

Pure Innovations Limited
(A registered charity and company limited by guarantee)

**Report and Financial Statements
for the Year Ended 31 March 2009**

**Charity number 1111252
Company number 5241249**

Pure Innovations Limited
(A company limited by guarantee)

Financial Statements for the Year Ended 31 March 2009

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Pure Innovations Limited

Report of the Board for the year ended 31 March 2009

The Board presents its report and audited financial statements for the year ended 31 March 2009. The company was dormant from 24 September 2004 until it commenced operating on 1 July 2005 when it acquired the Stockport MBC Social Services Department – Employment Services Division under a TUPE agreement from Stockport MBC.

Reference and Administrative Information

Charity Name: Pure Innovations Limited

Charity registration number: 1111252

Company registration number: 5241249

Registered Office and
main operational address: Sanderling Building
Bird Hall Lane
Cheadle Heath
Stockport
SK3 0RF

Trustees

Mr. D Lennie Chair
Mr. R Haldane
Mrs. L Lunn
Mr. J Morgan

Company Secretary

Mr. J Morgan

Executive Management Team

Mr. D Cresswell	Chief Executive
Mrs. C Gaskell	Director of Human Resources
Mrs. B Harris	Director of Care Service
Mrs. J Hutton	Director of Human Resources
Mrs. L Parrott-Bates	Director of Employment Service
Mr. I Taylor	Director of Finance

Auditors

Hallidays LLP, Kings Reach Park, Yew Street, Stockport, SK4 2HD

Bankers

Cooperative Bank plc, St Peter's Square, Stockport SK1 1 NX

Structure, Governance and Management

Governing Documents

The organisation is a charitable company that is limited by guarantee. It was incorporated on 24 September 2004 and registered as a charity on 12 September 2005. The company has been established under a Memorandum of Association which defines the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The members of the Board of Directors of the company are also charity trustees for the purposes of charity law and under the company's Articles of Association are known as Trustees. Under the requirements of the Memorandum and Articles of Association the Trustees are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

Dr M Elliot resigned as a trustee on 23 March 2009. The Board wishes to give their thanks to Meg for her contribution to the company since its formation. Mr. D Lennie and Ms. L Lunn retired by rotation and were re-elected at the 2008 AGM.

An extensive range of business and caring skills are well represented on the Board. In an effort to maintain this broad skill mix, members of the Trustees have provided a skills profile. In the event that the skills profile is changed due to Trustee retirements, individuals are approached to offer themselves for election to the Board.

Trustee Induction and Training

The Trustees are already familiar with the practical work of the charity having been involved with the activities of the charity since its inception and having received a detailed induction provided by the Chief Executive.

Additionally, new trustees are invited and encouraged to attend a series of short training sessions to familiarise themselves with the charity and the context within which it operates. These are jointly led by the Chief Executive of the charity and cover:

- The obligations of Trustees.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

An induction pack has also been prepared drawing information from the various Charity Commission publications signposted through the Commission's guide "the Essential Trustee" as a follow up to these sessions. This is distributed to all new trustees along with the Memorandum and Articles and the latest financial statements. Feedback from trustees about their induction has been very positive.

Risk Management

The Executive Management Team has conducted a review of the major risks to which the charity is exposed. These reviews will be updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. External risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the company. The contracts and service level agreements with the charity's partners provide for regular review of the quality of service delivered. Quality standards have been established that meet or exceed the contractual commitments. The charity is subject to external quality audit by OFSTED, Financial and Monitoring unit of JobcentrePlus (FAM). These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Organisational Structure

Pure Innovations has a Board of up to 8 members who meet every two months and are responsible for the strategic direction and policy of the charity. At present the Board has four members from a variety of interest and professional backgrounds relevant to the work of the charity. The Secretary is also a member of the Board.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive along with the other members of the Executive Management Team. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Chief Executive also has responsibility for the day to day operational management of the company, individual supervision of the Executive Management team and also ensuring that the team continues to develop their skills and working practices in line with good practice.

Objectives

The company's objects and principal activities set out in the company's Memorandum are to foster and promote for the benefit of the public the advancement of education, the relief of poverty and sickness and for any other charitable purposes by all or any of the following means:

- The relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment.
- The advancement of education, training or re-training particularly among unemployed people and providing unemployed people with work experience and among the providers of education, training and work experience to beneficiaries of the Charity
- The provision or assistance in the provision of care and recreational facilities in the interests of social welfare for those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities with the object of improving the beneficiaries' conditions of life
- The provision of a broadcasting and information service for the advancement of education, the relief of poverty and sickness and for any other charitable purposes for the benefit of the inhabitants of the Metropolitan Borough of Stockport and surrounding districts or other defined local areas for which a broadcasting licence is awarded.

The overall aim is to promote independence, increase choice and provide more appropriate support to people to make the most of their capacity and potential.

Activities

The activities of the company commenced on 1 July 2005 with the transfer of the undertaking formerly known as Stockport MBC – Social Services Department - Employment Services to the company. The activities are structured to cover the following areas and subdivisions of operation: -

- **CARE SERVICES**

Volunteering and Community Action Services move socially disadvantaged people closer to the employment market by developing and running a diverse range of vocational projects and intermediate labour market initiatives. These are designed to assist people to engage in activities in the community that people from the community appreciate as well as to help develop a range of skills. Volunteering offers various alternatives to the traditional forms of rehabilitation or day care. In addition, there are volunteers providing services to the company, mainly assisting with the running of the radio station. The company does not seek to calculate or account for the value of the service provided by its volunteers.

Care and Leisure Services provide support for people with profound and severe disabilities, assisting them to fully participate in ordinary day-to-day activities in their local communities.

- **CATERING SERVICES**

Catering Services run seven catering establishments. These outlets offer training opportunities in customer care, health and safety and food hygiene. They offer volunteer placements to up to thirty service users each day.

- **EMPLOYMENT SERVICES**

Placement Services find employment for the long term unemployed and socially disadvantaged people who are not catered for, or who have been rejected by mainstream service providers. An important part of this service is to seek ways of retaining employment for such people who may be at risk of losing their employed status.

- **OTHER SERVICES**

Media Services run a community radio station, Pure107.8, which is used as a vehicle to raise awareness throughout Stockport of the issues faced by people who are the most disadvantaged areas of the Borough and provides a voice for the Stockport Community.

Other activities include the provision of consulting and advice to other organisations involved in the provision of care and other services to disabled and socially disadvantaged people.

The company sets operational performance targets for all of the activities mentioned above and has exceeded the majority of targets set. In excess of [700] people are currently supported by the charity.

Every one of the services / projects described above will be continued on the same or similar bases by Pure Innovations during 2009-10. The company is still relatively new and there has been a period of consolidation during which the whole range of services has been re-assessed and the management of the company structured in such a way as to maximise the full potential of the market using innovative ways of expanding and improving.

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Existing Partnerships

The company has a number of contracts and service level agreements with the following list of organisations. These organisations act as commissioning agents as well as partners in the delivery of services to disadvantaged and disabled service users.

- Stockport Council and Stockport Primary Care Trust
 - Learning Disability
 - Mental Health
 - Physical & Sensory
 - Community Services
 - Heritage Services
 - Leisure Services
- Manchester City Council
 - Learning Disability Service
- JobCentrePlus:
 - WORKSTEP Contract Greater Manchester
 - WORKSTEP Contract Stockport
- Rochdale Borough Council
 - Learning Disability Service
- London Borough of Barking & Dagenham
 - Employment Service for people with Learning Disability
- Northamptonshire County Council
 - Employment Service covering Learning Disability, Mental Health and Children's Service transition service users

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Financial Review

The charity, with the aid of sound financial management and the support of both its staff and volunteers, generated a positive financial outcome for the period with a net increase in funds of £64,104 . This outcome is after taking into consideration the adverse charge of £310,000 resulting from Actuarial losses within the Pension scheme resulting from the downturn in investment values and other changes arising from the current global economic situation.

Principal Funding Sources

The principal funding sources for the charity are currently by way of grant and service level contracts agreed with the partners shown above. In addition, income is generated from the general public who use the Catering Services. Further fees and charges are also received for the provision of consulting advice.

Investment Policy

Aside from retaining a prudent amount in reserves, most of the charity's funds will be spent in the short term so there are no funds designated for long term investment. Grants and fees received in advance are invested to maximise the interest receivable either on special deposit with the company's bankers.

Reserves Policy

The Board has examined the charity's level of reserves in light of the requirements to the organisation. It has established a policy whereby the charity should seek to generate a surplus of about 5% of its income in order to accumulate unrestricted funds for the company. The reserves are needed to meet the working capital and development requirements of the charity. It is intended that the charity should seek to build up reserves so that a balance representing around 3 months expenditure is held. As a relatively new charity, it is accepted that this position has taken a number of years to achieve. The budget expenditure for 2009/10 is £5.2m, so this would require unrestricted reserves of £1.3m. The Board is confident that at this level they would be able to continue the current and prospective activities of the charity. In the short term the Board has also considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

Plans for Future Periods

The charity plans continuing the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

The company was successful in winning a contract from Northamptonshire County Council that commenced on 1 April 2009 to run an Employment Service for a range of people with Learning disability, mental health problems and for people in transition from Children's Services. Contracts under the Workstep programme have been extended until October 2010. The company is proud to report that a recent OFSTED report on the provision of Workstep service was graded as "Outstanding". Pure has also been awarded the MATRIX accreditation and has plans to gain Investors In People accreditation during the forthcoming year.

The charity is actively seeking opportunities to widen its area of operation using the skills and expertise that have been developed in running existing services.

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Responsibilities of the Board

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Board should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

In addition, Company law also includes a requirement for directors of all companies to include a statement in the directors' report about the disclosure of information to the auditors. The Board confirms that:

- So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- Each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of it.

The Board is responsible for maintaining 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 1985. The Board is 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.

Members of the Board

Members of the Board, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 3. The company has Trustee Indemnity insurance cover in force.

Auditors

Hallidays Limited was appointed as the company's auditors during the year and has expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board on 10 September 2009 and signed on its behalf by:

D Lennie **(Chair)**

R Haldane **(Trustee)**

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Pure Innovations Limited.

This report is issued in respect of an audit carried out under Section 495 of the Companies Act 2006.

We have audited the financial statements of Pure Innovations Limited for the year ended 31 March 2009 which comprise the Summary Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the charity's financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 relevant financial reporting framework and are prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records or if we have not received all the information and explanations we require for our audit or if disclosures of trustees' benefits, remuneration, pensions and compensation for loss of office specified by law are not made.

We read the Trustees Annual 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 International Standards on Auditing (UK and Ireland) 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 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PURE INNOVATIONS LIMITED** *(continued)*

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 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- The financial statements have been prepared in accordance with the (Companies Act 2006); and
- The information given in the Trustees' Annual Report is consistent with the financial statements.

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

HALLIDAYS LLP
Chartered Accountants
& Registered Auditors

10 September 2009

Statement of Financial Activities
(including Income & Expenditure Account and Statement of Total
Recognised Gains and Losses)

		Unrestricted Funds 2009	Total Funds 2009	Total Funds 2008
	Notes	£	£	£
INCOMING RESOURCES				
Incoming resources from	2			
Grants & service contracts		4,217,740	4,217,740	3,831,434
Catering Services		491,416	491,416	459,744
Other income		127,119	127,119	143,564
Total incoming resources		<u>4,836,275</u>	<u>4,836,275</u>	<u>4,434,742</u>
RESOURCES EXPENDED				
Charitable activities	3	4,505,840	4,505,840	4,352,492
Governance costs	3	35,264	35,264	37,133
Total resources expended		<u>4,541,104</u>	<u>4,541,104</u>	<u>4,389,625</u>
Net movement in funds from charitable activities		<u>295,171</u>	<u>295,171</u>	<u>45,117</u>
FINANCE INCOME				
Bank interest		76,933	76,933	83,000
Finance income arising from Pension scheme	12	2,000	2,000	17,000
		<u>78,933</u>	<u>78,933</u>	<u>100,000</u>
ACTUARIAL GAIN / (LOSS) IN PENSION SCHEME	12	(310,000)	(310,000)	435,000
Net movement in funds for the year		64,104	64,104	580,117
Reconciliation of funds				
Total funds brought forward		1,192,811	1,192,811	612,694
Total funds carried forward		<u>1,256,915</u>	<u>1,256,915</u>	<u>1,192,811</u>

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

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Balance Sheet

	Notes	2009		2008	
		£	£	£	£
Fixed Assets					
Tangible assets	8		86,557		138,299
Current Assets					
Stock		7,951		7,895	
Debtors	9	278,448		230,230	
Cash at bank and in hand		<u>1,629,782</u>		<u>1,125,536</u>	
		<u>1,916,181</u>		<u>1,363,661</u>	
Current liabilities					
Creditors: amounts falling due within one year	10	<u>466,823</u>		<u>338,149</u>	
Net Current Assets			<u>1,449,358</u>		<u>1,025,512</u>
Total assets less current liabilities					
Defined benefit Pension Scheme - Asset (Liability)	12		1,535,915		1,163,811
			(279,000)		29,000
Net Assets			<u>1,256,915</u>		<u>1,192,811</u>
Unrestricted funds					
General funds			<u>1,256,915</u>		<u>1,192,811</u>
Total Funds			<u>1,256,915</u>		<u>1,192,811</u>

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board on 10 September 2009 and signed on its behalf by:

D Lennie (Chair)

R Haldane (Trustee)

Notes forming part of the Financial Statements for the year ended 31 March 2009

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

(b) Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Designated funds are unrestricted funds earmarked by the Board for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported separately:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; most others are apportioned on the basis of directly incurred staff costs.

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(e) Fixed assets

Fixed assets (excluding investments) are stated at cost (or valuation in the case of assets transferred from SMBC on 1 July 2005) less accumulated depreciation. Generally, the costs of minor additions are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life.

Depreciation is calculated on a straight line basis at the rates shown below: -

IT equipment	33%
Catering equipment	25%
Fixtures and fittings	25% - 33%
Alterations to leasehold premises	10%

(f) Stock

Stock is stated at the lower of cost and net realisable value

(g) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the life of the lease.

(h) Pension scheme

The company operates a defined benefit pension scheme for employees. The scheme is an admitted body to the Greater Manchester Pension Fund (GMPF). The GMPF scheme is a local government pension scheme and is administered by Tameside Metropolitan Borough in accordance with the Local Government Pension Scheme regulations. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining working lives of current members in the scheme.

2. Incoming Resources from Activities to further the Charity's Objects

	2009	2008
	£	£
Stockport MBC	2,670,665	2,619,464
Rochdale MBC	441,828	424,790
JobCentrePlus Workstep	725,096	668,368
Manchester City Council	126,228	106,282
London Borough of Barking and Dagenham	249,831	-
Catering services	491,416	459,744
Other	131,211	156,094
	4,836,275	4,434,742

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3. Total Resources Expended

Costs directly allocated to activities	Day Service £	Employment Service £	Catering £	Other Activities £	Total £
Payroll and subcontractor costs	1,211,328	1,075,685	259,009	208,998	2,755,020
Cost of sales & Kitchen equip't	987	-	194,982	-	195,969
Premises	31,765	41,737	111,398	-	184,900
General administration	19,110	6,219	8,251	(5,902)	27,678
Travelling and subsistence	169,453	28,714	2,279	5,656	206,102
Financial	-	-	-	-	-
Depreciation	-	-	-	-	-
Equipment	11,894	295	11,140	1,861	25,190
Governance	-	-	-	35,264	35,264
Total	1,444,537	1,152,650	587,059	245,877	3,430,123
Support costs reallocated	Day Service	Employment Service	Catering	Other Activities	Total
Payroll and subcontractor costs	487,396	176,958	-	50,000	714,354
Cost of sales & Kitchen equip't	-	-	-	-	-
Premises	37,085	13,464	-	-	50,549
General administration	152,351	55,314	-	-	207,665
Travelling and subsistence	41,367	15,019	-	-	56,386
Financial	197	72	-	-	269
Depreciation	56,484	20,508	-	-	76,992
Equipment	3,497	1,269	-	-	4,766
Governance	-	-	-	-	-
Costs reallocated	778,377	282,604	-	50,000	1,110,981
Revised costs allocated to activities	Day Service	Employment Service	Catering	Other	Total
Payroll and subcontractor costs	1,698,724	1,252,643	259,009	258,998	3,469,374
Cost of sales & Kitchen equip't	987	-	194,982	-	195,969
Premises	68,850	55,201	111,398	-	235,449
General administration	171,461	61,533	8,251	(5,902)	235,343
Travelling and subsistence	210,820	43,733	2,279	5,656	262,488
Financial	197	72	-	-	269
Depreciation	56,484	20,508	-	-	76,992
Equipment	15,391	1,564	11,140	1,861	29,956
Governance	-	-	-	35,264	35,264
Allocated costs	2,222,914	1,435,254	587,059	295,877	4,541,104

The company does not allocate support costs to activities as part of the day to day financial management of the charity. The allocation shown above has been calculated in order to comply with the requirements of the SORP for Charity Accounting. It is based upon the concept that the charity is a 'people led' service and support costs should be allocated on the basis of the appropriate direct staffing costs incurred by the company.

4. Net Incoming Resources for the Year

	2009	2008
	£	£
This is stated after charging:		
Depreciation	76,992	122,059
Governance costs: -		
Audit	8,745	7,200
Other costs Inc. Risk management	26,519	29,933

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4. Net Incoming Resources for the Year	2009	2008
	£	£
This is stated after charging:		
Depreciation	76,992	122,059
Governance costs: -		
Audit	8,745	7,200
Other costs Inc. Risk management	26,519	29,933
	<u>26,519</u>	<u>29,933</u>

5. Staff Costs and Numbers

	2009	2008
	£	£
Staff costs were as follows:		
Salaries and Wages	2,572,454	2,395,325
Social security costs	168,136	156,274
Pension funding - see below	199,463	270,339
Other costs	91,062	88,561
Staff costs	<u>3,031,115</u>	<u>2,910,499</u>
Subcontractor costs	438,259	438,530
Total	<u>3,469,374</u>	<u>3,349,029</u>

Pension funding includes an reduction of £0 (2008 uplift of £78,000) from the Employer contributions paid to GMPF to the Actuarial calculation for Employer contributions for Current Service and Past Service under FRS17. See Note 12 for more information.

One employee received emoluments within the band £60,000-£70,000 (2008 - nil).

The average number of employees during the year, calculated on the basis of full time equivalents was:

	2009	2008
	Number	Number
Chief Executive and Executive Management Team	5	5
Day Services	67	67
Catering Services	16	12
Employment Services	23	25
Other Services	5	7
Administrative staff	11	11
	<u>127</u>	<u>127</u>

6. Trustee Remuneration and Related Party Transactions

None of the trustees received any remuneration during the year.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

7. Taxation

As a charity, the company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have been included in the SoFA for the charity.

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8. Tangible Fixed Assets

	IT Systems £	Catering Equipment £	Fixtures & Fittings £	Alterations to Leasehold premises £	Total £
Cost					
1 April 2008	203,918	55,386	130,713	71,614	461,631
Additions	20,410	1,565	3,276	-	25,251
31 March 2009	<u>224,328</u>	<u>56,951</u>	<u>133,989</u>	<u>71,614</u>	<u>486,882</u>
Depreciation					
1 April 2008	183,434	28,349	97,227	14,322	323,332
Charge for the year	21,522	14,234	34,076	7,161	76,993
31 March 2009	<u>204,956</u>	<u>42,583</u>	<u>131,303</u>	<u>21,483</u>	<u>400,325</u>
Net book value 31 March 2009	<u>19,372</u>	<u>14,368</u>	<u>2,686</u>	<u>50,131</u>	<u>86,557</u>
Net book value 31 March 2008	<u>20,484</u>	<u>27,037</u>	<u>33,486</u>	<u>57,292</u>	<u>138,299</u>

9. Debtors

	2009 £	2008 £
Trade debtors	274,168	209,736
Other debtors and prepayments	4,280	20,494
	<u>278,448</u>	<u>230,230</u>

10. Creditors: Amounts falling due within one year

	2009 £	2008 £
Trade creditors	140,787	86,670
Taxation and social security	69,245	65,611
Other creditors and accruals	256,791	185,868
	<u>466,823</u>	<u>338,149</u>

11. Commitments under operating leases

The company had annual commitments under non-cancellable operating leases on land and buildings as set out below

	2009 £	2008 £
Leases expiring within one year	2,380	12,870
Leases expiring within two to five years	117,058	117,058
	<u>119,438</u>	<u>129,928</u>

12. Pension scheme

The company operates a defined benefit pension scheme for employees. The scheme is an admitted body to the Greater Manchester Pension Fund. The GMPF scheme is a local government pension scheme and is administered by Tameside Metropolitan Borough in accordance with the Local Government Pension Scheme regulations. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining working lives of current members in the scheme.

The latest formal valuation of the Fund for the purpose of setting employers' actual contributions was as at 31 March 2007, the next formal triennial valuation will be made with an effective date of 31 March 2010.

Contributions to the scheme have been made during 2008-09 at rates that have been recommended by the GMPF actuarial advisors. These are: -

- Employee - Banded rate based upon pensionable earnings between 5.5% and 7.5%
- Employer -13% of pensionable earnings

The Employee contribution rate for 2009-10 continues to be based on banded scales that are reviewed each year and are calculated from the employee's earnings. The Employer contribution has increased to 13.9%.

When the Company joined the GMPF on 1 July 2005 there was a transfer of employees from Stockport MBC. The transfer of pension arrangements was on a "fully funded" basis, i.e. there was no transfer deficit in the Fund attributable to the transferring employees (on the ongoing valuation basis) from Stockport MBC.

The valuation adopted in these accounts uses FRS17 as its basis and assumes a notional re-allocation of assets in the Fund from Stockport MBC to Pure on this basis. It should be noted that as the liabilities are valued under a different basis under FRS17, the initial assets do not equal the liabilities under FRS17.

Financial Assumptions

The financial assumptions used for the purposes of the FRS17 calculations are shown in the table below.

	31 March 2009	31 March 2008
	% p.a.	% p.a.
Price Increases	3.1%	3.6%
Salary Increases	4.6%	5.1%
Pension Increases	3.1%	3.6%
Discount Rate	6.9%	6.9%

12. Pension scheme (continued)

Assets and liabilities (including assumed return on assets)

	31 March 2009		31 March 2008	
	Return % p.a.	£,000	Return % p.a.	£,000
Assets				
Equities	7.0%	1,924	7.7%	1,981
Bonds	5.4%	459	5.7%	587
Property	4.9%	201	5.7%	273
Cash	4.0%	287	4.8%	299
Total	6.3%	2,871	6.9%	3,140
Scheme liabilities		3,150		3,111
Net Pension asset (liability)		(279)		29

Reconciliation of Balance sheet figure

	Scheme Assets	Scheme Liabilities	Net Pension Asset (Liability)
	£,000	£,000	£,000
Shown in the Statement of Financial Activities			
Current service cost		(145)	(145)
Past service cost		(54)	(54)
Employer Contributions made Forming part of pensions charge - see note 5 above	199		199
	199	(199)	-
Member contributions	104	(104)	-
Estimated benefits paid	(7)	7	-
	97	(97)	-
Member Contributions and Benefits			
Expected return on Assets	227		227
Interest on Pension Liabilities		(225)	(225)
Finance income arising from Pensions scheme	227	(225)	2
Actuarial gains (losses)	(792)	482	(310)
Total adjustments made within Statement of Financial Activities	(269)	(39)	(308)
Net pension asset (liability) under FRS17 - 1 April 2008	3,140	(3,111)	29
Net pension asset (liability) under FRS17 - 31 March 2009	2,871	(3,150)	(279)