

THE PRE-RETIREMENT ASSOCIATION
(limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2003

Company Number: 2194800
Charity Number: 801246

CMB Partnership
Chartered Accountants
Chapel House
1 Chapel Street
Guildford
Surrey GU1 3UH



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THE PRE-RETIREMENT ASSOCIATION

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ENDED 31 MARCH 2003

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THE PRE-RETIREMENT ASSOCIATION

Legal and Administrative Information

BOARD OF TRUSTEES

P Brew (Chair)
M H Oldfield (Vice-Chair)
D G Hancock (Vice-Chair)
A Bennet
R H Bridges (appointed 5.8.2003)
A K Burkin
R Collinge
H D Gilbert (resigned 27.11.2002)
S Howlett
Prof. R A Lawrenson (appointed 16.1.2003)
A I Mathews (resigned 27.11.2002)
T H Taylor (appointed 11.6.2002)

SECRETARY

A W Hook

CHIEF EXECUTIVE

Dr M A Davies

REGISTERED OFFICE

9 Chesham Road
GUILDFORD
Surrey GU1 3LS

AUDITORS

C M B Partnership
Chartered Accountants
Chapel House
1 Chapel Street
GUILDFORD
Surrey GU1 3UH

SOLICITORS

Gregory Rowcliffe & Milners
1 Bedford Row
LONDON WC1R 4BZ

PRINCIPAL BANKERS

HSBC
168 High Street
GUILDFORD
Surrey GU1 3YU

THE PRE-RETIREMENT ASSOCIATION

STANDING COMMITTEES

PROFESSIONAL INSTITUTE BOARD

W Tyler (Chair)
M Bloomfield
P Cattley
H D Gilbert
B King
W Kloch
A Withnall

NATIONAL REGIONAL REPRESENTATIVE COMMITTEE

D Hancock (Chair)
D Angel
M Bloomfield
P Brew (ex officio)
A Fowlis
T Gauntlett

THE PRE-RETIREMENT ASSOCIATION

REPORT OF THE TRUSTEES

The Trustees present their report and the audited financial statements of the charity for the year ended 31 March 2003.

CONSTITUTION

The Pre-Retirement Association (PRA) is a registered charity under the Charities Act 1993 and a company limited by guarantee. It is governed by its Memorandum and Articles of Association. Charity registration number 801246. Company Registration number 2194800.

On a winding up of the company, every member of the company can be required to contribute an amount not exceeding £1.

Legal and administrative information set out on pages 1 and 2 form part of their report. The financial statements comply with current statutory requirements and with the requirements of the Memorandum and Articles of Association of the charity. The Trustees have adopted the provisions set forth in the Statement of Recommended Practice 2000 (SORP) for reporting by charities.

OBJECT OF THE CHARITY

The principal object of the charity is the provision of education, planning and support services for those preparing for retirement from full time employment and to act as the national focus for the development of this work.

ORGANISATION

A Board of Trustees, of up to ten members, meets quarterly to administer the charity. There are sub-committees containing members other than trustees for educational services, national regional representatives and finance. A Chief Executive (the Director) is appointed by the trustees to manage the day to day operations of the charity.

THE PRE-RETIREMENT ASSOCIATION

REPORT OF THE TRUSTEES

INVESTMENT POWERS

Under the Memorandum of Association, the Board of Trustees has power to make investments as may be thought fit, subject to conditions laid down by law. The Endowment Fund investment was made in compliance with the donor's wishes and will not be varied unless very strong reasons to change were to prevail.

For other investments it is the policy to maintain value in "real" terms over a medium term period, yet recognising market movements in the UK All Share Index. A spread of risk over three Unit Trusts is considered adequate for the sum involved, whilst the level of income is subordinate to the main purpose. The reduction in the market value of the investments during the year has reflected a similar reduction in the UK All Share Index for the period.

RELATED PARTIES

There are a number of affiliated Local Associations, who are members of this Association. They are independent organisations governed by their own constitutions. The National Regional Representative Council recommends one of its members to serve as a Trustee of this Association, subject to the approval of this Association's Annual General Meeting. The charity has links with Surrey University which validates some of the charity's educational courses. It also is in receipt of funding from the Department for Education and Skills to raise and maintain standards in life long learning.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

During the past year the PRA continued to provide both in-house and open courses on Pre-Retirement and to train pre-retirement tutors.

Work has continued over the year on the Financial Awareness Project, in conjunction with a number of major companies and with the Department of Work and Pensions. As part of this programme, work books for both individuals and tutors have been designed and produced. A website was launched in March 2003 at www.learnaboutmoney.org. Further funding is being sought to expand the scope of the project. In order to reach the business communities in the north of the country, a second launch of the project will take place in Leeds in September 2003.

In the process of widening participation in Life Long Learning, the PRA is developing a distance learning programme around the study of life planning. The programme has been validated by the University of Surrey and the initial group of students will start their work in October 2003.

THE PRE-RETIREMENT ASSOCIATION

REPORT OF THE TRUSTEES

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS (continued)

A separate project under the title "Strategies to Overcome Barriers to Employment for the over 50's" has been jointly developed with the University of Surrey and NIACE, a project which is supported by European Commission funding within the Leonardo da Vinci Programme. This research involves participants from four other European countries. The project management is being undertaken by the University of Surrey.

RISK MANAGEMENT

The Board of Trustees undertakes periodic reviews of the major risks which face the charity. A major part of the General Fund is required to finance the premises from which the charity conducts its affairs, so the level of its remaining free General Funds calls for regular review. A major source of its funds is from the Department of Education and Skills for the training and development activities; this grant is subject to a review by them each year.

FINANCIAL REPORT FOR THE YEAR

On Unrestricted Funds there was a surplus for the year of £19,114, after taking account of an unrealised loss on investments of £3,793. In accordance with the SORP, the amount on the Designated Reserve for Fixed Assets has been increased by a transfer of £4,816 from the General Fund to provide a total reserve of £71,961. The amount remaining to be carried forward on the General Fund becomes £38,214.

For Restricted Funds, after taking account of net income for the year of £16,351 the balance of restricted funds to be carried forward is £33,539.

With regard to the Endowment Fund, whilst there was no expenditure in the year, after taking account income of £223 and unrealised losses on the investments held of £6,864, the amount to be carried forward becomes £18,294.

RESERVES POLICY

The Board of Trustees has reviewed its policy on reserves to be held. In broad terms it wishes to generate reserves firstly to cover the capital payment terms, over time, of its property mortgage and

THE PRE-RETIREMENT ASSOCIATION

REPORT OF THE TRUSTEES

RESERVES POLICY (continued)

then to have cover for some six to nine months operating expenses. Following the Strategic Review of the activities of the charity, undertaken last year with the purpose of making additional funding to meet these objectives, the Trustees continue to pursue the matter, but recognise the present economic climate does hinder an early resolution of its aims

TRUSTEES

The directors of the Charitable Company are its Trustees for the purpose of Charity Law. If continuing in office, the Trustees come forward every third year for re-election at the Annual General Meeting. Apart from the nominee of the National Regional Representative Committee, new trustees are nominated by the existing Board of Trustees, though there is a right for two members of the Association to propose a person as a Trustee, having given due notice thereof.

The members of the Board of Trustees for the period under review are listed on Page 1 of these Financial Statements.

During the past year Mr H D Gilbert and Mrs A I Mathews have retired as members of the Board of Trustees. We take this opportunity to thank them for their services and support over the many years they have contributed to the work of the Association. Professor R A Lawrenson and Mr R H Bridges, having been appointed to the Board of Trustees during the past year, offer themselves for re-election in accordance with the Articles of Association.

The Trustees retiring by rotation are Mr P Brew and Mr A Bennet, who, being eligible, offer themselves for re-election.

Though offering himself for re-election as a Trustee, Mr P Brew has decided to retire as Chairman at the forthcoming Annual General Meeting. In his place, the Board has unanimously expressed the wish that Mr R H Bridges offers himself for election as Chairman at the Annual General Meeting and this he has agreed to do.

The Trustees received no remuneration other than expenses incurred on the business of the Charity. Expenses reimbursed to Trustees are reported in Note 4 to the accompanying Financial Statement.

THE PRE-RETIREMENT ASSOCIATION

REPORT OF THE TRUSTEES

RESPONSIBILITIES OF THE TRUSTEES

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the Company and of the income, and expenditure for that period. In preparing 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;
- follow applicable accounting standards subject to any material departures disclosed and explained in the accounts.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Blueprint Audit limited, who were re-appointed as auditors last year, recently gave notice under section 394 of the Companies Act 1985 that they would be withdrawing from their appointment. In doing so they confirmed there were no circumstances in connection with ceasing to hold office which needed to be brought to the notice of members or creditors of the company.

To fill the casual vacancy of auditors, C M B Partnership, Chartered Accountants, have subsequently been appointed and they will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

SMALL COMPANY DISCLOSURE

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved on behalf of the Board

Ali Hossain

Secretary

Date... *5 August 2003*

THE PRE-RETIREMENT ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PRE-RETIREMENT ASSOCIATION

We have audited the financial statements on pages 10 to 19 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention (as modified to include the revaluation of certain investments) and accounting policies set out on pages 12 and 13.

The report is made solely to the charity's members, 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 members 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 company and the company's members as a body, for the audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 7 the directors, who also act as trustees for the charitable activities of the Pre-Retirement Association, are responsible for the preparation of the financial statements.

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' Report is not consistent with the financial statements, if the company 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 company is not disclosed.

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 misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Audit Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

THE PRE-RETIREMENT ASSOCIATION

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF THE PRE-RETIREMENT ASSOCIATION (continued)**

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 charitable company's 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.

CMB Partnership

C M B Partnership
Chartered Accountants
Registered Auditors

Chapel House
1 Chapel Street
Guildford
Surrey GU1 3UH

Date 5 August 2003

THE PRE-RETIREMENT ASSOCIATION

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2003**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2003 £	Total Funds 2002 £
<u>INCOMING RESOURCES</u>						
Activities to further the Charity's objects:						
Training and Development						
-Government Grant		0	79,550	0	79,550	79,550
Financial Awareness project						
-Donations and Grants		0	89,000	0	89,000	24,000
Training courses, Projects and Other Income		104,282	4,409	0	108,691	99,369
General Donations		0	0	0	0	0
Investment income		508	536	223	1,267	639
Total incoming resources	2	104,790	173,495	223	278,508	203,558
<u>RESOURCES EXPENDED</u>						
Cost of activities in furtherance of Charity's objects:						
Training courses and projects		28,238	137,708	0	165,946	109,914
Support costs		24,555	19,436	0	43,991	42,223
Management and administration		29,090	0	0	29,090	31,424
Total resources expended	3	81,883	157,144	0	239,027	183,561
Net income/expenditure for the year		22,907	16,351	223	39,481	19,997
Unrealised losses on investments	8	-3,793	0	-6,864	-10,657	-1,359
Net incoming/(outgoing) resources for the year		19,114	16,351	-6,641	28,824	18,638
Fund balances brought forward at 1st April		91,061	17,188	24,935	133,184	114,546
Fund balances carried forward at 31st March	14 & 15	110,175	33,539	18,294	162,008	133,184

The Statement of Financial Activities gives the equivalent information to an Income and Expenditure Account and, accordingly, no separate Income and Expenditure Account has been produced.

All the Incoming Resources and Resources Expended were from continuing operations.

The Charity has no recognised gains and losses other than those dealt with in the Statement of Financial Activities.

The note on Pages 12 to 19 form part of these financial statements.

THE PRE-RETIREMENT ASSOCIATION

BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	7	170,323	173,418
Investments	8	23,247	33,756
		<u>193,570</u>	<u>207,174</u>
CURRENT ASSETS			
Debtors	9	21,312	10,644
Short term deposits		59,819	8,806
Cash at bank and in hand		26,434	44,356
		<u>107,565</u>	<u>63,806</u>
Creditors: Amounts falling due within one year	10	<u>-49,079</u>	<u>-39,179</u>
NET CURRENT ASSETS		58,486	24,627
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>252,056</u>	<u>231,801</u>
Creditors: Amounts falling due after more than one year	12	-90,048	-98,617
NET ASSETS		<u>162,008</u>	<u>133,184</u>
<u>FUNDS:</u>			
Unrestricted funds:			
Designated Fund-Fixed Assets		71,961	67,145
General Fund		38,214	23,916
	14	<u>110,175</u>	<u>91,061</u>
Restricted Funds	14	33,539	17,188
Expendable Endowment Fund	14	18,294	24,935
TOTAL FUNDS	15	<u>162,008</u>	<u>133,184</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting for Smaller Entities (effective June 2002)

The financial statements were approved
by the Board of Trustees on 5 Aug 2003 and
signed on its behalf by

Trustees

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1 ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of investments and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The accounts are prepared in accordance with applicable Statements of Standard Accounting Practice and with the Statement of Recommended Practice for Charities.

1.2 FUNDS

The PRA received grants towards specific courses and projects which are treated as restricted funds.

The PRA received a donation from Professor Alastair Heron, which now forms the Expendable Endowment - "Alastair Heron Research Fund". The donation of £20,000 is held in the Friends Provident Stewardship Growth Fund and the Trustees may from time to time realise amounts from income or gains in the valuation of the Units, to fund the participation of the PRA in research projects which are not otherwise fully funded. In the year to 31 March 2003, none of the Fund was utilised. After investment income of £223 and unrealised losses of £6,864 the balance carried forward on the fund was £18,294.

In accordance with the latest SORP, the balance held in General Funds, is subdivided as follows :-

1. Designated Reserve - Fixed Assets. This is comprised of the net book value of the tangible assets, held in property and equipment, less the total sum outstanding at date on the mortgage for the property.
2. General Fund. This being the remainder of that fund that has not been utilised for the designated reserve.

The PRA reviews all incoming resources to determine whether any funds should be treated as restricted.

1.3 INCOMING RESOURCES

Grants are received from Government departments to provide funds for specific purposes and projects. These are accounted for on an accruals basis.

Donations represent income for specific projects and general purposes. This is accounted for on a received basis.

Incoming resources from training courses, projects and the sale of publications is accounted for on an accruals basis.

Subscriptions from members are accounted for on an accruals basis.

Investment income represents interest received on cash held on deposit and dividends receivable, including recoverable Income Tax on listed investments. This is accounted for on a receivable basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1 ACCOUNTING POLICIES - continued

1.4 RESOURCES EXPENDED

Cost of activities in furtherance of the Charity's objects is analysed as follows:

1. Training courses and projects, represents the direct costs incurred on running the courses and projects and is accounted for on an accruals basis.

2. Support costs, representing the cost of the staff supporting the work on training courses and projects, together with the related costs of accommodation and services.

Where costs need to be allocated between 'Support' and 'Management and administration' it has been done on the basis of the respective estimated staff time. Support costs allocated to restricted funds has been done in accordance with the terms agreed with the providers of the funds. The expenditure is accounted for on an accruals basis.

3. Management and administration, represents those costs which can be directly related thereto, together with its share of allocated costs on the basis explained above. The expenditure is accounted for on an accruals basis.

1.5 TANGIBLE FIXED ASSETS

The freehold premises gross book value is held at its original cost as acquired in 1997.

The trustees do not consider the cost of a professional valuation of the property can be justified at this moment in time. The matter will be kept under review.

All fixed assets are stated at cost.

1.6 DEPRECIATION

Depreciation is charged at the following rates:-

Freehold land and buildings	2% on a straight line basis
Computer Equipment	25% and 33% on a straight line basis
Other plant & equipment	10% on a reducing balance basis

1.7 PENSIONS

The company operates a defined contribution scheme. Contributions are charged on an accruals basis.

Staff on secondment from Surrey University come within that University's own pension scheme.

1.8 UNPAID VOLUNTEERS

The Trustees and the Secretary are all unpaid for their time on PRA's affairs.

The Statement of Financial Activities does not include any notional value for their services.

1.9 INDEMNITY INSURANCE

The PRA has a 'Professional Indemnity' insurance policy which covers trustees, permanent staff, temporary staff and invited speakers in connection with speeches delivered at a meeting or function organised by the PRA. It further covers speakers of the PRA in connection with speeches delivered at a meeting or function not organised by the PRA. It is the firm and clear policy of the PRA not to provide financial advice. The cost of the policy for the year 2003 was £1,050 (2002 £787).

1.10 INVESTMENTS

The investments are those listed on the UK Stock Exchange and are stated at their market value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

2 INCOMING RESOURCES

2.1 Restricted Funds

The following Grants, Donations and Other Income were received during the year:

	2003 £	2002 £
Department for Education & Skills	79,550	79,550
Financial Awareness Project	89,392	24,393
Economic & Social Research Council	0	1,250
Financial Literacy for Older People	0	5,200
Leonardo da Vinci Project	4,017	0
	<u>172,959</u>	<u>110,393</u>

2.2 Unrestricted funds

The Income for the year on unrestricted fund was:

	2003 £	2002 £
Training courses	70,618	61,262
Projects	8,750	8,750
Publications	10,462	11,896
Subscriptions	9,453	8,877
Sundries	4,999	1,741
	<u>104,282</u>	<u>92,526</u>

2.3 Investment Income

Interest receivable
Dividends received from Unit Trusts

	2003 £	2002 £
Interest receivable	699	48
Dividends received from Unit Trusts	568	591
	<u>1,267</u>	<u>639</u>

The investment income comprised:

Restricted Fund - Financial Awareness Project	536	0
Endowment Fund - A Heron	223	87
General Fund	508	552
	<u>1,267</u>	<u>639</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003**3 RESOURCES EXPENDED**

3.1 The expenditure for the year is stated after charging:

	2003	2002
	£	£
Auditors remuneration	1,625	1,700
Depreciation	4,420	3,984
Mortgage interest	6,560	7,840
Equipment hire	1,620	1,620

3.2 Analysis of Expenditure

	Training courses & Projects £	Support costs £	Management & Administration £	Total 2003 £	Total 2002 £
Staff Costs	70,613	21,291	14,153	106,057	104,507
Directly chargeable costs	95,333	0	0	95,333	46,876
Building costs	0	3,998	1,128	5,126	5,203
Post, telephone, printing & stationery	0	10,905	3,076	13,981	10,260
Professional charges	0	0	1,640	1,640	1,730
Mortgage interest	0	0	6,560	6,560	7,840
Depreciation	0	3,544	876	4,420	3,984
Other costs	0	4,253	1,657	5,910	5,961
Provision Released	0	0	0	0	-2,800
	<u>165,946</u>	<u>43,991</u>	<u>29,090</u>	<u>239,027</u>	<u>183,561</u>

The basis of allocation of costs is explained in note 1.4.

4**Trustees Remuneration**

The Trustees received no remuneration in the year.

	2003	2002
	£	£
Out of pocket expenses were reimbursed to Trustees for travel costs incurred on the PRA's activities		
2 Trustees in 2003 (2 trustees in 2002)	<u>886</u>	<u>545</u>

5**5.1 Staff Costs**

	2003	2002
	£	£
Wages & Salaries	57,267	61,326
Social Security Costs	4,577	4,732
Pension Costs	1,162	1,093
	<u>63,006</u>	<u>67,151</u>
Charges for seconded staff	43,051	37,356
	<u>106,057</u>	<u>104,507</u>

No employee received remuneration of more than £50,000

The average number of employees for the year (excluding seconded staff) was 3 (2002 was 4).

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

5.2 Staff on secondment

The PRA's Training staff includes members of Surrey University academic staff, who are on long term secondment from the University for a major share of their working time. The PRA is charged for the full cost, including social security and pension costs, of its due proportion of such time on its activities.

5.3 Pension Costs

The PRA operates a defined contribution pension scheme for its staff. The assets of the scheme are held separately from those of the PRA in an independently administered fund. Contributions are as noted in 5.1 above, and all were paid during the year. Seconded staff are members of Surrey University's own pension scheme.

6 Taxation

Owing to its charitable status the PRA is not liable to income or corporation tax on its income under the Income and Corporation Taxes Act 1988

7 TANGIBLE ASSETS

	Freehold premises 9 Chesham Road Guildford	Plant and Machinery etc.	Total
	£	£	£
<u>Cost</u>			
At 1 April 2002	188,416	17,239	205,655
Additions	0	1,325	1,325
At 31 March 2003	<u>188,416</u>	<u>18,564</u>	<u>206,980</u>
<u>Depreciation</u>			
At 1 April 2002	16,944	15,293	32,237
Charge for year	3,768	652	4,420
At 31 March 2003	<u>20,712</u>	<u>15,945</u>	<u>36,657</u>
<u>Net book value at 31 March 2003</u>	<u>167,704</u>	<u>2,619</u>	<u>170,323</u>
<u>Net book value at 31 March 2002</u>	<u>171,472</u>	<u>1,946</u>	<u>173,418</u>

THE PRE-RETIREMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

8 INVESTMENTS

	2003 £	2002 £
At 1 April 2002	33,756	35,115
Additions	148	0
Revaluation	-10,657	-1,359
At 31 March 2003	<u>23,247</u>	<u>33,756</u>
Comparable amounts under the historical cost convention are:		
At 1 April 2002 and 31 March 2003	<u>34,115</u>	<u>33,967</u>

The investments are all listed on the UK Stock Exchange. An analysis of the investments at 31 March 2003 is as follows:-

Foreign and Colonial Pacific Investment Trust plc	1,701	2,386
Murray International Trust plc	2,945	4,090
The City of London Trust plc	3,903	5,866
Friends Provident Stewardship Growth Fund	14,698	21,414
	<u>23,247</u>	<u>33,756</u>

9 DEBTORS

Trade debtors	14,410	9,510
Other debtors	5,430	82
Prepayments and accrued income	1,472	1,052
	<u>21,312</u>	<u>10,644</u>

**10 CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

Bank loans and overdrafts	8,314	7,656
Trade creditors	10,286	4,736
Other creditors	160	1,870
Accruals	19,527	14,324
Deferred income (note 11)	10,792	10,593
	<u>49,079</u>	<u>39,179</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

11	DEFERRED INCOME	2003 £	2002 £
	Balance at 1st April 2002	10,593	11,085
	Course fees and project income received during the year	79,567	69,520
	Released to Statement of Financial Activities	-79,368	-70,012
	Balance at 31st March 2003	<u>10,792</u>	<u>10,593</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Bank Loan	<u>90,048</u>	<u>98,617</u>
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The bank loan is a flexible business loan taken out to purchase the property known as 9 Chesham Road, Guildford, Surrey. The loan is secured on the property.

The loan is repayable as follows:

Within:

One year	8,314	7,656
2 - 5 years	33,256	30,624
More than 5 years	56,792	67,993
	<u>98,362</u>	<u>106,273</u>

13 SHARE CAPITAL

The company is limited by guarantee and does not have a share capital. The liability of each member is limited to a sum not exceeding £1 on the winding up of the company. The word 'Limited' is omitted by licence from the Department of Trade as the company has charitable status.

14 STATEMENT OF FUNDS

	Balance 1st April 2002 £	Incoming resources £	Outgoing resources £	Transfers £	Balance 31st March 2003 £
Unrestricted Funds:					
Designated Fund -fixed assets	67,145	0	0	4,816	71,961
General Fund	23,916	104,790	85,676	-4,816	38,214
	<u>91,061</u>	<u>104,790</u>	<u>85,676</u>	<u>0</u>	<u>110,175</u>
Restricted Funds:					
Department for Education & Skills	0	79,550	79,550	0	0
Financial Awareness	17,188	89,928	73,577	0	33,539
Leonardo da Vinci	0	4,017	4,017	0	0
	<u>17,188</u>	<u>173,495</u>	<u>157,144</u>	<u>0</u>	<u>33,539</u>
Endowment Fund:					
Alastair Heron Research	24,935	223	6,864	0	18,294

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003**14 STATEMENT OF FUNDS - continued****Purpose of Funds:**

The General Purpose Fund represents the free funds of the Charity which have not been designated for particular purposes.

The Designated Fund - fixed assets represents the net book value of the tangible fixed assets, less the bank facilities secured on those assets. The amount shown as the transfer for the year is the sum required to reflect the movement in fixed assets and bank facilities during the year, in order to be in compliance with the guidelines set forth in the latest SORP.

The restricted funds are those funds granted to the PRA for the particular purpose of the projects specified.

The Expendable Endowment fund is for the purpose specified in note 1.2 above.

15 ANALYSIS OF NET ASSETS BY FUND

	General £	Restricted £	Endowment £	Total £
Tangible fixed assets	170,323	0	0	170,323
Investments	8,549	0	14,698	23,247
Debtors	17,283	4,017	12	21,312
Cash on deposit, at bank and in hand	30,215	52,454	3,584	86,253
Creditors due less than one year	-26,147	-22,932	0	-49,079
Creditors due in more than one year	-90,048	0	0	-90,048
	<u>110,175</u>	<u>33,539</u>	<u>18,294</u>	<u>162,008</u>