

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

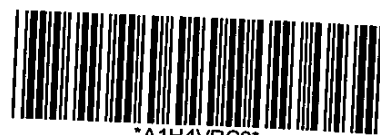
**Trustees' report and financial statements**

**Registered number 05350679**

**Charity number 1109918**

**31 March 2012**

MONDAY



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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 (retired as  
Chair and resigned on 6 June 2012)  
Imani Douglas-Walker (appointed Trustee on 13  
December 2011 and Chair on 6 June 2012)  
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  
Hilary Kundu (appointed 13 December 2011)

### Investment holders

Chair (retd)	Charities Aid Foundation
Chair	25 Kings Hill Avenue
Trustee	Kings Hill
Trustee	West Malling
Trustee	Kent
Trustee	ME19 4TA
Trustee	
Trustee	

### 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 2012

### **1. Objectives and activities**

#### **Objectives**

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 Association owns or manages housing stock.

#### **Overview of activities**

2011-12 has been a year of challenges for the Charity in common with the rest of the voluntary sector because of the economic climate in which we now operate.

The Charity has also been part of the major re-structure and re-shaping of the Genesis Housing Group resulting in the collapsing of the housing subsidiaries and the creation of a single entity as Genesis Housing Association with effect from 1st April 2011.

As the charitable foundation of Genesis Housing Association (as it now is), the Charity's role has become more focused and the Charity has taken on a strategic role in leading in the development of the future delivery of the social regeneration element of the major developments of Genesis Housing Association including the two very large regeneration projects of Woodberry Down, Hackney and Grahame Park, Colindale, Barnet.

The external environment of austerity and benefit reforms leading to benefit reductions which will directly impact on residents and their communities with whom the Charity works, compounded with the massive cuts in external funding, resulting in many funding pots being withdrawn, has presented the Charity with significant challenges as how best to focus in the future.

The senior management of the Charity has spent a considerable amount of time and energy over the past year working with the Housing Management and the Care and Support teams of Genesis Housing Association to explore ways that the Charity can refocus and redefine its main strands of work to better address the challenges and the demands facing the Charity for the years ahead.

The Charity's activity in 2011-12 continued to be focused on developing and delivering socio-economic programmes aimed at Genesis Housing Association's residents and in 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 are increasingly being 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 which is, in part, defined by local indices of deprivation and other indicators.

## Report of the trustees (*continued*)

### 2. Achievements and performance:-

#### 2.1 New Developments for the Charity - three Key Targets

- **Financial Inclusion:** the first of the key targets for this year was to expand the capacity of the Charity to provide benefits advice and claimant assistance and support and a debt management service. We have achieved this by recruiting two advisors who started in September 2011. Currently they are each carry a rolling case load of around 180 cases per adviser.

There is an increasing need for financial advisers able to work with residents ensuring they maximise their benefit entitlement and are therefore able to pay their rent and keep their home. With the major Welfare Benefit reforms coming into force over the next twelve months the need and the demand for impartial and speedy advice will only increase.

- **Volunteering Programme:** the second target was to establish a Genesis wide volunteering programme aimed at residents in the communities where Genesis Housing Association operates. In October 2011 we were successful in recruiting a volunteering manager following which the Charity has developed and launched a Genesis wide volunteering programme and by 31 March 2012 over 350 residents had registered interest in becoming volunteers. The Charity is proud of the fact that it has achieved external accreditation from London Volunteer Council by being awarded the Volunteering Charter for the quality of our volunteer offer and volunteer support. Since launching the volunteering programme late in 2011 we have developed the following projects -
  - Schools literacy programme with residents and staff
  - An Estate Inspection scheme - the first 13 volunteers have been recruited and trained as Estate Inspectors to work with Housing Management
  - A resident engagement programme – the first 10 residents have taken part in a free WEA 12 week 'Know Your Neighbourhood' training course and are now engaging with residents through estate outreach programmes
  - Youth Mentoring project for which over 90 volunteers have been recruited
  - Befriending isolated older people project - this has started working with the Tenancy Sustainment Team

The Charity believes that volunteering is a proven route to increased employability for participants and its aim is to develop a Genesis wide volunteering programme managed by volunteers for volunteers. Volunteers will receive training and are being encouraged to attend Genesis Housing Association Induction Training courses and a number have now taken the Corporate First Aid training course.

- **Leading on social regeneration for Genesis Housing Association**

Over the year the Charity has been working with the Executive Team of Genesis Housing Association to develop a new approach to delivering social regeneration across the major regeneration projects in which Genesis is involved. Currently the delivery is fragmented and the Charity has been pressing for a single unified approach which has now been agreed in principle and during 2012-13 a new single delivery plan to be delivered by Genesis Community will be developed.

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

### **2.2 The current programmes**

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

Last year we reported on the introduction of our Information and Guidance Programme which we are calling the Opportunities Plus Programme. This has been a highly successful programme resulting in much closer working between Housing Management teams and the Opportunities Plus team. Through 2011-12 the team handled around 900 cases for residents who sought advice and guidance relating largely to training and employment issues. The outcomes from this were -

- 21 residents into employment
- 111 into employment training
- 65 residents registered through Genesis Community and Woodberry Down teams on the Genesis Business Start Up Courses
- 15 viable business launched by residents
- partnerships developed with external organisations including Barnet WorkFinder and Remploy to create work opportunities
- 5 Work Clubs set up across Genesis partnering with Job Centre Plus providing route ways to training and employment

This has added impetus to our planned consolidation and refocusing of the Charity's overarching Opportunities for Life Change Programme

#### **Youth programme**

The Youth Programme which is part of the OLC Programme engaged with over 650 Young People during 2011/2012. Programmes involving young people have included -

- Grahame Park & Woodberry Down joint programmes for young people – largely focused on sports activities in school holidays
- Home Office funded anti gang initiatives in east London in Newham and Tower Hamlets
- Active involvement in GHA's Safer Together Community Initiatives
- Running Youth Focus groups to help young people increase in confidence and self esteem
- 18 young people placed in apprenticeship or internships through Genesis Community

We know these programmes have a positive impact on those young peoples' personal development because they tell us so

#### **Life Long Learning and Digital Inclusion for Older People**

The Charity continues to develop and promote a range of projects involving older people across Genesis' Care and Support Programme both in East London and Essex and in residential schemes West London. The key themes are Digital Inclusion and Life Long Learning

Over 2000 older residents have been involved in our Digital Inclusion and Life Long Learning Programmes in 2011/12 across London and Essex. Some of the key outcomes have been -

- 726 older people learning how to use a computer or improve their skills to access the internet and keep in touch with family and friends
- 440 disabled residents accessing specially designed activities, training and volunteering opportunities
- 435 residents involved in a range of lifelong learning projects

92% of these residents involved reported being highly satisfied including those reporting improved health and accessibility

#### **Financial Inclusion**

In the six months of the year from September to March 2012, the two new benefits advisers supported over 380 residents providing benefits advice and debt counselling. Breaking this down the figures are -

- 250 rent arrears cases resolved,
- 300+ benefits cases taken on,
- Over 175 debt advice cases handled,
- Over 30 debt management plans set up to assist residents manage debt repayments

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

The Financial Inclusion team have developed partnerships with a number of organisations including Citizens Advice Bureaux to deliver free training and information sessions to residents, and the Consumer Credit Counselling Service for telephone based debt advice

### **The Small Grants Programme**

The Charity provides a community based small grants programme with two strands. The first being the Community Chest, makes grants to small community organisations across the operating areas of Genesis Housing Association and the second, being the Knowles Trust, makes small grants to the Genesis Care and Support arm for old and vulnerable people. 53 small grants were given to organisations over the year in question.

### **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.

The Community Chest is a very important tool in developing capacity building amongst small grass roots organisations in the community. The aim of the Small Grants Programme is to support local organisations to provide a range of activities (social, healthy living, training) in which Genesis residents can benefit.

The Charity aims to ensure that community groups develop the skills to make their own funding applications in due course and achieve sustainability. It is also an aim to encourage resident groups in taking the initiative action to address local needs.

The Charity continues to be oversubscribed for its grants.

### **Community Hubs**

The Charity manages five community centres for Genesis as community hubs. These are Hartspring Lane and The Phoenix, both in Bushey, Herts, The Vale in Kilburn, Savoy Court in Harrow, and Mulberry Court in Neasden. They all offer a very valuable local community resource.

The Centres are widely used by local groups and projects. During the year over 36 Community Groups ran projects from these Centres and a total of just over 3000 people used the Centres. The Charity is continually exploring yet more creative ways of using these valuable community resources, an example being external courses run by WEA which offers numeracy and literacy courses from Carlton Vale free of charge to residents in receipt of benefits.

Overall the Centres continue to be income generating and this year the gross income rose from £44k to just under £50k.

### **Plans for 2012-13**

#### **Meeting New Challenges**

The restructuring of Genesis Housing Group to become one single entity, Genesis Housing Association, has opened new and challenging ways for the Charity to work across Genesis. It has presented 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 as well as providing the platform from which to develop the Charity's new role of focusing on developing and delivering a Genesis wide social regeneration programme within the next twelve months.

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

In the year ahead our main development objectives will therefore be focused on -

- Working with the Executive and Housing teams of Genesis Housing Association to develop a Genesis wide social regeneration programme which brings together the existing regeneration projects and the major new developments being delivered by Genesis Housing Association into a single coherent Genesis regeneration strategy. Over the coming year it is planned that the Charity will be reshaped to become the delivery vehicle of that social regeneration programme. The objective of the strategy will be to develop a partner focused approach to social regeneration which will be constructed around clear socio-economic objectives aimed at developing, over the long term, sustainable and prosperous communities
- In order to achieve this the Charity has already started the process of reshaping its operating model to become regionally focused with a team in each region, spreading the skills of the Charity across the key operating areas of Genesis Housing Association. This work will continue during the year ahead. It will enable the Charity to work in a more focused way with front line housing management teams in key neighbourhoods and developments, delivering a service that meets customer needs. One of the objectives of the Charity going forward will be to develop skills in local community building with the aim of fostering more sustainable and resident led communities
- Building on the work already done to create a Genesis Volunteering offer open to all residents and to staff as well

These are all significant challenges but the Trustees are confident that the Charity will be able to deliver on them and is very pleased that Genesis Housing Association has agreed to increase its grant for the year ahead to £1.78m to support the continued development of the Charity's work.

The greatest area of concern in terms of challenges remains how the Charity adapts to the continuing 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. Over the past year we have seen a significant number of smaller third sector organisations with whom the Charity has partnered in the past, 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 continue to monitor them closely through its officers, conscious that future methods of working may well have to change to meet changing needs and demands.

### **Efficiency Plans**

The Charity continues to work 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**

Many streams of external funding have now dried up as a result of cuts at national level. In future any funding available will largely be one of commissioning. 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.



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

### **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

- Hackney Ways into Work
- Harrow Road Neighbourhood Renewal Partnership,
- Westminster PCT
- 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)
- Wright Trust (Grahame Park)
- Toynbee Hall
- Carpenters School Stratford

### **Financial review**

The statement of financial activities is set out on page 13 and shows the results for the year

The net increase in funds before other gains was £296k. The Charity received £2,044k in income during the year of which £1,700k is from Genesis Housing Association

Key funders for the year were

- Genesis Housing Association
- Westminster PCT for Harrow Road Partnership
- London Councils – ESF – Barnet Work Finder
- Big Lottery – Brent Youth partnership
- Home Office
- DWP Future Jobs Fund

### **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 Association 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 Housing Association. 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 four times during the year

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

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

### **Public benefit statement**

The Trustees are satisfied that all of the stated objects of the Charity 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

The Trustees have reviewed all the activities of the Charity tested against its charitable objects

- 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 Housing Association. 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 Housing Association, 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, 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

### **Investment policy and performance**

The Trustees reviewed the investments of the Charity and the performance of its investment managers during the year and resolved to retender for the appointment of its investment managers. The Board conducted a recruitment process in January/ February 2012 having selected three firms of Investment Managers to tender – one being the existing Investment Managers. A unanimous decision of the Trustees resulted in NW Brown and Co being appointed the Charity's investment managers with immediate effect following their meeting in February 2012.

The Trustees have adopted a policy of reviewing the investment performance which will involve quarterly reviews by the Investment Managers who will present to the Board at regular intervals to ensure the investments maintain a steady yield and growth in line with overall market trends. The cost of such reviews is included in the very competitive annual management fee negotiated with the new firm of Fund Managers.

### **Reserves policy**

The Trustees have considered the need for maintaining a level of free reserves. At the end of the year these stood at £875k 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 Housing Association and it 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.

### **Risks policy**

The Trustees believe in accepting manageable risks, which are unavoidable in carrying out their strategic objectives and prioritising actions that minimise the risks. 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. The risks are regularly reviewed by the Board. The Trustees are satisfied that there are systems and procedures in place to manage those risks.

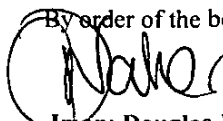
**Report of the trustees** *(continued)*

**Disclosure of information to the 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  
  
**Imani Douglas-Walker**  
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 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.

## **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 2012 set out on pages 13 to 23. 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 10, 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 2012 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

20 August 2012

**N MARTIN (SENIOR STATUTORY AUDITOR)**

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Arlington Business Park

Theale

Reading

RG7 4SD

**Statement of Financial Activities (including Income and Expenditure Account)**  
*for the year ended 31 March 2012*

		Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Note					
<b>Incoming resources</b>					
	Incoming resources from generated funds				
	<i>Voluntary income</i>				
	Donations and grants	1,700,680	-	1,700,680	1,380,416
	<i>Activities for generating funds</i>				
	Investment income	-	23,277	23,277	45,033
	Incoming resources from charitable activities				
	Grants and contracts	14,024	305,880	319,904	835,900
	<b>Total incoming resources</b>	9 1,714,704	329,157	2,043,861	2,261,349
<b>Resources expended</b>					
	<i>Costs of generating funds</i>				
	Investment management costs	2 -	(536)	(536)	(5,313)
	Charitable activities	2 (1,020,591)	(627,129)	(1,647,720)	(1,914,110)
	Grants payable	2 (36,166)	(26,405)	(62,571)	(80,751)
	Governance costs	2 (37,265)	-	(37,265)	(40,696)
	<b>Total resources expended</b>	(1,094,022)	(654,070)	(1,748,092)	(2,040,870)
	Net incoming/(outgoing) resources before transfers	3 620,682	(324,913)	295,769	220,479
	Gross transfers between funds	9 (343,249)	343,249	-	-
	Net movement in funds before other recognised gains and losses	277,433	18,336	295,769	220,479
	<b>Other recognised gains and losses</b>				
	Gain on revaluation of investments	6 -	4,931	4,931	18,151
	Net movement in funds	277,433	23,267	300,700	238,630
	Total funds brought forward	9 597,690	1,074,870	1,672,560	1,433,930
	Total funds carried forward	9 875,123	1,098,137	1,973,260	1,672,560

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 2012**

	<i>Note</i>	<b>2012</b> £	2011 £
<b>Fixed assets</b>			
Investments	6	1,073,419	1,069,024
<b>Current assets</b>			
Debtors	7	469,944	258,356
Cash at bank and in hand		550,936	586,787
		<b>1,020,880</b>	845,143
<b>Creditors: amounts falling due within one year</b>	8	<b>(121,040)</b>	(241,607)
<b>Net current assets</b>		<b>899,840</b>	603,536
<b>Net assets</b>		<b>1,973,259</b>	1,672,560
<b>Funds</b>			
Unrestricted funds	9	875,123	597,690
Restricted funds	9	1,098,137	1,074,870
<b>Shareholders' funds</b>		<b>1,973,260</b>	1,672,560

These financial statements were approved by the board of trustees on 26 July 2012 and were signed on its behalf on 15 August 2012 by

  
**I Douglas-Walker**  
Chair

**N Hadden**  
Chief Executive



## **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 Association 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 Association 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 Association 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**

##### ***Unrestricted funds***

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity. Unrestricted funds are donations and other incomes received or generated for the objects of the charity without further specified purpose and are available as general funds.

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

Designated reserves are unrestricted funds earmarked by the Management Board for particular purposes.

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

Restricted reserves are subjected to restrictions on their expenditure imposed by the donor.

## Notes (continued)

### 2 Resources expended

	2012		2011							
	£		£							
Investment management costs										
Investment management fees	536		5,313							
Analysis of charitable expenditure										
Cost type	Youth Pro- gramme	Old & Vulner- able People	Opport- unities Plus	Fin- ancial Inclu- sion	Small Grant	Neighb- ourhood Renewal	Comm- unities Facilities	Other Activities Project Develo- pment	Total 2012	Total 2011
	£	£	£	£	£	£	£	£	£	£
Project costs	52,436	104,797	87,817	16,529	-	31,156	47,257	45,902	385,894	512,076
Staff costs	1,421	-	47,121	-	-	65,083	91,590	-	205,215	461,404
Consul- tancy	-	-	-	-	-	4,050	-	-	4,050	10 309
Office costs	-	-	-	-	-	2,981	-	-	2,981	14,770
Costs directly allocated to activities	53,857	104,797	134,938	16,529	-	103,270	138,847	45,902	598,140	998,559
Staff costs, travel & other overheads	169,165	141,810	403,349	126,634	65,063	(2,948)	55,425	61,564	1,020,062	852,518
Marketing & Communica- tion	4,895	4,104	11,672	3,664	1,883	(85)	1,604	1,781	29,518	63,033
Total of support costs	174,060	145,914	415,021	130,298	66,946	(3,033)	57,029	63,345	1,049,580	915,551
Total resources expended	227,917	250,711	549,959	146,827	66,946	100,237	195,876	109,247	1,647,720	1,914,110
					2012		2011			
Grants payable					£		£			
Grants (all individually not more than £5,000) to be applied to the needs of elderly and vulnerable and community capacity building							62,571		80,751	

## Notes (continued)

### 2 Resources expended (continued)

	2012	2011
	£	£
Governance costs		
Staff costs	32,465	35,896
Audit fees	4,800	4,800
	<u>37,265</u>	<u>40,696</u>

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

	2012	2011
	£	£
<i>This is stated after charging:</i>		
<i>Auditor's remunerations</i>		
Audit of these financial statements	<u>4,800</u>	<u>4,800</u>

### 4 Remuneration of trustees

	2012	2011
	£	£
Emoluments	64,204	62,938
Company contributions to defined benefit pension scheme	3,084	3,084
	<u>67,288</u>	<u>66,022</u>

Number of trustees accruing benefits under defined benefit pension scheme 1 (2011 1)

Travel expenses amounting to £363 (2011 £880) were reimbursed to 1 trustee (2011 2 trustees)

### 5 Staff numbers and costs

The cost of staff and Executive Officers is incurred and paid by Genesis Housing Association 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

	2012	2011
	No.	No.
Fundraising	1	1
Operations	34	37
Administration	4	4
	<u>39</u>	<u>42</u>

**Notes (continued)**

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

The aggregate payroll costs of these persons were as follows

	2012	2011
	£	£
Wages and salaries	1,027,044	1,134,692
Social security costs	100,039	104,390
Employees insurance costs	4,913	6,049
Other pension costs	54,785	52,570
	<u>1,186,781</u>	<u>1,297,701</u>

	2012	2011
	No	No
Retirement benefits are accruing to the following number of employees under		
Money purchase scheme	17	16
Defined benefit scheme	<u>4</u>	<u>4</u>

Pension costs are recharged to the charity by Genesis Housing Association 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 Association Limited

Genesis Housing Association 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 entities in the financial statements of Genesis Housing Association Limited according to the requirements of FRS 17, Retirement benefits

	2012	2011
	£	£
Contributions made to defined benefit pension scheme in respect of employees earning more than £60 000	<u>3,084</u>	<u>3,084</u>
	2012	2011
	No	No
Number of employees whose emoluments (excluding pension contributions) exceed £60,000		
£60,000 - £70,000	<u>1</u>	<u>1</u>

## Notes (continued)

### 6 Fixed asset investments

	2012	2011
	£	£
<i>At valuation</i>		
At beginning of year	1,069,024	1,056,186
Add net gain in revaluation	4,931	18,151
Less investment management fees	(536)	(5,313)
At end of year	<u>1,073,419</u>	<u>1,069,024</u>

	Market value 2012 £	Historic costs 2012 £	Market value 2011 £	Historic costs 2011 £
UK and overseas government and corporate fixed interest securities investment fund	179,026	181,480	180,340	181,480
UK equities common investment fund	894,393	1,108,836	888,684	1,108,836
	<u>1,073,419</u>	<u>1,290,316</u>	<u>1,069,024</u>	<u>1,290,316</u>

The following represent the whole portfolio of the charity

	2012 £	2011 £
CAF Bond Income Fund	179,026	180,340
CAF UK Equity Growth Fund	894,393	888,684
	<u>1,073,419</u>	<u>1,069,024</u>

### 7 Debtors

	2012 £	2011 £
Grant receivable	28,875	238,784
Amounts owed by group undertakings	441,069	19,572
	<u>469,944</u>	<u>258,356</u>

## Notes (continued)

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

	2012	2011
	£	£
Amounts owed to group undertakings	4,503	4,544
Trade creditors	25,130	108,957
Accruals and deferred income	91,407	128,106
	<u>121,040</u>	<u>241,607</u>

### 9 Analysis of charitable funds

	At 1 April 2011	Incoming resources	Resources expended	Transfers	At 31 March 2012
	£	£	£	£	£
<i>Unrestricted fund movements</i>					
<i>General fund</i>	-	1,700,980	-	(1,700,980)	-
<i>Designated funds</i>					
ABC Coaching	-	-	(13,048)	13,048	-
New Community Development Projects Fund	95,661	-	(100,104)	4,443	-
Vulnerable & Older People Project	12,839	-	-	-	12,839
Other Minor Projects	489,190	7,342	(333,901)	355,930	518,561
Essex UnITE	-	-	(29,529)	29,529	-
Genesis Community Chest	-	1,930	(101,490)	149,560	50,000
Opportunities Plus	-	4,452	(130,152)	125,700	-
Community Dev Plan	-	-	(121,287)	121,287	-
Social Enterprise /Business Star Up	-	-	(106,749)	106,749	-
Financial Inclusion Project	-	-	(151,485)	251,485	100,000
Kick Start	-	-	(6,277)	100,000	93,723
Enterprise and Business Start Up	-	-	-	100,000	100,000
At end of year	<u>597,690</u>	<u>1,714,704</u>	<u>(1,094,022)</u>	<u>(343,249)</u>	<u>875,123</u>

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 2012-13

## Notes (continued)

### 9 Analysis of charitable funds (continued)

	At 1 April 2011	Incoming resources	Resources expended	Other gains	Transfers	At 31 March 2012
<i>Restricted fund movements</i>	£	£	£	£	£	£
Knowles Trust	5,846	25,277	(26,405)	-	20,000	24,718
Knowles Trust Investment Fund	1,069,024	-	(536)	4,931	-	1,073,419
Harrow Road	-	103,269	(104,895)	-	1,626	-
Somali Advice Project	-	1,250	(41,538)	-	40,288	-
Community Facilities Manager	-	137,647	(200,534)	-	62,887	-
Ways into Work	-	3,961	(18,672)	-	14,711	-
Westminster Works	-	-	(115)	-	115	-
Mentoring Crew	-	10,000	(56,326)	-	46,326	-
Future Jobs Fund	-	43,690	(175,537)	-	131,847	-
Get Digi	-	1,152	(14,621)	-	13,469	-
Disability Forum	-	2,911	(14,891)	-	11,980	-
At end of year	<u>1,074,870</u>	<u>329,157</u>	<u>(654,070)</u>	<u>4,931</u>	<u>343,249</u>	<u>1,098,137</u>

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

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

	Restricted funds £	Unrestricted funds £	Total £
Investments	1,073,419	-	1,073,419
Debtors	-	469,944	469,944
Cash at bank and in hand	24,718	526,218	550,936
Creditors due within one year	-	(121,040)	(121,040)
Total	<u>1,098,137</u>	<u>875,122</u>	<u>1,973,259</u>

### 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 Association Limited

For the year ending 31 March 2012, the following transactions took place:

Genesis Housing Association Limited made a donation of £1,700,680 (2011 £1,380,416) to Genesis Community Foundation. Genesis Community Foundation made a donation of £26,405 (2011 £30,158) to Genesis Housing Association Limited out of the Knowles Trust Fund.

Genesis Housing Association Limited recharged Genesis Community Foundation £1,195,821 (2011 £1,297,701) for staff costs.

At 31 March 2012, the Group owed Genesis Community Foundation £441,069 (2011 £19,752). This is included in Debtors due within one year. Genesis Community Foundation owes the Group £4,503 (2011 £4,544). 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 Association Limited. Genesis Housing Association Limited is an Industrial and Provident Society and is registered with the Tenant Services Authority. Shortly after the year end, Genesis Housing Association 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 Association Limited. No other group financial statements include the results of the company. The consolidated financial statements of Genesis Housing Association Limited are available to the public and may be obtained from the Company Secretary, Capital House, 25 Chapel Street, London, NW1 5DT.