

**ARIEL TRUST LIMITED**  
**REPORT AND FINANCIAL STATEMENTS FOR**  
**THE YEAR ENDED 31 MARCH 2009**

**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 2009**

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**ARIEL TRUST LIMITED**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

**Constitution**

Ariel 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:

**TRUSTEES**

Stephen Ferguson (Chair)  
Maurice Bessman  
Mark Hewitson  
Michael Kipling (Treasurer) (resigned  
2 September 2008)  
Paulette Lappin  
Avis Lundberg  
Peter Mearns  
Angela Pinnington  
Yaqub Rahman  
Yinka Yesufu

**SECRETARY**

Yaqub Rahman

**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 FOR THE YEAR ENDED 31 MARCH 2009**

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. In setting these policies the trustees have considered the Charity Commission's guidance on public benefit. 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 core team works alongside freelance support staff who 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, employment status, 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 TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2009 CONTINUED**

**Equal Opportunities: (Continued)**

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:

Peter Mearns  
 Stephen Ferguson  
 Paulette Lappin

**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 the 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**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 FOR THE YEAR ENDED 31 MARCH 2009 CONTINUED****Board Structure:**

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

Finance  
Human Resources

**Board Development:**

The Charity has 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 FOR THE YEAR ENDED 31 MARCH 2009 CONTINUED**  
**ACHIEVEMENTS AND PERFORMANCE****Key Developments During 2008/9:**

The year 2008/09 proved to be a very challenging year. Some of these challenges were anticipated and had been planned for over a number of years. However the global recession that hit during the second half of the year was unanticipated by us, as others, and had a significant impact on our business.

We entered the year knowing that July would see the end of our ESF contracts. We had been successful in extending these contracts for 12 months longer than originally anticipated however 31 July was the final date for spend within these contracts. Going into the year we were still delivering two contracts; one for Post 16 students and one in schools in Sefton.

In anticipation of the end of these ESF contracts Ariel has, for the past 5 years, been focussing on the development of new products and services. We have been promoting these services to local authorities and other statutory agencies with a view to securing direct service contracts.

This strategy has proved highly successful, particularly as it coincided with Liverpool's year as European Capital of Culture in 2008. We had secured a number of contracts with Liverpool Culture Company that saw us developing a suite of interactive learning resources as part of their 'It's not OK' project. This had led to the development of partnerships with other statutory agencies and we were beginning to secure contracts with them, notably a contract with Merseyside Fire and Rescue Service to develop a resource mapped to the English curriculum.

The success of our strategy leads us to feel confident about the future as the ESF contracts ended. At the end of 2008 we were close to agreement on three significant contracts that would have enabled us to reach our income generation targets for the year. Unfortunately in the period immediately after Christmas negotiations on each of these contracts stalled. In each case the explanation we were given related directly to the global recession; statutory agencies were freezing non-essential expenditure whilst they reviewed their budgets for the new financial year.

The loss of these three contracts resulted in a significant deficit in our budget and necessitated an immediate response. The Director, with support from the Trustees, undertook a full review of the organisation's staffing and implemented a restructuring process which resulted in two administrative posts becoming redundant. This was a necessary and, at the time, painful process however we are confident that the restructured Ariel is an organisation that is well positioned to move forward with confidence. The new structure better reflects the needs of an organisation delivering service contracts rather than the high level of administrative needs that came with managing several European funding contracts.

**FINANCIAL REVIEW**

Details of the Statement of Financial Activities appear on page 9. Total incoming resources were £257,677 (2008 £296,786) and total resources expended were £315,335 (2008 £323,676) giving rise to a net movement in funds of £57,658 net outgoing resources (2008 £26,890 net outgoing resources).

**ARIEL TRUST LIMITED****TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2009 CONTINUED****FINANCIAL REVIEW CONTINUED**

The net movement in funds for 2008/9 is split between net outgoing resources of £48,733 (2008 £43,991) on the unrestricted fund and £8,925 net outgoing resources on the restricted funds (2008 net incoming resources of £17,101).

The mix of income continued to change in 2008/9 in line with diversification. Post 16 income increased by 14% whilst schools income fell by 28%. 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 finished during the year as described above but income now includes funding from trusts and foundations, corporate donations and income from educational services, as well as funds from the Big Lottery. Inter Active Radio income fell by 54% after more than trebling in the previous year. E Learning income increased by 20%.

At 31 March 2009 the position on the Funds on the Balance Sheet was a total debit balance of £12,485 (2008 credit £45,173) made up of £26,159 debit on unrestricted funds (including £70 designated funds and a debit balance on general unrestricted funds of £26,229) and £13,674 credit balance on 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.

**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 2009 were in debit by £26,229 (2008 credit £14,878). The Charity is working towards diversification and aims to increase the free reserves to £25,000, achieving target within the next 5 years.

**PLANS FOR FUTURE PERIODS****Key Issues in Next Period:**

Ariel will continue to deliver face-to-face programmes in schools and for young adults with support from a number of Trusts & Foundations. However this type of funding is always time limited and we will therefore continue our strategy of diversifying our income streams and developing new project areas.

We are currently mapping a number of our learning resources against core curriculum subjects including English, Maths and Science. Our key target will be to engage schools in using our resources to teach these subjects and we will be targeting the subject co-ordinators within local authorities, initially on Merseyside, with a view to them purchasing CPD training for their teachers.

We are also continuing to develop our strategic partnerships, particularly with Merseyside Fire and Rescue Service and Merseyside Police. We will work in partnership with them to deliver projects on a local basis and to enable us to raise our profile nationally.



**ARIEL TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2009 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 continues to support the process of change within the organisation and the ongoing development of distance learning and e-learning resources and the marketing of Continuing Professional Development training targeted at teachers, youth workers and other agencies.

During 2008/09 we have introduced a new campaign focused structure. This means that all of our projects now have shared themes at a particular time. This enables closer joint working and enables content developed by our face-to-face projects to feed into the development of learning packs.

From an outside perspective the campaign structure enables us to better promote specific learning resources and related services. For example our recent 'Bullying' campaign has brought together the launch of the Denial learning resource with the broadcast of a debate on City Talk. At the same time the website features this resource with news articles and case studies also reflecting bullying-related themes.

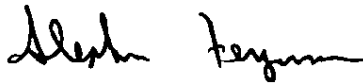
**SMALL COMPANY RULES**

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 (effective January 2007).

**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



Stephen Ferguson (Chair)  
Trustee/Director  
27 October 2009

**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 2009 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 (effective January 2007).

**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.

**Inherent Uncertainty - Going Concern**

Without qualifying our opinion we draw your attention to note 1 on page 11 in the financial statements which indicates that the charity at 31 March 2009 had net liabilities of £12,485 and a deficit on unrestricted funds on the balance sheet of £26,159. The financial statements have been prepared on the going concern basis. Trustees and management have prepared a budget and plan to focus on managing the deficit and raising sufficient funds to break even in the next financial year and trade out of deficit over 3 to 4 years. The outcome of the board's plans to increase income and address the deficit situation is inherently uncertain as it is based upon raising sufficient revenue funds to cover costs.

**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 2009 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  
27 October 2009

**ARIEL TRUST LIMITED****STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2009**

	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 31/3/2009	TOTAL FUNDS 31/3/2008
<b><u>Incoming Resources</u></b> (note 4)				
Incoming Resources from generated funds:				
Investment Income	2,029	-	2,029	6,254
Incoming Resources from Charitable Activities:				
Post 16 Training and Services	-	115,433	115,433	101,034
Schools Training and Services	19,499	30,172	49,671	69,206
Core Activity-Inter Active Radio	23,584	9,664	33,248	72,525
E Learning	57,296	-	57,296	47,767
<b>Total Incoming Resources</b>	<b>102,408</b>	<b>155,269</b>	<b>257,677</b>	<b>296,786</b>
<b><u>Resources Expended</u></b>				
Charitable Activities: (note 5)				
Post 16 Training and Services	24,236	129,444	153,680	115,059
Schools Training and Services	39,402	20,968	60,370	74,813
Mersey Broadband	-	-	-	5,498
Core Activity –Inter Active Radio	14,345	13,782	28,127	71,774
E Learning	70,158	-	70,158	53,532
	<b>148,141</b>	<b>164,194</b>	<b>312,335</b>	<b>320,676</b>
Governance Costs	3,000	-	3,000	3,000
<b>Total Resources Expended</b>	<b>151,141</b>	<b>164,194</b>	<b>315,335</b>	<b>323,676</b>
Net movement in funds	(48,733)	(8,925)	(57,658)	(26,890)
Balances B/F 1 April 2008	22,574	22,599	45,173	72,063
<b>Balances C/F 31 March 2009 (note 10/11)</b>	<b>(26,159)</b>	<b>13,674</b>	<b>(12,485)</b>	<b>45,173</b>

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

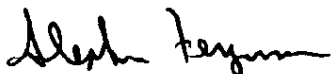
**ARIEL TRUST LIMITED****BALANCE SHEET**  
**AS AT 31 MARCH 2009**

NOTE		2009	2008
	<b><u>FIXED ASSETS</u></b>		
7	Tangible Assets	5,148	7,010
	<b><u>CURRENT ASSETS</u></b>		
8	Debtors	26,135	41,281
	Cash at Bank and in Hand	32,950	171,553
		59,085	212,834
9	<b><u>CREDITORS - AMOUNTS</u></b>		
	<b><u>FALLING DUE WITHIN ONE YEAR</u></b>	(30,094)	(130,942)
	<b><u>NET CURRENT ASSETS</u></b>	28,991	81,892
	<b><u>TOTAL ASSETS LESS CURRENT</u></b>		
	<b><u>LIABILITIES</u></b>	34,139	88,902
9	<b><u>CREDITORS- AMOUNTS</u></b>		
	<b><u>FALLING DUE AFTER MORE THAN ONE YEAR</u></b>	(46,624)	(43,729)
	<b><u>NET (LIABILITIES)/ASSETS</u></b>	(12,485)	45,173
		=====	=====
	<b><u>FUNDS</u></b>		
10	Unrestricted funds	(26,159)	22,574
11	Restricted Funds Invested in Fixed Assets	2,405	4,030
11	Restricted Revenue Funds	11,269	18,569
		(12,485)	45,173
		=====	=====

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 (effective January 2007).

These accounts were approved by the Board of Trustees on 27 October 2009 and were signed on their behalf by:



Stephen Ferguson  
Chair/Trustee/Director

**ARIEL TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

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

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). The accounts have been drawn up where appropriate in accordance with the Statement of Recommended Practice "Accounting by Charities".

**BASIS OF PREPARATION OF THE ACCOUNTS - GOING CONCERN**

Ariel Trust is in a transitional period moving away from being reliant on Government and European Funds to being a charity delivering contracts under service level agreements with the public sector and local schools. Key to the development of new digital products and services was the securing of a loan from Future Builders. In order to diversify its income sources Ariel has developed a range of services that use multi media to engage and motivate young people to learn and achieve. This innovative approach has introduced new sources of income but it has been at an investment cost and hence the company has net liabilities of £12,485 on the Balance Sheet at 31 March 2009 and there is a deficit balance on unrestricted funds at that date of £26,159.

In accordance with their responsibilities as trustees, they have considered the appropriateness of the going concern basis for the preparation of the accounts. The charity is responding to this challenging financial situation by:

- Regular production and review of quarterly management accounts which forecast break even for the first half of 2009/10. The forecast for the full year to 31 March 2010 is also break even but with a fundraising target and indications are that 82% of target income to break even has been achieved to date.
- Exploring new fundraising initiatives to exploit the products developed by the charity.
- Submitting new funding applications.
- Cost control and focusing activities in line with available funds to break even for 2009/10 and clear the deficit in over the next 3 to 4 years.

Based upon current progress made to develop new contracts for services and sources of grant funds and their expectations of the continuance of this trend, the likely outcome of funding bid applications submitted and the continuing financial support of the key revenue funders, the board have prepared the financial statements on a going concern basis.

**TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives at the following rates:

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

**ARIEL TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**  
**(Continued)**  
**ACCOUNTING POLICIES CONTINUED**

**INCOMING RESOURCES**

Income from continuing operations comprised revenue grant funding received and receivable, donations, income received and receivable against contracts with government agencies, schools and other establishments to deliver education and training and 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.

**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.

<b>2</b>	<b><u>NET MOVEMENT ON FUNDS</u></b>	<b>2009</b>	<b>2008</b>
	<b>This is stated after charging/(crediting):</b>		
	- Auditors' Remuneration	3,000	3,000
	- Depreciation of Tangible Fixed Assets	2,691	8,013
	- Release of Capital Grant for Depreciation	(1,624)	(7,124)
		<b>=====</b>	<b>=====</b>

**ARIEL TRUST LIMITED**  
**NOTES TO THE ACCOUNTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2009**

**3 STAFF COSTS**

- Wages and Salaries	194,179	178,262
- Social Security Costs	17,994	17,650
- Pension	6,642	6,641
	<u>218,815</u>	<u>202,553</u>
	=====	=====

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	2
Project Officer – Post 16	2	2
	<u>8</u>	<u>8</u>
	===	===

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 2009	Total 2008
<b>Investment Income</b>				
Bank Interest receivable	2,029	-	2,029	6,254
<b>Charitable Activities</b>				
<b>Post 16 Public Authority Service</b>				
<b>Agreements:</b>				
ELECT	-	-	-	4,003
ESF	-	20,900	20,900	49,735
Big Lottery	-	94,533	94,533	47,296
	<u>-</u>	<u>115,433</u>	<u>115,433</u>	<u>101,034</u>
<b>Schools Training and Services</b>				
Project Education Services	15,499	-	15,499	26,422
ESF	-	11,366	11,366	16,754
Knowsley CVS Grant	-	-	-	9,702
Tesco Grant	-	-	-	2,500
Lloyds TSB	-	-	-	13,828
Children in Need	-	18,806	18,806	-
FA Premier League	4,000	-	4,000	-
	<u>19,499</u>	<u>30,172</u>	<u>49,671</u>	<u>69,206</u>
<b>Core Activity Income</b>				
Local Authority SLA	18,307	-	18,307	17,861
Other Services	5,277	-	5,277	3,172
Future Builders	-	-	-	22,500
Esmee Fairbairn	-	9,664	9,664	28,992
	<u>23,584</u>	<u>9,664</u>	<u>33,248</u>	<u>72,525</u>
<b>E Learning Project</b>				
Project Services	57,296	-	57,296	42,715
Lloyds TSB	-	-	-	5,052
	<u>57,296</u>	<u>-</u>	<u>57,296</u>	<u>47,767</u>
<b>Total Charitable Activities</b>	<u>100,379</u>	<u>155,269</u>	<u>255,648</u>	<u>290,532</u>
<b>TOTAL INCOMING RESOURCES</b>	<u>102,408</u>	<u>155,269</u>	<u>257,677</u>	<u>296,786</u>
	=====	=====	=====	=====

**ARIEL TRUST LIMITED**
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**  
**(Continued)**
**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 2009	Total 2008
Post 16	62,267	91,413	153,680	115,059
Schools	31,627	28,743	60,370	74,813
Core- Radio	-	28,127	28,127	71,774
Broadband	-	-	-	5,498
E Learning	29,249	40,909	70,158	53,532
<b>Total</b>	<b>123,143</b>	<b>189,192</b>	<b>312,335</b>	<b>320,676</b>

**6 SUPPORT COSTS**

Support costs	Post16	Schools	Core Radio	E Learning	Total 2009	Total 2008
Staff	64,686	20,339	19,902	28,948	133,875	147,381
Finance	2,002	630	616	896	4,144	1,034
Premises	11,666	3,668	3,590	5,221	24,145	23,283
Organisation	10,844	3,410	3,337	4,853	22,444	17,876
Web/Marketing	2,215	696	682	991	4,584	19,377
	<b>91,413</b>	<b>28,743</b>	<b>28,127</b>	<b>40,909</b>	<b>189,192</b>	<b>208,951</b>

Organisation 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 2008	67,190	41,055	4,222	112,467
Additions	829	-	-	829
	-----	-----	-----	-----
At 31 March 2009	68,019	41,055	4,222	113,296
	=====	=====	=====	=====
<b>Depreciation:</b>				
At 1 April 2008	64,329	38,743	2,385	105,457
Charge for Year	1,691	512	488	2,691
	-----	-----	-----	-----
At 31 March 2009	66,020	39,255	2,873	108,148
	=====	=====	=====	=====
<b>Net Book Value:</b>				
At 31 March 2009	1,999	1,800	1,349	5,148
	=====	=====	=====	=====
At 31 March 2008	2,861	2,312	1,837	7,010
	=====	=====	=====	=====



**ARIEL TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

<b>8</b>	<b>DEBTORS</b>	<b>2009</b>	<b>2008</b>
	Amounts falling due within one year:		
	Trade Debtors	9,368	6,905
	Other Debtors – Grants	14,277	32,719
	Prepayments	2,490	1,657
		<u>26,135</u>	<u>41,281</u>
		=====	=====

<b>9</b>	<b>CREDITORS</b>	<b>2009</b>	<b>2008</b>
	Amounts falling due within one year:		
	Trade Creditors	1,573	6,890
	Taxation and Social Security Costs	4,862	4,628
	Accruals	9,032	3,626
	Deferred Income	10,300	40,381
	Other Creditor	247	92
	Loan – Future Builders	4,080	75,325
		<u>30,094</u>	<u>130,942</u>
		=====	=====

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

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

Loan – Future Builders	46,624	43,729
	=====	=====

The loan is unsecured and repayable within 10 years from the initial draw down date 9 March 2006. There was a capital and interest repayment holiday for the first 24 months after which interest is payable at 6% per annum with repayments currently at £600 per month including interest.

**10 UNRESTRICTED FUNDS**

	<b>General Fund £</b>	<b>Designated Fund £</b>	<b>Total 2008</b>
Balance 1.4.08	14,878	7,696	22,574
Movement in Funds for the Year	(48,733)	-	(48,733)
Transfer from Pack Sales Designated Fund	398	(398)	-
Transfer from Schools Designated Fund	7,228	(7,228)	-
Balance 31.3.09	<u>(26,229)</u>	<u>70</u>	<u>(26,159)</u>

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.

**ARIEL TRUST LIMITED****NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2009 (Continued)****11 RESTRICTED FUNDS**

	01/04/08	Incoming Resources	Resources Expended	31/3/09
Schools	1,199	30,172	(20,968)	10,403
Post 16 Training and Services	17,282	115,433	(129,444)	3,271
Core Radio Activity	4,118	9,664	(13,782)	-
	-----	-----	-----	-----
Restricted Funds	22,599	155,269	(164,194)	13,674
	=====	=====	=====	=====
Unspent for Projects				11,269
				=====
Spent and Invested in Fixed Assets				2,405
				=====

**Schools Project** –Delivering innovative radio training within education in schools. The balance at 31 March 2009 is made up of £988 invested in equipment and £9,415 unspent project funds from Children in Need.

**Post 16 Radio Training Fund**–Funds for the delivery of interactive radio training to post 16 year olds, including European Social Fund monies and matched funds. The balance of funds at 31 March 2009 comprises £1,854 unspent Lottery revenue funds and £1,417 Lottery funds invested in fixed assets.

**Core Radio** – Funded the post of a development officer with funds from Esmee Fairbairn Trust and capacity building for the organisation with funds from Future Builders to increase internal capacity to deliver a portfolio of linked education projects within Merseyside purchased by public agencies under contract agreement. Now fully spent.

**12 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds	Restricted Funds	2009 Total
Tangible fixed assets	2,743	2,405	5,148
Net current assets	17,722	11,269	28,991
Creditors due after more than one year	(46,624)	-	(46,624)
	-----	-----	-----
	(26,159)	13,674	(12,485)
	=====	=====	=====

**13 CAPITAL AND FINANCIAL COMMITMENTS**

There were no capital commitments as at 31 March 2009 (2008 £nil).

The charity has a commitment under a rental lease on its offices of £21,385 for the year to 31 March 2010.