



The Accounts 08/09



FOUNDATION FOR SOCIAL IMPROVEMENT  
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2009

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31 March 2009. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED COMPANY NUMBER  
05537547 (England and Wales)  
REGISTERED CHARITY NUMBER  
1123384  
Registered office  
91/93 Great Portland Street  
London  
W1W 7NX

TRUSTEES

E L Harrison  
M Lovell  
A Armoni  
L G G Allen (appointed 27/3/2009)  
J Grounds (appointed 27/3/2009)  
M Sinha (appointed 27/3/2009)

Company Secretary  
L G G Allen

Independent Examiner  
Deloitte LLP  
1 City Square  
Leeds  
West Yorkshire  
LS1 2AL

STRUCTURE, GOVERNANCE AND MANAGEMENT

**Governing document**

The charity is controlled by its governing document, its memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1985.

**Recruitment and appointment of new trustees**

Trustees are appointed in accordance with the provisions of the charity's memorandum and articles of association for the appointment of directors.

**Related parties**

A4e Ltd, which was the principal funding source during the year, is controlled by E L Harrison, who, with M Lovell, is also a director of the company.

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

FOUNDATION FOR SOCIAL IMPROVEMENT  
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REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2009

OBJECTIVES AND ACTIVITIES

Objectives

The charity's objects are:

A) to promote the efficiency and effectiveness of charities and the voluntary sector for the benefit of the public and the promotion of the effective use of resources for charitable purposes by charitable and non charitable bodies, in particular but not exclusively by providing or assisting in the provision of training, administrative and support services and by facilitating partnership and co-operation in the voluntary sector.

B) the prevention or relief of poverty and the relief of those in need by reason of youth, age, financial hardship or other disadvantage, by making grants of money to individuals, charities or other organisations for providing or paying for goods, services, facilities or other appropriate assistance.

Significant activities

Through the development of the annual Business Plan (which derives from the strategic plan) we review our aims, objectives and activities each year. The review looks at what we have achieved and the impact of our work in the previous 12 months, and at the success of each programme and activity and the benefit it has had both on individual small charities and on small charities as a whole.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. Our current development programme continues to contribute to the aims and objectives we have set.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

2008/09 was a year of huge progress for the FSI (for a full and detailed account you should refer to FSI 2008/09 Impact Report) and we delivered against the majority of the objectives set in the 2008/09 Plan.

In the business plan we said we would increase the number of training sessions and we delivered 284 places on 36 training courses with a total value to the sector of £121,061.19. We held 38 Drop In sessions covering topics as diverse as fundraising strategy to database selection. The Forum 'Innovation' was attended by 118 delegates and 16 speakers took part. We were disappointed with the overall numbers but we did improve on the previous year and this therefore encouraged us to plan for a third mass learning opportunity for 2009/10 the FSI Workshop (held April 09 and therefore does not form part of these accounts). The FSI Challenge hosted 7 small charities, again slightly disappointing but in retrospect this enabled us to trial this activity (61 runners) and we hope for a better turn out in June 2009). Our support for Partners continued and we have developed close working relationships with 11 Charity Partners and in order to support them more effectively we have developed a Life Stage Assessment tool which is used to ensure the support we offer is needed and integrates into the work of the charity and enables it to become more efficient, effective and accountable, always building to long-term sustainability.

As we look back on 2008/09, our first year as a Charity we can see that we made a great start and not only have we laid the groundwork for the future development of the FSI Greenhouse Project but we have delivered against a number of the Greenhouse objectives. Of course, there is still a significant amount of development to take place and we need to continually review the services on offer but I am confident that we go into 2009/10 with a good foundation of deliverable services to small charities.

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2009

## FINANCIAL REVIEW

### Reserves policy

The Trustees consider that, in future, the level of unrestricted reserves should be approximately equivalent to the charity's organisational expenditure for a full year. The Trustees will also from time to time apply unrestricted reserves to specifically designated funds when considered appropriate. However, if necessary, access to the designated funds will be permissible for the general meeting of the charity. Restricted funds given to the FSI for a specific, identifiable purpose will not be accessible for the general running of the charity.

### Financial review

The principle funding source during the year was again A4e Ltd, its continued support forms part of its overall pledge to deliver £1 million in donated income to the FSI over a five year period starting 2007/08 and completing in 2012/13 and their donation for this financial period was £250,000.

2008/09 was also a significant year for the FSI financially. We set ourselves a target to raise £100,000 on top of funds received from our major donor A4e. As the year progressed we started to bring in small amounts of income and received two boosts with significant donations from Credit Suisse and Zurich Insurance. However, it became increasingly plain that we still had a long way to go in respect of securing support from Trusts and Foundations. We came to the conclusion that we would not meet our targets for voluntary income and in reality we raised £73,441.

It was therefore important to scope out new avenues of income to the FSI and in quarter three, with this in mind, we took the first steps into earned income through the launch of the FSI Consultancy (referred to in last years accounts as N4p which undertakes similar activities as the FSI but works with larger charities. The funds from those relationships is used to support our charitable activities). Consultancy income in quarter four raised £35,874.

The majority of FSI expenses are used to deliver the programmes and it is our intention to keep the cost of generating funds to a minimum and in total we spent less in 2008/09 than in 2007/08. We will continue to use our ability to leverage support as gifts in kind from corporate and other donors and to attract donors who can see the advantage of supporting the FSI to work with small charities to make them more effective, efficient, accountable and self sustaining. In 2008/09 we leveraged every £1 invested by donors into the FSI to approximately £4.50 and increase on 2007/08.

## FUTURE DEVELOPMENTS

### Plans for future periods

2009/10 will see the FSI concentrating on the Greenhouse Project and on Strategy Four 'Influence policy makers by raising public awareness of the issues facing small charities in the UK and elsewhere'. For more detail on future activity refer to the FSI Impact Report 2008/09.

FOUNDATION FOR SOCIAL IMPROVEMENT  
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REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2009

PUBLIC BENEFIT STATEMENT

Our main activities support the development of learning and support services to ensure that our beneficiaries, small charities, become accountable, efficient, effective and self sustaining. All of our charitable activities focus on delivering against this and are undertaken to further our charitable purposes for the public benefit.

To ensure that the as many small charities as possible access our services, this year the FSI has advertised through the FSI Website, through media opportunities (Channel 4 Secret Millionaire), articles in Professional Fundraiser, press releases and public speaking activities.

This year we have been reminded again that our services are needed, Third Sector Skills Research 2008: 'Further Evidence and Recommendations on Skills Gaps', Jenny Clark and Veronique Jochum alerted that small charities identified fundraising as the third most important skill to implement after strategic use of IT and legal knowledge and it was the only skill of all those listed as missing that was specific to the charity sector. This coupled with further evidence that tells us that 57% of charities say a lack of funding for training and development is the main reason why they don't close skills gaps further confirms the need for FSI support services.

ON BEHALF OF THE BOARD:



E L Harrison - Trustee

Date: 30/09/2009

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FOUNDATION FOR SOCIAL IMPROVEMENT  
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I report on the accounts for the year ended 31 March 2009 comprising the statement of financial activities and balance sheet and the related notes 1-10.

This report is made solely to the charity's trustee as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustee as a body, for my work, for this report, or for the opinions I have formed.

#### Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the institute of Chartered Accountants in England and Wales.

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 43 of the 1993 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 43(7)(b) of the 1993 Act); and
- to state whether particular matters have come to my attention.

#### **Basis of the 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 following statements.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FOUNDATION FOR SOCIAL IMPROVEMENT  
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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 221 of the Companies Act 1985; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of Section 226 of the Companies Act 1985 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.

S J Trobridge  
For and on behalf of Deloitte LLP  
1 City Square  
Leeds  
West Yorkshire  
LS1 2AL

FOUNDATION FOR SOCIAL IMPROVEMENT  
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STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2009

	NOTES	2009 UNRESTRICTED FUNDS £	2009 TOTAL FUNDS £
<b>INCOMING RESOURCES</b>			
Incoming resources from generated funds			
Voluntary income		<b>323,441</b>	294,000
Incoming resources from charitable activities			
Consultancy and training		<b><u>35,874</u></b>	<u>-</u>
Total incoming resources		<b>359,315</b>	294,000
<b>RESOURCES EXPENDED</b>			
<b>Costs of generating funds</b>			
<i>Fundraising trading: cost of goods sold and other costs</i>		<b>9,404</b>	-
<b>Governance costs</b>		<b>3,654</b>	2,388
<b>Other resources expended</b>		<b>265,379</b>	284,559
<b>Total resources expended</b>		<b><u>278,437</u></b>	<u>286,947</u>
NET INCOMING RESOURCES	8	<b>80,878</b>	7,053
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward		<b><u>7,053</u></b>	<u>-</u>
TOTAL FUNDS CARRIED FORWARD	8	<b><u>87,931</u></b>	<u>7,053</u>

FOUNDATION FOR SOCIAL IMPROVEMENT  
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BALANCE SHEET  
AT 31 MARCH 2009

	NOTES	2009 UNRESTRICTED FUNDS £	2009 TOTAL FUNDS £
FIXED ASSETS			
Tangible assets	5	<b>6,505</b>	8,813
			-
CURRENT ASSETS			
Debtors	6	<b>68,830</b>	6,802
Cash at bank and in hand		<b><u>57,426</u></b>	<u>-</u>
		<b>126,256</b>	6,802
CREDITORS			
Amounts falling due within one year	7	<b><u>(44,830)</u></b>	<u>(8,562)</u>
NET CURRENT ASSETS/(LIABILITIES)		<b><u>81,426</u></b>	<u>(1,760)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<b><u>87,931</u></b>	<u>7,053</u>
NET ASSETS		<b><u>87,931</u></b>	<u>7,053</u>
FUNDS	8		
Unrestricted funds		<b><u>87,931</u></b>	<u>7,053</u>
TOTAL FUNDS		<b><u>87,931</u></b>	<u>7,053</u>

FOUNDATION FOR SOCIAL IMPROVEMENT  
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BALANCE SHEET - CONTINUED  
AT 31 MARCH 2009

The charitable company is entitled to exemption from audit under Section 249A(2) of the Companies Act 1985 for the year ended 31 March 2009.

The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2009 in accordance with Section 249B(2) of the Companies Act 1985.

The trustees acknowledge their responsibilities for

A) ensuring that the charitable company keeps accounting records that comply with Section 221 of the Companies Act 1985 and  
B) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its income and expenditure for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Trustees on 30th September 2009 and were signed on its behalf by:



..E L Harrison -Trustee

The notes form part of these financial statements

## 1) ACCOUNTING POLICIES BASIS OF PREPARATION OF ACCOUNTS

### **Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007), the Companies Act 1985 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

### **Incoming resources**

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

### **Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

### **Tangible fixed assets**

Tangible fixed assets are included at cost less accumulated depreciation.

Depreciation is provided on tangible fixed assets on a straight line basis over their estimated useful economic lives.

Useful economic lives are principally as follows:

Fixtures & fittings - 3 years

Computer equipment - 3 years

### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### **Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2).NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2009 £	2008 £
Depreciation - owned assets	<b>4,309</b>	2,276
Hire of plant and machinery	<b>1,946</b>	547
	<u><b>6,255</b></u>	<u>2,823</u>

3) TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2009 nor for the year ended 31 March 2008.

**Trustees' Expenses**

There were no trustees' expenses paid for the year ended 31 March 2009 apart from £1,250 accountancy services to Marriott, Gibbs, Reese Wallis a firm in which L. G. G. Allen is a partner (2008 - £nil).

4) STAFF COSTS

	2009 £	2008 £
Wages and salaries	<b>186,262</b>	207,387
Social security costs	<b>21,391</b>	24,262
Other pension costs	<b>1,875</b>	-
	<u><b>209,528</b></u>	<u>231,649</u>

5) TANGIBLE FIXED ASSETS

	FIXTURES AND FITTINGS £	COMPUTER EQUIPMENT £	TOTAL £
COST			
At 1st April 2008	<b>684</b>	<b>10,405</b>	<b>11,089</b>
Additions	<u>-</u>	<u>2,000</u>	<u>2,000</u>
At 31st March 2009	<u><b>684</b></u>	<u><b>12,405</b></u>	<u><b>13,089</b></u>

FOUNDATION FOR SOCIAL IMPROVEMENT  
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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2009

5) TANGIBLE FIXED ASSETS (CONTINUED)

	FIXTURES AND FITTINGS £	COMPUTER EQUIPMENT £	TOTAL £
DEPRECIATION			
At 1st April 2008	<b>114</b>	<b>2,162</b>	<b>2,276</b>
Charge for year	<u><b>228</b></u>	<u><b>4,080</b></u>	<u><b>4,308</b></u>
At 31st March 2009	<u><b>342</b></u>	<u><b>6,242</b></u>	<u><b>6,584</b></u>
NET BOOK VALUE			
At 31st March 2009	<u><b>342</b></u>	<u><b>6,163</b></u>	<u><b>6,505</b></u>
At 31st March 2008	<u><b>570</b></u>	<u><b>8,243</b></u>	<u><b>8,813</b></u>

6) DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade debtors	<b>12,737</b>	-
Amounts owed by related parties	<b>56,093</b>	6,673
Other debtors	<u>-</u>	<u>129</u>
	<u><b>68,830</b></u>	<u><b>6,802</b></u>

7) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Bank loans and overdrafts	-	5,289
Trade creditors	<b>14,339</b>	776
Amounts owed to related parties	-	38
Taxation and social security	<b>12,506</b>	-
Other creditors	<u><b>17,985</b></u>	<u>2,459</u>
	<u><b>44,830</b></u>	<u><b>8,562</b></u>

8) MOVEMENT IN FUNDS

	AT 1.4.08 £	COMPUTER EQUIPMENT £	TOTAL £
<b>Unrestricted funds</b>			
General fund	<b>7,053</b>	<b>80,878</b>	<b>87,931</b>
<b>TOTAL FUNDS</b>	<b><u>7,053</u></b>	<b><u>80,878</u></b>	<b><u>87,931</u></b>

Net movement in funds, included in the above are as follows:

	INCOMING £	RESOURCES EXPENDED £	MOVEMENT IN FUNDS £
<b>Unrestricted funds</b>			
General fund	<b><u>359,315</u></b>	<b><u>(278,437)</u></b>	<b><u>80,878</u></b>
<b>TOTAL FUNDS</b>	<b><u>359,315</u></b>	<b><u>(278,437)</u></b>	<b><u>80,878</u></b>

9) RELATED PARTY DISCLOSURES

The charity received a gift of £256,000 (2008: £294,000), being the value of administrative services from A4e Ltd and its subsidiaries during the year. E L Harrison is the controlling shareholder and a director of A4e Ltd. M Lovell is also a director of A4e Ltd.

At 31 March 2009 the charity was owed £56,093 (2008: £6,673) from A4e Ltd and owed £Nil (2008: £38) to A4e Management Ltd.

10) GUARANTEE

The members of the company have agreed to contribute £1 each to the assets of the company in the event of it being wound up.

FOUNDATION FOR SOCIAL IMPROVEMENT  
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DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2009

	2009 £	2008 £
<b>INCOMING RESOURCES</b>		
<b>Voluntary income</b>		
Gifts	<b>323,441</b>	294,000
<b>Incoming resources from charitable activities</b>		
Consultancy and training	<u>35,874</u>	-
<b>Total incoming resources</b>	<b>359,315</b>	294,000
<b>RESOURCES EXPENDED</b>		
<b>Fundraising trading: cost of goods sold and other costs</b>		
Fundraising costs	<b>9,404</b>	-
<b>Governance costs</b>		
Accountancy and independent examination	<b>2,750</b>	-
Legal fees	<u>904</u>	2,388
	<b>3,654</b>	2,388
<b>Other resources expended</b>		
Wages	<b>186,262</b>	207,387
Social security	<b>21,391</b>	24,262
Pensions	<b>1,875</b>	-
Motor expenses	<b>762</b>	6,876
Travel and accommodation	<b>3,980</b>	6,100
Recruitment fees and adverts	<b>90</b>	82
Staff training	<b>3,501</b>	-
Fixtures and fittings depreciation	<b>228</b>	114
Computer equipment depreciation	<u>4,080</u>	<u>2,162</u>
Fundraising Costs		
Beneficiary Support	<b>222,169</b>	246,983

FOUNDATION FOR SOCIAL IMPROVEMENT  
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DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2009

	2009 £	2008 £
<b>Management</b>		
Equipment and room hire	1,946	547
Insurance	1,236	-
Telephone	1,677	2,158
Postage and stationery	10,217	1,872
Advertising	760	10,137
Sundries	1,369	821
Professional subscriptions	475	1,073
Events and seminars	6,368	15,937
External trainers and consultants	5,907	3,029
	<u>29,955</u>	<u>35,574</u>
<b>Finance</b>		
Bank charges	194	296
Bank interest	7	22
	<u>201</u>	<u>318</u>
<b>Information technology</b>		
Repairs and renewals	1,170	705
IT development	410	710
Venue and other workshop costs	-	269
	<u>1,580</u>	<u>1,684</u>
<b>Beneficiary support</b>		
Goods and services	2,980	-
Cash donations	659	-
Travel and accomodation	5,814	-
Events	2,021	-
	<u>11,474</u>	<u>-</u>
<b>Total resources expended</b>	<u>278,437</u>	<u>286,947</u>
<b>Net income</b>	<u>80,878</u>	<u>7,053</u>



EXCELLENCE  
IN  
TECHNOLOGY  
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OPERATIONS  
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AS  
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WE  
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CONTINUOUS  
IMPROVEMENT  
AND  
INNOVATION  
IN  
ALL  
ASPECTS  
OF  
OUR  
BUSINESS.





**the FSI**

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Foundation for Social Improvement Charity Number 1123384  
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