

GENERATE OPPORTUNITIES LIMITED  
(FORMERLY WANDSWORTH ELFRIDA RATHBONE  
SOCIETY LIMITED)

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2002



haysmacintyre  
Chartered Accountants  
London

GENERATE OPPORTUNITIES LIMITED

YEAR ENDED 31 MARCH 2002

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GENERATE OPPORTUNITIES LIMITED

Executive Director:	Sally Warren
Accountant:	Nicolas Fromings
Bookkeeper:	John Parfitt
Company secretary:	Sally Warren
Address:	73 Summerstown Tooting London SW17 0BQ
Bankers:	Barclays Bank Plc Wandsworth Group P.O. Box 3847 St. John's Hill London SW11 1XB
Auditors:	haysmacintyre Southampton House 317 High Holborn London WC1V 7NL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2002

**TRUSTEES**

The Trustees who are also the Directors of the Company and who served during the year were:

Antonia Oakey  
Gregory Willdig  
Mike Brown  
John Smith  
Colin Edgley (Chair)  
Alison Wiser (Appointed 31 July 2001)

The Trustees present their report together with the audited financial statements for the year ended 31 March 2002.

**STATUS AND ADMINISTRATION**

The company is a charitable trust registered with the Charity Commission number 1069548. The Trustees determine the general policy of the Company. The day to day management of the Company is delegated to the Executive Director.

**OBJECTS**

The objects of the company are the advancement of education to assist people with learning difficulties to lead independent lives with dignity and respect.

**ORGANISATION**

Accordingly, the Board of Trustees have power to decide matters of Company policy and to make major decisions affecting the affairs of the Company. Trustees meetings are held on a monthly basis.

Implementation of the Board of Trustees decisions is the responsibility of the Executive Director and her senior management team. The Executive Director reports to the Trustees on a monthly basis on operational matters.

**Change of Name**

On 27 June 2002, the charitable company formally changed its name from Wandsworth Elfrida Rathbone Society Limited to "Generate Opportunities Limited" and adopted "Generate" as its trading name.

**The Senior Management Team**

This consists of five project managers who report to the Executive Director.

**AIMS AND ETHOS**

At Generate we believe that people with learning difficulties should have a chance to participate in community life and be offered support in a way which values them as individuals. We want our members to fulfil their potential and to make a contribution to society, which matches their abilities and aspirations.

We believe people with learning difficulties have the right to express themselves and to develop their skills, confidence and self-esteem. We recognise that, like everyone else, people with learning difficulties should be treated with dignity and respect.

**TRUSTEES REPORT**

FOR THE YEAR ENDED 31 MARCH 2002 (Continued)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Company law and laws applicable to charities in England & Wales require the Trustees to prepare financial statements for each financial year which 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 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees 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 and applicable Charity law. 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.

**REVIEW OF FINANCIAL ACTIVITIES**

The company achieved net incoming resources of £937 for the year (2001 - £38,995). The in surplus in the year is as a result of the management team generating new business activity, in particular the employment access to work and the power-up projects. Staff costs have continued to rise as a result of more sessional staff and project workers required for the new business activities.

We are continuing to develop our business to ensure we maintain the quality of our services and make available more services to assist people with learning difficulties.

**RISK ASSESSMENT**

The trustees have assessed the major risks that the charity faces, in particular in relation to its operations and finances, and are satisfied that the charity is taking the action necessary to mitigate its exposure to these risks.

**RESERVES POLICY**

The Reserves Policy of the Trust has been based on the Trust's objectives. Its main features are:

To achieve a margin of working capital sufficient to enable all aspects of the Trust's work to be conducted in an orderly and efficient manner and to deal with the management of the Trust's continuing offering of more services to people with learning disabilities.

To provide resources to fund the Trust's likely move to new premises within the next two year period.

To provide contingency funding to assist the Trust in keeping up to date with legislation changes which are likely to impose additional costs to the Trust.

In order to meet the above criteria, the Trustees consider that the minimum level of reserves required are as follows:

- a) Working capital of £230,000 which represents one quarter of the average annual expenditure.
- b) A further contingency fund of £50,000 which should also be readily available.
- c) £60,000 made available to fund the Trust's likely move to new premises within the next two year period. It is expected that this may require temporary funding from planned bank borrowings.

The Trust's current level of unrestricted reserves are £147,250 of which £27,776 have been applied towards fixed asset, which therefore leaves a surplus of £119,474. The Trust's policy implies a level of reserves of £280,000 for ordinary objectives and therefore there is currently a shortfall of unrestricted reserves of £160,526.

The Trust's intention is to bring its reserves up to this level over a ten year period. This policy will be monitored by the Trustees on an annual basis. In particular the policy will be re-evaluated if additional free reserves become available.

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2002 (Continued)

**ASSET COVER FOR FUNDS**

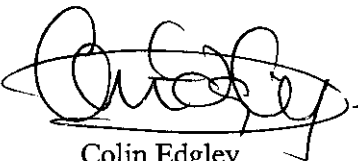
Note 13 to the financial statements sets out an analysis of the Company's assets attributable to the various funds. These assets are sufficient to meet the companies obligations on a fund by fund basis.

**AUDITORS**

A resolution proposing the re-appointment of haysmacintyre as auditors to the company will be put to the annual general meeting.

By order of the Board of Trustees

73 Summerstown, Tooting  
London  
SW17 0BQ



Colin Edgley  
Chair of Trustees

22 August 2002

## GENERATE OPPORTUNITIES LIMITED

We have audited the financial statements of Generate Opportunities Limited for the year ended 31 March 2001 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

## RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The Trustees are also Directors of Generate Opportunities Limited for the purposes of Company Law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read the Trustees' 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 United Kingdom 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 Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 charity's affairs as at 31 March 2002 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

haysmacintyre  
Chartered Accountants  
Registered Auditors



Southampton House  
317 High Holborn  
London  
WC1V 7NL

 2002

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2002

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
<b>INCOMING RESOURCES</b>					
Donations and grants	2	3,385	93,229	96,614	117,410
Activities in furtherance of charitable objects:					
Services income	3	952,994	-	952,994	807,612
Interest receivable gross	5	1,168	-	1,168	1,053
Other income	4	1,272	10,783	12,055	11,749
		<hr/>	<hr/>	<hr/>	<hr/>
Total Incoming Resources		958,819	104,012	1,062,831	937,824
		<hr/>	<hr/>	<hr/>	<hr/>
<b>RESOURCES EXPENDED</b>					
Cost of generating funds:	8				
Fundraising and publicity		1,226	-	1,226	154
Charitable expenditure:					
Cost of services and projects	9	745,195	129,117	874,312	754,830
Support costs	10	78,327	7,333	85,660	59,843
Management and administration	11	100,096	600	100,696	84,002
		<hr/>	<hr/>	<hr/>	<hr/>
Total Resources Expended		924,844	137,050	1,061,894	898,829
		<hr/>	<hr/>	<hr/>	<hr/>
Net Incoming Resources before transfers		33,975	(33,038)	937	38,995
Transfer between Funds		(33,038)	33,038	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net Incoming Resources		937	-	937	38,995
Balance brought forward at 1 April 2001		146,313	-	146,313	107,318
		<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward at 31 March 2002		£147,250	£ -	£147,250	£146,313
		<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 7 to 14 form part of these financial statements.



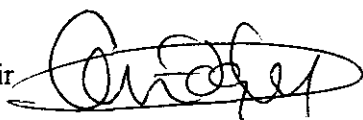
## BALANCE SHEET

AS AT 31 MARCH 2002

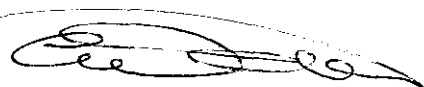
	Notes	£	2002 £	£	2001 £
<b>FIXED ASSETS</b>					
Tangible assets	13		27,776		15,248
<b>CURRENT ASSETS</b>					
Debtors	14	197,526		184,086	
Cash in hand		406		999	
Cash at bank		10,330		49,216	
			208,262	234,301	
<b>CURRENT LIABILITIES</b>					
Deferred income		17,663		-	
Creditors and accrued charges	15	71,125		103,236	
			88,788	103,236	
Net Current Assets			119,474		131,065
<b>NET ASSETS</b>	16		£147,250		£146,313
Represented by:					
<b>UNRESTRICTED FUNDS</b>	17				
General Purpose Fund		62,250		81,313	
Designated Funds:					
- Property Fund		60,000		60,000	
- Equipment Fund		5,000		5,000	
- Service Development Fund		20,000		-	
			147,250		146,313
<b>RESTRICTED FUNDS</b>	18		-		-
<b>TOTAL FUNDS</b>	16		£147,250		£146,313

Approved on behalf of the Board of Trustees on 22 August 2002.

Colin Edgley - Chair



Antonia Oakey



The notes on pages 7 to 14 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

## 1. ACCOUNTING POLICIES

The accounts of the company are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) issued October 2000, and with applicable accounting standards. The particular accounting policies adopted are described below.

- (a) The accounts have been prepared under the historical cost convention.

Fees receivable and charges for services are accounted for in the period in which the service is provided.

- (b) Donations and grants received for general purposes of the Company are credited to "Unrestricted Funds". Donations subject to specific wishes of the donors are credited to relevant "restricted funds".

- (c) The Trustees have taken advantage of the exemptions available in Financial Reporting Statement No 1 and have chosen not to prepare a cash flow statement.

- (d) Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

- (e) Leases

Assets held under finance leases and hire purchase contracts are capitalised in accordance with the fixed asset policy below and depreciated over their useful lives as appropriate.

The interest element of the rental obligations is charged to the income and expenditure account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

- (f) Depreciation

Depreciation is provided on fixed assets to write off their cost over estimated useful lives at the following rates:

Furniture, fittings and equipment	-	20% on cost
Computers	-	33% on cost
Leasehold improvements	-	over leasehold term

Capital assets donated to the company are capitalised in fixed assets at Directors' valuation and the donation is credited to the income and expenditure account over the useful life of the asset.

- (g) Unrestricted Fund

General Fund

The surplus from normal company activities, and unrestricted donations are transferred to the General Fund.

NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 MARCH 2002

1. ACCOUNTING POLICIES

(h) Unrestricted - Designated Fund

Property Fund

This is a fund set aside to assist in the move to new premises which is likely to happen within the next 18 months.

Equipment Fund

This is a fund set aside to ensure the company has sufficient resources to replace fixed assets. An amount is transferred from unrestricted fund surpluses as approved by the Trustees.

Service Development Fund

This is a fund set aside to finance improvements and extensions to the services provided by the charity over the next few years.

(i) Restricted Funds

Income includes:

Youth support for transport and running costs for groups from Wandsworth Borough Council Youth and Recreation Service;

Core funding for Adult Support from Wandsworth Borough Council Social Services;

Holiday Fund to organise and run trips raised directly from members;

Funding for Home Skills Project from Basic Skills Agency.

## NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 MARCH 2002

2. DONATIONS AND GRANTS	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Wandsworth Council grants	-	69,135	69,135	46,522
Other grants	-	24,094	24,094	50,814
Donations	962	-	962	14,202
Other	2,423	-	2,423	5,872
	<u>£3,385</u>	<u>£93,229</u>	<u>£96,614</u>	<u>£117,410</u>
3. SERVICES INCOME	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Stepping Stone Services	135,064	-	135,064	112,956
Home Support Services	218,508	-	218,508	211,883
Employment Support Services	441,909	-	441,909	332,203
Power Up project	157,513	-	153,513	150,570
	<u>£952,994</u>	<u>£ -</u>	<u>£952,994</u>	<u>£807,612</u>
4. OTHER INCOME	Unrestricted Funds £	Restricted Funds £	Total 2002 £	Total 2001 £
Holiday	-	8,878	8,878	9,755
Other	1,272	1,905	3,201	1,994
	<u>£1,272</u>	<u>£10,783</u>	<u>£12,055</u>	<u>£11,749</u>
5. BANK INTEREST			2002 £	2001 £
Bank deposits			<u>£1,168</u>	<u>£1,053</u>
6. SALARIES AND WAGES			2002 £	2001 £
Salaries			795,740	593,496
National Insurance Contributions			59,390	44,452
Pension			7,188	7,961
			<u>£862,318</u>	<u>£645,909</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2002

## 6. SALARIES AND WAGES (continued)

The average weekly number of employees during the period was made up as follows:

	2002 No	2001 No
Project managers	5	6
Project workers	17	15
Sessional staff (full time equivalent)	26	21
Administration	4	4
	<hr/>	<hr/>
	52	46
	<hr/>	<hr/>

The were no employees whose emoluments exceeded £50,000 per annum.

No Trustees received remuneration during the year.

## 7. EXPENDITURE

Expenditure includes:

	2002 £	2001 £
Auditors' remuneration		
- for audit	5,000	4,000
- for other services	1,250	2,818
Operating lease rentals	19,474	13,934
Depreciation	10,708	10,884
	<hr/>	<hr/>

## 8. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Total £
Fundraising and publicity	-	1,226	-	1,226
Cost of services and projects	771,958	102,354	-	874,312
Support costs	-	74,952	10,708	85,660
Management and administration	90,360	10,336	-	100,696
	<hr/>	<hr/>	<hr/>	<hr/>
	£862,318	£188,868	£10,708	£1,061,894
	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 MARCH 2002

## 9. COST OF SERVICES AND PROJECTS

	Total 2002 £	Total 2001 £
Staff costs	771,958	572,505
Communication	11,577	9,359
Transport and travel	23,719	41,654
Training and equipment	11,351	58,158
Recruitment and agency	30,532	36,292
Holiday	10,863	12,269
Other	14,312	24,593
	<hr/>	<hr/>
	£874,312	£754,830
	<hr/>	<hr/>

## 10. SUPPORT COSTS

	Total 2002 £	Total 2001 £
Rent and service charges	23,654	13,440
Insurance	3,653	2,204
Other office costs	47,645	33,315
Depreciation	10,708	10,884
	<hr/>	<hr/>
	£85,660	£59,843
	<hr/>	<hr/>

## 11. MANAGEMENT AND ADMINISTRATION

	Total 2002 £	Total 2001 £
Administration salaries	90,360	73,404
Audit and accountancy	8,600	8,913
Other professional	132	720
Bank charges	1,604	965
	<hr/>	<hr/>
	£100,696	£84,002
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## 12. TAXATION

No taxation liability arises on the results for the year because of the charitable status of the Company.

## NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 MARCH 2002

## 13. FIXED ASSETS

	Leasehold Improvements £	Computers £	Equipment and Furniture £	Total £
COST				
As at 1 April 2001	-	32,934	9,024	41,958
Additions	18,503	-	4,733	23,236
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2002	18,503	32,934	13,757	65,194
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
As at 1 April 2001	-	20,123	6,587	26,710
Charge for the year	213	8,421	2,074	10,708
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2002	213	28,544	8,661	37,418
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
As at 31 March 2002	£18,290	£4,390	£5,096	£27,776
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2001	-	£12,811	£2,437	£15,248
	<hr/>	<hr/>	<hr/>	<hr/>

## 14. DEBTORS

	2002 £	2001 £
Trade debtors	88,805	101,030
Other debtors	8,320	-
Prepayments	7,868	2,853
Accrued income	92,533	80,203
	<hr/>	<hr/>
	£197,526	£184,086
	<hr/>	<hr/>

## 15. CREDITORS AND ACCRUALS

	2002 £	2001 £
Taxation and national insurance	17,993	16,165
Trade creditors	14,572	24,201
Sundry creditors	150	337
Accruals	38,410	61,571
Deferred capital donations	-	960
	<hr/>	<hr/>
	£71,125	£103,236
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2002

## 16. ALLOCATION OF THE CHARITY NET ASSETS

The net assets are held for the various funds as follows:

	Fixed Assets £	Net Current Assets £	Total £
Unrestricted Funds			
- General	27,776	34,474	62,250
- Property Fund	-	60,000	60,000
- Equipment Fund	-	5,000	5,000
- Service Development Fund	-	20,000	20,000
Restricted Funds	-	-	-
	<u>£27,776</u>	<u>£119,474</u>	<u>£147,250</u>

17. UNRESTRICTED FUNDS	Balance 1 April 2001 £	Incoming Resources £	Resources Expended £	Transfers £	Balance 31 March 2002 £
General fund	81,313	958,819	(924,844)	(53,038)	62,250
Property fund	60,000	-	-	-	60,000
Equipment fund	5,000	-	-	-	5,000
Service Development Fund	-	-	-	20,000	20,000
	<u>£146,313</u>	<u>£958,819</u>	<u>£(924,844)</u>	<u>£(33,038)</u>	<u>£147,250</u>

A transfer of £33,038 (2001 - £27,987) from General Fund to the Restricted Funds represents the funding of the accumulated deficits on Restricted Funds.



## NOTES TO THE ACCOUNTS (Continued)

YEAR ENDED 31 MARCH 2002

18. RESTRICTED FUNDS	Balance 1 April 2001 £	Incoming Resources £	Resources Expended £	Transfers £	Balance 31 March 2002 £
Youth Support - Transport	-	21,017	(21,928)	911	-
Youth Support - Maintenance	-	7,482	(7,482)	-	-
Youth Support - SRB	-	-	-	-	-
Youth - Other	-	689	(1,867)	1,178	-
Adult Support - Social	-	19,636	(48,600)	28,964	-
Adult Support - Club subscription	-	1,216	(1,216)	-	-
Holiday Fund	-	8,878	(10,863)	1,985	-
HIMP project	-	21,000	(21,000)	-	-
Home Skills project	-	19,075	(19,075)	-	-
Looking forwards	-	5,019	(5,019)	-	-
	<u>£-</u>	<u>£104,012</u>	<u>£(137,050)</u>	<u>£33,038</u>	<u>£-</u>

## 19. OPERATING LEASE COMMITMENTS

	Property and equipment	
	2002 £	2001 £
At 31 March 2002 the company had the following annual commitments under non-cancellable operating leases:		
Within one year	£909	£705
Two to five years	£32,477	£15,036

## 20. RELATED PARTY TRANSACTIONS

The Trustees control the company.