

**THE CEED (CHARITY) LTD**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2002**

**Company Registration Number 2134522**

**Charity Number 298844**



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# **THE CEED (CHARITY) LTD**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2002**

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# **THE CEED (CHARITY) LTD**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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### **Status**

The legal status of the organisation is that of a charitable company limited by guarantee. The company number is 2134522 and its charity number is 298844.

### **The Directors**

The directors (who are Trustees for the purpose of charity law) who served during the year and since the year end were as follows:

M Takolia	
M Cole	
R Griffith	
L Goodridge	
U Onyechi	Resigned July 2002
K Smart	
B Nwaokobia	
R Butterworth	
H Nandwani	
M Yazdani	
D Dravie-John	
D Mlewa	
E Brooks	
E Maburutse	
Abdul Jama	
Abdul Wahab	
Cyndy Simpson	
Max Kosia	
Verona Vidal	
Seamus Thurlow	Resigned July 2002
E Quaynor	Appointed November 2001

### **Company secretary**

R Sefia

### **Registered office**

Ujima House, 97 -107 Wilder Street, St Pauls, Bristol, BS2 8QU

### **Auditors**

Burton Sweet, Chartered Accountants & Registered Auditors, Thornton House, Richmond Hill, Clifton, Bristol BS8 1AT

### **Bankers**

National Westminster Bank plc, 32 Corn Street, Bristol BS99 7UG



# **THE CEED (CHARITY) LTD**

## **TRUSTEES ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2002**

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The Trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2002.

### **Objects of the Charity**

The CEED (Charity) Limited seeks to advance education and employment by developing the professional and technical skills of its clients, especially of those who have suffered disadvantage by reason of colour, race, nationality or ethnic or national origins.

### **Organisation**

The CEED (Charity) Limited is a registered charity and is limited by guarantee. The Trustees meet bi-monthly as a council of management. The day-to-day affairs of the charity are entrusted to the managing director who oversees four departments: Training & Employment; Corporate Support; I.T & Media; and Enterprise Development. Each of these departments is run by a manager who reports to the managing director.

The charity owns a trading company Centre for Employment and Enterprise Development Limited.

Regular bi-monthly meetings of the finance/personnel committee headed by the Treasurer, provide full finance reports to the council of management.

### **Review of activities and future developments**

A review is contained in the charity's full Annual Report.

### **Investment powers and restrictions**

There are no restrictions on the investment powers of the Trustees placed on them by the company's Memorandum and Articles of Association.

### **Fund-by-fund analysis of availability of assets**

We confirm that the charity's assets are available and adequate to fulfill the obligations of the charity.

### **Reserves policy**

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ("the free reserves") held by the charity should be between 3 and 6 months of the resources expended, which equates to £247,000 to £495,000 in general funds. At this level, the management committee feels that it would be able to continue the current activities of the charity in the event of a significant drop in funding. It would obviously be necessary to consider how the funding would be replaced or activities changed accordingly. At the balance sheet date free reserves amounted to £370,713. This is currently at the target level.



# **THE CEED (CHARITY) LTD**

## **TRUSTEES ANNUAL REPORT (CONTINUED)**

**YEAR ENDED 31 MARCH 2002**

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### **Risk review**

A strategic review will be carried out in the forthcoming year which will identify the major risks to which the charity is exposed. It is anticipated that the review will result in systems being put in place to mitigate those risks. In future it is anticipated that the Trustees will carry out an annual review of the risks faced and the procedures established to mitigate those risks. Internal risks are minimised by the implementation of effective internal control procedures that ensure both appropriate authorisation of all transactions and projects and consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed for their continuing effectiveness.

### **The Directors**

The Board of Directors, who are Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

### **Responsibilities of the Trustees**

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping 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. The Trustees 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 CEED (CHARITY) LTD

## TRUSTEES ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2002

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### Auditors

Burton Sweet were re-appointed as the Charity's auditors during the year and have expressed their willingness to continue in that capacity.

This report and the financial statements have been prepared in accordance with the Companies Act 1985, the charitable Company's Memorandum and Articles of Association and the Statement of Recommended Practice "Accounting and Reporting by Charities".

Registered office:

Ujima House,  
97 -107 Wilder Street,  
St Pauls,  
Bristol, BS2 8QU

Signed by order of the Trustees

  
E Quaynor

Approved by the Trustees on 1 November 2002.



# THE CEED (CHARITY) LTD

## AUDITORS' REPORT TO THE TRUSTEES

YEAR ENDED 31 MARCH 2002

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We have audited the financial statements on pages 6 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

### **Respective responsibilities of the Trustees and the auditors**

The Trustees' (who are also directors for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' responsibilities on pages 3 to 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if 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 transactions with the Charity is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the Charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the Charity's risk management and control procedures.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 judgments 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 of the Charity's state of affairs as at 31 March 2002 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Thornton House  
Richmond Hill  
Clifton  
Bristol BS8 1AT  
5 November 2002

Burton Sweet  
Chartered Accountants & Registered Auditors



# THE CEED (CHARITY) LTD

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2002

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds Year to 31 March 2002 £	Total Funds Year to 31 March 2001 £
<b>Incoming resources</b>					
Donations		6,752	-	6,752	-
Grants receivable	2	394,904	23,508	418,412	491,098
<i>Activities in furtherance of charity's objects</i>					
Traineeships		200,548	-	200,548	378,135
Income generation		44,103	-	44,103	22,856
Private students		107,436	-	107,436	91,557
<i>Income from generating funds</i>					
Room and rental hire		66,817	-	66,817	77,346
Other fundraising income		19,367	-	19,367	14,392
Interest receivable		8,102	-	8,102	8,586
Other income		965	-	965	18,980
<b>Total incoming resources</b>		<b>848,994</b>	<b>23,508</b>	<b>872,502</b>	<b>1,102,950</b>
<b>Resources expended</b>					
Cost of generating funds	3	12,916	-	12,916	10,107
<i>Charitable expenditure</i>					
Cost of activities in furtherance of charity's objects	4	779,441	23,508	802,949	763,442
Support costs	5	108,049	-	108,049	130,513
Management and administration	6	65,902	-	65,902	156,969
<b>Total resources expended</b>		<b>966,308</b>	<b>23,508</b>	<b>989,816</b>	<b>1,061,031</b>
<b>Net incoming resources</b>					
- Net Income	7	(117,314)	-	(117,314)	41,919
<b>Total Funds at 1 April 2001</b>		<b>688,269</b>	<b>396,085</b>	<b>1,084,354</b>	<b>1,042,435</b>
<b>Total Funds at 31 March 2002</b>		<b>570,955</b>	<b>396,085</b>	<b>967,040</b>	<b>1,084,354</b>

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 8 to 16 form part of these financial statements.



# THE CEED (CHARITY) LTD

## BALANCE SHEET

AS AT 31 MARCH 2002

	Notes	2002 £	2001 £
<b>Fixed assets</b>			
Tangible assets	10	596,327	585,911
<b>Current assets</b>			
Stock	11	5,288	10,167
Debtors	12	281,873	254,712
Cash at bank		112,983	294,082
		<u>400,144</u>	<u>558,961</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(29,431)</u>	<u>(60,518)</u>
<b>Net current assets</b>		370,713	498,443
<b>Net assets</b>		<u>967,040</u>	<u>1,084,354</u>
<b>Unrestricted funds</b>			
General funds		570,955	688,269
<b>Restricted Funds</b>	15	396,085	396,085
<b>Total funds</b>		<u>967,040</u>	<u>1,084,354</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the trustees on 1 November 2002 and are signed on their behalf by:



.....  
M Cole

The notes on pages 8 to 16 form part of these financial statements.



# THE CEED (CHARITY) LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

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### 1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985, applicable accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities issued in October 2000.
- b) Income from donations is included in incoming resources when these are receivable, except as follows:
  - I) When donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods.
  - II) When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until the pre-conditions have been met.
- c) Grants, including grants for fixed assets, are recognised within the accounts as they become receivable. Grants received in the accounting period in respect of future accounting periods are deferred until those periods. All material grants are disclosed in accordance with the Statement of Recommended Practice.
- d) Resources expended are accounted for on an accruals basis and have been classified under headings that aggregate all costs related to the category. Resources expended include attributable VAT which cannot be recovered.
- e) Resources expended are allocated to direct costs where the costs directly relate to that activity. Certain other costs, which are attributable to more than one category, are apportioned across cost categories as follows:

Support costs	80%
Management and administration	20%
- f) Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.
- g) Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 15% reducing balance

The Trustees consider that the level of repairs and maintenance on buildings will result in the residual value of these assets exceeding the original cost, and therefore have not provided for any depreciation for the year in respect of these assets.
- h) Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.



# THE CEED (CHARITY) LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

- i) The charity has arranged a defined contribution scheme for its staff. Pension costs charged in the SOFA represent the contributions payable by the charity in the period.
- j) Rentals applicable to operating lease agreements where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.
- k) Unrestricted funds can be used in accordance with the charitable objects at the discretion of the trustees.
- l) Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- m) Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

### 2. Grants receivable

	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Total Funds 2001 £
Bristol C.C - ERDF	19,812	-	19,812	27,081
Bristol C.C - SRB	17,496	-	17,496	161,835
Neighbourhood Support Fund	19,876	-	19,876	20,152
DFEE - ICT Employability	14,440	-	14,440	22,645
Filton College	23,456	-	23,456	8,000
DFEE - ESF	167,021	-	167,021	111,639
Gateway	19,665	-	19,665	47,225
Phoenix Fund	65,709	-	65,709	-
Innovation fund	-	-	-	37,600
Community Fund	-	23,508	23,508	34,921
Westec	10,000	-	10,000	20,000
Connexions - Learn Direct	14,873	-	14,873	-
Equality Project	22,556	-	22,556	-
	394,904	23,508	418,412	491,098



# THE CEED (CHARITY) LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

### 3. Cost of generating funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Total Funds 2001 £
Marketing and advertising	11,126	-	11,126	8,298
Hospitality	1,790	-	1,790	1,809
	<u>12,916</u>	<u>-</u>	<u>12,916</u>	<u>10,107</u>

### 4. Costs of activities in furtherance of charity's objects

	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Total Funds 2001 £
Wages and salaries	425,770	23,508	449,278	300,491
College fees and training resources	21,473	-	21,473	58,000
Training	4,098	-	4,098	5,639
Allowances for trainees	305,127	-	305,127	382,154
Travel and car parking	5,158	-	5,158	9,459
Conferences	4,696	-	4,696	-
Child care	-	-	-	1,245
Resources	13,119	-	13,119	6,454
	<u>779,441</u>	<u>23,508</u>	<u>802,949</u>	<u>763,442</u>



**THE CEED (CHARITY) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2002**

**5. Support costs:**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Total Funds 2001 £
Telephone	8,583	-	8,583	10,679
Postage, printing and stationery	22,209	-	22,209	18,551
Consultancy fees	5,484	-	5,484	78,473
Heat and light	6,346	-	6,346	8,447
Rates and water	1,658	-	1,658	172
Other office costs	43,418	-	43,418	-
Staff travel and subsistence	4,352	-	4,352	-
Depreciation	15,999	-	15,999	14,191
	<u>108,049</u>	<u>-</u>	<u>108,049</u>	<u>130,513</u>

**6. Management and administration**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2002 £	Total Funds 2001 £
Office costs	20,224	-	20,224	40,551
Audit fees	7,656	-	7,656	4,176
Bank charges	2,633	-	2,633	2,184
Depreciation	4,000	-	4,000	3,548
Other	31,389	-	31,389	106,510
	<u>65,902</u>	<u>-</u>	<u>65,902</u>	<u>156,969</u>

**7. Net incoming resources for the year**

**This is stated after charging:**

	2002 £	2001 £
Depreciation	19,999	17,739
Auditors' remuneration	7,656	4,176
Management Committee remuneration	-	-
Payment of Committee expenses	1,099	-
	<u>28,754</u>	<u>21,915</u>

11 members of the Management Committee had expenses reimbursed during the year.



**THE CEED (CHARITY) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2002**

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**8. Staff costs and numbers**

The aggregate payroll costs were:

	2002 £	2001 £
Wages and salaries	404,952	274,325
Social security costs	38,563	26,166
Pension contributions	5,763	-
	<u>449,278</u>	<u>300,491</u>

**Particulars of employees:**

No employee received emoluments of more than £50,000.

The average number of staff employed by the charity during the financial year amounted to:

	2002 No.	2001 No.
Number of administrative staff	6	5
Number of management staff	3	3
Number of technical staff	9	3
	<u>18</u>	<u>11</u>

**9. Taxation**

The charity is exempt from corporation tax on its charitable activities.



# THE CEED (CHARITY) LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

### 10. Tangible fixed assets

	Freehold Property £	Office Equipment £	Total £
<b>Cost</b>			
At 1 April 2001	480,489	204,625	685,114
Additions	-	30,415	30,415
Disposals	-	-	-
At 31 March 2002	<u>480,489</u>	<u>235,040</u>	<u>715,529</u>
<b>Depreciation</b>			
At 1 April 2001	-	99,203	99,203
Charge for the year	-	19,999	19,999
On disposals	-	-	-
At 31 March 2002	<u>-</u>	<u>119,202</u>	<u>119,202</u>
<b>Net book value</b>			
At 31 March 2002	<u>480,489</u>	<u>115,838</u>	<u>596,327</u>
At 31 March 2001	<u>480,489</u>	<u>105,422</u>	<u>585,911</u>

### 11. Stocks

	2002 £	2001 £
Stock	5,288	10,167
	<u>5,288</u>	<u>10,167</u>



# THE CEED (CHARITY) LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

### 12. Debtors

	2002 £	2001 £
Trade debtors	66,341	113,689
Amounts owed by group undertaking	44,193	51,117
Grants receivable	124,077	24,851
Other debtors	34,487	65,055
Prepayments	12,775	-
	<u>281,873</u>	<u>254,712</u>

Included within the above are other debtors falling due after more than one year:

	2002 £	2001 £
Other Debtors	<u>15,674</u>	<u>25,802</u>

Other debtors falling due after more than one year relates to YEDF Loans which are repayable over a maximum period of three years and carry interest at a fixed rate of 9% per annum for the duration of the loan.

### 13. Creditors: Amounts falling due within one year

	2002 £	2001 £
Trade creditors	5,282	858
PAYE/NIC	7,609	6,150
Other Creditors	178	178
Accruals and deferred income	16,362	53,332
	<u>29,431</u>	<u>60,518</u>



**THE CEED (CHARITY) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2002**

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**14. Commitments under operating leases**

At 31 March 2002 the charity had annual commitments under non-cancellable operating leases as set out below.

	2002 Land and Buildings £	2001 Land and Buildings £
<b>Operating leases which expire:</b>		
Within 2 to 5 years	<u>1,708</u>	<u>1,708</u>

**15. Movement in funds**

	At 1-Apr-01 £	Incoming Resources £	Outgoing Resources £	Transfers In/(Out) £	At 31-Mar-02 £
<b>Restricted funds</b>					
Restricted Donation	346,085	-	-	-	346,085
Training Unit Development Reserve	50,000	-	-	-	50,000
Community Fund	-	23,508	(23,508)	-	-
	<u>396,085</u>	<u>23,508</u>	<u>(23,508)</u>	<u>-</u>	<u>396,085</u>
<b>Unrestricted funds</b>	688,269	848,994	(966,308)	-	570,955
	<u>1,084,354</u>	<u>872,502</u>	<u>(989,816)</u>	<u>-</u>	<u>967,040</u>

Restricted funds, apart from the Community Fund, represent amounts donated towards the purchase and development of the freehold property.

The Community Fund represents amounts given towards the establishment of a media programme providing courses in Digital technology for young people in the community.



**THE CEED (CHARITY) LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2002**

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**16. Analysis of net assets between funds**

	<b>Tangible Fixed Assets £</b>	<b>Other Net Assets £</b>	<b>Total Resources £</b>
<b>Restricted funds</b>			
Restricted Donation	346,085	-	346,085
Training U Development Res	50,000	-	50,000
	<u>396,085</u>	<u>-</u>	<u>396,085</u>
<b>Unrestricted funds</b>	200,242	370,713	570,955
	<u>596,327</u>	<u>370,713</u>	<u>967,040</u>

Of the unrestricted funds £200,242 are represented by fixed assets therefore £370,713 is freely available for use by the charity.

**17. Related party transactions**

Centre for Employment and Enterprise Development Limited, a company limited by guarantee, forms the trading arm for the charity. The managing director and two of the Trustees serve on the Board of Directors of the trading company. The charity was charged by the trading company £16,848 (2001: £16,848) in respect of property rent during the year and charged the trading company management charges of £nil (2001: £nil). At the balance sheet date Centre for Employment and Enterprise Development Limited owed the charity £44,193 (2001: £51,117).

**18. Contingent liability**

Following an internal audit of ESF grants receivable it was discovered that the charity had been overpaid £76,415 on two projects and underpaid £19,418 on two further projects. The net overpayment of £56,997 has been provided in the financial statements as a reduction in debtors. However, it is uncertain whether the underpayment of £19,418 will be reclaimable. The charity is currently in negotiations with the Government Office South West in respect of this. Should these negotiations prove unsuccessful there will be a further liability of £19,418 due.

**19. Company limited by guarantee**

The company is limited by guarantee and as such has no issued share capital. In the event of the company being wound up the liability of the members is limited to £1 each.