

**TIDE [Teachers in Development Education]
DEVELOPMENT EDUCATION CENTRE
[BIRMINGHAM] LIMITED
[Limited by Guarantee]
REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004**

**Charity No. 516038
Company No. 1863269**

**Norris-Small
Chartered Accountants
2 Camino Road
Birmingham
B32 3XE**



DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

CONTENTS

	<u>Page</u>
Legal and Administrative information	2
Report of the Trustees	3 - 4
Report of the Auditor	5 - 6
Statement of Financial Activities including the income and expenditure account	7
Balance sheet	8
Notes to the financial statements	9 - 15

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

LEGAL AND ADMINISTRATIVE INFORMATION

Chairperson	Rita Chowdhury
Vice Chair	Roland Clark
Treasurer	Roger McBrien
Committee	Margaret Barnfield Rohini Corfield Lisa Davies Dennis Edwards Mary Ffield Gill Fox Pete Hedges John Hopkin Sue Penhallow Stephen Pickering Jeff Serf Julie Wooldridge
Company secretary	Iain Scott Sinclair
Registered Office	Tide~ Centre G04 Millennium Point Curzon Street Birmingham B4 7XG
Auditors	Norris-Small Chartered Accountants 2 Camino Road Birmingham B32 3XE
Bankers	Lloyds TSB Plc 142 Edgbaston Park Road Birmingham B15 2TY CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent M19 4JQ

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
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REPORT OF THE TRUSTEES

The Trustees [Chair, Vice Chair and voting members of the Committee], who are also Directors for the purposes of company law, present their report and the audited financial statements of the company for the year ended 31 December 2004.

Principal activities and aims

The company is a registered charity and its principal activity is to support education with respect to increasing development awareness. The core aims are:

- to further development education practice and policy by enabling individuals and organisations to adopt a global dimension and development perspective as part of their own agenda;
- to offer a range of projects involving people in a creative process focused on aspects of policy, the curriculum or on specific development issues;
- to disseminate the ideas and strategies generated by such projects.

These are supported by objectives relating to four key frameworks engaging and supporting teachers in the West Midlands Region. From January 2004, the charity has operated under the working name Tide~ [Teachers in development education].

Organisation

A board of trustees of up to 20 members, who meet bi-monthly, administers the charity. There are sub committees for co-ordination, projects policy and finance. A manager is appointed by the trustees to manage the day-to-day operations of the charity, and to lead the team of staff.

Review of the results, activities, reserves and risks

During 2004 the charity suffered a deficit of £27,875 (2003 surplus £11,368). The deficit reflects lower non-governmental grants received, and the costs of relocation and increasing establishment costs. This needs to be reversed in 2005 so that the Charity can continue to achieve its objectives in the future.

Reserves are required to fund publications and resources used by the charity and to cover the fluctuations of funding that may occur from time to time. Cash reserves, after allowing for overdue grant funding receipts, now equate with three months expenditure and are considered adequate. The Trustees have reviewed the risks affecting the charity. Internal control systems are in place to approve expenditure. Reserves are monitored by the finance committee on a regular basis. The Trustees continue to seek a diversification of the income sources.

In January 2004 the charity relocated to a new base and resource centre at Millenium Point, Birmingham. This involved substantial leasehold improvement and equipment expenditure amounting to £118,336 as well as revenue costs of £8,367. The costs of this transfer have been primarily funded by a 5 year bank loan of £65,000 and a funding contribution from the previous landlord, University of Birmingham, of £32,000. The remaining costs of £29,703 have been met from existing reserves.

The charity published an annual review which is issued with these accounts.

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
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REPORT OF THE TRUSTEES
[continued]

SORP [Statement of Recommended Practice] accounting for charities

In order to comply with the SORP relating to the accounts of charities, a statement of financial activities incorporating an income and expenditure account has been prepared and is set out on page 7 of these accounts.

Members of the committee

The members of the committee as at the date of this report are set out on page 2. In accordance with the company's Articles of Association, a third of the committee members will retire and a ballot will be held to decide the new members to be elected at the forthcoming Annual General Meeting.

Interests of members of the committee

No members of the committee have any interests in the company.

Tangible fixed assets

The movements in tangible fixed assets during the year are set out in note 7 to the financial statements on page 14. The major expenditure in the year was leasehold improvement costs of £110,832.

Trustees' Responsibilities

Company law and the Charities Act 1993 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors have:

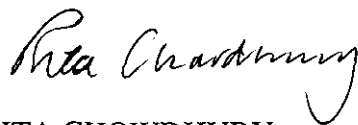
- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The Trustees 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 financial statements 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 and other irregularities.

Auditors

Norris-Small have expressed their willingness to continue in office as auditors and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

By Order of the Trustees



RITA CHOWDHURY

Chairperson
14th March 2005

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

I have audited the financial statements of Development Education Centre (Birmingham) Limited on pages 7 to 15 which have been prepared on the basis of the accounting policies set out on pages 9 and 10.

Respective responsibilities of Trustees and Auditor

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

As described on page 4 the Trustees, who are also the directors of Development Education Centre [Birmingham] Limited for the purposes of company law, are responsible for the preparation of financial statements in accordance with United Kingdom law and accounting standards.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you if, in my opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if the information specified by law regarding directors' remuneration and transactions with the company is not disclosed. I read the Directors' Report and consider the implications for my report if I become aware of apparent misstatements within it.

Basis of opinion

I conducted my 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the committee 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

[continued]

Opinion

In my opinion the financial statements give a true and fair view of the charity's state of affairs as at 31 December 2004 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



NORRIS-SMALL

Chartered Accountant
Registered Auditor

Birmingham

14th March 2005

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE
ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2004

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
Incoming Resources			
Grants and donations	3	203,652	235,635
Sale of publications, books and fees	4	48,338	46,778
Relocation Support		32,000	-
Interest received		1,457	1,897
Total Incoming Resources		285,447 =====	284,310 =====
Resources Expended			
<u>Cost of generating funds</u>			
Fund Raising	5	8,746	8,549
<u>Cost of activities in furtherance of the charity's objectives</u>			
Development education	5	240,535	194,846
Cost of sales	6	9,296	33,297
Administration and support	5	54,745	36,249
Total Resources Expended		304,576 =====	272,941 =====
Net (Outgoing)/Incoming Resources		(27,875)	11,369
Fund balances brought forward at 1 January		146,567	135,198
Fund balances carried forward at 31 December		118,692 =====	146,567 =====

All the above are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net incoming resources. The notes on pages 8 to 15 form part of these accounts.

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

BALANCE SHEET - 31 DECEMBER 2004

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
Fixed assets			
Tangible assets	7	99,613	52,695
Current assets			
Stocks and publications	8	44,311	34,737
Debtors	9	54,116	16,762
Cash at bank and in hand		21,299	74,782
		<u>119,726</u>	<u>126,281</u>
Creditors: amounts falling due within one year	10	<u>(56,102)</u>	<u>(32,409)</u>
Net current assets		63,624	93,872
Net assets less current liabilities		<u>163,237</u>	<u>146,567</u>
Creditors: amounts falling due in more than one year			
Bank Loan		(44,545)	-
Total assets		<u>118,692</u> =====	<u>146,567</u> =====
Reserves			
Non-distributable		<u>118,692</u> =====	<u>146,567</u> =====

The financial statements were approved by the Trustees on 14th March 2005 and signed on its behalf by:-

Signed on behalf of the Trustees:



RITA CHOWDHURY



ROGER MCBRIEN

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2000) and the applicable accounting standards under the historical cost convention. The charity has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities. The principal accounting policies adopted by the company in the preparation of its financial statements are as follows:-

2. Company status

The charity is a company limited by guarantee and has no share capital. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

(a) Incoming resources

Income consists of grants and fees, the sale of books and publications [excluding VAT], course fees and sundry income. Grants and fees are taken to income when the charity is legally entitled to the income and reflect any restrictions imposed by donors on the periods for which the funds may be used.

(b) Interest receivable

Interest is included when receivable by the charity.

(c) Resources expended

All expenditure is accounted for on an accruals basis, inclusive of any VAT that is not recoverable, and has been classified under headings that aggregate all costs related to the category. Fund raising costs are those expended in seeking new sources of funding. Management and administration costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

(d) Depreciation

Depreciation is provided on cost in order to write the assets off over their anticipated useful lives. The rates of depreciation used are:-

Equipment	25% of cost
Leasehold improvements	16.66% of cost

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
[continued]

- (e) **Stocks**
Stocks of books and publications are valued at the lower of cost or net realisable value. Cost of publications includes printing and design costs only. Full provision is made against those publications where the cost will not be recovered from future revenues.
- (f) **Taxation**
No provision for taxation is necessary as the company is a registered charity. Irrecoverable VAT is charged to costs as incurred.
- (g) **Pensions**
Contributions are made to defined contribution schemes for certain employees. Costs are charged in the profit and loss account at the date of payment.
- (h) **Operating leases**
Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.
- (i) **Foreign Exchange**
Assets and liabilities denominated in foreign currencies are converted to sterling at the exchange rate ruling at the balance sheet date. Income and expenditure are included in the profit and loss account at the actual rate of exchange achieved at the transaction date.

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
[continued]

	<u>2004</u>	<u>2003</u>
	£	£
3. Grants and donations		
<u>Governmental grants</u>		
DfID	159,997	160,215
Local Education Authorities	14,650	16,462
	<u>174,647</u>	<u>176,677</u>
<u>Others</u>		
Oxfam	20,830	41,860
Severn Trent	5,000	5,000
Islamic Relief	-	3,928
Christian Aid	-	3,000
Partners	2,835	3,000
University of Birmingham	-	2,000
Donations	340	170
	<u>203,652</u>	<u>235,635</u>
	=====	=====
4. Sale of goods and fees		
Sale of books and publications	31,845	31,991
Conferences, courses & consultancy	13,537	11,092
Membership fees	975	1,492
Miscellaneous	1,981	2,203
	<u>48,338</u>	<u>46,778</u>
	=====	=====

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
[continued]

	<u>2004</u> £	<u>2003</u> £
5. Employment and other costs		
[a] Employment Costs		
Salaries	148,797	134,590
National Insurance	14,454	12,984
Pension contributions	5,295	5,301
Recruitment costs	-	622
	<u>168,546</u> =====	<u>153,497</u> =====
[b] Other costs and overheads		
Rent, rates and service charges	25,463	9,262
Project and workshop costs	24,366	16,095
Depreciation	21,987	5,865
Travel including projects	13,479	11,389
Relocation Costs	8,367	516
Tide~ newsletters and publicity	8,283	7,493
Stationery, office and copying costs	8,134	6,028
Postage	5,862	5,793
VAT irrecoverable	4,612	3,994
Loan Interest	2,938	-
Computer system developments	2,628	3,492
Indemnity Insurance	1,991	2,257
Sundry expenses	1,876	2,595
General Insurance	1,687	1,587
Special Materials	1,163	3,144
Training	1,000	1,500
Audit Fee	735	675
Conferences and subscriptions	629	1,023
Telephone	280	3,439
	<u>135,480</u> =====	<u>86,147</u> =====

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
[continued]

[c] Analysis of employment and other costs

	Charitable Activities	Fund Raising	Support & Admin- istration	Total
	£	£	£	£
31 December 2004				
Employment costs	128,536	8,313	31,697	168,546
Other costs	111,999	433	23,048	135,480
	<hr/>	<hr/>	<hr/>	<hr/>
	240,535	8,746	54,745	304,026
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2003				
Employment costs	117,474	8,038	27,985	153,497
Other costs	77,372	511	8,264	86,147
	<hr/>	<hr/>	<hr/>	<hr/>
	194,846	8,549	36,249	239,644
	<hr/>	<hr/>	<hr/>	<hr/>

No committee member was paid or reimbursed expenses during the year (2003 - £Nil). During the year the average number of employees, including part-time was 6. All but 1 were involved in the charitable activities. No employees earned more than £50,000 per annum (2003 - £Nil)

The above costs include the following:-

	2004	2003
	£	£
Depreciation	21,987	5,865
Auditor's remuneration	735	675
Operating lease rentals		
Plant	2,090	2,090
Property	15,540	9,262

6. Cost of Sales and Services

Cost of books, publications		
Sold and utilised	9,296	33,297
	<hr/>	<hr/>

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

[continued]

7. Tangible fixed assets

	Leasehold Improvements £	Computer, fixtures and other equipment £	Total £
Cost			
At 1 January 2004	49,432	43,624	93,056
Additions	61,388	7,517	69,905
Disposals	-	(19,066)	(19,066)
At 31 December 2004	<u>110,820</u> =====	<u>32,075</u> =====	<u>142,895</u> =====
Depreciation			
At 1 January 2004	-	40,361	40,361
Charge for the year	18,470	3,517	21,987
Disposals	-	(19,066)	(19,066)
At 31 December 2004	<u>18,470</u> =====	<u>24,812</u> =====	<u>43,282</u> =====
Net book value			
At 31 December 2004	<u>92,350</u> =====	<u>7,263</u> =====	<u>99,613</u> =====
At 31 December 2003	<u>49,432</u> =====	<u>3,263</u> =====	<u>52,695</u> =====

Capital commitments at 31 December 2004 amounted to £Nil [2003 - £49,200].

8. <u>Stocks</u>	2004 £	2003 £
Books	16,633	13,225
Publications	27,678	21,512
	<u>44,311</u> =====	<u>34,737</u> =====

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
[continued]

9. <u>Debtors</u>	<u>2004</u> £	<u>2003</u> £
Grants	43,330	-
Books and publications	2,860	1,794
Courses and other debtors	4,657	3,370
Prepayments	3,027	6,078
Other taxation	242	5,520
	<hr/> 54,116 <hr/>	<hr/> 16,762 <hr/>

10. Creditors: amounts falling due within one year

Trade creditors	16,608	10,007
Accruals	23,430	6,803
Other taxation	4,011	3,599
University of Birmingham	-	12,000
Bank loan – short term portion (see note 11)	12,053	-
	<hr/> 56,102 <hr/>	<hr/> 32,409 <hr/>

11. Bank Loan

The bank loan is made by the Charity Bank and is repayable over 5 years. There are rights set off against other accounts with that bank.

12. Commitments

The company has annual commitments in respect of the operating leases:-

	<u>2004</u> £	<u>2003</u> £
<u>Property</u> expiring in more than 5 years	<hr/> 15,540 <hr/>	<hr/> - <hr/>
<u>Equipment</u> expiring in 3 - 4 years	<hr/> 2,057 <hr/>	<hr/> 2,057 <hr/>

13. Related party transactions

The Company entered into no transactions with Committee Members or any other related parties during the year. [2003 None.]