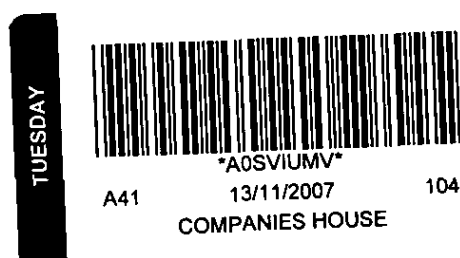


**ARIEL TRUST LIMITED**  
**REPORT AND FINANCIAL STATEMENTS FOR**  
**THE YEAR ENDED 31 MARCH 2007**

**Company Number: 2113575**  
**Charity Number: 519688**



Presented by

**Harvey Guinan**

**Chartered Certified Accountants,  
Registered Auditors**

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**ARIEL TRUST LIMITED**

**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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**ARIEL TRUST LIMITED**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**Constitution**

Anel Trust Limited is a company limited by guarantee and a registered charity governed by its memorandum and articles of association Charity number 519688 Company Number 2113575

**Directors and Trustees**

The directors of the charitable company "the charity" are its trustees for the purpose of charity law and throughout the report are collectively referred to as the trustees The trustees serving during the year and since the year end were as follows

**DIRECTORS AND TRUSTEES**

Stephen Ferguson (Chair)  
 Maurice Bessman  
 Mark Hewitson  
 Michael Kipling (Treasurer)  
 Paulette Lappin  
 Avis Lundberg  
 Peter Mearns (appointed December 2006)  
 Deirdre Morley (resigned August 2006)  
 Angela Pinnington (appointed December 2006)  
 Yaqub Rahman  
 Yinka Yesufu

**SECRETARY**

Paulette Lappin (resigned 05-06)  
 Yaqub Rahman (appointed 05-06)

**EXECUTIVE DIRECTOR**

Paul Ainsworth

**REGISTERED OFFICE**

6<sup>th</sup> Floor  
 Gostins Building  
 Hanover Street  
 Liverpool  
 L1 3DY

**AUDITORS**

Harvey Guinan  
 Chartered Certified Accountants  
 Registered Auditors  
 310/311 Vanilla Factory  
 39 Fleet Street  
 Liverpool L1 4AR

**BANKERS**

Natwest Bank Plc  
 Liverpool City Office  
 PO BOX 138  
 22 Castle Street  
 Liverpool  
 L69 2BE

**ARIEL TRUST LIMITED****TRUSTEES' ANNUAL REPORT/DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007**

The Trustees intend that this Annual Report also serves as the Statutory Directors' Report

**REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are provided in these accounts on page 1

**STRUCTURE GOVERNANCE AND MANAGEMENT**

The Charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association and on the winding up of the Charity each member will contribute £1

Ariel Trust Limited has a Committee of Trustees, which normally meets every six weeks. The Board sets out and approves the policies to be adopted to achieve the Charity's objectives. The policies and the day to day management of the Charity are implemented by the Executive Director. The Charity has a Development Plan, which it is using to focus on immediate, medium and long term aims. The work programme as detailed in the plan is developed and delivered by the director and the staff team and up to 5 Professional Support Workers.

Recruitment of Trustees is based upon diversity and equal opportunities. As a Board the Trustees represent the voluntary, public and private sectors. The Trustees are from wide ranging professional backgrounds including education, human resources, administration, legal, actuarial, writing, journalism and marketing. The Charity has access to the Business in the Arts Board Bank and Adviser scheme from which it can identify potential Trustees.

Induction of new Trustees involves a detailed introductory programme where the new Trustee receives copies of Strategic and Business Planning documents, the financial statements and all other relevant policies and issues of the organisation and has time to discuss these with the Board and Executive Management. Board Away Days are normally held at least once per year when strategy is on the agenda. The Away Day is also an opportunity for training and updating Trustees on important matters. When training needs are identified an action plan is put in place and appropriate training delivered.

The staff team has grown significantly during the last year. The Executive Director works with two full time administrators, 2 full time Schools Project Officers, a full time Post 16 Co-ordinator and a full time Development Officer.

This core team works alongside 3 freelance support staff that deliver the adult training courses.

**Equal Opportunities**

The company is committed to the principle of equal opportunities, and is striving to become an equal opportunities employer and service provider.

Ariel recognises that it is necessary to take positive steps to ensure that all people benefit from equal opportunities, whether when acting as an employer, providing services or working with people as individuals or in groups.

Ariel is committed to the development and expansion of positive policies to promote equal opportunities in employment regardless of workers' colour, age, class, unemployment,

**ARIEL TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT/DIRECTORS' REPORT FOR THE YEAR ENDED 31**  
**MARCH 2007**

**Equal Opportunities: (Continued)**

disability, gender, marital status, nationality, parental status, religious beliefs and sexual orientation. This principle will apply in respect of all conditions of work including rates of pay, hours of work, holiday entitlement, work allocation, guaranteed earning, sick pay, maternity pay, paternity pay, recruitment, training, promotion and redundancy.

Ariel has committed itself to adopting work practices which would enable people to attain a quality of life which is consistent with being equal members of society.

Ariel requires that all of its staff and Trustees promote this equal opportunities policy through its work and services.

**Trustees:**

The names of the present trustees and all who held office during the year are shown on page 1.

In accordance with the provisions of the Charity's Articles of Association, at the forthcoming Annual General Meeting of the Charity, the following trustees retire by rotation and being eligible, offer themselves for re-election.

Maurice Bessman  
 Mark Hewitson  
 Yinka Yesufu

**Statement of Trustees' responsibilities**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In preparing these 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 charity will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure of information to auditors**

The trustees of the charity who held office at the date of approval of this annual report confirm that

- So far as they are aware, there is no relevant audit information, information needed by the charity's auditors in connection with preparing their report, of which the charity's auditors are unaware, and
- They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**ARIEL TRUST LIMITED****TRUSTEES' ANNUAL REPORT/DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007****Board structure:**

The following sub committees have recently been established with the intention that they will take advantage of the specialist skills of a number of these trustees and allow for more focused work on these areas between board meetings

Finance

Human Resources

**Board Development:**

The Charity have worked with Business in the Arts North West to identify gaps in skills on the board and recruit suitable specialists

**Risk Management:**

The major risks to which the Charity is exposed concern business risk and operating risk and in particular raising adequate funds or generating sufficient income to cover costs. The Board confirms that the day to day reporting systems and controls operated and regularly monitored by the organisation are designed to mitigate those risks. The Charity regularly reviews and updates a schedule of risks

**OBJECTIVES AND ACTIVITIES**

The Objects of the Charity are

- To promote for the benefit of the public the furtherance of education, training, knowledge and understanding of all members of the public (with emphasis on the members of the public who are young or disadvantaged) in all aspects of sound, television and multi media production
- To promote for the benefit of the public and enable best practice and high standards in all aspects of sound, television and multi- media production which is of cultural, artistic or educational value

Ariel supplies up to date skills to all members of the public (with emphasis on the members of the public who are young or disadvantaged), responds to demand in the media industry, builds partnerships and helps to deliver employment and economic growth

Ariel Trust offers services to members of the public, with the emphasis on the members of the public who are young or disadvantaged to promote their knowledge and understanding of broadcasting in order to increase their chances of becoming economically active. The organisation does this by -

- i) Operating a programme of training courses
- ii) Providing information and advice to unemployed people and others
- iii) Making equipment, studio space and resources available to unemployed people and others
- iv) Liaising with broadcasters and others in order to increase opportunities for unemployed people
- v) Organising conferences, work placements and other initiatives
- vi) Delivering education projects to young people
- vi) Developing new ways to deliver education, training and media production

In delivering the activities the Charity is supported by a voluntary Board of Trustees. The Charity does not have any other volunteer programme

**ARIEL TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT/DIRECTORS' REPORT FOR THE YEAR ENDED 31**  
**MARCH 2007 CONTINUED**  
**ACHIEVEMENTS AND PERFORMANCE**  
**Key Developments during 2006/7**

Ariel has continued to deliver face-to-face radio training for two important client groups this year

- Young people at risk of exclusion from school
- Young adults currently outside the labour market

Both areas of work have been funded through the European Social Fund and have been delivered in a way that meets our contractual targets during the year. A new project has also been funded and delivered in partnership with the local schools in Sefton

Merseyside Social Enterprise Initiative also supported the expansion of our schools project. Their investment supported the salary costs of the School Project Worker for 9 months.

During the year we have worked with a total of 373 young and excluded people in a range of face-to-face projects. This is an increase of 15% on the previous year and includes an initiative supported by Wired, a Wirral Carers organisation, working with a new client group, Carers. The project enabled participants to produce audio about their lives and about services for other carers that could be used to communicate with others in similar positions.

During 2006 Ariel moved to new, self-contained premises. Our new premises have a dedicated training room, linked to a fully equipped radio studio. These improved facilities have enabled us to offer more and improved provision to clients.

The development of our capacity to deliver e-learning took another step forward through the launch of a new distance learning pack 'Street Heat'. This is the second in a series of resources developed with support from Liverpool Culture Company. We have made significant progress in developing the Culture Company as a customer securing £38k of delivery contracts during 2006/07.

**Key Issues in next period**

Ariel will continue to deliver face-to-face programmes in both schools and for young adults with support from the European Social Fund (ESF). ESF provides for only part of the cost of these programmes and at the current time, as unemployment rates fall, securing investment for vocational training is challenging. We therefore feel it is prudent to designate a significant proportion of our reserves as match funding for these programmes. We are therefore designating £15,000 for our work in schools and £30,600 for our Post 16 programme.

Ariel has now launched two learning resources, 'Plastered' and 'Street Heat' in the Merseyside area. A key challenge in the next period will be marketing these resources and the related Continuing Professional Development training to a wider geographical market. In view of this we intend to update and re-launch our website during 2007/08. We have also promoted a key member of staff who now has responsibility to drive this forward.

We will also publish a number of new learning resources during the coming year. The next will be called 'senseless' and deal with issues associated with racism and racial harassment. A further pack is planned that deals with bullying and a third that deals with gun crime. The development of these new packs has a central role to play in our strategy to build partnerships with new customers including Merseyside Police, Merseyside fire service and Merseyside PCT.

**ARIEL TRUST LIMITED****TRUSTEES' ANNUAL REPORT/DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007 CONTINUED****Strategy for long-term sustainability**

Ariel recognises that providing vocational training programmes of the type we have previously delivered is not sustainable in isolation. We are committed, in the short-term, to continuing this provision because there is dramatic growth in the radio industry at this time. However we recognise that in order to remain sustainable as an organisation we need to develop additional sources of income to support this work.

The investment from Future Builders is a major step forward in this area and this investment will be used to increase our staff team and actively market new services. This will particularly include the development of distance learning and e-learning resources and the marketing of Continuing Professional Development training targeted at teachers, youth workers and other agencies. The successful launches of both 'Plastered' and 'Street Heat' point the way, demonstrating our ability to win contracts in this new market and providing a template for further development.

**FINANCIAL REVIEW**

Details of the Statement of Financial Activities appear on page 9. Total incoming resources were £255,805 (2006 £226,747) and total resources expended were £268,980 (2006 £215,822) giving rise to a net movement in funds of £13,175 excess expenditure (2006 £10,925 excess income). The net movement in funds for 2006/7 is split between excess income of £3,556 (2006 £14,850) on the unrestricted fund and £16,731 excess expenditure on the restricted funds (2006 £3,925). Details of the movements on individual designated funds within unrestricted funds are shown in the notes to the accounts.

The mix of income continued to change in 2006/7 in line with diversification and increase in activity. Post 16 income increased by 30% and school income by 44% as a result of business development. Ariel now has a wide variety of income streams from a more diverse range of organisations. Statutory investment particularly from the European Social Fund has been maintained but income includes funding from trusts and foundations, corporate donations and income from educational services. The development project monies increased 9% which includes the ERDF monies and the Esmée Fairburn monies together with a small amount of fees for services. This increase in funds and activities has enabled the Charity to further expand and develop.

At 31 March 2007 the position on the Funds on the Balance Sheet was a total of £72,063 (2006 £85,238) made up of £66,565 unrestricted funds (including £51,565 designated funds and a balance on general unrestricted funds of £15,000) and £5,498 restricted Funds.

**Political Contributions**

During the year there were no political or charitable donations.

**Fixed Assets**

The movements on fixed assets are shown in the notes to the accounts.



**ARIEL TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT/DIRECTORS' REPORT FOR THE YEAR ENDED 31**  
**MARCH 2007 CONTINUED**

**Reserves Policy:**

The organisation is run on a not for profit basis but for prudent management and in accordance with the Statement of Recommended Practice "Accounting by Charities" the Board aims to maintain a level of free reserves (that is those funds not tied up in designated or restricted funds) to establish a sustainable entity and guard against contingencies. The actual free reserves at 31 March 2007 were £15,000 (2006 £12,009) representing a small planned increase. The Charity is working towards diversification and aims to increase the free reserves to £25,000, achieving target within the next 3 to 5 years. The business plan indicates that the level of reserves of £15,000 is sufficient to support current activities.

**PLANS FOR FUTURE PERIODS**

Our Business Plan has been used as the basis of an application for funding to Future Builders. This is a new Home Office initiative aimed at building the capacity of the voluntary sector to deliver public services. Our plans have been well received and the organisation is undertaking development.

We have conducted research, particularly around the Schools Project to ensure our plans fit with current educational priorities. This is essential in principle as we develop new products for our market.


**SMALL COMPANY RULES**

These accounts have been prepared in accordance with Part VII of the Companies Act 1985 as applicable to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

**AUDITORS**

Harvey Guinan have indicated their willingness to remain in office and a resolution will be proposed for their re-appointment at the forthcoming Annual General Meeting in accordance with section 384 of the Companies Act 1985.

ON BEHALF OF THE TRUSTEES AND THE DIRECTORS



Trustee/Director  
6 October 2007

**ARIEL TRUST LIMITED****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARIEL TRUST LIMITED**

We have audited the financial statements of Ariel Trust Limited for the year ended 31 March 2007 on pages 9 to 16. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

The trustees' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 3.

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 Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' 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 charity'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.

**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's affairs as at 31 March 2007 and of its incoming resources and resources expended for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.



**Harvey Guinan**  
Chartered Certified Accountants  
Registered Auditors  
310/311 Vanilla Factory  
39 Fleet Street  
Liverpool L1 4AR  
6 October 2007

**ARIEL TRUST LIMITED****STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2007**

	UN RESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 31/3/2007	TOTAL FUNDS 31/3/2006
<b><u>Incoming Resources</u></b> (note 4)				
Incoming Resources from generated funds				
Voluntary Income	200	-	200	400
Investment Income	1,489	-	1,489	234
Incoming Resources from Charitable Activities				
Post 16 Training and Services	-	52,991	52,991	40,878
Schools Training and Services	34,463	72,249	106,712	74,033
Development Project	-	67,614	67,614	61,806
Mersey Broadband	-	1,405	1,405	29,857
Core Activity-Inter Active Radio	23,187	-	23,187	19,539
CPD Training	2,207	-	2,207	-
<b>Total Incoming Resources</b>	<b>61,546</b>	<b>194,259</b>	<b>255,805</b>	<b>226,747</b>
<b><u>Resources Expended</u></b>				
Charitable Activities (note 5)				
Post 16 Training and Services	-	52,991	52,991	64,564
Schools Training and Services	34,463	82,249	116,712	52,676
Development Project	-	67,614	67,614	61,806
Mersey Broadband	2,267	1,405	3,672	18,862
Core Activity –Inter Active Radio	18,760	6,731	25,491	15,414
	55,490	210,990	266,480	213,322
Governance Costs	2,500	-	2,500	2,500
<b>Total Resources Expended</b>	<b>57,990</b>	<b>210,990</b>	<b>268,980</b>	<b>215,822</b>
Net movement in funds	3,556	(16,731)	(13,175)	10,925
Balances B/F 1 April 2006	63,009	22,229	85,238	74,313
<b>Balances C/F 31 March 2007 (note 10/11)</b>	<b>66,565</b>	<b>5,498</b>	<b>72,063</b>	<b>85,238</b>

The notes on pages 11 to 16 form part of these financial statements

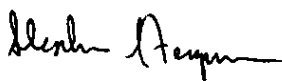
**ARIEL TRUST LIMITED****BALANCE SHEET**  
**AS AT 31 MARCH 2007**

NOTE		2007	2006
	<b><u>FIXED ASSETS</u></b>		
7	Tangible Assets	8,774	15,693
	<b><u>CURRENT ASSETS</u></b>		
8	Debtors	53,652	52,752
	Cash at Bank and in Hand	156,199	91,318
		-----	-----
		209,851	144,070
9	<b><u>CREDITORS - AMOUNTS</u></b>		
	<b><u>FALLING DUE WITHIN ONE YEAR</u></b>	(27,812)	(14,525)
		-----	-----
	<b><u>NET CURRENT ASSETS</u></b>	182,039	129,545
	<b><u>TOTAL ASSETS LESS CURRENT</u></b>		
	<b><u>LIABILITIES</u></b>	190,813	145,238
9	<b><u>CREDITORS- AMOUNTS</u></b>		
	<b><u>FALLING DUE AFTER ONE YEAR</u></b>	(118,750)	(60,000)
		-----	-----
	<b><u>NET ASSETS</u></b>	72,063	85,238
		=====	=====
	<b><u>FUNDS</u></b>		
10	Unrestricted funds	66,565	63,009
11	Restricted Funds Invested in Fixed Assets	5,498	12,229
11	Restricted Revenue Funds	-	10,000
		-----	-----
		72,063	85,238
		=====	=====

The notes on pages 11 to 16 form part of these accounts

The accounts have been drawn up in accordance with the provisions of part VII of the Companies Act 1985 and in accordance with the Financial Reporting Standard for smaller entities

These accounts were approved by the Board of Trustees on 6 October 2007 and were signed on their behalf by



Trustee/Director

**ARIEL TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**1 ACCOUNTING POLICIES**  
**ACCOUNTING CONVENTION**

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention and include the results of the charity's operations which are described in the Directors' and Trustees' report, all of which are continuing. The accounts have been drawn up where appropriate in accordance with the Statement of Recommended Practice "Accounting by Charities"

**DEPRECIATION**

Depreciation is provided on fixed assets at rates calculated to write off costs evenly over their anticipated useful lives at the following rates

Equipment	15% Straight Line
Fixtures and fittings	15% Straight Line
Computers	33 1/3% Straight Line

**INCOMING RESOURCES**

Income from continuing operations comprised revenue grant funding received and receivable, donations, income received and receivable against contracts with government agencies to deliver education and training and organisational development, bank interest and sundry income

The charity is not registered for VAT

Income from donations and grants is included in incoming resources when these are receivable, except as follows

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred to those periods
- When donors impose conditions which must be fulfilled before the charity becomes entitled to use such income, and there is uncertainty as to whether the charity can meet these conditions, the income is deferred and not included in incoming resources until there is certainty that those pre-conditions for use can be met

**CHARITABLE EXPENDITURE AND EXPENDITURE ON GOVERNANCE COSTS**

All expenditure of the charity relates to the delivery of its objects and is therefore considered as direct charitable expenditure as detailed on the Statement of Financial Activities. Audit and legal and professional costs have been shown separately in governance costs

**GRANTS**

Grants of both a revenue and capital nature are credited to income in the period in which they are due and when the principles of measurement, certainty and entitlement are met. Capital grants are treated as restricted income and depreciation charged against the restricted funds. Where revenue grants are given for a specific purpose then the income is shown as restricted on the Statement of Financial Activities

**TAXATION**

No taxation is provided due to the company's charitable status

**ARIEL TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**  
**(Continued)**  
**ACCOUNTING POLICIES CONTINUED**

**FUND ACCOUNTING**

Funds held by the charity are either

- Unrestricted general funds which can be used in accordance with the charitable objectives at the discretion of the trustees
- Restricted funds which can only be used for a specific purpose either specified by the donor or raised for the specific purpose
- Designated Funds which have been set aside by the Trustees out of unrestricted general funds for specific future purposes or projects

**CASHFLOW STATEMENT**

The company has taken advantage of the exemption available in sections 246 to 249 Companies Act 1985 not to prepare a cash flow statement in accordance with Financial Reporting Standard No 1

**2 NET MOVEMENT ON FUNDS**

	2007	2006
<b>This is stated after charging/(crediting):</b>		
- Auditors' Remuneration	2,500	2,500
- Depreciation of Tangible Fixed Assets	8,235	9,131
- Release of Capital Grant for Depreciation	(6,731)	(6,730)
	=====	=====

**3 STAFF COSTS**

- Wages and Salaries	140,789	117,252
- Social Security Costs	14,284	11,530
- Pension	6,355	5,050
	-----	-----
	161,428	133,832
	=====	=====

No director/trustee received fees, remuneration or expenses for their services as a director/trustee

The average number of full time equivalent employees (including casual and part time staff) during the year was made up as follows

Manager	1	1
Administration and Finance	2	2
Development	1	1
Project Officer – Schools	2	1
Project Officer – Post 16	1	-
	-----	-----
	7	5
	===	===

The company contributes to individual employee defined contribution pension schemes with assets held separately from the company managed by an insurance company

**4 INCOMING RESOURCES FROM DELIVERY OF TRAINING AND EDUCATION**

	Unrestricted Funds	Restricted Funds	Total 2007	Total 2006
<b>Voluntary Income</b>				
Sundry Donations	200	-	200	400
	-----	-----	-----	-----
	200	-	200	400
<b>Investment Income</b>				
Bank Interest receivable	1,489	-	1,489	234

**ARIEL TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**4 INCOMING RESOURCES FROM DELIVERY OF TRAINING AND EDUCATION (cont'd)**

	Unrestricted Funds	Restricted Funds	Total 2007	Total 2006
<b>Charitable Activities</b>				
<b>Post 16 Public authority service agreements:</b>				
ESF	-	50,991	50,991	29,160
New Deal	-	-	-	1,718
ACME	-	2,000	2,000	-
Charitable Trust	-	-	-	10,000
	-	52,991	52,991	40,878
<b>Schools Training and Services</b>				
Learning Skills Council	-	-	-	1,208
Project Education Services	34,463	-	34,463	31,419
Awards for All	-	-	-	4,810
ESF	-	12,086	12,086	2,596
Future Builders	-	15,000	15,000	29,000
Liverpool Culture Company Project	-	16,763	16,763	5,000
MSEI	-	17,400	17,400	-
Private Commercial Donation	-	11,000	11,000	-
	34,463	72,249	106,712	74,033
<b>Development Project</b>				
Esmee Fairbairn Foundation	-	30,331	30,331	29,367
ERDF	-	34,248	34,248	31,548
Project - Other	-	3,035	3,035	891
	-	67,614	67,614	61,806
<b>Mersey Broadband Fund</b>				
Mersey Broadband	-	1,405	1,405	29,857
	-	1,405	1,405	29,857
<b>Core Activity Income</b>				
Local Authority SLA	17,425	-	17,425	19,539
Other Services	5,762	-	5,762	-
	23,187	-	23,187	19,539
<b>CPD Training</b>	2,207	-	2,207	-
<b>Total Charitable Activities</b>	59,857	194,259	254,116	226,113
<b>TOTAL INCOMING RESOURCES</b>	61,546	194,259	255,805	226,747

**5 DIRECT CHARITABLE EXPENDITURE**

All expenditure of the charity relates to the delivery of its objects and is therefore considered as direct charitable expenditure as detailed on the Statement of Financial Activities on Page 9 with the exception of governance costs shown separately (audit statutory and legal). Costs directly attributable to activities are shown below together with the costs incurred to support the activity, allocated based upon management time.

Activity	Direct Activity Costs	Support Costs	Total 2007	Total 2006
Post 16	47,999	4,992	52,991	64,564
Schools	47,724	68,988	116,712	52,676
Development	32,227	35,387	67,614	61,806
Core Inter active radio		25,491	25,491	15,414
Broadband	3,672	-	3,672	18,862
<b>Total</b>	<b>131,622</b>	<b>134,858</b>	<b>266,480</b>	<b>213,322</b>

**ARIEL TRUST LIMITED**
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**  
**(Continued)**
**6 SUPPORT COSTS**

Support costs	Post 16	Schools	Development	Core inter active radio	Total 2007
Management, Finance and Administration Staff costs	3,378	46,687	23,948	17,250	91,263
Finance	48	663	340	246	1,297
Premises	669	9,244	4,742	3,415	18,070
Organisational costs	897	12,394	6,357	4,580	24,228
	<b>4,992</b>	<b>68,988</b>	<b>35,387</b>	<b>25,491</b>	<b>134,858</b>

Organisational costs include depreciation, telephone, insurance, printing postage and stationery, subscriptions and equipment repairs

<b>7 TANGIBLE FIXED ASSETS</b>	<b>Computers</b>	<b>Equipment</b>	<b>Fixtures and Fittings</b>	<b>Total</b>
At 1 April 2006	62,944	39,644	2,314	104,902
Additions	-	-	1,316	1,316
	-----	-----	-----	-----
At 31 March 2007	62,944	39,644	3,630	106,218
	=====	=====	=====	=====
<b>Depreciation:</b>				
At 1 April 2006	49,974	37,701	1,534	89,209
Charge for Year	7,448	423	364	8,235
	-----	-----	-----	-----
At 31 March 2007	57,422	38,124	1,898	97,444
	=====	=====	=====	=====
<b>Net Book Value:</b>				
At 31 March 2007	5,522	1,520	1,732	8,774
	=====	=====	=====	=====
At 31 March 2006	12,970	1,943	780	15,693
	=====	=====	=====	=====

**8 DEBTORS**

	<b>2007</b>	<b>2006</b>
Amounts falling due within one year		
Trade Debtors	21,298	2,736
Other Debtors – Grants	30,687	47,985
Prepayments	1,667	2,031
	-----	-----
	<b>53,652</b>	<b>52,752</b>
	=====	=====



**ARIEL TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

<b>9</b>	<b><u>CREDITORS</u></b>	<b>2007</b>	<b>2006</b>
	<b>Amounts falling due within one year.</b>		
	Trade Creditors	2,057	3,553
	Taxation and Social Security Costs	4,740	91
	Accruals	2,500	2,500
	Deferred Income	17,265	8,381
	Loan – Future Builders	1,250	-
		-----	-----
		27,812	14,525
		=====	=====

Deferred income represents amounts received during the year to be used on projects in future accounting periods

**Amounts falling due after more than one year.**

Loan – Future Builders	<u>118,750</u>	<u>60,000</u>
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The loan is unsecured and repayable within 10 years from the initial draw down date 9 March 2006. There is a capital and interest repayment holiday for the first 24 months after which interest is payable at 6% per annum with repayments initially at £1,550 per month including interest

**10** **UNRESTRICTED FUNDS**

	<b><u>General</u></b> <b><u>Fund £</u></b>	<b><u>Designated</u></b> <b><u>Fund £</u></b>	<b><u>Total</u></b> <b><u>2007</u></b>
Balance 1 4 06	12,009	51,000	63,009
Movement in funds for the year	3,556	-	3,556
Transfer from designated Relocation fund	5,000	(5,000)	-
Transfer from Post 16 designated fund	19,865	(19,865)	-
Transfer to Post 16 designated fund	(20,465)	20,465	-
Transfer from Schools designated fund	7,246	(7,246)	-
Transfer to Schools designated fund	(6,246)	6,246	-
Transfer to E-learning designated fund	(5,765)	5,765	-
Transfer to Pack Sales designated fund	(200)	200	-
<b>Balance at 31 3.07</b>	<b>15,000</b>	<b>51,565</b>	<b>66,565</b>

The funds are designated for the delivery of the respective activity to secure the development of the charity's activities and services to beneficiaries in accordance with the Business Plan outlined in the Annual Report (£30,600 Post 16, £15,000 Schools, £5,765 E-learning and £200 Pack Sales)

**ARIEL TRUST LIMITED****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2007 (Continued)****11 RESTRICTED FUNDS**

	<b>01/04/06</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>31/3/07</b>
Schools	10,000	72,249	(82,249)	-
Mersey Broadband	10,995	1,405	(6,902)	5,498
Community Learning Chest	1,234	-	(1,234)	-
Post 16 Training and Services	-	52,991	(52,991)	-
Development Project	-	67,614	(67,614)	-
	-----	-----	-----	-----
Restricted Revenue Funds	22,229	194,259	(210,990)	5,498
	=====	=====	=====	=====
Unspent for Projects				-
				=====
Spent and Invested in Fixed Assets				5,498
				=====

**Schools Project** –Delivering innovative radio training within education in schools

**Mersey Broadband Asset Fund** – Funding to purchase IT equipment for projects

**The Community Learning Chest** Funds were used to purchase 5 mini disk recorders, microphones and cables

**Post 16 Radio Training Fund**-Funds for the delivery of interactive radio training to post 16 year olds, including European Social Fund moneys and matched funds

**Development Project**-Funds the post of a development officer and capacity building for the organisation This includes ERDF funds and matched funds

**12 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2007 Total</b>
Tangible fixed assets	3,276	5,498	8,774
Net current assets	182,039	-	182,039
Creditors due after more than one year	(118,750)	-	(118,750)
	-----	-----	-----
	66,565	5,498	72,063
	=====	=====	=====

**13 CAPITAL AND FINANCIAL COMMITMENTS**

There were no capital commitments as at 31 March 2007 (2006 £nil)

The charity has a commitment under a rental lease on its offices of £21,385 for the year to 31 March 2008