

Registered
p 3
p 6

URBAN PARTNERSHIP GROUP LIMITED

(A Company limited by Guarantee)

Company Number 3446256

DIRECTORS' REPORT

&

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002



EDMUND WRIGHT & Co.

Chartered Accountants

London

URBAN PARTNERSHIP GROUP LIMITED

(A Company limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

CONTENTS

	<u>Pages</u>
Directors' Report	1-3
Auditors' Report	4
Income and Expenditure Account	5
Balance Sheet	6
Notes to the Financial Statements	7-11
Schedule to the Income and Expenditure Account	12

URBAN PARTNERSHIP GROUP LIMITED

(A Company limited by Guarantee)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2002

We are pleased to submit our 5th annual report and the audited Financial Statements for the period to 31st March 2002. The Directors who served during the year were:

A. Sharpe	
B. Bray	
M. Ahdan	
M. Medas	
C. Butts	resigned Dec 18 th 2001
E.M. Broadway	
Cllr M. Smallman	
R. Farrar	
Cllr S. Coughlan	
Ken Martindale	appointed April 3 rd 2002
Brian Foster	appointed April 3 rd 2002

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare Financial Statements for each period which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those Financial Statements, the Directors have:-

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepared the Financial Statements on the going concern basis.

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

ACTIVITIES AND FUTURE DEVELOPMENTS

The UPG was established as a "not for profit organisation" for which, as reported in last year's accounts, the achievement of charitable status has remained a key objective. In pursuance of the above & resulting from advice provided by the Charities Commission a Special Resolution was unanimously passed at an EGM held on 7th May 2002. We are now pleased to report that the UPG received charitable status on the 29th May 2002 & now carries the registered Charity number 1092258.

URBAN PARTNERSHIP GROUP LIMITED

(A Company limited by Guarantee)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2002

(continued)

ACTIVITIES AND FUTURE DEVELOPMENTS (continued)

As part too of the process of developing our activities & securing a sustainable income base for the Company's charitable purpose, the Board at its subsequent ordinary meeting of 7th May 2002 took the decision to establish a subsidiary trading arm. On 23rd May 2002 the Urban Partnership Services Ltd was formally incorporated at Companies House, with Rosemary Farrar & Andy Sharpe nominated to serve as the inaugural members.

As the baseline turnover figures for the period indicate, the year to March 31st was another exceptionally busy one, fuelled by the UPG's commitment to proceed with the delivery of the ERDF/SRB training and social exclusion programmes focusing on projects across White City/Shepherds Bush. Spend from the local Single Regeneration Budget remained high whilst significant effort was made to maximise levels of ERDF spend prior to the termination of the programme on Dec 31st 2001.

In the report for the Accounts to March 2001, the Board drew attention to a number of primary activity areas around which the UPG is seeking to extend capacity and promote the development of quality initiatives locally. Progress since then, in these key areas of activity has been encouraging and there follows a short update on each of the primary themes.

1. Community Development & Capacity Building

In the last financial year the UPG allocated some £146,016 of Community Chest Grants to 50 community and voluntary projects in the borough resulting in a running total of some £495,000 having been awarded to 173 local organisations & projects over the 3.5 year lifespan of the Community Chest Grants programme. In addition, the UPG last year was able to provide desk and office space, at cost, within the Opportunities Centre to a combination of 18 voluntary bodies and regeneration projects.

Of perhaps, greater significance in terms of the UPG's longer-term business plan objectives has been our success in securing contracts from the Government Office for London (GOL) linked to the EU Objective 2 programme, under which we are pleased to report that capacity building funds valuing a total of £483,000 have been allocated to the UPG for spend between Jan 1st 2002 & Jan 1st 2004. In addition to the above a further set of funding contracts value in excess of £187,035 were received for the period Jan 1st 2002 – March 31st 2003.

2. Social Enterprise

The UPG continues to extend its knowledge and partnership base across the Social Enterprise field both locally & London-wide. On March 19th of this year, the UPG in partnership with Social Enterprise London hosted an inaugural West London Social Enterprise seminar in Hammersmith's Irish Centre. The event was well attended & paved the way for the creation of a West London Social Enterprise network with support from both the UPG & London Rebuilding Society. Again, as for the Groups Capacity Building unit, our success in securing two year funding, value £213,000, from Jan 1st 2002 is of major significance in helping the group to begin to plan for the medium term.

URBAN PARTNERSHIP GROUP LIMITED

(A Company limited by Guarantee)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2002

(continued)

ACTIVITIES AND FUTURE DEVELOPMENTS (continued)

3. Employment & Training

The UPG's capacity in this critical sector has continued to expand over the last year. The 'OpShop' at 78 Uxbridge Road serves as the principal focus of the group's jobs brokerage & advice services with the refurbished Centre itself formally re-opened on March 14th by the Mayor. There remains a level of jobreach provision undertaken at the group's main office at 370 Uxbridge Rd and one of the principal objects in the year ahead will be for UPG officers to work closely with our Borough colleagues to see how we might expand the level of provision accessible under the OpShop trademark.

SUMMARY

Overall 2001/2002 has clearly represented another year of successful regeneration activity for the UPG. Evidence of that success can perhaps be measured in terms of the group's accumulated reserves which are now approaching levels required of a voluntary body of the UPG's size. The Directors remain acutely conscious of the sizeable constraints which annual & match funding programmes, focusing principally on project activity at the expense of core services, can have on the organisation's development. In this context, we are aware of the importance of maintaining our focus on strategic partnerships and the group's charitable objectives over the medium to long term. The securing of funding for the West London 'ICR' Capacity Building & Social Enterprise programmes are evidence of this policy being successfully applied.

The Directors and staff would like to record our thanks to all those partner agencies and individuals who have supported the UPG throughout the year.

RESULTS FOR THE PERIOD

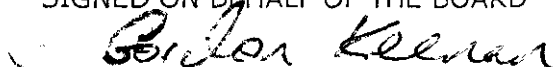
The net income of £179,340 (2001: £53,135) has been carried forward to future periods as set out in Note 9 of the Financial Statements. The Capital Funds are also shown in Note 9 and have been used primarily in refurbishing the premises the Group operates from, as shown in Note 6.

AUDITORS

A resolution proposing that auditors be appointed subject to a tendering process will be put to the Annual General Meeting.

This report was approved by the Directors on 30th July 2002.

SIGNED ON BEHALF OF THE BOARD



G. KEENAN
Secretary

URBAN PARTNERSHIP GROUP LIMITED

(A Company limited by Guarantee)

AUDITORS' REPORT

TO THE MEMBERS OF URBAN PARTNERSHIP GROUP

We have audited the Financial Statements for the year ended 31st March 2002 on pages 5 to 11 which have been prepared under the Historical Cost Convention and the accounting policies set out on pages 7 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the Company's Directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and 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 and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

OPINION

In our opinion, the Financial Statements give a true and fair view of the state of the Company's affairs as at 31st March 2002 and of its Surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



EDMUND WRIGHT & Co.
Chartered Accountants
Registered Auditors

31st July 2002

90 The Ridgeway
London
NW11 9RU

URBAN PARTNERSHIP GROUP LIMITED

(A Company limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2002

	Notes	£	2002	£	£	2001	£
<u>INCOME</u>							
Grants	2	1,239,526			1,081,052		
Membership Fees		1,275			2,100		
Rent and Other Charges		34,891			44,537		
Management Fees		5,010			1,272		
				1,280,702			1,128,961
Management and Administration	5	729,380			604,588		
Grants Made		388,474			482,515		
Depreciation	6	3,690			94,360		
Transfer from Capital Fund		(7,587)			(94,360)		
				1,113,957			1,087,103
				166,745			41,858
<u>OTHER INCOME</u>							
Interest Received				16,370			14,446
<u>Net Operating Income before Taxation</u>				183,115			56,304
Taxation	10			(3,775)			(3,169)
<u>NET INCOME TRANSFERRED TO REVENUE RESERVES</u>				£179,340			£53,135

The Company has no other recognised gains or losses other than those stated above, which all relate to continuing activities.

The Notes on pages 7 to 11 form part of these Financial Statements.

URBAN PARTNERSHIP GROUP LIMITED

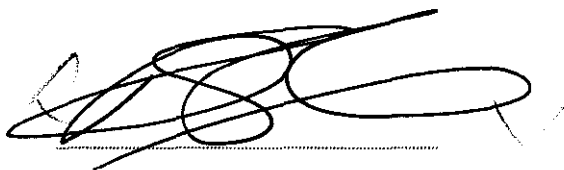
(A Company limited by Guarantee)

BALANCE SHEET

AS AT 31ST MARCH 2002

	<u>Note</u>	<u>£</u>	<u>2002</u>	<u>£</u>	<u>2001</u>	<u>£</u>
<u>FIXED ASSETS</u>						
Tangible Fixed Assets	6		27,467			5,674
<u>CURRENT ASSETS</u>						
Debtors	7	296,674		153,574		
Cash at Bank and In Hand		<u>656,633</u>		<u>422,960</u>		
		<u>953,307</u>		<u>576,534</u>		
<u>CURRENT LIABILITIES</u>						
Creditors: amounts falling due within one year	8	<u>677,930</u>		<u>452,003</u>		
<u>NET CURRENT ASSETS</u>			275,377			124,531
Provision for Liabilities and Charges			<u>(3,775)</u>			<u>(2,889)</u>
<u>NET ASSETS</u>			<u>£299,069</u>			<u>£127,316</u>
<u>FUNDS EMPLOYED</u>						
Capital Fund	9	—		7,587		
Income Fund	9	<u>299,069</u>		<u>119,729</u>		
			<u>£299,069</u>			<u>£127,316</u>

Approved by the Board of Directors on 30th July 2002
and signed on its behalf by:



A. D. SHARPE

The Notes on pages 7 to 11 form part of the Financial Statements.

URBAN PARTNERSHIP GROUP LIMITED

(A Company limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

1. ACCOUNTING POLICIES

Company Status

The Urban Partnership Group is a company which is limited by guarantee.

On 29th May 2002, the Company received Charitable Status No. 1092258.

The Company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the company's activities.

Grants and Other Income Receivable

Grants and other Income are accounted for on a receivable basis.

Tangible Fixed Assets and Amortization

Tangible fixed assets are included in the balance sheet at cost and include any incidental expenses relating to refurbishment works to the Opportunities Centre and the acquisition of other furniture and office equipment.

Previously assets included in the balance sheet have been funded by grants and have been mainly being written down or amortized on a straight line basis over three years, the period over which funding was assured for the Urban Partnership Group.

Depreciation

In order to match the useful life of the funding with its Assets, the following Depreciation policy has been used:

- 1) For assets acquired under short life projects, the amortization period is the time span of the project.
- 2) For all other assets, three years on the straight line basis.
- 3) Current year expenditure on Refurbishments is being written down over the unexpired period of the lease which ends on 17th May 2005.

Pension Costs

Staff who previously worked for the Council continued to subscribe to the Local Government pension scheme operated by Hammersmith & Fulham Council. The employers' contributions to the scheme are funded by the Urban Partnership Group.

All new staff are now offered Stakeholder pensions. Pension Costs in the current year were £20,698.

Cashflow

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it qualifies for exemption as a small company.

URBAN PARTNERSHIP GROUP LIMITED

(A Company limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002
(continued)

2. **GRANTS RECEIVABLE**

	<u>2002</u>		<u>2001</u>	
	<u>Capital</u>	<u>Revenue</u>	<u>Capital</u>	<u>Revenue</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Government Office for London	—	595,493	—	536,814
Single Regeneration Budget	—	561,837	—	469,462
Benefits in Kind	—	14,736	—	1,950
London Borough of Hammersmith & Fulham	—	67,460	—	72,826
	<u>£ —</u>	<u>£1,239,526</u>	<u>£ —</u>	<u>£1,081,052</u>

3. **DIRECTORS' REMUNERATION**

The remuneration and other costs for directors amounted to £45,250 (2001 – £44,010).

4. **AUDIT AND BANK CHARGES**

Audit and bank charges shown below have been included as part of the operating costs:

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Company and ESF Audit Fees	8,812	5,000
Bank Charges	493	279
	<u>£9,305</u>	<u>£5,279</u>

URBAN PARTNERSHIP GROUP LIMITED

(A Company limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002
(continued)

5. EXPENDITURE

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Management and Administration	<u>£729,380</u>	<u>£604,588</u>
Staff Costs:		
Wages, Salaries and Payroll Costs	467,205	438,041
Social Security Costs	30,959	7,556
Pension Costs	20,698	325
Agency Staff	2,390	2,600
	<u>£521,252</u>	<u>£448,522</u>

The average number of employees, analysed by function, was:

Opportunity Centre	4	5
Management and Administration	6	4
Others	10	12
	<u>20</u>	<u>21</u>

6. TANGIBLE FIXED ASSETS

	<u>Equipment, Fixtures & Fittings</u>	<u>Refurbishment Costs</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Balance at 1 st April 2001	75,499	211,544	287,043
Additions	8,580	16,903	25,483
Balance at 31 st March 2002	<u>£84,079</u>	<u>£228,447</u>	<u>£312,526</u>
Depreciation at 1 st April 2001	70,685	210,684	281,369
Depreciation Charge for year	2,397	1,293	3,690
Depreciation at 31 st March 2002	<u>£73,082</u>	<u>£211,977</u>	<u>£285,059</u>
Net Book Value at 1 st April 2001	<u>£4,814</u>	<u>£860</u>	<u>£5,674</u>
Net Book Value at 31 st March 2002	<u>£10,997</u>	<u>£16,470</u>	<u>£27,467</u>

Depreciation

The rates and bases used are as follows:

Equipment, Fixtures & Fittings	-	33 1/3% on straight line method.
Refurbishment Costs	-	33 1/3% on straight line method.

Capital Expenditure

As at 31st March 2002, the group had approved and contracted capital expenditure of £ Nil (2001 - £ Nil).

URBAN PARTNERSHIP GROUP LIMITED

(A Company limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002
(continued)

7. DEBTORS

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Capital Grants	14,254	2,483
Revenue Grants	281,741	150,304
Prepayments	679	787
	<u>£296,674</u>	<u>£153,574</u>

8. CREDITORS
due within one year

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Hammersmith & Fulham Council:		
Revenue Expenditure	373,372	288,233
Taxation and Social Security	—	12,368
In Advance	15,495	—
Other Creditors	10,091	—
Accrued Expenses	19,818	43,235
Retention Fee	—	450
Grants in Advance	86,147	107,717
Grants Payable to Beneficiaries	173,007	—
	<u>£677,930</u>	<u>£452,003</u>

URBAN PARTNERSHIP GROUP LIMITED

(A Company limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002
(continued)

9. **RECONCILIATION OF MOVEMENT OF FUNDS**

	<u>2002</u>		<u>2001</u>	
	<u>£</u> Capital	<u>£</u> Revenue	<u>£</u> Capital	<u>£</u> Revenue
Reserves as at 1 st April 2000	7,587	119,729	101,947	66,594
Less: Depreciation	7,587	—	94,360	—
	—	119,729	7,587	66,594
Revenue Surplus	—	179,340	—	53,135
Reserves as at 31 st March 2002	<u>£ —</u>	<u>£299,069</u>	<u>£7,587</u>	<u>£119,729</u>

As the primary period of funding has now expired, all capital grants have been written off to profit and Loss Account.

10. **CORPORATION TAX**

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
UK Corporation Tax at 20% on		
Interest Received (2001 – 20%)	3,274	2,889
Corporation Tax Interest Received in 1999	—	280
On Management Fees at 10% (2001 – Nil)	501	—
	<u>£3,775</u>	<u>£3,169</u>

11. **OPERATING LEASES**

The Company has one operating lease at £20,000 p.a. terminating on 17th May 2005.