

**THE SOBRIETY PROJECT  
LIMITED (A CHARITY)  
(LIMITED BY GUARANTEE)  
ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED  
31 MARCH 1996**



**THE SOBRIETY PROJECT LIMITED (A CHARITY)**  
**REPORT OF THE COUNCIL OF MANAGEMENT**  
**FOR THE YEAR ENDED 31 MARCH 1996**

The Council of Management submit their report and audited accounts for the year ended 31 March 1996.

**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

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

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

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

**SECRETARY:** Mr R J F Watson M.A. (Oxon)

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

Councillor E E Blackband, Chairman, Mental Health Policy Sub-Committee,  
 Humberside County Council

Mr R D Butterfield, Teacher

Councillor A Drury, Hull City Council

Mrs P Fisher, Community Co-Ordinator, Humberside Social Services Department

Ms D Frances, Development Worker, Carers Support, Goole

Ms L Horseman, Project Worker, Goole MIND

**THE SOBRIETY PROJECT LIMITED (A CHARITY)**  
**REPORT OF THE COUNCIL OF MANAGEMENT**  
**FOR THE YEAR ENDED 31 MARCH 1996**

**3. Council Members**

MEMBERS: Councillor B M Leighton, Boothferry Borough Council

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

Mr A Oliver

Mr W J Rigby M.A., Senior Education Officer, Humberside County Council

Mr S Robinson, Economic Development Officer, Boothferry Borough Council

Mr C Silvester, E.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

Councillor V Wilson, B.A., Humberside County Council

Mr L Duckels 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.

In preparing the above report the Council members have taken advantage of special exemptions applicable to small companies provided by Part II of Schedule 8 of the Companies Act 1985.

**Signed on Behalf of the Council of Management**



**R J F WATSON**  
**COUNCIL MEMBER**

**Date approved by the Council of Management:**

13/12/96

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

We have audited the accounts on pages 4 to 10 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 directors 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 affairs as at 31 March 1996 and of its excess of expenditure over income for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



**TOWNENDS**

**CHARTERED ACCOUNTANTS AND  
REGISTERED AUDITORS**

**CARLISLE STREET, GOOLE**

**DATE: 17 December 1996**

**THE SOBRIETY PROJECT LIMITED (A CHARITY)**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 1996**

	Note	1996		1995	
		£	£	£	£
<b>INCOME</b>					
Revenue Grants from Local Authorities	3	150,500		129,190	
Revenue Grants from Local Authorities Specifically for Arts Activities		3,800		-	
Revenue Grant from Tudor Trust		-		4,000	
Capital Grants for Museum		-		2,298	
Capital Grant from English Tourist Board	4	1,906		1,906	
Donations for Arts Activities		100		2,200	
Donations and Sponsorship		93,507		117,465	
Building Society Interest		369		376	
Bank Interest		23		47	
Expedition Receipts		14,226		19,741	
Gift Shop and Cafe Receipts		4,769		1,046	
Sobriety Centre and Room 58 Income		4,374		3,699	
		<u>273,574</u>		<u>281,968</u>	
<b>EXPENDITURE</b>					
Wages and Salaries		175,785		153,385	
Portacabin Repairs and Supplies		1,756		-	
Vessel Running Costs, Repairs and Maintenance		33,731		17,414	
Sobriety Centre Running Costs		23,093		18,873	
Room 58 Costs		2,123		11,294	
Arts Activities		3,786		2,183	
Museum Costs		16,746		20,703	
Training Costs		1,174		2,320	
Gift Shop Expenditure		2,700		812	
Group Travel to and from Holland		2,308		4,521	
Other Travel Costs		4,312		4,872	
Fuel Costs		3,743		3,742	
Volunteers Subsistence and Expenses		647		995	
Telephone		2,942		2,081	
Insurances		10,805		8,761	
Printing, Stationery and Postage		3,477		5,069	
Audit and Accountancy Services		881		881	
VAT Consultancy		2,537		-	
Sundries		978		1,506	
Legal Costs		-		847	
Bank Interest and Charges		66		304	
Loan Interest		6,816		3,703	
Marketing Costs		2,750		-	
Depreciation		11,799		11,189	
VAT Refunded in Year		(3,945)	311,010	-	275,455
<b>EXCESS OF EXPENDITURE OVER INCOME</b>					
CARRIED FORWARD			(37,436)		6,513

**THE SOBRIETY PROJECT LIMITED (A CHARITY)**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 1996**

	Note	1996		1995	
		£	£	£	£
EXCESS OF EXPENDITURE OVER INCOME BROUGHT FORWARD			(37,436)		6,513
ADJUSTMENT RE CAPITAL EXPENDITURE					
Room 58 - expenditure		2,123		11,294	
- grant/donation		-	2,123	(16,000)	(4,706)
		<hr/>		<hr/>	
Museum - expenditure		16,746		18,415	
- grant/donation		-	16,746	(2,298)	16,117
		<hr/>		<hr/>	
Computer - expenditure		-		2,288	
- grant/donation		-	-	(1,000)	1,288
		<hr/>		<hr/>	
Portacabin			-		1,939
Portable Computer			2,323		-
Telephone System			1,009		605
			<hr/>		<hr/>
			(15,235)		21,756
Accumulated Fund at 1 April 1995		162,259		102,928	
Prior Year Adjustment - VAT Refunded	11	-	162,259	37,575	140,503
		<hr/>	<hr/>	<hr/>	<hr/>
ACCUMULATED FUND AT 31 MARCH 1996			147,024		162,259
			<hr/>		<hr/>

**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 expenditure over income for the above two financial years.

**Note of Historical Cost Profits and Losses**

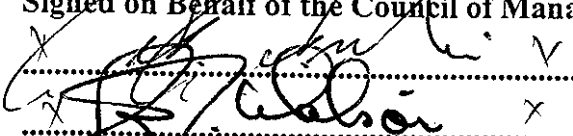
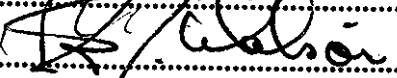
There is no difference between the results as disclosed in the income and expenditure account and the result on an unmodified historical cost basis.

**THE SOBRIETY PROJECT LIMITED (A CHARITY)**  
**BALANCE SHEET**  
**AS AT 31 MARCH 1996**

	Note	1996	1995
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	5	215,365	207,086
<b>CURRENT ASSETS</b>			
Stock	6	3,000	3,225
Debtors	7	5,749	48,748
Bank and Building Society Balances		25,593	13,159
Cash in Hand		286	106
		<u>34,628</u>	<u>65,238</u>
<b>CREDITORS</b>			
Amounts Falling Due Within One Year:-			
Creditors	8	26,653	31,552
		<u>26,653</u>	<u>31,552</u>
<b>NET CURRENT ASSETS</b>		<u>7,975</u>	<u>33,686</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>223,340</u>	<u>240,772</u>
<b>CREDITORS</b>			
Amounts Falling Due After More than One Year	9	(71,110)	(71,401)
		<u>(71,110)</u>	<u>(71,401)</u>
<b>NET ASSETS</b>		<u>152,230</u>	<u>169,371</u>
<b>REPRESENTED BY:-</b>			
<b>RESERVES</b>			
Accumulated Fund	10	147,024	162,259
Pre-Incorporation Deficit		(512)	(512)
		<u>146,512</u>	<u>161,747</u>
Deferred Capital Grant	4	5,718	7,624
		<u>5,718</u>	<u>7,624</u>
		<u>152,230</u>	<u>169,371</u>

The Council of Management have taken advantage of special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion the company qualifies as a small company.

Signed on Behalf of the Council of Management

A ATKIN } MEMBERS OF THE  
 R J F WATSON } COUNCIL OF  
 } MANAGEMENT

Date approved by the Council of Management: 13/12/96

**THE SOBRIETY PROJECT LIMITED (A CHARITY)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 1996**

**1. ACCOUNTING POLICIES**

**Basis of Accounting**

The accounts have been prepared under the historical cost convention.

**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'.

**Income**

Income in respect of Local Authority grants is accounted for on an accruals basis.

All other income is accounted for on a cash received basis.

**Expenditure**

Expenditure is accounted for on an accruals basis.

**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 1996.

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

**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.

**3. GRANTS FROM LOCAL AUTHORITIES**

	1996	1995
	£	£
REVENUE GRANTS		
Boothferry Borough Council	34,785	23,301
Humberside County Council	109,887	98,879
Hull City Council	4,000	4,000
Leeds City Council	1,828	-
Leeds YHMC	-	3,010
	<hr/>	<hr/>
	150,500	129,190
	<hr/>	<hr/>



**THE SOBRIETY PROJECT LIMITED (A CHARITY)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 1996**

**4. DEFERRED CAPITAL GRANT**

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

	1996 £	1995 £
Balance brought forward	7,624	9,530
Released in the year	1,906	1,906
	<hr/>	<hr/>
Balance carried forward	5,718	7,624
	<hr/>	<hr/>

**5. TANGIBLE FIXED ASSETS**

	Leasehold Buildings £	Vessels, Fixtures, Fittings & Equipment £	Total £
Cost at 1 April 1995	220,431	38,221	258,652
Additions	-	20,078	20,078
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Cost at 31 March 1996	220,431	58,299	278,730
	<hr/>	<hr/>	<hr/>
Depreciation at 1 April 1995	36,214	15,352	51,566
Charge for year	7,085	4,714	11,799
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation at 31 March 1996	43,299	20,066	63,365
	<hr/>	<hr/>	<hr/>
Net book value at 31 March 1996	177,132	38,233	215,365
	<hr/>	<hr/>	<hr/>
Net book value at 31 March 1995	184,217	22,869	207,086
	<hr/>	<hr/>	<hr/>

**6. STOCK**

Consists of gift shop, cafe and sundry repair items.

**THE SOBRIETY PROJECT LIMITED (A CHARITY)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 1996**

**7. DEBTORS**

	1996	1995
	£	£
Prepayments	1,319	1,823
Grants receivable	2,930	9,350
VAT recoverable	1,500	37,575
	<hr/>	<hr/>
	5,749	48,748
	<hr/>	<hr/>

**8. CREDITORS**

Amounts falling due within one year:

	1996	1995
	£	£
Bank loan (secured)	1,000	1,600
Accruals	620	793
Tax and social security	9,572	3,078
Sundry creditors	8,509	17,006
Donations received in advance relating to capital expenditure	6,952	9,075
	<hr/>	<hr/>
	26,653	31,552
	<hr/>	<hr/>

**9. CREDITORS**

Amounts falling due after more than one year:

	1996	1995
	£	£
Bank loan (secured)	57,387	57,678
Residual cost of the 'Sobriety Centre'	13,723	13,723
	<hr/>	<hr/>
	71,110	71,401
	<hr/>	<hr/>

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.

**THE SOBRIETY PROJECT LIMITED (A CHARITY)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 1996**

**10. ACCUMULATED FUND**

This reflects the cumulative position in respect of surpluses and deficits achieved by the company in each accounting period since the company was first incorporated. This figure should not be taken as representing cash funds available to the company. The sum represents the company's fixed assets plus working capital which includes any cash and bank balances.

For the avoidance of doubt, the cash and bank balances of the company as at 31 March 1996 after allowing for the potential repayment of the deferred capital grant from the English Tourist Board was £20,163.

**11. PRIOR YEAR ADJUSTMENT**

During 1995 the company successfully pursued with Customs and Excise the prospect of registering the company voluntarily for VAT purposes. Registration was secured, dating back to 1980, which enabled the company to recover VAT incurred on its purchases and expenses amounting to £37,575. The company will continue to obtain benefit from VAT registration in the future and indeed a further £3,945 was recovered in the year to 31 March 1996.