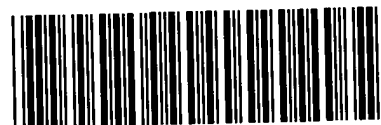

HCI (UK) LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2014

Company number: 03370501
Charity number: 1073215

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HCI (UK) LIMITED
(A company limited by guarantee)

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HCI (UK) LIMITED
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2014

The directors, who are the trustees of the charitable company, present their report and unaudited accounts for the year ended 31 March 2014.

Reference and administrative information

Name of charitable company	HCI (UK) Limited
Company number	03370501
Charity number	1073215
Registered office	239 Holliday Street Birmingham B1 1SJ
Independent Examiner	Simon Atkins FCA Partner in Clement Keys LLP Chartered Accountants No. 8 Calthorpe Road Edgbaston Birmingham B15 1QT
Bankers	Unity Trust Bank Nine Brindley Place Oozells Square Birmingham B15 1AR
Directors	John Morris - Chair Gary Clarke (resigned 18 December 2013) Dr Peter Patel (resigned 23 November 2014) Michael Pritty (resigned 1 October 2014) Reverend Paul Walker (resigned 18 December 2013) Judith Jenner Dr Jill Jesson Malik Ullah Prof Guy Daly Dr Patricia Jones (resigned 23 November 2014) Peter Middleton
Company secretary	John Morris

HCI (UK) LIMITED
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT continued

Year ended 31 March 2014

Structure, Governance and Management

Name

The name was changed from HCI Birmingham Limited to HCI (UK) Limited by a resolution passed at an Extraordinary general Meeting held on 8th June 2009, and registered by Companies House on 24th June 2009. It is operationally known as "the Human City Institute".

Governing document

The charity is constituted as a company limited by guarantee with charitable status, having no share capital. It was incorporated on 14 May 1997 and registered with the Charity Commission on 7 January 1999.

It is governed by its memorandum and articles of association and the policies made from time to time by the Board of Directors.

Recruitment and appointment of directors

Directors, who are trustees for the purposes of charity law, are appointed and resign in accordance with the Articles of Association. In appointing directors, due regard is given to the skills mix and profile of the existing board.

Organisational structure

The charitable company is governed by its Board of Directors which is responsible for formulating the strategies and policies of the charitable company including the approval of budgets and the annual accounts. The Board meets in formal session approximately 8 times a year to determine overall strategy, oversee the furtherance of the charitable company's objectives and consider reports.

The charitable company also benefits from many voluntary hours and unclaimed out of pocket expenses contributed by its volunteer helpers.

Related parties

Directors, John Morris and Mike Pritty, are officers of the Trident Housing Association Limited. During the year the charitable company undertook projects financed by, or in part by, Trident.

Risk management

The consideration of risks is inherent in the charitable company's planning and decision making processes. The directors have identified major risks to which they consider the charitable company to be exposed and are now in the process of reviewing the actions considered necessary to mitigate those risks.

Objectives and Activities

During 2013/14, the Human City Institute has continued to undertake and publish a range of research, to promote research findings in the media and to the general public and to campaign on behalf of disadvantaged groups in line with the charity's objectives and clustered under the seven research themes outlined in HCI's research strategy.

The research carried out has underlined the charity's commitment to exploring issues relating to social exclusion and social justice, promoting potential solutions and using research findings to provide information to policy-makers and educational materials to the general public via the media.

HCI (UK) LIMITED
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT continued

Year ended 31 March 2014

Major projects included work around social mobility and its relation to housing supply, inequality in assets, income and improvement in the life chances of those on low incomes or welfare benefits, mutualism and the Big Society.

Work progressed during 2013/14 on two major new projects. The first sought to track the effects of austerity and welfare reform on vulnerable groups in society. The second was commissioned by Trident Social Investment Group to chart its social investment work. HCI has developed a bespoke model called 'Measuring-Up' to guide this work which has subsequently been recognised as a major contribution to debates around value for money and social value measurement.

HCI's educational and information sharing approach has been built upon an interactive website, which has seen further development this year, the use of the media to promote research reports and disseminate findings to policy-makers and local communities alike, making reports, summaries and bulletins available on-line, and the introduction of an occasional e-newsletter for supporters. HCI has also invested considerable time in using social media to promote research findings and to campaign on key issues.

HCI has achieved major coverage in the media contributing articles about human city issues on a regular basis to national, regional and local newspapers and to a range of housing, health, regeneration and urban policy journals. All of this is crucial in promoting solutions to urban disadvantage, augmented by report launches, policy roundtables and conference speeches and presentations, all of which have seen more activity in 2013/14.

Trustees have met regularly to review both progress on individual projects and the development of the Human City Institute as a successful charitable endeavour. Trustees also attended a series of 'away days' to discuss the charity's strategic direction, fund-raising and how best to support the Management Team. Detailed and day-to-day management work remains devolved to the Management Team of the Chair, Director and Public Affairs Manager, which meets regularly and is in regular contact via electronic media.

The charity continues to seek to strengthen its income base and widen the number of income sources, including revisiting grant funding, extending its network of sponsors and subscribers, and generating income from marketing reports. A Fund-Raising Sub-Committee was created to explore new sources of finance. A financial review of the charity and a new Business Plan were developed towards the end of 2013/14.

It is this stable platform of achievements, traced back over one and a half decades that is enabling today's Trustees to develop the HCI charity and will provide a sound base for strategic development and delivery over the coming years.

Financial Review

Reserves policy

In the year an unrestricted operating surplus of £8,680 (2013 deficit: £13,721) was achieved.

The directors aim to designate a level of reserves equal to some 8 weeks of cash operating costs which is considered sufficient to ensure that all current activities of the charitable company may be carried out to completion.

As at 31 March 2014, £8,000 (2013: £11,000) has been designated in order to reflect this policy leaving a surplus on unrestricted funds of £365 (2013: deficit of £11,315).

HCI (UK) LIMITED
(A company limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT continued

Year ended 31 March 2014

Responsibilities of the Directors

The directors (who are also the trustees of HCI (UK) Limited for the purposes of charity law) are responsible for preparing the Directors' and Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under section 415A of the Companies Act 2006.

Approved by the Directors on 5 March 2015 and signed on their behalf by:



J Morris
Chair

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF

HCI (UK) LIMITED

I report on the accounts of the charitable company for the year ended 31 March 2014, which are set out on pages 6 to 12.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed in accordance with the Articles of Association.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

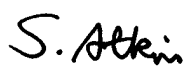
(1) which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Clement Keys LLP
Chartered Accountants
No. 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT


Simon Atkins FCA
Chartered Accountant
Partner in Clement Keys LLP

5 March 2015

HCI (UK) LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)

Year ended 31 March 2014

		Unrestricted funds	2014 Total funds	2013 Total funds
	Note	£	£	£
Incoming resources				
Incoming resources from charitable activities				
Income from research projects	2	93,067	93,067	84,386
Voluntary income	2	66,650	66,650	53,089
Investment income				
Interest receivable		10	10	6
Total incoming resources		159,727	159,727	137,481
Resources expended				
Charitable activities	3	112,451	112,451	103,324
Support costs	3	33,796	33,796	43,178
Governance costs	3	4,800	4,800	4,700
Total resources expended		151,047	151,047	151,202
Movement in total funds for the year (being net income/(expenditure) for the year)		8,680	8,680	(13,721)
Reconciliation of funds				
Total funds brought forward		(315)	(315)	13,406
Total funds carried forward		8,365	8,365	(315)

The statement of financial activities includes all gains and losses recognised in the year.

All incoming and outgoing resources derive from continuing activities.

The notes on pages 9 to 12 form part of these financial statements.

HCI (UK) LIMITED
(A company limited by guarantee)

BALANCE SHEET
Company number 03370501
31 March 2014

	Note	2014		2013	
		£	£	£	£
Current assets					
Debtors	5	22,214		21,816	
Cash at bank and in hand		35,179		-	
		<u>57,393</u>		<u>21,816</u>	
Creditors: amounts falling due within one year	6	(49,028)		(22,131)	
		<u></u>		<u></u>	
Net current assets/(liabilities)			8,365		(315)
			<u></u>		<u></u>
Total assets less current liabilities			8,365		(315)
			<u></u>		<u></u>
Reserves					
Unrestricted funds:					
General	8		365		(11,315)
Designated	8		8,000		11,000
			<u>8,365</u>		<u>(315)</u>
			<u></u>		<u></u>

The notes on pages 9 to 12 form part of these accounts.

HCI (UK) LIMITED
(A company limited by guarantee)

BALANCE SHEET (Continued)
Company number 03370501
31 March 2014

STATEMENT BY THE DIRECTORS WITH REGARD TO AUDIT EXEMPTION

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 and members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records, and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at 31 March 2014 and of its incoming resources and application of resources, including the net income or expenditure for the year then ended in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the charitable company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to companies subject to the small companies regime and in accordance with Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors on 5 March 2015 and were signed on their behalf by:



J Morris
Chair

HCI (UK) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

1 Accounting policies

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

1.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Companies Act 2006 and in compliance with the historical cost accounting rules, on an accruals basis and in compliance with, the Financial Reporting Standards for Smaller Entities (effective April 2008).

In preparing the financial statements the directors have adopted the provisions of the revised Statement of Recommended Practice - "Accounting and Reporting by Charities" (SORP 2005). The directors have made use of the concession available for smaller charities within the SORP and have chosen to use resource classifications appropriate to the charitable company's circumstances and activities.

1.2 Going concern

The directors have considered the going concern of the organisation for a period of twelve months from the date of approval of the balance sheet. HCI (UK) Limited will continue its management agreement with Trident Housing Association Limited and other grant funding has been secured for the period which will enable HCI (UK) Limited to continue to deliver future projects and cover any administrative costs. As a result, the directors consider it appropriate to prepare the accounts on a going concern basis.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Incoming resources from consultancies, where related to performance and specific deliverables, are accounted for as the charitable company earns the right to consideration by its performance. Where income is received in advance for performance of duties contracted to take place in a later period it is treated as deferred income and included within creditors. Incoming resources without such specifications are recognised in the period in which they are received.

1.4 Resources expended

All expenditure is accounted for on an accruals basis. Support costs incurred which cannot be directly attributed to particular cost categories, are allocated on a basis of time spent.

HCI (UK) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

2	Income from charitable activities	2014	2013
		£	£
	Income from research projects	93,067	84,386
	Voluntary income:		
	Subscription income	-	139
	Donations	66,650	52,950
		159,717	53,089
	Voluntary services represent the estimated value of services received from Trustees and organisations connected to them.		
3	Resources expended	2014	2013
		£	£
	Charitable activities – project costs	112,451	103,324
	Support costs	33,796	43,178
		146,247	146,502
	Support costs	2014	2013
		£	£
	Accountancy fees	6,740	6,195
	Management and administration costs	5,481	11,291
	Promotion and event support	21,575	25,692
		33,796	43,178
	Governance costs	2014	2013
		£	£
	Independent examination fee	1,650	1,550
	Donated provision of meeting facilities	3,150	3,150
		4,800	4,700

HCI (UK) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

3 Resources expended: continued

None of the Trustees receive any remuneration from the charitable company (2013: £nil). No trustees (2013: one trustee) claimed reimbursement of administrative expenses amounting to £nil (2013: £14).

4	Net incoming resources	2014	2013
	The following items are included in arriving at net incoming resources	£	£

Expenditure

Independent Examination fees	1,650	1,550
------------------------------	-------	-------

5	Debtors	2014	2013
		£	£

Other debtors	22,214	21,816
---------------	--------	--------

6	Creditors: amounts falling due within one year	2014	2013
		£	£

Bank overdraft	-	6,066
Other creditors	49,028	16,065
	49,028	22,131

7 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total funds £
Current assets	49,393	8,000	57,393
Creditors: amounts falling due within one year	(49,028)	-	(49,028)
	365	8,000	8,365

HCI (UK) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

8 Movement in funds

	At 1 April 2013 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2014 £
Unrestricted funds					
General fund	(11,315)	159,727	(151,047)	3,000	365
Designated fund	11,000	-	-	(3,000)	8,000
	<u>(315)</u>	<u>159,727</u>	<u>(151,047)</u>	<u>-</u>	<u>8,365</u>

Designated fund

The designated fund is a contingency fund representing approximately 8 weeks of operational expenditure.

9 Capital and financial commitments

The charitable company has no capital expenditure contracted for but not provided in the accounts (2013: £Nil).

10 Members

The charity is incorporated as a company limited by guarantee having no share capital. In accordance with the Memorandum of Association every member is liable to contribute a sum of £1 in the event of the charitable company being wound up.

11 Related parties

During the year the charitable company undertook projects on behalf of Trident Housing Association Limited of which J Morris and M Pritty are officers. During the year ended 31 March 2014 HCI invoiced Trident Housing Association Limited £43,750 (2013: £56,500) and received in kind contributions of £16,650 (2013: £15,650).

Dr J Jesson, trustee, provided in kind service contributions to the value of £4,000 during the year (2013: £2,500).

Prof G Daly, trustee, provided in kind service contributions to the value of £4,000 during the year (2013: £2,500).