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

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2012

Company number: 03370501
Charity number 1073215



Clement Keys
CHARTERED ACCOUNTANTS

THURSDAY



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

CONTENTS

	Page
Directors' and Trustees' Report	1
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes forming part of the financial statements	9

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

DIRECTORS' AND TRUSTEES' REPORT

Year ended 31 March 2012

The directors, who are the trustees of the charitable company, present their report and unaudited accounts for the year ended 31 March 2012

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	Fleur Holden FCA Clement Keys Chartered Accountants Statutory Auditors 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 (appointed April 2011) Dr Peter Patel Michael Prtty Reverend Paul Walker Philip Crombie (resigned March 2012) Arti Halai (resigned April 2011) Anthony McCool (resigned June 2011) Judith Jenner (appointed September 2011) Dr Jill Jesson Malik Ullah Prof Guy Daly (appointed December 2011)
Company secretary	John Morris

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

DIRECTORS' AND TRUSTEES' REPORT continued

Year ended 31 March 2012

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, Mike Pritty and Antony McCool (resigned during the year), 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

The Human City Institute has continued to undertake and publish a range of research during 2011/12 in line with the charity's objectives and clustered under the six 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.

Major projects under the 'New Visions for Social Housing' research theme included work around social mobility and its relation to housing supply, inequality in assets and income and improvement in the life chances of those on low incomes or welfare benefits. HCI's work in this area informed the Parliamentary Mobility Taskforce established by Lord Best. Also under this research theme work has continued around developing a 'New Deal for Tenants' and 'Exceeding Expectations' in relation to the evolving debate around mutualism in public and third sectors.

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

DIRECTORS' AND TRUSTEES' REPORT continued

Year ended 31 March 2012

New work began in 2011/12 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 is now being rolled out across the social housing and third sectors.

HCI's educational and information sharing approach has been built around 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 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 2011/12.

Trustees have met regularly to review both progress on individual projects and the development of the Human City Institute as a successful charitable endeavor. Detailed and day-to-day management work remains devolved to the Management Team which meets bi-monthly and is in regular contact via electronic media. New Trustees have been recruited based upon a skills audit carried out by the Board.

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. HCI has also established a sub-committee of the Board to develop more detailed proposals to access new markets and new funding.

In March 2012, HCI published an historical review of its work, written by former Director Dr David Clark, to celebrate the charity's 15th Anniversary. The report was a timely reminder of the community engagement work, policy development and campaigning on issues important to the charity going back to 1996/97. It's this stable platform of achievements over one and a half decades that is enabling today's Trustees to develop the charity and will provide a sound base for development over the coming years. In shaping the charitable company's objectives for the year and planning its activities the Trustees have considered the Charity Commission's guidance on public benefit.

Financial Review

Reserves policy

In the year an unrestricted operating deficit of £5,469 (2011 surplus £10,659) 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 2012, £11,000 (2011 £13,000) has been designated in order to reflect this policy leaving free reserves of £2,406 (2011 £5,875).

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

DIRECTORS' AND TRUSTEES' REPORT continued

Year ended 31 March 2012

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 17 December 2012 and signed on their behalf by



J Morris
Company Secretary

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF

HCI (UK) LIMITED

I report on the accounts of the charitable company for the year ended 31 March 2012, which are set out on pages 6 to 13

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
Chartered Accountants
No 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT



Fleur Holden FCA
Chartered Accountant
Partner in Clement Keys

Date 17 December 2012

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

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

Year ended 31 March 2012

		Unrestricted funds	2012 Total funds	2011 Total funds
	Note	£	£	£
Incoming resources				
Incoming resources from charitable activities				
Income from research projects	2	68,600	68,600	95,900
Voluntary income	2	51,440	51,440	23,670
Investment income				
Interest receivable		8	8	15
Total incoming resources		<u>120,048</u>	<u>120,048</u>	<u>119,585</u>
Resources expended				
Charitable activities	3	82,380	82,380	79,125
Support costs	3	39,049	39,049	27,851
Governance costs	3	4,088	4,088	3,450
Total resources expended		<u>125,517</u>	<u>125,517</u>	<u>110,426</u>
Movement in total funds for the year (being net (expenditure)/income for the year)		(5,469)	(5,469)	9,159
Reconciliation of funds				
Total funds brought forward		<u>18,875</u>	<u>18,875</u>	<u>9,716</u>
Total funds carried forward		<u>13,406</u>	<u>13,406</u>	<u>18,875</u>

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 13 form part of these financial statements

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

BALANCE SHEET
Company number 03370501
31 March 2012

	Note	2012		2011	
		£	£	£	£
Fixed assets	5		-		-
Current assets					
Debtors	6	26,660		19,200	
Cash at bank and in hand		<u>-</u>		<u>1,538</u>	
		26,660		20,738	
Creditors: amounts falling due within one year	7	<u>(13,254)</u>		<u>(1,863)</u>	
Net current assets			<u>13,406</u>		<u>18,875</u>
Total assets less current liabilities	8		<u>13,406</u>		<u>18,875</u>
Reserves					
Unrestricted funds					
General	9		2,406		5,875
Designated	9		<u>11,000</u>		<u>13,000</u>
			<u>13,406</u>		<u>18,875</u>

The notes on pages 9 to 13 form part of these accounts

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

BALANCE SHEET
Company number 03370501
31 March 2012

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 2012 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 17 December 2012 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 2012

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 applicable Accounting Standards, 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 1 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 3 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

1 4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their useful lives on the following basis

Website development	33% straight line
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HCI (UK) LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

2	Income from charitable activities	2012	2011
		£	£
	Income from research projects	68,600	95,900
	Voluntary income	<u>100</u>	<u>130</u>
	Subscription income	<u>51,340</u>	<u>23,540</u>
	Donations	<u>51,440</u>	<u>23,670</u>

Voluntary services represent the estimated value of services received from Trustees and organisations connected to them

3	Resources expended	Total 2012	Total 2011
		£	£
	Charitable activities – project costs	82,380	79,125
	Support costs	<u>39,049</u>	<u>27,851</u>
		121,429	106,976
		<u>121,429</u>	<u>106,976</u>
	Support costs	2012	2011
		£	£
	Professional fees	-	1,750
	Accountancy fees	6,362	6,000
	Management and administration costs	7,042	9,268
	Promotion and event support	25,645	10,833
		<u>39,049</u>	<u>27,851</u>
		<u>39,049</u>	<u>27,851</u>
	Governance costs	2012	2011
		£	£
	Independent examination fee	1,588	1,450
	Donated provision of meeting facilities	2,500	2,000
		<u>4,088</u>	<u>3,450</u>
		<u>4,088</u>	<u>3,450</u>

None of the Trustees receive any remuneration from the charitable company (2011 £nil) and no Trustees claimed any for the reimbursement of any expenses (2011 £nil)

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

4	Net incoming resources	2012	2011
	The following items are included in arriving at net incoming resources	£	£
	Expenditure		
	Independent Examination fees	1,588	1,450
		<u> </u>	<u> </u>
5	Fixed assets		Website development
			£
	Cost		
	As at 1 April 2011 and 31 March 2012		6,240
			<u> </u>
	Depreciation		
	As at 1 April 2011 and 31 March 2012		6,240
			<u> </u>
	Net book value		
	As at 31 March 2011 and 31 March 2012		-
			<u> </u>
6	Debtors	2012	2011
		£	£
	Other debtors	26,660	19,200
		<u> </u>	<u> </u>
7	Creditors amounts falling due within one year	2012	2011
		£	£
	Bank overdraft	5,270	-
	Other creditors	7,984	1,863
		<u> </u>	<u> </u>
		13,254	1,863
		<u> </u>	<u> </u>

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

8 Analysis of net assets between funds

	Unrestricted funds £	Total funds £
Fixed assets	-	-
Net current assets	<u>13,406</u>	<u>13,406</u>
	<u>13,406</u>	<u>13,406</u>

9 Movement in funds

	At 1 April 2011 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2012 £
Unrestricted funds					
General fund	5,875	120,048	(125,517)	2,000	2,406
Designated fund	13,000	-	-	(2,000)	11,000
	<u>18,875</u>	<u>120,048</u>	<u>(125,517)</u>	<u>-</u>	<u>13,406</u>

Designated fund

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

10 Capital and financial commitments

The charitable company has no capital expenditure contracted for but not provided in the accounts (2011 £Nil)

11 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.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

12 Related parties

During the year the charitable company undertook projects on behalf of Trident Housing Association Limited of which J Morris, M Pritty and A McCool (resigned during the year) are officers. During the year ended 31 March 2012 HCI invoiced Trident Housing Association Limited £25,000 (2011 £22,400) and received in kind contributions of £10,940 (2011 £11,240).

J Pritty who is the daughter of M Pritty trustee, provided in kind service contributions to the value of £2,400 during the year (2011 £nil).

Dr J Jesson trustee, provided in kind service contributions to the value of £2,250 during the year (2011 £nil).

Prof G Daly trustee, provided in kind service contributions to the value of £2,250 during the year (2011 £nil).