housing stock.

The charity's activity in 2010-11 continues to be focused on developing and delivering socio-economic programmes aimed at Genesis Housing Group Limited's (Genesis) residents and supporting the communities in which they live, within the broad objectives of the charity. The scope of that activity has, by necessity, been defined by the capacity of the charity and its resources available to deliver its programmes. Activities have been prioritised by reference to the geographic concentration of Genesis' stock (focusing on the local authority areas and in neighbourhoods and communities where it has a significant presence) and by a parallel assessment of need. This is defined by local indices of deprivation and other indicators.

### **Achievements and performance**

#### ***New Developments***

2010-11 has been an exciting year for the charity because, with our grant from Genesis restored to the level it had been prior to the cut of last year 2009-10, we have been able to launch the very innovative and radical new programme we have called Opportunities Plus. We have also very significantly enhanced our Financial Inclusion Programme, recruiting a dedicated manager to deliver this and additional advice staff.

#### ***Launch of the Opportunities Plus Programme***

Opportunities Plus is the latest strand in our overarching Opportunities for Life Change Programme and is an entirely new departure for the charity. It is a programme designed to offer empowerment and support targeted at those of Genesis residents who are in need. Its stated aim is to create opportunities for all Genesis residents who need to improve their life chances, through giving them the tools to help themselves.

This programme has significantly added to the charity's ability to extend its charitable aims to support as many of those residents of Genesis who are in need as possible, and also the communities in which they live. The Opportunities Plus Programme has been developed so that it is delivered as an integral part of the mainstream housing services of Genesis. The development of the Programme has been built on our learning and experience gained from the earlier pilot we developed as a project funded by the TSA Innovation and Good Practice Grant.

#### ***The Opportunities for Life Change Programme***

The implementation of the Opportunities Plus Programme has meant that we have been able to consolidate and refocus our overarching Life Change Programme. The charity continues to successfully deliver its Life Change Programme but now with the Opportunities Plus programme as a very significant addition. All the core activities of the charity form essential strands of this all encompassing approach, which seeks both to improve the life chances of those housed by Genesis Housing Group Limited and of those who live in the neighbourhoods in which the Group operates, as well as building on the social capital within the communities where those residents live.

For this year the three main strands to the Life Change Programme are Opportunities Plus, Young Peoples programme and the Programme for Old and Vulnerable People. In addition the charity has continued to deliver the externally funded employment outreach programmes commissioned by London Borough of Hackney and Westminster City Council. The charity has also developed its Financial Inclusion Programme. It continues to work in local communities and manages five community centres and continues its community capacity building Small Grants Programmes.

## **Report of the trustees *(continued)***

During the year the charity has supported 45 projects in 15 boroughs, and led and continued to manage the award winning Harrow Road Neighbourhood Renewal Partnership, in Westminster. This partnership was awarded the title of Best UK Neighbourhood Renewal Programme for 2009.

The highlights of our Programmes are

### ***Opportunities Plus***

The Opportunities Plus Programme was launched in June 2010 following the successful recruitment of a team of seven advisers. In this year the team has focused on the London area but the intention is that in 2011-12 the reach of the Programme will be extended to include the remaining core operating areas of Genesis – Essex and Hertfordshire.

The Opportunities Plus Programme works through the housing management service and the Opportunities Plus Officers work alongside Property Managers and take referrals from those managers. The Opportunities Plus officers also take self referrals by residents. The remit of the Programme is to engage with residents in need of support across a range of issues from worklessness through benefits advice to broader issues around access to health care or child care. The stated aim of the Programme is to help residents to help themselves by building up their confidence and supporting them to both identify the issues for which they need help and support and then guide the resident to the most appropriate services local to where they live and which address their needs.

In the period from June 2010 to March 2011, the Opportunities Plus Officers have received a total of 1,020 referrals resulting in 1,167 cases (some referrals had multiple cases). The cases have covered a wide range of areas from employment issues including job search (37%), skills training courses 18%, volunteering opportunities 6% and money and debt advice 14%.

### ***Employment Initiatives***

During the year, the decision was taken that the charity's focus on supporting workless residents and those seeking to improve their employment skills would be covered through the Opportunities Plus Programme and that has proved an effective way of engaging with residents in this area.

Our separate Employment Outreach and Engagement Programme has therefore been scaled back to the two commissioned projects namely the Hackney Ways into Work Programme funded by LB of Hackney and the Westminster Works programme. This latter has been a partnership led by the charity of Genesis, City West and Octavia HA funded in part by Dolphin Square foundation and in part by LAA funding through Westminster CC.

This is the last year of both these projects as the funding has been withdrawn by the Government. The targets for engaging with residents seeking work under each of these programmes have continued to be challenging but in both cases the charity has been successful in meeting those targets.

In Hackney Ways into Work programme the figures are

- 1,204 residents engaged through outreach
- 405 clients registered onto the programme
- 371 referred onto the "Client Gateway"
- 9 events delivered

In Westminster Works

- 3,328 residents engaged through outreach
- 505 clients registered onto the programme and referred to advisers
- Across the whole of WW at least 297 into jobs
- Across the whole of WW at least 317 people into training
- 9 job fairs delivered

## **Report of the trustees (continued)**

### ***Youth Programme***

The Youth Programme continued to deliver its Three Stage Youth Programme engaging young people in Genesis neighbourhoods in Brent, Camden, Hertfordshire, Ealing, Tower Hamlets, Newham and Redbridge. The street outreach element continued to engage young people aged 8 – 19 years of age through building relationships and forming trust among residents within these neighbourhoods. The offering of mentoring support, information workshop opportunities and to sign post to local youth provides was also offered to young people. This approach was designed to develop personal and social development and to enhance life skills. During the year the team engaged 1,321 young people of whom 439 went on to attend mentoring/registration sessions within one of the Genesis youth projects. 90 young people took up training opportunities and 21 went into volunteering and part time/full time paid employment. Genesis Community delivered the youth projects in Brent and Camden, the other elements of project delivery were commissioned and delivered by the following partners:

- Grand Union Youth Club Ealing – St Joseph and Dovetail Youth Club
- Free Fridays Hertfordshire – Connexions
- Action For Redbridge Youth Activities – Consortium Partnership
- Priory Park Youth Club Newham – Newham Youth Service
- Maximising Unity and Leisure Tower Hamlets – Tower Hamlets Community
- Newark Youth Tower Hamlets – Newark Youth
- Friday Football Sessions Brent – ABC Coaching
- Basketball Sessions Brent – Excellent Sports Excellent Smarts

With many new Genesis developments completed in East London area, the Youth Team have during the year focused the major estate areas Newham and Tower Hamlets engaging with young people through outreach and door knocking. East London will continue to be an area of focus for the youth team from April 2011 onwards.

One of the challenges is the lack of suitable community facilities in parts of East London, so the youth team are establishing key partnerships with local services and youth providers to ensure that our local residents have access to youth services.

Our Youth Programme is also developing sports programmes with local partners in Brent to deliver weekly sessions in basketball and football. Genesis is in discussions currently to take this forward to develop and deliver sports accreditation training opportunities for young people from the summer of 2011.

### ***Older Persons Programme***

The charity continues to develop and promote a range of projects involving older people across Genesis' Supported Housing both in East London and Essex and in residential schemes in West London. The key theme is Life Long Learning.

A range of projects have been run over the year including

- A continuation of the well established and very successful digital inclusion IT learning programme which continues in Essex through funding from the Big Lottery to an Essex wide partnership of which the charity is a lead partner. This has resulted in a further 720 (this is only up to Quarter 3 figures) older people learning how to access the internet and communicate with family and friends through email or receiving further tutorials and workshops in computer skills. The project also promotes its work to residents in General Needs accommodation and the general public. The London UniTe project continues to provide workshops and training and the charity has also been successful in securing grant funding to extend the programme to two West London residential schemes which have featured on ITV 1's 'Daybreak'. To date 341 residents have received training.

## **Report of the trustees (*continued*)**

- Learning activities in Genesis' residential supported housing schemes in East London covering a range of activities including health and exercise, art and craft and social activities. These activities continue to be well received with over 340 residents taking part. In January 2011 the team conducted a consultation workshop at the schemes to engage with the residents and determine what new activities can be developed and built upon.
- The Knitty Nora's knitting project continues to flourish. It has supported several national and international charities and the intergenerational work is still well received. In July 2010 the project won a national Bloom Award for encouraging hope, freedom, enjoyment, achievement, and a sense of belonging in services for older people.
- The three Active Citizens' community groups in Westminster, Brent and Barnet aimed at isolated older residents living on their own.
- Working with Genesis' floating support team to deliver projects identified by their general needs residents.
- The charity has recently started working in partnership with Eastwards Trust on several new initiatives to support Asian elders in residential schemes and the Charity funded a celebration event for over 100 residents in January. Three new pilot projects are planned for 2011/12 which includes befriending and intergenerational work.
- The charity has also worked with the Genesis Disability Forum to develop a service for disabled residents. Funding was secured for an IT training course tailored to the individual needs and delivered at a beginner, intermediate and advanced level. The forum members will also deliver information sessions in local schools in June to promote disability awareness and try to combat initial prejudices and challenge stereotypes.

### ***Financial Inclusion***

The other significant advance to our services which has happened during this year has been the strengthening and expansion of the Financial Inclusion Programme. In July we successfully recruited a Financial Inclusion manager who took up post at the beginning of September. The first challenge for the new manager was to produce a Financial Inclusion Strategy for Genesis as the basis for developing the service and integrating it into the Genesis Customer Accounts Section. This has been successfully achieved.

Our target is to provide a wide range of advice and support to residents in greatest need. To this end we have begun the recruitment of two benefits advice officers to augment the team. The focus of our strategy will be on providing advice and support across a range of financial topics including budgeting and money management, debt advice and support, a benefits advice service and run workshops on energy efficiency and avoiding fuel poverty. The charity's strategy will be to explore the development of effective partnerships with advice organisations and with community based financial institutions such as credit unions. This has already begun with Brent CU.

The Financial Inclusion Team will work closely with both the Customer Accounts Teams and with Opportunities Plus officers to ensure we are providing a joined up service.

### ***Small Grants Programme***

The charity provides a community based small grants programme with two strands. First the Community Chest makes grants to small community organisations across the operating areas of Genesis Housing Group Limited. Secondly through the Knowles Trust small grants are made to support Genesis Supported Housing and local external organisations working with old and vulnerable people.

## **Report of the trustees (continued)**

### ***Grant Making Policy***

All grant applications for the Genesis Small Grants Programme go through a scrutiny process within Genesis Community Foundation conducted by its Grants Officer to evaluate the bids against the charity's grant making criteria set out in its grant making guidelines. These guidelines are made available to applicants. The Grants Officer makes recommendations to the Head of Genesis Community Foundation, who has authority from the Board to approve the grants, on which he reports to the Board on a regular basis. In the case of the Knowles Trust, he makes recommendations to the Board of Trustees who approve the grants.

The Community Chest is a very important tool in developing capacity building amongst small grass roots organisations in the community. The charity continues to be oversubscribed for its grants.

### ***Community Centres***

The charity manages five community centres for Genesis namely Hartspring Lane and The Phoenix, both in Bushey, The Vale in Kilburn, Savoy Court in Harrow, and Mulberry Court in Neasden.

The Centres are widely used by local groups and projects. For example in Hartspring Lane there are eight community groups using the Centre and running programmes during the week ranging from mother and toddlers sessions to yoga and fitness, and Zumba dancing, as well as a daily after-schools club which has benefited considerably from the charity's support in capacity building and also grant funding from the Small Grants Fund.

The Vale Centre in Kilburn is used by over a dozen community groups regularly offering a variety of sessions such as family support, older people's activities, 'cooking for kids', literacy and numeracy training, and other community services. The Vale is pivotal in local community activities, being the home of the Kilburn Consortium for Cohesion, and the Vale Older People's Consortium, which between them bring together a wide spectrum of the community for regular networking and joint capacity building for the small local service providers comprising the two consortia. Genesis has been instrumental in ensuring the continued success of these community groups, being involved in all consortium meetings and offering one to one support to many of them. Overall the centre is used by two to three hundred people on a weekly basis.

Of the other centres, Savoy Court is developing a little more slowly than the other centres due to issues with the local residents and due also to the absence of parking facilities on site. We have nevertheless managed to attract several community groups that offer activities acceptable to the residents such as educational training for special needs children, fitness for elders, financial inclusion advice.

Overall across all the Centres there has been an increase in income derived from hire charges, up from £26k last year to £44k this year and through cost cutting measures expenses were reduced from £42k to £32k over the same period.

### **Plans for 2011-12**

#### ***Meeting New Challenges***

The restructuring of Genesis Housing Group Limited by amalgamating Pathmeads Housing Association Limited, Springboard Housing Association Limited and Paddington Churches Housing Association Limited to become one single entity- Genesis Housing Association Limited, has opened new and challenging ways for the charity to work across Genesis. It presents exciting opportunities to develop new ways of delivering our programmes to create greater integration into the mainstream of Genesis in tackling poverty and deprivation within our resident base and the communities in which they live.



## **Report of the trustees** *(continued)*

In the year ahead our main development objectives are to extend Opportunities Plus into Essex and Hertfordshire, to build up the Financial Inclusion capacity to deliver, to develop a new Volunteering Programme that will be able to offer volunteering opportunities to residents and staff alike, to start to build up an enterprise culture within Genesis and in the communities in which we operate working with external organisations both to run business start up programmes for residents and to develop social enterprises

These are all significant challenges, but the Trustees are confident that the charity will be able to deliver on them and are very pleased that Genesis has agreed to increase its grant for the year ahead to £1.6m to support the continued development of the charity's work with its residents

The greatest area of concern in terms of challenges will be how the charity adapts to the new economic climate of benefit caps and withdrawal of funding streams. For the Trustees the concerns are that the charity will find increasing numbers of vulnerable residents seeking support and guidance as a result of job loss, benefit cuts and similar. It is also extremely likely that a significant number of smaller third sector organisations with which the charity partners, and on whom it relies to make referrals, will either go out of business or be reduced in their capacity to deliver through funding cuts.

At this stage the Board can but be aware of these challenges and monitor them closely through its officers, which it will do, being very much aware that future methods of working may well have to change to meet changing needs and demands.

### ***Efficiency Plans***

The charity works hard to achieve efficiency savings and will continue to seek efficiencies wherever possible. The Trustees are confident that through greater emphasis on efficiency and use of resources the charity will create even more effective outcomes.

### ***External Funding***

External funding has all but dried up as a result of the comprehensive spending review and such that may be available in the future is undoubtedly going to remain largely a commissioning source of finance such as the Westminster and Hackney employment programmes. The policy of the Board is to seek funding to deliver projects that have synergy with, or will naturally extend, the reach of the existing programmes delivered by the charity.

### ***Partnership Working***

The charity continues to work in partnership with other organisations to achieve results. Examples of effective partnership working where the charity is an equal or lead partner in place over the past year:

- Westminster Works Employment Programme (WCC, Paddington Development Trust, Dolphin Square Foundation, City West Homes and Octavia)
- Hackney Ways into Work
- Harrow Road Neighbourhood Renewal Partnership,
- Hackney Youth Programme
- Redbridge Youth Programme
- Brent Youth Partnership,
- Brent CAB
- Brent Credit Union
- Open Age
- Rock Challenge (London wide)
- Essex Unite (IT for Supported Housing)
- Beckton Globe Youth (Newham)
- Newark Youth (Tower Hamlets)
- London UnITE and Essex UnITE
- Manor House Development Trust (Woodberry Down)

## **Report of the trustees** *(continued)*

### **Financial review**

The statement of financial activities is set out on page 14 and shows the results for the year

The charity received £2,261k in income during the year. The net increase in these funds before other gains was £220,479 which was largely as result of the increase of the grant from Genesis Housing Group Limited from £750,000 for the previous year to £1,380,416

Key funders for the year were

- Genesis Housing Group Limited
- Hackney Homes (CSP)
- Westminster City Council for Harrow Road Partnership
- WCC – LAA funding for Westminster Works
- Dolphin Square Foundation
- Home Office
- LDA

### **Corporate governance**

Genesis Community Foundation is registered as a company limited by guarantee. It was incorporated on 2 February 2005 and is a charity registered with the Charity Commission. It is governed by its Memorandum and Articles of Association.

Genesis Housing Group Limited is currently the sole member of the charity and has the power to appoint and remove the Trustees. Trustees are selected by a process of recommendation followed by a period of discernment by Trustees and confirmed by a vote of the Board. Newly appointed Trustees are given a copy of the charity's latest financial statements and are made aware of the objectives of the charity. Training is provided to individual Trustees as is considered appropriate to their level of experience and knowledge. All decisions are taken by the Trustees at formally constituted meetings, which are held at intervals determined by the Trustees, usually four times a year. All decisions of the Trustees are formally minuted. Administration support services are provided by Genesis. The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Board met three times during the year. On one occasion all seven Trustees were present and the attendance for the other two meetings was 5 and 6 Trustees respectively.

All Board members are appraised annually through various appraisal processes depending on whether they are also employees of Genesis or independent members and the Board is satisfied with the process.

Review of internal controls is delegated to the Internal Audit Team of Genesis who regularly checks that systems and controls are in place.

### **Public benefit statement**

The Trustees have conducted a comprehensive review of the stated objects of the charity and are satisfied that all of these are capable of being delivered for the public benefit.

The Trustees have referred to the Charity Commission guidance on Public Benefit when reviewing the charity's aims and objectives, in setting the grant making policy for the year and in planning future activities. Having done so the Trustees have conducted a comprehensive review of the stated objects of the charity and are satisfied that all of these are capable of being delivered for the public benefit.

## **Report of the trustees** *(continued)*

They have further reviewed all the activities of the charity tested against the charitable objects of the charity

- first to ensure that they fall within its charitable objects and
- secondly to test that each activity is being delivered in a manner which can be construed as being for the public benefit

The Trustees are satisfied that there are no activities conducted or promoted by the charity that are not open to all people falling within a defined class or category within the broad parameters of the objects of the charity. For example some of the work of the charity is predominantly focused on residents living within stock owned or managed by Genesis.

The Trustees have tested this limitation against the requirement of public benefit, and are satisfied that because the method of selection of residents by Genesis, and its nominating Local Authority partners, is open to all who meet the statutory and other criteria for eligibility for social housing, the work of the charity in addressing the needs of that category of persons is sufficiently wide and open, that it falls within the statutory definition of being for public benefit.

Other projects run by the charity are focused on particular neighbourhoods or communities within local authority areas where Genesis owns or manages stock and are open to all who meet the broader charitable objects of need as defined by the objects of the charity with that area.

The objects of the charity are set out in full in its Memorandum and Articles, but in summary it aims to promote and develop socio-economic programmes for the benefit of the communities, and those living in them, in areas in which Genesis owns or manages housing stock. In furtherance of these objectives the charity has been very active in the past year, and some of the key achievements are highlighted below.

### **Investment policy and performance**

The Trustees reviewed the investments early in the year and resolved to leave the investments in the Charities Aid Foundation funds taking the view that the investments had performed as well as their realistic expectations given the serious economic downturn. The overall return was at about 4% in line with expectations. The funds showed a gain of 1.7% compared to 2010 values and have underperformed the UK general stock market.

The Trustees have adopted a policy of reviewing the investment performance to ensure the investments maintain a steady yield and growth in line with overall market trends. To achieve this, the Trustees' policy is to receive a quarterly report on income and growth performance and to review the investments in each financial year to consider what further advice might be necessary. The Trustees recognise this is a relatively modest fund and therefore wish to avoid heavy costs of an independent review unless a dip in performance of the Fund indicates a good reason to do so.

The Trustees are very aware that the costs of such reviews must be borne out of the income generated by the fund which in turn diminishes their ability to make grants to those in most need.

### **Reserves policy**

The Trustees have considered the need for maintaining a level of free reserves. At the end of the year these stood at £597,690 and all of these reserves are designated for agreed projects within the operating plan of the Charity as detailed in note 9.

The Trustees have concluded that, as a matter of policy, they do not need to maintain further free reserves having regard to the particular circumstances of the charity. The charity's core funding and the bulk of all its unrestricted funding derives from Genesis and Genesis is committed to continuing to fund the charity. External funding is entirely project based and those funded projects only have a life which is co-extensive with the funding.

## **Report of the trustees (*continued*)**

### **Risks policy**

The Trustees believe in accepting manageable risks, which are unavoidable in carrying out their strategic objectives and prioritising actions that minimise them. The Trustees recognise that sound risk management is at the core of every successful business. They understand the need to take a balanced approach to risk through effective controls that ensure risks are managed and minimised, thereby enhancing the chances of business success. They have established a Risk Register which the Board resolved at its meeting on 10 March 2010 that it will review twice annually. The Trustees are satisfied that there are systems and procedures in place to manage those risks.

### **Disclosure of information to auditor**

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the charitable company's auditor is unaware, and each director has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will continue in office.

By order of the board



**S Higgins**  
*Chairperson*

Capital House  
25 Chapel Street  
London  
NW1 5DT

## **Statement of trustees' responsibilities in respect of the Report of the trustees and the financial statements**

The trustees are responsible for preparing the 'Trustees' Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.



KPMG LLP  
Arlington Business Park  
Theale  
Reading  
RG7 4SD  
United Kingdom

## **Independent auditor's report to the members of Genesis Community Foundation**

We have audited the financial statements of Genesis Community Foundation for the year ended 31 March 2011 set out on pages 14 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Acceptable Accounting Practice).

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

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

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 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 UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Independent auditor's report to the members of Genesis Community Foundation (continued)**

### **Matters on which we are required to report by exception**

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

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

N Martin

**N MARTIN (SENIOR STATUTORY AUDITOR)**

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Arlington Business Park

Theale

Reading

RG7 4SD

14 September 2011

## Statement of Financial Activities (including Income and Expenditure Account)

for the year ended 31 March 2011

	Note	Unrestricted Funds 2011 £	Restricted Funds 2011 £	Total Funds 2011 £	Total Funds 2010 £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income					
Donations and grants		1,380,416	-	1,380,416	750,000
Activities for generating funds					
Investment income		-	45,033	45,033	43,566
Incoming resources from charitable activities					
Grants and contracts		3,759	832,141	835,900	787,567
Total incoming resources	9	1,384,175	877,174	2,261,349	1,581,133
<b>Resources expended</b>					
Costs of generating funds					
Investment management costs	2	-	(5,313)	(5,313)	(5,101)
Charitable activities	2	(653,915)	(1,260,195)	(1,914,110)	(1,529,081)
Grants payable	2	(31,133)	(49,618)	(80,751)	(60,175)
Governance costs	2	(38,514)	(2,182)	(40,696)	(42,831)
Total resources expended		(723,562)	(1,317,308)	(2,040,870)	(1,637,188)
Net incoming/(outgoing) resources before transfers	3	660,613	(440,134)	220,479	(56,055)
Gross transfers between funds	9	(412,007)	412,007	-	-
Net movement in funds before other recognised gains and losses		248,606	(28,127)	220,479	(56,055)
Other recognised gains and losses					
Gain on revaluation of investments	6	-	18,151	18,151	303,600
Net movement in funds		248,606	(9,976)	238,630	247,545
Reconciliation of funds					
Total funds brought forward	9	349,084	1,084,846	1,433,930	1,186,385
Total funds carried forward	9	597,690	1,074,870	1,672,560	1,433,930

All incoming resources and resources expended derive from continuing activities. All recognised gains and losses are included in the Statement of Financial Activities.

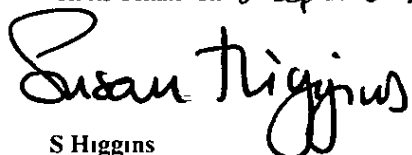



## Balance Sheet

At 31 March 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Investments	6	1,069,024	1,056,186
<b>Current assets</b>			
Debtors	7	258,356	374,040
Cash at bank and in hand		586,787	157,495
		<u>845,143</u>	<u>531,535</u>
<b>Creditors, amounts falling due within one year</b>	8	<b>(241,607)</b>	<b>(153,791)</b>
		<u>603,536</u>	<u>377,744</u>
<b>Net current assets</b>			
		<u>603,536</u>	<u>377,744</u>
<b>Net assets</b>		<b>1,672,560</b>	<b>1,433,930</b>
		<u>1,672,560</u>	<u>1,433,930</u>
<b>Funds</b>			
Unrestricted funds	9	597,690	349,084
Restricted funds	9	1,074,870	1,084,846
		<u>1,672,560</u>	<u>1,433,930</u>

These financial statements were approved by the board of trustees on 14 July 2011 and were signed on its behalf on 8 September 2011 by

  
S Higgins  
Chairperson

  
I Mackechnie-Jarvis  
Trustee

## **Notes** (forming part of the financial statements)

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

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

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value and in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below

Under FRS 1 the charity company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the charity in its own published consolidated financial statements

#### **Incoming resources**

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when

- The donor specifies that the grant or donation must only be used in future accounting periods, or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

Investment income is recognised on a receivable basis

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability

#### **Resources expended**

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that will result in the payment being unavoidable

Support costs, which include central functions, have been allocated to activities as a proportion of the particular activity cost to total activity cost

Governance costs include costs associated with the legal, strategic and governance arrangements of the charity

#### **Investments**

Listed investments are stated at their market value

## **Notes** *(continued)*

### **1 Accounting policies** *(continued)*

#### ***Post-retirement benefits***

##### ***Defined benefit schemes***

The company is recharged contributions made by Genesis Housing Group Limited to defined benefit schemes. Assets are held separately from those of the Group. The amount charged to the income and expenditure account represents the contributions payable to the schemes during the financial year.

In the financial statements of Genesis Housing Group Limited, the pension surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised surpluses and deficits, actuarial gains and losses.

##### ***Money purchase scheme***

The company is also recharged contributions made by Genesis Housing Group Limited to a defined contribution scheme where the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the financial year.

#### **Fund accounting**

##### ***Restricted reserves***

The charity has a number of restricted income funds to account for situations where donors require that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

##### ***Designated reserves***

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

## Notes (continued)

### 2 Resources expended

#### Investment management costs

	2011 £	2010 £
Investment management fees	<u>5,313</u>	<u>5,101</u>

#### Analysis of charitable expenditure

Cost Type	Youth Progra- mme	Old & vulner- able people	Opportu- nities Plus	Financial Inclusion	Small Grant	Neighbour- hood Renewal	Comm- unities facilities	Other Activi- ties Project Develop- ment	Total 2011	Total 2010
	£	£	£	£	£	£	£	£	£	£
Project Costs	51,644	75,233	104,151	4,572	-	241,997	31,273	3,206	512,076	455,782
Staff Costs	18,340	-	186,769	-	-	167,066	89,229	-	461,404	300,835
Consultancy	-	-	-	-	-	10,309	-	-	10,309	116,666
Office Costs	-	-	-	-	-	14,770	-	-	14,770	4,625
	<u>69,984</u>	<u>75,233</u>	<u>290,920</u>	<u>4,572</u>	<u>-</u>	<u>434,142</u>	<u>120,502</u>	<u>3,206</u>	<u>998,559</u>	<u>877,908</u>
Costs directly allocated to activities	69,984	75,233	290,920	4,572	-	434,142	120,502	3,206	998,559	877,908
Staff Costs, Travel & other overheads	187,804	109,812	329,759	83,520	55,969	4,654	52,365	28,635	852,518	642,475
Marketing & Communication	13,885	8,120	24,382	6,176	4,138	344	3,872	2,116	63,033	8,698
Total of support costs	<u>201,689</u>	<u>117,932</u>	<u>354,141</u>	<u>89,696</u>	<u>60,107</u>	<u>4,998</u>	<u>56,237</u>	<u>30,751</u>	<u>915,551</u>	<u>651,173</u>
Total resources expended	<u>271,673</u>	<u>193,165</u>	<u>645,061</u>	<u>94,268</u>	<u>60,107</u>	<u>439,140</u>	<u>176,739</u>	<u>33,957</u>	<u>1,914,110</u>	<u>1,529,081</u>

#### Grants payable

	2011 £	2010 £
Grants (all individually not more than £5,000) to be applied to the needs of the elderly and vulnerable and community capacity building	<u>80,752</u>	<u>60,175</u>

## Notes (continued)

### 2 Resources expended (continued)

<i>Governance costs</i>	2011 £	2010 £
Staff costs	35,896	39,094
Audit fees	4,800	3,737
	<u>40,696</u>	<u>42,831</u>

### 3 Net incoming/(outgoing) resources for the year

This is stated after charging	2011 £	2010 £
<i>Auditor's remuneration</i>		
Audit of these financial statements	<u>4,800</u>	<u>3,737</u>

### 4 Remuneration of trustees

	2011 £	2010 £
Emoluments	62,938	63,322
Company contributions to defined benefit pension scheme	3,084	9,161
	<u>66,022</u>	<u>72,483</u>

Number of trustees accruing benefits under defined benefit pension scheme 1 (2010 1)

Travel expenses amounting to £880 (2010 £1,583) were reimbursed to 2 trustees (2010 3 trustees)

### 5 Staff numbers and costs

The cost of staff and Executive Officers is incurred and paid by Genesis Housing Group Limited. The appropriate proportion of their cost was recharged to the charity along with other overheads.

The average number of persons employed by the charity (excluding non executive directors) during the year, analysed by category, was as follows

	2011 Number	2010 Number
Fundraising	1	2
Operations	37	31
Administration	4	3
	<u>42</u>	<u>36</u>

**Notes** *(continued)*

**5 Staff numbers and costs** *(continued)*

The aggregate payroll costs of these persons were as follows

	2011 £	2010 £
Wages and salaries	1,134,692	797,248
Social security costs	104,390	74,295
Employees insurance costs	6,049	3,735
Other pension costs	52,570	47,450
	<u>1,297,701</u>	<u>922,728</u>

	2011 Number	2010 Number
Retirement benefits are accruing to the following number of employees under		
Money purchase schemes	16	14
Defined benefit schemes	4	4

Pension costs are recharged to the charity by Genesis Housing Group Limited for staff that work exclusively for the charity and represent the contributions made during the year to the pension schemes operated by Genesis Housing Group Limited

Genesis Housing Group Limited operates four pension schemes

PCHA 2001 Pension scheme – a defined benefit scheme

Money purchase scheme with AXA

Local Government Pension scheme ("LPFA") – a defined benefit scheme

Social Housing Pension scheme ("SHPS") – a multi-employer defined benefit scheme

The charity's separate assets and liabilities in respect of the defined benefit schemes cannot be separately identified. These have been accounted for in total for all Group's entities in the financial statements of Genesis Housing Group Limited according to the requirements of FRS 17, Retirement benefits

	2011 £	2010 £
Contributions made to defined benefit pension scheme in respect of employees earning more than £60k	3,084	9,161

Number of employees whose emoluments (excluding pension contributions) exceed £60k

	2011 Number	2010 Number
£60,000 - £70,000	1	1

**Notes (continued)**

**6 Fixed asset investments**

	Total £
<i>At valuation</i>	
At 1 April 2010	1,056,186
Add net gain on revaluation	18,151
Less investment management fees	(5,313)
	<hr/>
At 31 March 2011	1,069,024
	<hr/> <hr/>

	<u>Market value</u>	<u>Historic cost</u>	<u>Market value</u>	<u>Historic cost</u>
	2011	2011	2010	2010
	£	£	£	£
UK and overseas government and corporate fixed interest securities investment fund	180,340	181,480	179,769	181,480
UK equities common investment fund	888,684	1,101,836	876,417	1,101,836
	<hr/>	<hr/>	<hr/>	<hr/>
	1,069,024	1,283,316	1,056,186	1,283,316
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The following represent the whole portfolio of the charity

	2011 £	2010 £
CAF Bond Income Fund	180,340	179,769
CAF UK Equity Growth Fund	888,684	876,417
	<hr/>	<hr/>
	1,069,024	1,056,186
	<hr/> <hr/>	<hr/> <hr/>

**7 Debtors**

	2011 £	2010 £
Grants receivable	238,784	336,323
Amounts owed by group undertakings	19,572	37,717
	<hr/>	<hr/>
	258,356	374,040
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 8 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	108,957	44,302
Amounts due to group undertakings	4,544	-
Accruals and deferred income	128,106	109,489
	<hr/> 241,607 <hr/>	<hr/> 153,791 <hr/>

Included in accruals and deferred income is £20,446 (2010 £37,932) of deferred income relating to

Income received in advance for the following projects ending after 31 March 2011

Get Digital  
Disability Forum  
Ways into Work  
Future Jobs Funds

### 9 Analysis of charitable funds

	At 1 April 2010 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2011 £
<b>Unrestricted fund movements</b>					
<i>General fund</i>	-	1,380,606	-	(1,380,606)	-
<b>Designated funds</b>					
ABC Coaching	6,154	-	(24,929)	18,775	-
Essex UniTe	-	-	(35,594)	35,594	-
Genesis Community Chest	-	1,134	(96,043)	94,909	-
New Community Development Projects Fund	84,237	-	-	11,424	95,661
Vulnerable & Older People Project	13,590	-	(751)	-	12,839
Other Minor Projects	245,103	2,435	(566,245)	807,897	489,190
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At end of year</b>	349,084	1,384,175	(723,562)	(412,007)	597,690
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The designated funds are funds allocated for agreed projects within the operating plan of the charity which have not been fully spent up during the year and are therefore carried forward and spent within the life of the individual projects in 2011-12



## Notes (continued)

### 9 Analysis of charitable funds (continued)

	At 1 April 2010 £	Incoming resources £	Resources expended £	Other gains £	Transfers £	At 31 March 2011 £
<b>Restricted fund movements</b>						
Harrow Road	-	443,653	(443,653)	-	-	-
Rochford Football						
Project- Hyper 11+ (Big Lottery)	4,297	-	(4,297)	-	-	-
Turkish & Kurdish						
Advice Project	-	-	(5,930)	-	5,930	-
Somali Advice Project	-	9,500	(27,500)	-	18,000	-
Community Facilities	-	118,655	(178,740)	-	60,085	-
Manager						
Ways into Work	813	93,290	(209,613)	-	115,510	-
Keep it Moving	11,424	-	-	-	(11,424)	-
Westminster Works	-	109,808	(231,807)	-	121,999	-
Mentoring Crew	-	10,000	(51,828)	-	41,828	-
Future Jobs Fund	1,695	39,048	(87,433)	-	46,690	-
Get Digi		6,848	(18,047)	-	11,199	-
Disability Forum		1,339	(3,529)	-	2,190	-
Knowles Trust	10,431	45,033	(49,618)	-	-	5,846
Knowles Trust						
Investment Fund	1,056,186	-	(5,313)	18,151	-	1,069,024
<b>At end of year</b>	<b>1,084,846</b>	<b>877,174</b>	<b>(1,317,308)</b>	<b>18,151</b>	<b>412,007</b>	<b>1,074,870</b>

Name of restricted fund	Description, nature and purpose of fund
Knowles Trust	These funds represent the dividends earned on the investments and will be donated to organisations that work with older and vulnerable people
Knowles Trust Investment Fund	Funds from the Knowles Trust which is ring-fenced for the next two years
£11,424 was transferred from the restricted Keep It Moving fund into unrestricted funds to cover salary costs incurred in running the project	

Other transfers from unrestricted funds to restricted funds were to finance deficits on restricted funds where the resources expended exceeded the funds originally donated for those specific purposes

## Notes (continued)

### 10 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Investments	-	1,069,024	1,069,024
Debtors	258,356	-	258,356
Cash at bank and in hand	580,941	5,846	586,787
Creditors due within one year	(241,607)	-	(241,607)
Total	597,690	1,074,870	1,672,560

### 11 Taxation

Genesis Community Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charges have arisen in the charity.

### 12 Related party disclosures

#### Transactions with Genesis Housing Group

For the year ending 31 March 2011, the following transactions took place:

The Group made a donation of £1,380,416 (2010 £750,000) to Genesis Community Foundation. Genesis Community Foundation made a donation of £30,158 (2010 £40,131) to Genesis Housing Group Limited out of the Knowles Trust Fund.

The Group recharged Genesis Community Foundation £1,297,697 (2010 £919,440) for staff costs.

At 31 March 2011, the Group owed Genesis Community Foundation £19,573 (2010 £58,740). This is included in Debtors due within one year. Genesis Community Foundation owes the Group £4,544 (2010 £1,434). This is included in Creditors falling due within one year.

### 13 Ultimate controlling entity and parent undertaking of larger group of which the company is a member

The charitable company is controlled by Genesis Housing Group Limited. Genesis Housing Group Limited is an Industrial and Provident Society and is registered with the Tenant Services Authority. Shortly after the year end, Genesis Housing Group Limited amalgamated with the 3 Registered Providers, Paddington Churches Housing Association Limited, Pathmeads Housing Association Limited and Springboard Housing Association Limited and changed its name to Genesis Housing Association Limited.

The largest group and smallest group in which the results of the charitable company are consolidated is that headed by Genesis Housing Group Limited. No other group financial statements include the results of the company. The consolidated financial statements of Genesis Housing Group Limited are available to the public and may be obtained from the Company Secretary, Capital House, 25 Chapel Street, London, NW1 5DT.