

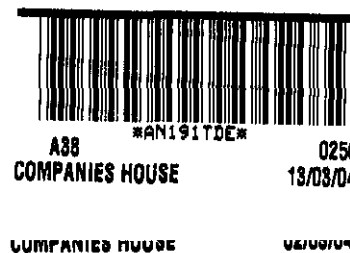
THE CEED (CHARITY) LTD
CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2003

Company Registration Number 2134522

Charity Number 298844



**CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS**



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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

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	(Resigned 8 November 2001)
M Cole	
R Griffith	
L Goodridge	
K Smart	(Failed to attend any meetings)
B Nwaokobia	(Resigned 7 November 2002)
R Butterworth	(Resigned 7 November 2002)
H Nandwani	
M Yazdani	
D Dravie-John	
D Mlewa	
E Brooks	(Resigned 8 November 2001)
E Maburutse	
Abdul Jama	(Failed to attend any meetings)
Abdul Wahab	(Failed to attend any meetings)
Cyndy Simpson	(Resigned 17 October 2002)
Max Kosia	
Verona Vidal	
E Quaynor	
I Curtis	(Appointed 17 October 2002)
R Brenchley	(Appointed 19 June 2003)
P Mensah	(Appointed 17 October 2002)
M Amegashitsi	(Appointed 17 October 2002)
S Johnson	(Appointed 17 October 2002)

Company secretary

S Fubara

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 2003

The Trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2003.

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 £300,000 to £600,000 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 £451,270. This is currently at the target level.

THE CEED (CHARITY) LTD

TRUSTEES ANNUAL REPORT (CONTINUED)

YEAR ENDED 31 MARCH 2003

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 2003

Auditors

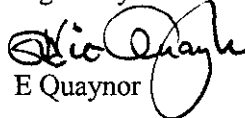
Burton Sweet were re-appointed as the Charity's auditors during the year and have expressed their willingness to continue in that capacity.

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 20/2/04.

THE CEED (CHARITY) LTD

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

YEAR ENDED 31 MARCH 2003

We have audited the financial statements on pages 7 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

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

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.

THE CEED (CHARITY) LTD

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

YEAR ENDED 31 MARCH 2003

Opinion

In our opinion the financial statements give a true and fair view of the Charity's and its subsidiary's state of affairs as at 31 March 2003 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
1 March 2004

Burton Sweet
Chartered Accountants & Registered
Auditors



THE CEED (CHARITY) LTD

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)

YEAR ENDED 31 MARCH 2003

		Unrestricted Funds	Restricted Funds	Total Funds 2003	Total Funds 2002 Restated
	Note	£	£	£	£
Incoming resources					
Donations		2,000	-	2,000	6,752
Grants receivable	2	561,971	-	561,971	418,412
<i>Activities in furtherance of charity's objects</i>					
Traineeships		320,944	-	320,944	200,548
Income generation		48,238	-	48,238	44,103
Private students		164,642	-	164,642	107,436
<i>Income from generating funds</i>					
Income from trading subsidiary	3	11,937	-	11,937	11,157
Room and rental hire		69,567	-	69,567	66,817
Fundraising income		8,053	-	8,053	19,367
Interest receivable		3,139	-	3,139	8,102
Other income		1,826	-	1,826	965
Total incoming resources		<u>1,192,317</u>	<u>-</u>	<u>1,192,317</u>	<u>883,659</u>
Resources expended					
<i>Cost of generating funds</i>					
Fundraising and publicity	4	18,866	-	18,866	12,916
Cost of sales from trading subsidiary	5	27,964	-	27,964	22,325
<i>Charitable expenditure</i>					
Costs of activities	6	929,875	-	929,875	802,949
Support Costs	7	160,404	-	160,404	94,571
Management and administration	8	70,798	-	70,798	62,532
Total resources expended		<u>1,207,907</u>	<u>-</u>	<u>1,207,907</u>	<u>995,293</u>
Net incoming/(outgoing) resources					
- net income/(expenditure) for the year	9	(15,590)	-	(15,590)	(111,634)
Total funds at 1 April 2002		571,601	396,085	967,686	1,079,075
Prior year adjustment		(245)	-	(245)	-
Total funds at 1 April 2002		<u>571,356</u>	<u>396,085</u>	<u>967,441</u>	<u>1,079,075</u>
Total funds at 31 March 2003		<u>555,766</u>	<u>396,085</u>	<u>951,851</u>	<u>967,441</u>

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 9 to 16 form part of these financial statements

THE CEED (CHARITY) LTD
CONSOLIDATED AND CHARITY BALANCE SHEETS
YEAR ENDED 31 MARCH 2003

	Note	2003 Group £	2002 Group Restated £	2003 Charity £	2002 Charity Restated £
Fixed assets					
Tangible assets	12	994,475	1,065,813	531,306	596,327
Current Assets					
Stock	13	4,358	6,188	2,952	5,288
Debtors	14	349,274	298,529	385,610	338,870
Cash at bank		143,023	115,507	141,555	112,983
		496,654	420,224	530,117	457,141
Creditors : Amounts falling due within one year	15	(111,646)	(87,278)	(110,796)	(86,428)
Net Current Assets		385,008	332,946	419,321	370,713
Total Assets less Current liabilities		1,379,483	1,398,759	950,627	967,040
Government Grants	16	427,632	431,318	-	-
		951,851	967,441	950,627	967,040
Funds					
Unrestricted		555,766	571,356	554,542	570,955
Restricted	17	396,085	396,085	396,085	396,085
		951,851	967,441	950,627	967,040

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 20/2/2004 and are signed on its behalf by:



E Maburutse

The notes on pages 9 to 16 form part of these financial statements

THE CEED (CHARITY) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

1 Accounting policies

- a) The financial statements have been prepared under the historical cost convention, and in accordance with Companies Act 1985, applicable accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities issued in October 2000.

The charity has availed itself of Paragraph 3(3) of Schedule 4 of the companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the charity's activities.

- b) These financial statements consolidate the results of the charity and its subsidiary, Centre for Employment and Enterprise Development Limited, on a line by line basis. A separate statement of financial activities is not presented because the charity has taken advantage of the provisions of paragraph 304 of the SORP.
- c) Income from donations is included 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 such income, the income is deferred until the pre-condition has been met.
- d) 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.
- e) 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.
- f) 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% |
- g) 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.
- h) 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:
- Leasehold property - Over the term of the lease
 - Fixture & Fittings - 25% reducing balance
 - 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.

THE CEED (CHARITY) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

1 Accounting policies (continued)

- i) 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.
- j) Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the asset to which they relate.
- k) 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.
- l) 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.
- m) Unrestricted funds can be used in accordance with the charitable objects at the discretion of the trustees.
- n) Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- o) 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	Restricted	Total Funds 2003	Total Funds 2002 Restated
	£	£	£	£
Bristol C.C - ERDF	-	-	-	19,812
Bristol C.C - SRB	25,727	-	25,727	17,496
Bristol C.C - ESF	21,051	-	21,051	-
Neighbourhood Support Fund	19,159	-	19,159	19,876
DFEE - ICT Employability	-	-	-	14,440
Filton College	36,185	-	36,185	23,456
DFEE - ESF	36,722	-	36,722	167,021
Gateway	-	-	-	19,665
Phoenix Fund	54,442	-	54,442	65,709
Phoenix Loan Fund	124,800	-	124,800	-
Community Fund	-	-	-	23,508
Westec	-	-	-	10,000
Connexions - Learn Direct	23,357	-	23,357	14,873
Equality Project	193,651	-	193,651	22,556
Objective 2 (BMB)	26,877	-	26,877	-
	<u>561,971</u>	<u>-</u>	<u>561,971</u>	<u>418,412</u>

THE CEED (CHARITY) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

3 Income from trading subsidiary

**Centre for employment
and Enterprise
Development limited
2003**

**Centre for employment
and Enterprise
Development limited
2002**

Restated

£

£

Sales

-

202

Vending Machine & bar sales

11,937

10,955

11,937

11,157

4 Cost of generating funds

Unrestricted

Restricted

Total Funds

Total Funds

2003

2002

Restated

£

£

£

£

Marketing and advertising

13,841

-

13,841

11,126

Hospitality

5,025

-

5,025

1,790

18,866

-

18,866

12,916

5 Cost of trading subsidiary

**Centre for employment
and Enterprise
Development limited
2003**

**Centre for employment
and Enterprise
Development limited
2002**

Restated

£

£

Cost of sales

9,177

10,775

Administrative expenses

18,787

11,550

Interest payable

-

-

27,964

22,325

THE CEED (CHARITY) LTD
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

6 Costs of activities in furtherance of charity's objects

	Unrestricted	Restricted	Total Funds	Total Funds
			2003	2002
				Restated
	£	£	£	£
Wages and salaries	558,451	-	558,451	449,278
College fees and training resources	19,112	-	19,112	21,473
Training	864	-	864	4,098
Allowances for trainees	296,946	-	296,946	305,127
Travel and car parking	2,025	-	2,025	5,158
Conferences, membership and subs	7,509	-	7,509	4,696
Resources	24,452	-	24,452	13,119
Create Partnership	20,516	-	20,516	-
	<u>929,875</u>	<u>-</u>	<u>929,875</u>	<u>802,949</u>

7 Support costs

	Unrestricted	Restricted	Total Funds	Total Funds
			2003	2002
				Restated
	£	£	£	£
Telephone	11,713	-	11,713	8,583
Postage, printing and stationery	20,903	-	20,903	22,209
Consultancy fees	11,422	-	11,422	5,484
Heat and light	6,041	-	6,041	6,346
Rates and water	-	-	-	1,658
Other office costs	29,542	-	29,542	29,940
Staff Travel and subsistence	19,394	-	19,394	4,352
Depreciation	61,390	-	61,390	15,999
	<u>160,404</u>	<u>-</u>	<u>160,404</u>	<u>94,571</u>

THE CEED (CHARITY) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

8 Management and Administration

	Unrestricted	Restricted	Total Funds 2003	Total Funds 2002 Restated
	£	£	£	£
Office costs	19,845	-	19,845	16,854
Audit fees	10,268	-	10,268	7,656
Bank charges	4,025	-	4,025	2,633
Professional fees	10,786	-	10,786	-
Depreciation	15,347	-	15,347	4,000
Other	10,526	-	10,526	31,389
	<u>70,798</u>	<u>-</u>	<u>70,798</u>	<u>62,532</u>

9 Net incoming resources for the year

This is stated after charging:

	2003	2002 Restated
	£	£
Depreciation	76,737	19,999
Auditors' Remuneration	5,875	7,656
Accountancy fees	4,911	-
Management committee remuneration	-	-
Payment of Committee expenses	<u>1,164</u>	<u>1,099</u>

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

10 Staff costs and numbers

The aggregate payroll costs were:

	2003	2002 Restated
	£	£
Wages and salaries	502,878	404,952
Social security costs	46,043	38,563
Other pension costs	9,530	5,763
	<u>548,921</u>	<u>449,278</u>

THE CEED (CHARITY) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

10 Staff cost and numbers (*continued*)

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

The average weekly number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2003	2002
	No.	No.
Number of administrative staff	6	6
Number of management staff	3	3
Number of Technical staff	15	9
	<hr/> 24	<hr/> 18
	<hr/>	<hr/>

11 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 2003

12 Tangible fixed assets

Consolidated:	Freehold Buildings £	Office Equipment £	Total £
Cost			
At 1 April 2002	944,362	265,844	1,210,206
Additions	600	11,118	11,718
Disposals	-	(2,406)	(2,406)
At 31 March 2003	<u>944,962</u>	<u>274,555</u>	<u>1,219,517</u>
Depreciation			
At 1 April 2002	3,931	140,462	144,393
Charge for the year	3,931	79,124	83,055
Disposals	-	(2,405)	(2,405)
At 31 March 2003	<u>7,862</u>	<u>217,180</u>	<u>225,042</u>
Net book value			
At 31 March 2003	<u>937,100</u>	<u>57,375</u>	<u>994,475</u>
At 31 March 2002	<u>940,431</u>	<u>125,382</u>	<u>1,065,813</u>
Charity:	Freehold Buildings £	Office Equipment £	Total £
Cost			
At 1 April 2002	480,489	235,040	715,529
Additions	600	11,118	11,718
Disposals	-	(2,406)	(2,406)
At 31 March 2003	<u>481,089</u>	<u>243,751</u>	<u>724,840</u>
Depreciation			
At 1 April 2002	-	119,202	119,202
Charge for the year	-	76,738	76,738
Disposals	-	(2,405)	(2,405)
At 31 March 2003	<u>-</u>	<u>193,534</u>	<u>193,534</u>
Net book value			
At 31 March 2003	<u>481,089</u>	<u>50,217</u>	<u>531,306</u>
At 31 March 2002	<u>480,489</u>	<u>115,838</u>	<u>596,327</u>

During the year there has been a change in accounting policies. Depreciation will be charged on leasehold property over the life of the asset. This results in an increased charge to the profit and loss account of £3,931.

THE CEED (CHARITY) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

13 Stocks

	Group 2003	Group 2002 Restated	Charity 2003	Charity 2002 Restated
	£	£	£	£
Trading stocks for resale	4,358	6,188	2,952	5,288
	<u>4,358</u>	<u>6,188</u>	<u>2,952</u>	<u>5,288</u>

14 Debtors

	Group 2003	Group 2002 Restated	Charity 2003	Charity 2002 Restated
	£	£	£	£
Trade Debtors	57,679	66,341	57,679	66,341
Owed by trading subsidiary	-	-	40,547	44,193
Grants receivable	162,102	124,077	162,102	124,077
Other Debtors	123,921	95,336	119,710	91,484
Prepayments	5,572	12,775	5,572	12,775
	<u>349,274</u>	<u>298,529</u>	<u>385,610</u>	<u>338,870</u>

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

	Group 2003	Group 2002 Restated	Charity 2003	Charity 2002 Restated
	£	£	£	£
Other debtors	<u>33,903</u>	<u>15,674</u>	<u>33,903</u>	<u>15,674</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.

THE CEED (CHARITY) LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

15 Creditors: amounts falling due within one year

	Group 2003	Group 2002 Restated	Charity 2003	Charity 2002 Restated
	£	£	£	£
Trade creditors	2,769	5,282	2,769	5,282
PAYE/NIC	15,855	7,609	15,855	7,609
Other creditors	66,993	57,175	66,993	57,175
Accruals and deferred income	26,029	17,212	25,179	16,362
	<u>111,646</u>	<u>87,278</u>	<u>110,796</u>	<u>86,428</u>

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.

16 Government Grants

	2003 £	2002 Restated £
Received and receivable		
At 1 April 2002	435,004	435,004
At 31 March 2003	<u>435,004</u>	<u>435,004</u>
Amortisation		
At 1 April 2002	3,686	-
Credit to profit and loss account	3,686	3,686
At 31 March 2003	<u>7,372</u>	<u>3,686</u>
Net balance at 31 March 2003	<u>427,632</u>	<u>431,318</u>

During the year there has been a change in accounting policies. The grant was received in order to obtain the leasehold property and should be released over the term of the lease. This results in income being released in to the Profit and loss account of £3,686.

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16 Commitments under operating leases

At 31 March 2003 the charity had annual commitments under non-cancellable operating lease as set out below.

	2003	2002
	Land and Buildings	Land and Buildings Restated
	£	£
Operating leases which expire:		
Within 2 to 5 years	1,708	1,708

17 Movement in funds

	At 01-Apr 2002	Incoming resources	Outgoing resources	Transfers	At 31-Mar 2003
	£	£	£	£	£
Restricted Funds					
Restricted Donation	346,085	-	-	-	346,085
Training Unit Development Reserve	50,000	-	-	-	50,000
	396,085	-	-	-	396,085
Unrestricted funds					
Charity General funds	586,054	1,180,380	(1,179,943)	-	586,491
Trading Subsidiary	(14,698)	11,937	(27,964)	-	(30,725)
	571,356	1,192,317	(1,207,907)	-	555,766
Total funds	967,441	1,192,317	(1,207,907)	-	951,851

Restricted funds represent amounts donated towards the purchase and development of the freehold property.

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18 Analysis of net assets between funds

	Tangible Fixed assets £	Other Net assets £	Total £
Restricted funds			
Restricted Donation	346,085	-	346,085
Training Unit Development Reserve	50,000	-	50,000
	<u>396,085</u>	<u>-</u>	<u>396,085</u>
Unrestricted funds			-
Charity General funds	135,221	451,270	586,491
Trading Subsidiary	471,031	(501,756)	(30,725)
	<u>1,002,337</u>	<u>(50,486)</u>	<u>951,851</u>

Unrestricted funds of £135,221 are represented by fixed assets. Only £451,270 is therefore available as free reserves.

19 Company limited by guarantee

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

20 Prior Year Adjustment

The accounting policies relating to leasehold property and grants received have been changed. This is an accounting policy adjustment which has been applied to the previous years results due the their significant values.

The leasehold property should be written off over the term of the lease. The grant was received in a assistance to obtain the leasehold property and should be released over the same term.