

THE BRITISH-GERMAN ASSOCIATION (LIMITED BY GUARANTEE)

Company No: 601207

Charity No: 206062

FINANCIAL STATEMENTS

- for the year ended -

31ST DECEMBER 2001



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KERNON & CO
Chartered Accountants
4 Middle Street
London, EC1A 7NQ

THE BRITISH-GERMAN ASSOCIATION (LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Constitution

The British German Association is a company limited by guarantee (number 601207) and a registered charity (number 206062) governed by its Memorandum and Articles of association.

Directors and trustees

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. At each Annual General Meeting three trustees retire by rotation and may not stand for re-election for a term of one year. Trustees may be co-opted during the year to fill any vacancies that may arise.

The trustees serving during the year and after the year end were as follows:

Sir N Broomfield KCMG (President Emeritus)
Lord Watson of Richmond CBE (President)
Maj-Gen P.G Brooking CB CMG MBE DL(Chairman)
J.S. Faulder (Hon Treasurer)
P.J. Singer (Hon Secretary)
Dr B Atenstaedt
G Coltman (resigned 10 January 2002)
C Dombrowski (resigned 19 June 2001)
A Dreydel OBE
R Kappler
F Norman
D.J.G. Paterson FCA (Vice-Chairman)
J Roesse (resigned 19 June 2001)
Dr M Smith (resigned 10 January 2002)
Prof D.B Southern
G Storch (Vice-Chairman)
E.S. Taylor OBE (resigned 19 June 2001)
Dr J Thum FIE
M-A Von Simson
Lady Watson of Richmond
M Withers
H Dykes (co-opted April 2001)
C Urban (appointed 14 March 2002)

In accordance with the articles of association, the following will retire by rotation:

Prof. D.B Southern

SECRETARY

P.J. Singer

REGISTERED OFFICE

34 Belgrave Square
London
SW1X 8QB

AUDITORS

Kernon & Co
Chartered Accountants
4 Middle Street
London
EC1A 7NQ

BANKERS

Lloyds Bank plc
Southampton Row
Victoria House
London
WC1B 5HR

THE BRITISH-GERMAN ASSOCIATION (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2001

The trustees present their report and the audited financial statements for the year ended 31 December 2001.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

OBJECTS

The objects (in essence, the promotion of cultural and educational links between the United Kingdom and the Federal Republic Of Germany) and powers of the Association are laid down by its Memorandum and Articles of Association, which are available for inspection upon application to the Honorary Treasurer. The Association aims to sustain and increase its membership in order to support existing, and develop new, activities furthering relations between the UK and Germany and to maintain adequate resources for these purposes.

MEMBERSHIP

The membership consists of individual and affiliated members paying by annual subscription, a smaller number of corporate members paying a higher annual subscription and a limited number of sustaining corporate members who currently pay an annual subscription of £500 each.

ORGANISATION

The Trustees, as directors, are responsible for overall policy but whilst the Executive Committee of the trustees meets on a regular basis, much of the day to day activity of the Association is conducted by individuals to whom it delegates authority:

Chairman: Maj-Gen P.G Brooking CB CMG MBE DL

Vice Chairmen: D.J.G Paterson FCA and G. Storch

Honorary Treasurer: J.S. Faulder MA

Company Secretarial Matters (Honorary Secretary): P.J Singer

All of the above provide their time and services to the Association without charge. In addition, Mrs Ursula Stock is employed as Executive Secretary, Ms E. Ulmer Kracht is responsible for organising the Annual Fundraising Ball and a number of individuals provide administrative support on a part time basis.

REVIEW OF THE PAST YEAR

MEMBERSHIP

Individual memberships increased slightly compared with the previous year, and whilst Corporate membership further declined, Sustaining Corporate membership nearly doubled after the year-end. The Trustees continue to seek an increase in the Association's membership, and are particularly seeking to recruit younger members.

SOCIAL AND EDUCATIONAL ACTIVITIES

A summary of these activities can be found at note 2 to the financial statements. As in previous years, the Association organised a members' trip to Berlin, a conference for other affiliated British-German Associations and other social and educational events. The Association also continued its quarterly publication of the Review and opened its web-site.

PRINCE FRIEDRICH MEMORIAL LECTURE

The annual lecture was given by General Naumann (being postponed to 16th January 2001). The lecture is partly funded by the charity's general reserves as the Association wishes to maintain the specified fund at the current level for as long as is possible.

FUND-RAISING ACTIVITIES

A summary of fundraising activities can be found at note 3 to the financial statements. As in previous years, the main fundraising event was the annual Nutcracker Ball held at the Hilton.

THE YOUTHBRIDGE PROJECT This is an exchange scheme between young people in the United Kingdom and the area formerly encompassed by East Germany. The operation of this project is under review. A donation of 10,000 euros was made in 2002 to Erfurt Gutenberg Gymnasium, which had suffered in a mass shooting incident.

THE BRITISH-GERMAN ASSOCIATION (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2001 (continued)

DESIGNATED RESTRICTED INCOME AND ENDOWMENT FUNDS

During the year the charity received a number of donations made for, or designated by the trustees for specific purposes. These are described in detail in notes 13, 14 and 15 to the financial statements.

REVIEW OF THE FINANCIAL ACTIVITIES

Matters disclosed by virtue of the requirements of the Companies Act 1985 in the financial statements are not necessarily further referred to hereunder. A Statement of Financial Activities can be found on page 5 and from this it can be seen that the overall surplus for the year is £22,751, consisting of a surplus of £43,952 on the restricted income and endowment funds and a deficit of £21,201 on unrestricted activities. The Trustees hope to achieve a modest surplus in future years' activities.

Of the total funds available to the Association at 31 December 2001 (£104,078), £19,699 is available to further the general objects of the Association and the balance of £84,379 is earmarked for restricted activities only, namely the YouthBridge project (£22,461), the Prince Friedrich Memorial Lecture Fund (£2,000), the Sir Frank Roberts Memorial Fund (£12,020), the Krone Fund (£8,000) and the New Age - New Skills Fund (£39,898).

RESERVES POLICY AND RISK MANAGEMENT

During 2001 the trustees carried out a detailed review with a view to producing a comprehensive strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed. The trustees monitor progress against the strategic objectives set out by the plan at each Executive Committee meeting and a comprehensive review of the plan is carried out annually. As part of this process, the trustees have implemented a risk management strategy which comprises:

- an annual review of the risks the charity may face
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should any of these risks materialise.

The trustees have forecast the level of free reserves (that is those funds not tied up in fixed assets and designated and restricted funds) the charity will require to sustain its operations over the next twelve months. The trustees consider that the most appropriate level of free reserves at 31 December 2002 would be £5,000. The actual free reserves at 31 December 2001 were £6,050. Whilst the current level of reserves may prove sufficient, it is the trustees view that it is prudent to ensure that there are sufficient free reserves to provide financial flexibility over the course of the forthcoming challenges.

GRANTS AND DONATIONS POLICY

The circumstances in which grants can be made are referred to in note 13 to the financial statements, the grant making funds being the three restricted income funds; the Youthbridge Fund, the New Age - New Skills Fund and the Krone Fund.

TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the result of the Association for that period. In preparing those financial statements, the trustees are required to:

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

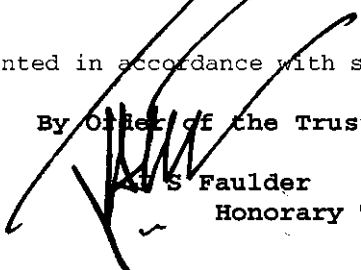
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Companies Act 1985 and the Charities Act 1993. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors Kernon and Co are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

Date: 13 June 2002

By Order of the Trustees


A S Faulder
Honorary Treasurer

THE BRITISH-GERMAN ASSOCIATION (LIMITED BY GUARANTEE)

**THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE BRITISH-GERMAN ASSOCIATION**

We have audited the financial statements of the British-German Association for the year ended 31 December 2001 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and following the accounting policies set out therein.

Respective responsibilities of the trustees and auditors

As described in the Trustees' Report the Association's trustees are responsible for the preparation of financial statements in accordance with applicable law and the United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees Report is not consistent with the financial statements, if the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding the Trustees transactions with the Association is not disclosed.

We read the Trustees Report and consider the implications for our report if we become aware of any apparent misstatements in it.

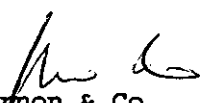
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association'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 considered the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Association as at 31 December 2001 and of its financial activities for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Kernon & Co
Chartered Accountants
Registered Auditors
4 Middle Street
London
EC1A 7NQ
Date: 13 June 2002

THE BRITISH GERMAN ASSOCIATION (LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

year ended 31 December 2001					year ended 31 December 2000				
		unrestricted	restricted income	endowment	total	unrestricted	restricted income	endowment	total
		funds	funds	funds	funds	funds	funds	funds	funds
notes		£	£	£	£	£	£	£	£
INCOMING RESOURCES									
Charitable activities									
		21,004			21,004	17,798			17,798
		35,783		2,438	38,221	23,234		2,430	25,664
		93,359	8,408		101,767	69,306			69,306
		3,901			3,901	1,475			1,475
		1,538	1,084	435	3,057	1,737	539	350	2,626
		522	88,753		89,275	19,524	23,600	13,000	56,124
		156,107	98,245	2,873	257,225	133,074	24,139	15,780	172,993
Total incoming resources									
Less: cost of generating funds									
		(82,819)			(82,819)	(59,305)		(3,105)	(62,410)
Net incoming resources available for charitable application									
		73,288	98,245	2,873	174,406	73,769	24,139	12,675	110,583
Charitable expenditure									
		38,431	52,497	4,669	95,597	22,677	17,241	4,054	43,972
		7,544			7,544	3,106			3,106
		11,165			11,165	8,023			8,023
		12,623			12,623	12,100			12,100
		22,130			22,130	14,060			14,060
		2,596			2,596	2,015			2,015
		94,489	52,497	4,669	151,655	61,981	17,241	4,054	83,276
		-	-	-	-	(1,785)	1,785		-
		94,489	52,497	4,669	151,655	60,196	19,026	4,054	83,276
Total charitable expenditure									
		177,308	52,497	4,669	234,474	119,501	19,026	7,159	145,686
Total Resources expended									
		(21,201)	45,748	(1,796)	22,751	13,573	5,113	8,621	27,307
NET INCOMING/(OUTGOING) RESOURCES									
Investment gains/(losses)									
					-	(467)			(467)
					-	(467)	-	-	(467)
NET INCOME/(EXPENDITURE) FOR THE YEAR									
		(21,201)	45,748	(1,796)	22,751	13,106	5,113	8,621	26,840
		(1,633)	(163)	1,796	-	(3,399)	-	3,399	-
NET MOVEMENT IN FUNDS									
		(22,834)	45,585	-	22,751	9,707	5,113	12,020	26,840
Fund balances at 1 January 2001									
		42,533	24,774	14,020	81,327	32,826	19,661	2,000	54,487
FUND BALANCES AT 31 DECEMBER 2001									
	13 to 17	19,699	70,359	14,020	104,078	42,533	24,774	14,020	81,327

All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

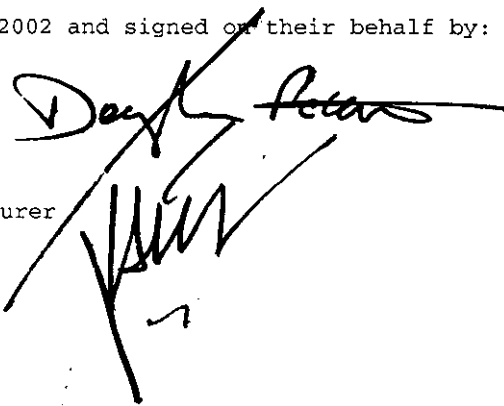
THE BRITISH GERMAN ASSOCIATION (LIMITED BY GUARANTEE)
BALANCE SHEET AS AT 31 DECEMBER 2001

		2001		2000	
	notes	£	£	£	£
Fixed Assets					
Tangible fixed assets	7		2,616		2,133
Current Assets					
Stock	8	1,108		1,171	
Debtors	9	22,380		4,080	
Bank balances and cash	10	95,378		87,726	
		<u>118,866</u>		<u>92,977</u>	
Creditors: amounts falling due within one year	11	<u>(17,404)</u>		<u>(13,783)</u>	
Net current assets			101,462		79,194
Total assets less current liabilities			<u>104,078</u>		<u>81,327</u>
Reserves and funds					
Endowment	12		14,020		14,020
Restricted Income	13		70,359		24,774
Unrestricted (Designated)	14a		10,000		18,500
Unrestricted (Undesignated)					
Westman Bequest	14b	6,922		7,572	
Accumulated surplus	16	<u>2,777</u>		<u>16,461</u>	
			9,699		24,033
Total funds	18,19		<u>104,078</u>		<u>81,327</u>

Approved by the Trustees on 13 June 2002 and signed on their behalf by:

D J G Paterson Vice Chairman

J S Faulder Honorary Treasurer



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention, modified by the revaluation of quoted investments at market value; with the application of the fundamental accounting policies of going concern, accruals, consistency and prudence and in accordance with applicable Accounting Standards, the Statement of Recommended Practice issued in October 2000, and in accordance with the Charities (Accounts and Reports) Regulations 2000.

1.2 INCOMING RESOURCES

i. Donations and Membership Subscriptions: Donations are recognised in the financial statements when receivable, unless the conditions attaching to a donation specify its use in a future period. Subscriptions are recognised when receivable subject to provision for amounts received in advance. However, no recognition is given to unpaid ordinary subscriptions as membership is deemed to cease until arrears are paid.

ii. Receipts in respect of Functions and Fundraising activities and Investment Income are accounted for when receivable.

iii. Income tax recoverable from subscriptions and donations is recognised upon agreement with the Inland Revenue.

iv. Intangible services are only recognised if there is a material financial cost to the donor of the services.

1.3 EXPENDITURE

The annual cost of administrative expenditure estimated to be attributable to restricted activities includes a proportion of the salary of the sole full time employee. Expenditure is recognised when incurred, inclusive of Value Added Tax, as the Association is not registered for VAT.

1.4 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Telephone equipment	12.5% per annum of cost
Furniture	15% per annum of cost
Computer equipment and typewriters	33.3% per annum of cost

Presentation medals are amortised by writing off costs of unengraved medals proportionally to the awards of engraved medals in the year.

Website costs are written off in the year that they are incurred.

1.5 STOCKS

Stocks are valued at the lower of cost and net realisable value.

1.6 OPERATING LEASES

Rentals payable under operating leases are recognised on a straight line basis over the lease term.

1.7 FUNDS ACCOUNTING

Funds held by the charity are either:

Unrestricted Funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees, of which some are designated for specific purposes, but not irrevocably.

Restricted Funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor. These funds are either endowments (capital base maintained) or restricted income (the entire fund may be used for the restricted purpose).

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

THE BRITISH GERMAN ASSOCIATION (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2001

2. NET EXPENDITURE ON SOCIAL AND EDUCATIONAL ACTIVITIES

	2001 £	2000 £
Income from ticket sales, sponsorship etc		
Unrestricted funds	35,783	23,234
Endowment funds- Sir Frank Roberts Memorial Lecture	2,438	2,430
	<u>38,221</u>	<u>25,664</u>
Expenditure - Unrestricted funds	35,431	22,677
Restricted income fund - YouthBridge	3,140	17,241
Restricted income fund - New Age - New Skills	49,357	-
Endowment fund- Sir Frank Roberts Memorial Lecture	4,569	4,054
	<u>92,597</u>	<u>43,972</u>
Net Income/(Expenditure)	<u>(54,376)</u>	<u>(18,308)</u>

3. NET FUNDRAISING INCOME

	£	£
Income from Ball and other activities from ticket sales, sponsorships etc		
Unrestricted Funds	93,359	69,306
Restricted funds - YouthBridge	8,988	-
	<u>102,347</u>	<u>69,306</u>
Expenditure by Unrestricted Funds	82,819	59,305
Expenditure by Endowment - Sir Frank Roberts Memorial	-	3,105
	<u>82,819</u>	<u>62,410</u>
Net Income	<u>19,528</u>	<u>6,896</u>

4 BANK INTEREST RECEIVABLE AND SIMILAR INCOME

	£	£
Deposit account interest	2,850	2,403
National Saving Bank Investment account	207	223
	<u>3,057</u>	<u>2,626</u>

5 MANAGEMENT AND ADMINISTRATION

	£	£
Secretarial salary and assistants' fees	11,165	8,023
Establishment costs	12,623	12,100
Professional fees	3,551	3,696
Other expenses	18,579	10,364
Depreciation and loss on disposal of fixed assets	2,596	2,015
Allocated to YouthBridge Project	-	(1,785)
Total overhead costs	<u>48,514</u>	<u>34,413</u>

The overhead and other administrative costs of the Association have been incurred in order to fulfil its charitable objectives.

£1,687 (2000: £1,377) was reimbursed to trustees for out of pocket expenses. No other remuneration was paid or payable to trustees in the year (2000: £nil).

There was on average one employee during the year (2000: one) involved in administration.

6 NET INCOMING/OUTGOING RESOURCES

	£	£
Net incoming/outgoing resources are stated after charging:		
Depreciation and consumption of medals	1,468	759
Auditors' remuneration - as auditors	1,300	1,300
- other services	2,000	2,000
Operating lease rentals:		
Land and buildings	<u>10,980</u>	<u>10,700</u>

THE BRITISH GERMAN ASSOCIATION (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2001

7 TANGIBLE ASSETS

	Telephone equipment £	Furniture & fittings £	Computers & typewriters £	Medals £	Total £
Cost					
At 1 January 2001	1,868	2,326	2,366	1,717	8,277
Additions			1,960		1,960
At 31 December 2001	1,868	2,326	4,326	1,717	10,237
Depreciation and consumption of medals					
At 1 January 2001	1,179	2,243	1,594	1,128	6,144
Charge for year	243	83	1101	50	1,477
At 31 December 2001	1,422	2,326	2,695	1,178	7,621
Net book value at 31/12/2001	446	-	1,631	539	2,616
Net book value at 1/1/2001	689	82	772	589	2,132

8 STOCK

	2001 £	2000 £
Goods for resale (ties, tiepins and nutcrackers)	1,108	1,171

9 DEBTORS

	£	£
Debtors (other than trade)	22,310	1,050
Prepayments and accrued income	70	3,030
	22,380	4,080

THE BRITISH GERMAN ASSOCIATION (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2001

10 BANK BALANCES AND CASH

	2001 £	2000 £
a) Other than YouthBridge		
Lloyds Bank current accounts	672	647
Lloyds Bank deposit account	25,825	53,712
Cash in hand	132	145
Lloyds Bank business investment account	23,293	27,663
New Age - New Skills Fund account	39,899	-
National Savings Bank investment account	5,269	5,062
less: amount due to YouthBridge account	(23,340)	(15,207)
	<u>71,750</u>	<u>72,022</u>
b) YouthBridge Project		
Lloyds Bank YouthBridge account	288	497
add: amount due from other accounts	23,340	15,207
	<u>23,628</u>	<u>15,704</u>
Total bank balances and cash in hand	<u>95,378</u>	<u>87,726</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	£
Young Koenigswinter creditor	543	1,133
Accruals	13,316	7,840
Prepaid incoming resources (subscriptions)	3,545	4,810
	<u>17,404</u>	<u>13,783</u>

12 ENDOWMENT FUNDS

	£ Sir Frank Roberts Memorial Fund	£ Prince Friedrich Lecture Fund	£ Total
At 1 January 2001	12,020	2,000	14,020
Incoming resources			
Endowment			-
Ticket Sales	2,438		2,438
Interest	435		435
	<u>2,873</u>	<u>-</u>	<u>2,873</u>
Outgoing resources			
Cost of endowment			-
Inaugural event			-
Catering (lecture)	4,669		4,669
	<u>4,669</u>	<u>-</u>	<u>4,669</u>
Transfer from Accumulated Surplus (to bear net deficit for year)	1,796	-	1,796
	<u>12,020</u>	<u>2,000</u>	<u>14,020</u>
At 31 December 2001	12,020	2,000	14,020

The funds were endowed to provide income for the funding of annual memorial lectures.

13 RESTRICTED INCOME FUNDS

	£ YouthBridge Fund	£ Krone Fund	£ New Age - New Skills	£ Total
At 1 January 2001	16,611	8,163	-	24,774
Incoming resources - donations, sponsorship etc	8,408		88,753	97,161
- interest	582	-	502	1,084
	<u>8,990</u>	<u>8,163</u>	<u>89,255</u>	<u>98,245</u>
Outgoing resource- activity costs	3,140	-	49,357	52,497
- grants	-	-	-	-
Transfer to unrestricted funds		(163)		(163)
	<u>22,461</u>	<u>8,000</u>	<u>39,898</u>	<u>70,359</u>
At 31 December 2001	22,461	8,000	39,898	70,359

The Youthbridge Fund is to support the charity's yearly exchange programme. Its future role is currently under review. The Krone Fund was donated to assist with any future project of the British German Association, as specifically approved by its Chairman.

The New Age - New Skills Fund was donated by a number of German companies through the auspices of His Excellency the German Ambassador and is intended to make grants to persons or bodies engaged in promoting the learning of languages and/or cross cultural communication skills. However, of the founding donations, the amount shown under activity costs was specifically authorised by the donor for the the funding of a reception and dinner to launch the exhibition "Spirit of an Age" and the fund itself.

THE BRITISH GERMAN ASSOCIATION (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2001

14a DESIGNATED FUNDS

	At 1/1/2001	Transfer from undesignated funds	Outgoing Resources	At 31/12/2001
	£	£	£	£
Millennium Concerts (Salisbury Music Society)				
Review Fund	2,500		(1,500)	1,000
Website Fund	3,000	650	(3,650)	-
Brochure Fund	3,000			3,000
General Purpose Fund	10,000		(4,000)	6,000
	<u>18,500</u>	<u>650</u>	<u>(9,150)</u>	<u>10,000</u>

The Review Fund is for updating the charity's quarterly publications.
The Website Fund is to support the creation of an Association website.
The Brochure Fund is to update the charity's promotional literature.
The General Purpose Fund is intended to assist with unusually heavy or unforeseen expenses

The four funds established with the donations received as a result of the Millennium Concerts may be re-designated as considered necessary.

14b WESTMAN BEQUEST (UNDESIGNATED)

	2001 £	2000 £
Balance brought forward	7,572	10,000
Transfer to Accumulated Surplus	-	(2,428)
Transfer to Millennium Website Fund	(650)	-
	<u>6,922</u>	<u>7,572</u>

The sum of £10,000 was left, without restrictions as to use, as a legacy to the Association upon the death of a longstanding member. £2,428 was transferred to Accumulated Surplus to fund the publication of the Association History. The bequest is separately shown by way of memorial.

15 ACCUMULATED SURPLUS

	£	£
At 1 January 2001	16,461	22,747
Release of Revaluation Reserve	-	79
Surplus/(Deficit) for the financial year	(12,051)	(5,394)
Transfer to maintain Endowment Fund note 13	(1,796)	(3,399)
Transfer from Westman Bequest note 15b	-	2,428
Transfer from Krone Fund	163	-
At 31 December 2001	<u>2,777</u>	<u>16,461</u>

16 RECONCILIATION OF NET MOVEMENT IN CHARITY FUNDS

	£	£
Outgoing resources for the year - Accumulated Surplus	(13,684)	(6,287)
Outgoing resources for the year - Westman Bequest	(650)	(2,427)
Outgoing resources for the year - Designated funds	(8,500)	18,500
Outgoing resources for the year - Revaluation Reserve	-	(79)
Incoming resources for the year - Restricted Income funds	45,585	5,113
Incoming resources for the year - Endowment funds	-	12,020
Surplus for the year	<u>22,751</u>	<u>26,840</u>
Charity funds at 1 January 2001	81,327	54,487
Charity funds at 31 December 2001	<u>104,078</u>	<u>81,327</u>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Total Funds £	Unrestricted Funds £	Restricted Income Funds £	Endowment Funds £
Tangible Fixed Assets	2,616	2,616		
Current assets	118,866	33,907	70,359	14,020
Liabilities due within one year	(17,404)	(17,404)		
	<u>104,078</u>	<u>19,699</u>	<u>70,359</u>	<u>14,020</u>