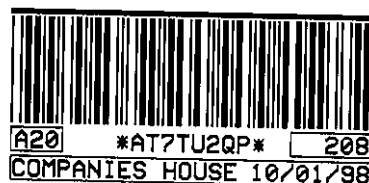


COMPANY REGISTRATION NUMBER:
1496333
ENGLAND AND WALES
REGISTERED CHARITY NUMBER:
510221

**THE SOBRIETY PROJECT
LIMITED (A CHARITY)
(LIMITED BY GUARANTEE)
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 1997**



THE SOBRIETY PROJECT LIMITED (A CHARITY)
REPORT OF THE COUNCIL OF MANAGEMENT
FOR THE YEAR ENDED 31 MARCH 1997

The Council of Management submit their report and audited accounts for the year ended 31 March 1997.

1. Principal Activity

The company's principle activity is to advance the education of young persons resident in Yorkshire and Humberside through the provision of the crafts 'Sobriety', 'Eden' and 'Audrey' and the Sobriety Waterways Adventure Centre and Museum. The company is a registered charity.

For further information refer to the company's 'Review of the Year'.

2. Liability

The liability of the members is limited by guarantee.

3. Council Members

PATRON: The Right Reverend D R Lunn M.A. Bishop of Sheffield

**FOUNDER AND
BENEFACTOR:** Mr J W McGrory, Executive Chairman, RMS Europe Ltd

PRESIDENT: Mr L Duckels, formerly Company Secretary, Croda International

CHAIRMAN: Mr A Atkin I.P.F.A., F.C.C.A

VICE CHAIRMAN: The Rev N K Young, Diocese of Sheffield

MEMBERS: Dr P W Barker C.B.E. D.L. D.Sc.

Mr R D Butterfield, Teacher

Councillor C J Darler, East Riding of Yorkshire Council

Councillor N Dickinson, East Riding of Yorkshire Council

Councillor A Drury, Hull City Council

Mrs P Fisher, Community Co-ordinator, North Lincolnshire Social Services Department

Mr D Hall Q.P.M.

Ms L Horseman, Development Worker, Goole MIND

Councillor D Ireland, East Riding of Yorkshire Council

Councillor R Jarred, East Riding of Yorkshire Council

Mr R A Lounds B.A., M.Sc., M.A., Headteacher, Vermuyden School, Goole

Mr A Oliver, Surveyor

Mr W J Rigby M.A., (Oxon)

THE SOBRIETY PROJECT LIMITED (A CHARITY)
REPORT OF THE COUNCIL OF MANAGEMENT
FOR THE YEAR ENDED 31 MARCH 1997

3. Council Members

MEMBERS: Mr C Silvester, C.Eng., M.I.Mech E, Manager, Associated British Ports, Goole

Mr M Stanley A.M.A., F.G.S., Assistant Director, Leisure Services, Hull City Council

Mr J Taylor, Cert. Ed., Dip.Ed., Head of Year, Vermuyden School, Goole

Mr M Dixon

Mr L Malkin, Headteacher

Mr J W McGrory retires by rotation and being eligible offers himself for re-election.

4. Council Members' Responsibilities

Council members have similar responsibilities to directors.

Company law requires the Council to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the members of the Council are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume the company will continue in business.

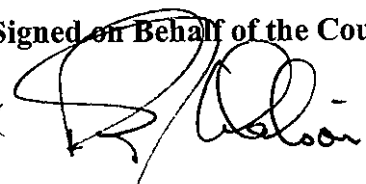
The Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company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

5. Auditors

The auditors, Messrs Townends of Carlisle Street, Goole, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on Behalf of the Council of Management

X  X

R J F WATSON
COUNCIL MEMBER

Date approved by the Council of Management:

September 25th 1997.

**AUDITOR'S REPORT TO THE MEMBERS OF
THE SOBRIETY PROJECT LIMITED (A CHARITY)**

We have audited the accounts on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Council Members and Auditors

As described on page 2, the company's Council members are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements by the Council members in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's state of affairs at 31 March 1997 and of its incoming resources and its application of resources for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



TOWNENDS

**CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS**

CARLISLE STREET, GOOLE

DATE: 26 September 1997

THE SOBRIETY PROJECT LIMITED (A CHARITY)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 1997

		Total Funds			
	Notes	Unrestricted	Restricted	1997	1996
		£	£	£	£
INCOMING RESOURCES					
Revenue grants from Local Authorities	3	688	40,277	40,965	150,500
Revenue grants from Local Authorities specifically for Arts activities		-	1,500	1,500	3,800
Capital grant from English Tourist Board	4	-	1,906	1,906	1,906
Arts activities		-	-	-	100
Revenue grants from other organisations		-	10,886	10,886	-
Donations and sponsorships		12,374	11,945	24,319	93,507
Single Regeneration Budget		-	64,000	64,000	-
The National Lottery - revenue grants		-	93,472	93,472	-
The National Lottery - capital grants		-	11,810	11,810	-
European Social Fund		-	16,202	16,202	-
Capital grants - other organisations		-	9,000	9,000	-
Carnegie UK Trust revenue grant		-	6,000	6,000	-
Lankelly Foundation revenue grant		-	15,000	15,000	-
H B Allen Trust revenue grant		-	25,000	25,000	-
Humberside Training and Enterprise Council		-	19,999	19,999	-
Building Society interest		427	-	427	369
Bank interest		30	-	30	23
Expedition receipts		30,535	-	30,535	14,226
Gift shop and cafe		11,195	-	11,195	4,769
Waterways Museum		5,251	-	5,251	4,374
Arts programme		679	-	679	-
Play scheme		-	1,000	1,000	-
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOMING RESOURCES		61,179	327,997	389,176	273,574
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED					
Direct charitable expenditure	5	43,269	281,138	324,407	261,036
Management and administration	6	4,611	24,309	28,920	25,023
Fund raising and publicity	7	-	9,748	9,748	2,750
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL RESOURCES EXPENDED	8	47,880	315,195	363,075	288,809
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOMING/(OUTGOING) RESOURCES FOR THE FINANCIAL YEAR		13,299	12,802	26,101	(15,235)
		<hr/>	<hr/>	<hr/>	<hr/>
Balances brought forward at 1 April 1996		147,024	6,952	153,976	169,211
		<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES CARRIED FORWARD AT 31 MARCH 1997		160,323	19,754	180,077	153,976
		<hr/>	<hr/>	<hr/>	<hr/>

THE SOBRIETY PROJECT LIMITED (A CHARITY)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 1997 (CONT/D..)

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total Recognised Gains and Losses

The company has no recognised gains or losses other than the excess of income over expenditure for the above two financial years.

Note of Historical Cost Profits and Losses

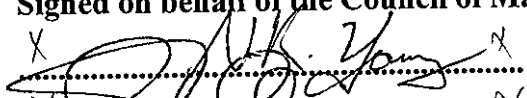

There is no difference between the results as disclosed in the income and expenditure account and the result on an unmodified historical cost basis.

THE SOBRIETY PROJECT LIMITED (A CHARITY)
BALANCE SHEET AS AT 31 MARCH 1997

	Notes	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	9		406,975		215,365
CURRENT ASSETS					
Stock	10	3,032		3,000	
Debtors	11	36,191		5,749	
Bank and Building Society balances		26,455		25,593	
Cash in hand		13		286	
		<hr/>		<hr/>	
		65,691		34,628	
		<hr/>		<hr/>	
CREDITORS					
Amounts falling due within one year:-	12	32,933		21,607	
		<hr/>		<hr/>	
NET CURRENT ASSETS			32,758		13,021
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			439,733		228,386
CREDITORS					
Amounts falling due after more than one year	13		(72,147)		(74,922)
			<hr/>		<hr/>
NET ASSETS			367,586		153,464
			<hr/>		<hr/>
FUNDS					
Unrestricted			160,323		147,024
Restricted	14		19,754		6,952
Revaluation reserve	16		188,021		-
			<hr/>		<hr/>
	15		368,098		153,976
Pre-incorporation deficit			(512)		(512)
			<hr/>		<hr/>
			367,586		153,464
			<hr/>		<hr/>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Council of Management

X  X
 X  X

N Young

R J F Watson

} Members of the
 } Council of
 } Management

Date approved by the Council of Management:

September 25th 1997.

THE SOBRIETY PROJECT LIMITED (A CHARITY)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention subject to the revaluation of certain of the company's fixed assets.

The accounts have been prepared in accordance with the Statement of Recommended Practice for Charity accounts.

Cash Flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 '*Cash Flow Statements*'.

Depreciation

No depreciation has been provided against the cost of 'Eden', 'Audrey' or Room 58 on the basis that the Council of Management consider the market value of the vessels to be in excess of their book value at 31 March 1997

Depreciation is provided on a straight line basis on other assets as follows:-

Sobriety Centre - over the remaining term of the lease from British Waterways Board.

Portacabin	- 10% per annum
Other assets	- 20% per annum

"Eden", "Audrey", "Room 58" and the Sobriety Centre were revalued by the Council of Management on the basis of open market value at 31 March 1997.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. TAXATION

The company is a registered charity and as such is exempt from all forms of direct taxation.

THE SOBRIETY PROJECT LIMITED (A CHARITY)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

3. GRANTS FROM LOCAL AUTHORITIES

	1997	1996
	£	£
REVENUE GRANTS		
Boothferry Borough Council	-	34,785
East Riding of Yorkshire Council	19,600	-
Humberside County Council	-	109,887
Hull City Council	-	4,000
Hull City Council and Social Services	17,500	-
Leeds City Council	3,465	1,828
Goole Town Council	400	-
	<hr/>	<hr/>
	40,965	150,500
	<hr/>	<hr/>
REVENUE GRANTS FOR ARTS ACTIVITIES		
Yorkshire and Humberside Arts	1,500	3,800
	<hr/>	<hr/>

4. DEFERRED CAPITAL GRANT

This relates to a grant from the English Tourist Board which is being released over a period of ten years.

	1997	1996
	£	£
Balance brought forward	5,718	7,624
Released in the year	1,906	1,906
	<hr/>	<hr/>
Balance carried forward	3,812	5,718
	<hr/>	<hr/>

THE SOBRIETY PROJECT LIMITED (A CHARITY)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

5. DIRECT CHARITABLE EXPENDITURE

	Unrestricted	Restricted	Total	Total
	£	£	1997	1996
			£	£
Vessels	12,610	120,585	133,195	119,467
Museum and training	30,659	160,553	191,212	141,569
	<hr/>	<hr/>	<hr/>	<hr/>
	43,269	281,138	324,407	261,036
	<hr/>	<hr/>	<hr/>	<hr/>

6. MANAGEMENT AND ADMINISTRATION

	Unrestricted	Restricted	Total	Total
	£	£	1997	1996
			£	£
Salaries	348	24,309	24,657	19,710
Audit and accountancy	1,175	-	1,175	881
VAT consultancy	793	-	793	2,537
Telephone, postage and stationery	2,295	-	2,295	1,895
	<hr/>	<hr/>	<hr/>	<hr/>
	4,611	24,309	28,920	25,023
	<hr/>	<hr/>	<hr/>	<hr/>

7. FUND RAISING AND PUBLICITY

	Unrestricted	Restricted	Total	Total
	£	£	1997	1996
			£	£
Marketing	-	9,748	9,748	2,750
	<hr/>	<hr/>	<hr/>	<hr/>

THE SOBRIETY PROJECT LIMITED (A CHARITY)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

8. TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other Costs £	Total 1997 £	Total 1996 £
Direct Expenditure	183,721	12,297	128,389	324,407	261,036
Management and administration	24,657	-	4,263	28,920	25,023
Fund raising and publicity	-	-	9,748	9,748	2,750
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	208,378	12,297	142,400	363,075	288,809
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Staff Costs				1997 £	1996 £
Wages and salaries				184,594	157,624
Social Security costs				14,161	11,326
Pension costs				9,623	6,835
				<hr/>	<hr/>
				208,378	175,785
				<hr/>	<hr/>
Other Costs					
Premises and general repair costs				69,758	70,786
Vessels				36,613	33,731
Training programme				32,002	1,174
Miscellaneous				4,027	7,333
				<hr/>	<hr/>
				142,400	113,024
				<hr/>	<hr/>

Trustee Expenses

Reimbursements to Trustees in the year - Nil (1996 - Nil).

Indemnity Insurance

Cover is provided at £10,000 (1996 - £10,000).

THE SOBRIETY PROJECT LIMITED (A CHARITY)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

No employee earned £40,000 or more.

The average number of employees analysed by function was:-

	1997 £	1996 £
Direct charitable	20	19
Management and administration	2	1
	<hr/> 22	<hr/> 20

9. TANGIBLE FIXED ASSETS

	Leasehold Buildings £	Vessels, Fixtures, Fittings & Equipment £	Total £
Cost at 1 April 1996	220,431	58,299	278,730
Additions	-	15,886	15,886
Disposals	-	-	-
Revaluation	79,481	108,540	188,021
	<hr/>	<hr/>	<hr/>
Cost or valuation at 31 March 1997	299,912	182,725	482,637
	<hr/>	<hr/>	<hr/>
Depreciation at 1 April 1996	43,299	20,066	63,365
Charge for year	6,613	5,684	12,297
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation at 31 March 1997	49,912	25,750	75,662
	<hr/>	<hr/>	<hr/>
Net book value at 31 March 1997	250,000	156,975	406,975
	<hr/>	<hr/>	<hr/>
Net book value at 31 March 1996	177,132	38,233	215,365
	<hr/>	<hr/>	<hr/>

"Eden", "Audrey", "Room 58" and the Sobriety Centre were revalued by the Council of Management on the basis of open market value at 31 March 1997.

THE SOBRIETY PROJECT LIMITED (A CHARITY)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

10. STOCK

Consists of gift shop, cafe, sundry repair items, and stationery.

11. DEBTORS

	1997	1996
	£	£
Prepayments	1,280	1,319
Grants receivable	33,151	2,930
VAT recoverable	1,640	1,500
Trading income	120	-
	<hr/>	<hr/>
	36,191	5,749
	<hr/>	<hr/>

12. CREDITORS

Amounts falling due within one year:	1997	1996
	£	£
Bank loan (secured)	1,000	1,000
Accruals	750	620
Tax and social security	2,095	9,572
Sundry creditors	27,182	8,509
Deferred income (ETB grant)	1,906	1,906
	<hr/>	<hr/>
	32,933	21,607
	<hr/>	<hr/>

13. CREDITORS

Amounts falling due after more than one year:	1997	1996
	£	£
Bank loan (secured)	56,518	57,387
Residual cost of the 'Sobriety Centre'	13,723	13,723
Deferred income (ETB grant)	1,906	3,812
	<hr/>	<hr/>
	72,147	74,922
	<hr/>	<hr/>

THE SOBRIETY PROJECT LIMITED (A CHARITY)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

The debt due by the company in respect of the construction of the Sobriety Centre was refinanced in 1994/95. A loan from Midland Bank of £60,000 was obtained, secured on the property, and repayable over 20 years at a monthly rate of £643.02 (including interest). The residual liability to John Laing Construction Ltd has been reclassified by them as a long term debt.

14. MOVEMENT ON FUNDS

Restricted Funds

	Balance 31/3/96 £	Incoming Resources £	Expenditure/ Depreciation £	Balance 31/3/97 £
Room 58	6,952	-	-	6,952
Marketing	-	9,842	9,748	94
Fixed assets	-	15,886	3,178	12,708
	<hr/>	<hr/>	<hr/>	<hr/>
	6,952	25,728	12,926	19,754
	<hr/>	<hr/>	<hr/>	<hr/>

The Room 58 fund consists of amounts received in excess of the cost of the refurbishment of the vessel. The Charity proposes to apply to the Charities Commission in order to release these funds for the upkeep of the vessel.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Net Current Assets £	Liabilities Greater Than One Year	Pre- Incorporation Deficit £	Total £
RESTRICTED FUNDS					
Room 58	-	6,952	-	-	6,952
Marketing	-	94	-	-	94
Fixed assets	12,708	-	-	-	12,708
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	12,708	7,046	-	-	19,754
 Unrestricted funds	 206,246	 25,712	 (72,147)	 512	 160,323
Revaluation reserve	188,021	-	-	-	188,021
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	406,975	32,758	(72,147)	512	368,098
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>