

Company registration number 05689826

**IMPROVEMENT FOUNDATION
UK LIMITED
COMPANY LIMITED BY GUARANTEE
ABBREVIATED ACCOUNTS
31 MARCH 2009**

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**IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE**

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

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IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J Comber
M Lawless
R Kennedy
M Kulkarni

Company secretary

J Comber

Registered office

50A The Grove
Ilkey
LS29 9EE

Auditor

Wheawill & Sudworth
Chartered Accountants
& Registered Auditor
35 Westgate
Huddersfield
HD1 1PA

Bankers

The Co-operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

IMPROVEMENT FOUNDATION UK LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2009

The directors have pleasure in presenting their report and the accounts of the company for the year ended 31 March 2009

Principal activities and business review

Improvement Foundation UK Limited is a "not for profit" company limited by guarantee not having share capital. The company incorporates the previous work of the NHS Primary Care Development Team (NPDT), which was originally established in February 2000 to run the National Primary Care Collaborative (currently the world's largest improvement programme).

Improvement Foundation UK Limited operates as a national specialised improvement team with its head office in Manchester supported by an infrastructure of Improvement Foundation centres across England. The purpose of our work is to develop capacity and capability in public services to use quality improvement methods for the benefit of service users. We do this by engaging frontline staff in quality improvement and helping them deliver rapid, systematic and sustainable improvement for people and communities.

Our ongoing aim is to develop a wide cohort of people, both professionals and community members who have the knowledge and skills to apply quality improvement methods to their own local priorities. Our intention is that these people will form the basis of a sustainable movement within public services.

Although our work is mainly for the NHS we run an education breakthrough programme on raising Boys Achievement in School and are developing our work with other public service. We are also developing our International portfolio of work, which includes our Australian subsidiary. The Improvement Foundation UK Limited key objectives are managed through the Executive Management.

As a result of the cessation of trading as set out below and at note 1 to the accounts, the directors do not consider it necessary to provide commentary on the company's key trading risks and performance indicators. The accounts have been prepared on a break down basis and the directors have taken account of the carrying value of assets and liabilities as appropriate.

IMPROVEMENT FOUNDATION UK LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2009

Direct funding for the Improvement Foundation from SHAs ceased on 31 March 2008 and so from April 2008, the Improvement Foundation introduced a business model based upon the sale of improvement programmes that were directly delivered to PCT's, Schools, LEA's, DH etc. Improvement Foundation also undertook specific commissioned pieces of work.

The company's objectives for 2008/09 were to

- Generate income through the direct sale of improvement programmes and expertise to PCTs, SHAs, LAs and DH
- Establish a business culture within Improvement Foundation through specific OD activities
- Complete programmes agreed under the SLA between the SHAs and Improvement Foundation (Leadership for QI programme, Advanced Commissioning Course, and PBC activities within PCTs)
- Explore new UK and International Markets e.g. Care Homes
- Develop and implement new programmes focused on reducing Health Inequalities, HCAIs and improving leadership capability for improvement
- Develop an effective marketing strategy including the publication of articles about Improvement Foundation's improvement work in peer reviewed journals
- Develop opportunities to support the NHS commitment to improving the Patient Experience
- Support the implementation of improvement programmes in Australia

Improvement Foundation's key objectives are managed through the Executive Management team and during 2008/09 the company's achievements in relation to these included

- Excellent uptake of Improvement Foundation improvement programmes including packages of support for PCTs
- Completion of the first Advanced Commissioning Course and commencement of the subsequent fee paying course
- UK/Australia joint strategic planning event
- Successful team engagement days throughout the year
- Developing and commencement of the following programmes
 - Tackling obesity through clinical and community engagement
 - Reducing alcohol misuse
 - Improving the uptake of cervical screening in younger women
 - Tackling HCAs in care homes
 - Leadership for Health and Well-being
 - Leadership for Clinical Service Improvement
- Commencement of bespoke Primary Care Development Programme
- Establishment of Improvement Foundation's Knowledge Management function and key articles published throughout the year
- Regular meetings held with MPs of all parties and senior members of Think Tanks
- Completion of a commissioning training course for senior government officials in Thailand

IMPROVEMENT FOUNDATION UK LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2009

- Presentation of Improvement Foundation's work at International conferences
- Successful re-structuring of the organisation in September 2008 to create a fully independent company following the DH decision to withdraw Improvement Foundation's NHS hosting arrangement with the BSA

The Directors and staff of the company became employees of the Improvement Foundation UK Limited on 14 July 2008 and 1 September 2008 respectively

Results

The loss for the year, after taxation, amounted to £173,800. The directors have not recommended a dividend.

Financial risk management

The company's operations expose it to a variety of financial risks. However as the company has no debt funding and adequate liquidity, the Board considers that external financial risks including interest rates, credit and liquidity risks are not material to the financial statements.

The company's principal financial instruments comprises bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the company operations. Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limit. Trade creditors are managed by ensuring sufficient funds are available to meet amounts due.

Formal contracts were not normally required by PCTs involved in our programs. The Independent Auditor's Report to the Members of the Improvement Foundation UK Limited makes reference solely to a lack of contractual documentation in relation to our accounting records. The Members welcome this comment in assisting them to seek clearly defined contracts.

IMPROVEMENT FOUNDATION UK LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2009

Directors

J Comber	Director
M Farrar	Non-Executive Director (Resigned 17 June 2008)
R Kennedy	Director
M Kulkarni	Director
M Lawless	Director
R Winters	Non-Executive Director, Chairman, (Resigned 28 May 2009)
G I McMonagle	Non-Executive Director (Appointed 18 June 2008)(Resigned 24 April 2009)

Members

The following are members of the company during the period under review and up to the date of approval of the financial statements

R Kennedy
J Comber
M Kulkarni
M Lawless
R Winters
(Resigned 28 May 2009)

On 15 September 2008 Improvement Foundation UK Limited changed its name from Improvement Foundation Limited

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE**

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2009

Post balance sheet event

A severance payment was made to the former Chairman of £205,000 on 28 May 2009

The company ceased trading on 2 February 2010 as a result of a lack of investment in Improvement Foundation's programmes by DH and the NHS. It is in the process of being wound down on a solvent basis after the payment of all external creditors.

Auditor

Wheawill & Sudworth were appointed as the company's auditors since the year end and have expressed their willingness to be reappointed.

This report was approved by the board on 5 May 2010 and signed on its behalf by



J Comber

Director

**IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO IMPROVEMENT
FOUNDATION UK LIMITED**

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 10 to 21, together with the financial statements of Improvement Foundation UK Limited for the year ended 31 March 2009 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 company for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

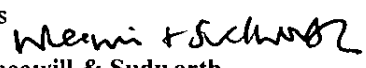
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Other information

On 5 May 2010 we reported, as auditor of the company, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 2009, and the full text of the company audit report is reproduced on pages 8 to 9 of these financial statements.

35 Westgate
Huddersfield
HD1 1PA

5 May 2010


Wheawill & Sudworth
Chartered Accountants
& Registered Auditor

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMPROVEMENT FOUNDATION UK LIMITED

We have audited the financial statements of Improvement Foundation UK Limited for the year ended 31 March 2009 on pages 9 to 20 which have been prepared on the basis of the accounting policies set out on pages 12 to 13

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

However, with respect to deferred income totalling £3,676,917 at 31 March 2009, the evidence available to us was not in a form which enabled us to confirm historically the exact timescale of programmes due to an absence of formal contracts. This situation also impacted on our audit work relating to the release and/or carry forward of the deferred income brought forward at 1st April 2008 totalling £9,928,615. Consequently we have not been able to quantify any potential effect of these.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
IMPROVEMENT FOUNDATION UK LIMITED** *(continued)*

Qualified opinions arising from disagreement on accounting policy and from limitation in audit scope

It is the company's policy to expense costs as incurred on programmes irrespective of whether any part of the related income has been deferred to a later period. This does not comply with the matching concept as required by FRS 18 and SSAP 9. We have not been able to quantify the financial effect of this.

Except for the financial effects of such adjustments required to properly match income and expenditure, and as might be required in relation to the timing of deferred income, in our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended, and

- have been properly prepared in accordance with the Companies Act 1985

In respect solely of our work on deferred income we have not been able to obtain all the information we considered necessary for the purpose of our audit work, or whether proper accounting records have been maintained, due to the absence of formal contracts.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

Wheawill + Sudworth

**Wheawill & Sudworth
Chartered Accountants
& Registered Auditor**

**35 Westgate
Huddersfield
HD1 1PA**

5 May 2010

IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2009

	Note	2009 £	2008 £
Gross profit		8,460,743	10,096,518
Administrative expenses		(8,846,463)	(10,149,814)
Operating loss	2	(385,720)	(53,296)
Interest receivable and similar income		288,207	115,600
Interest payable and similar charges	5	(27,862)	–
(Loss)/profit on ordinary activities before taxation		(125,375)	62,304
Tax on (loss)/profit on ordinary activities	6	(48,425)	(17,500)
(Loss)/profit for the financial year	17	(173,800)	44,804

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 13 to 21 form part of these abbreviated accounts.

**IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE**

ABBREVIATED BALANCE SHEET

31 MARCH 2009

	Note	2009 £	2008 £
Fixed assets			
Intangible assets	7	3	4
Tangible assets	8	—	42,261
		<u>3</u>	<u>42,265</u>
Current assets			
Debtors	10	1,824,979	1,242,405
Cash at bank		6,972,235	13,246,454
		<u>8,797,214</u>	<u>14,488,859</u>
Creditors: Amounts falling due within one year	11	(5,205,928)	(10,766,035)
Net current assets		<u>3,591,286</u>	<u>3,722,824</u>
Total assets less current liabilities		<u>3,591,289</u>	<u>3,765,089</u>
Reserves			
Profit and loss account	17	3,591,289	3,765,089
Members' funds		<u>3,591,289</u>	<u>3,765,089</u>

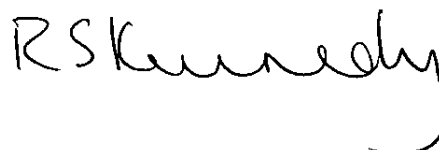
These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors and authorised for issue on 5 May 2010, and are signed on their behalf by

J Comber
Director



R Kennedy
Director



Company Registration Number 05689826

The notes on pages 13 to 21 form part of these abbreviated accounts.

IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2009

	Note	2009 £	2008 £
Net cash (outflow)/inflow from operating activities	18	(6,568,257)	8,479,661
Returns on investments and servicing of finance	18	344,947	927
Taxation	18	(93,425)	(1,600,000)
Capital expenditure and financial investment	18	42,516	–
(Decrease)/increase in cash	18	<u>(6,274,219)</u>	<u>6,880,588</u>

The notes on pages 13 to 21 form part of these abbreviated accounts

**IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

The company ceased trading on 2 February 2010. As a result of this under FRS 18 and FRS 21 the financial statements are not prepared under the going concern basis but on a break down basis instead

The result of this is that fixed asset values have been impaired, resulting in an impairment provision of £51,827, and obligations under onerous leases have been provided for in full. All other figures are unaffected

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts

Turnover

Turnover represents amounts receivable for services provided net of VAT and trade discounts. Turnover is recognised when the associated services are provided. In some instances monies are provided for a period to ensure staff are made available to assist organisations achieve their goals. In such instances, in the absence of formal targets, revenue is recognised over the period in which the associated services are delivered

Goodwill

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows

Goodwill - 20% straight line

Fixed assets

Tangible fixed assets are stated at cost less depreciation. The company has a policy of only capitalising assets whose individual cost exceed £5,000

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows

Fixtures & Fittings - 20% straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

IMPROVEMENT FOUNDATION UK LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

1. Accounting policies *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the date that will result in an obligation to pay more, or a right to pay less or to receive more tax

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. Operating loss

Operating loss is stated after charging/(crediting)

	2009	2008
	£	£
Directors' emoluments (including pension contributions)	469,744	414,149
Amortisation	1	1
Depreciation of tangible fixed assets		
- owned assets	70,178	14,086
Profit on disposal of fixed assets	(70,433)	—
Operating lease costs		
- other	358,065	214,848
Auditor's remuneration	27,500	17,500
	<u>2009</u>	<u>2008</u>
	£	£
Auditor's remuneration - audit of the financial statements		
-PricewaterhouseCoopers LLP	17,500	17,500
-Wheawill & Sudworth	10,000	—
	<u>27,500</u>	<u>17,500</u>

**IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2009 No	2008 No
Number of administrative staff	<u>72</u>	<u>-</u>

The aggregate payroll costs of the above were

	2009 £	2008 £
Wages and salaries	3,540,631	4,284,424
Social security costs	264,881	-
Other pension costs	103,198	-
	<u>3,908,710</u>	<u>4,284,424</u>

Number of employees

There were no employees during the year ended 31 March 2008

Employment costs excluding directors

	2009 £	2008 £
Payments to third parties in respect of staff seconded to the company	<u>1,407,652</u>	<u>4,284,424</u>

4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2009 £	2008 £
Emoluments receivable	436,629	527,072
Value of company pension contributions to money purchase schemes	33,115	-
	<u>469,744</u>	<u>527,072</u>

Emoluments of highest paid director:

	2009 £	2008 £
Total emoluments (excluding pension contributions)	127,938	153,088
Value of company pension contributions to money purchase schemes	10,936	-
	<u>138,874</u>	<u>153,088</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2009 No	2008 No
Money purchase schemes	<u>4</u>	<u>-</u>

IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

4 Directors' emoluments (continued)

During the year the above amounts were paid to third parties for the services of individuals who acted as directors to the company

The non-executive directors have not been remunerated for the services that they provide to the company in the period

Highest paid director

	2009 £	2008 £
Emoluments disclosed above includes the following amounts paid to third parties in respect of the highest paid director	<u>22,617</u>	<u>153,088</u>

5. Interest payable and similar charges

	2009 £	2008 £
Other similar charges payable	<u>27,862</u>	<u>—</u>

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
UK Corporation tax based on the results for the year	(51,121)	12,500
Adjustment for prior years	<u>99,546</u>	<u>5,000</u>
Total current tax	<u>48,425</u>	<u>17,500</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23% (2008 - 20%)

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	<u>(125,375)</u>	<u>62,304</u>
(Loss)/profit on ordinary activities by rate of tax	(28,836)	12,461
Non deductible expenses	7,660	(841)
Depreciation add back	16,141	2,817
Capital allowances	(6,421)	(1,937)
Adjustments to previous periods	99,546	5,000
Creditors balance write back	(16,199)	—
Movement in provision	(64,901)	—
Tax saved re losses carried back at higher rate than 23%	(789)	—
Losses remaining carried forward	<u>42,224</u>	<u>—</u>
Total current tax (note 6(a))	<u>48,425</u>	<u>17,500</u>

IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

7. Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2008 and 31 March 2009	<u>6</u>
Amortisation	
At 1 April 2008	2
Charge for the year	<u>1</u>
At 31 March 2009	<u>3</u>
Net book value	
At 31 March 2009	<u>3</u>
At 31 March 2008	<u>4</u>

8. Tangible fixed assets

	Fixtures & Fittings
	£
Cost	
At 1 April 2008	70,433
Additions	<u>27,917</u>
At 31 March 2009	<u>98,350</u>
Depreciation	
At 1 April 2008	28,172
Charge for the year	<u>70,178</u>
At 31 March 2009	<u>98,350</u>
Net book value	
At 31 March 2009	<u>—</u>
At 31 March 2008	<u>42,261</u>

An impairment review has been performed by the directors, and in their opinion an impairment charge of £51,827 was required. This amount is included in the depreciation charge above.

**IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

9. Fixed asset investments

	Shares in subsidiary undertakings
Cost	
At 1 April 2008	—
At 31 March 2009	—
Net book value	
At 31 March 2009	—
At 31 March 2008	—

Company

Subsidiary Undertakings

Improvement Foundation (Australia) Limited

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial period were as follows

Principal Activity	Capital and reserves 2009 £	Profit for the year 2009 £
Health promotion charity	48,108	72,909

Improvement Foundation (Australia) Limited is a wholly owned subsidiary of Improvement Foundation Limited and is a company limited by guarantee, registered in Australia

10. Debtors

	2009 £	2008 £
Trade debtors	1,033,025	330,162
Amounts due from group undertakings	150,000	200,000
Corporation tax repayable	32,500	—
Other debtors	464,925	585,635
Prepayments and accrued income	144,529	126,608
	<u>1,824,979</u>	<u>1,242,405</u>

The debtors above include the following amounts falling due after more than one year

	2009 £	2008 £
Amounts owed by group undertakings	79,703	—
Prepayments and accrued income	27,381	—
	<u>107,084</u>	<u>—</u>

IMPROVEMENT FOUNDATION UK LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

11. Creditors. Amounts falling due within one year

	2009	2008
	£	£
Trade creditors	606,290	792,986
Corporation tax	–	12,500
Other taxation and social security	89,506	–
Other creditors	284,093	2,258
Accruals and deferred income	4,226,039	9,958,291
	<u>5,205,928</u>	<u>10,766,035</u>

12. Pensions

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in funds independent from those of the company.

The total contributions paid in the year amounted to £103,198 (2008 £–). The amount outstanding at the year end was £23,626.

13. Commitments under operating leases

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as set out below:

	2009		2008	
	Land and buildings	Other Items	Land and buildings	Other Items
	£	£	£	£
Operating leases which expire				
Within 1 year	27,413	17,086	–	–
Within 2 to 5 years	–	–	75,567	8,978
After more than 5 years	–	–	10,300	–
	<u>27,413</u>	<u>17,086</u>	<u>85,867</u>	<u>8,978</u>

14. Contingencies

There is currently an ongoing Employment Tribunal case against the company. The directors believe the maximum liability which could be awarded against the company is £19,000. The directors are defending this case, and, based on legal advice, the directors do not believe the full amount will be awarded.

15. Related party transactions

During April 2007 Improvement Foundation Limited entered into a formal loan agreement with Improvement Foundation (Australia) Ltd to provide the subsidiary with a loan of £200,000, which attracts interest at 7% per annum.

At 31 March 2009 £150,000 was outstanding (note 11).

Interest charged in the year was £13,708. At 31 March 2009 cumulative interest totalling £27,381 was accrued for.

IMPROVEMENT FOUNDATION UK LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

16. Company limited by guarantee

The company is limited by guarantee and as such there is no share capital

Each member of the company undertakes to contribute such amounts as may be required not exceeding £1 to its assets, in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for payment of the debts and liabilities of the Company, contracted before he ceased to be a Member, and of the costs, charges, and expenses of winding up, and for the adjustment of the rights of the contributories among themselves

If on the winding up of the company there remains any surplus after the satisfaction of all its debts and liabilities, the surplus shall not be distributed among the Members of the company, but shall be given or transferred to a not for profit organisation having objects similar to those of the company, or to another body the objects of which are charitable

17. Reconciliation of shareholders' funds and movement on reserves

	Profit and loss account £
Balance brought forward	3,720,285
Profit for the year	44,804
Balance brought forward	3,765,089
Loss for the year	(173,800)
Balance carried forward	<u>3,591,289</u>

18 Notes to the cash flow statement

Reconciliation of operating loss to net cash (outflow)/inflow from operating activities

	2009 £	2008 £
Operating loss	(385,720)	(53,296)
Amortisation	1	1
Depreciation	70,178	14,086
Profit on disposal of fixed assets	(70,433)	—
(Increase)/decrease in debtors	(634,676)	7,254,363
(Decrease)/increase in creditors	(5,547,607)	1,264,507
Net cash (outflow)/inflow from operating activities	<u>(6,568,257)</u>	<u>8,479,661</u>

Returns on investments and servicing of finance

	2009 £	2008 £
Interest received	372,809	927
Interest paid	(27,862)	—
Net cash inflow from returns on investments and servicing of finance	<u>344,947</u>	<u>927</u>

**IMPROVEMENT FOUNDATION UK LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

18 Notes to the cash flow statement (continued)

Taxation

	2009 £	2008 £
Taxation	<u>(93,425)</u>	<u>(1,600,000)</u>

Capital expenditure and financial investment

	2009 £	2008 £
Payments to acquire tangible fixed assets	(27,917)	—
Receipts from sale of fixed assets	70,433	—
Net cash inflow from capital expenditure	<u>42,516</u>	<u>—</u>

Reconciliation of net cash flow to movement in net funds

	2009 £	2008 £
(Decrease)/Increase in cash in the period	<u>(6,274,219)</u>	<u>6,880,588</u>
Movement in net funds in the period	<u>(6,274,219)</u>	<u>6,880,588</u>
Net funds at 1 April 2008	<u>13,246,454</u>	<u>6,365,866</u>
Net funds at 31 March 2009	<u>6,972,235</u>	<u>13,246,454</u>

Analysis of changes in net funds

	At 1 Apr 2008 £	Cash flows £	At 31 Mar 2009 £
Net cash			
Cash in hand and at bank	<u>13,246,454</u>	<u>(6,274,219)</u>	<u>6,972,235</u>
Net funds	<u>13,246,454</u>	<u>(6,274,219)</u>	<u>6,972,235</u>

19 Post balance sheet events

The company ceased trading on 2 February 2010. It is in the process of being wound down on a solvent basis after the payment of all external creditors.

In the directors' opinion, an estimate of costs to be incurred regarding the cessation of trade is £500,000 relating to contractual obligations and employment costs.

20 Controlling party

The directors consider that the members have the controlling interest of the company.