

Company Number: 2303464

Charity Number: 328020

**DIXONS CITY TECHNOLOGY COLLEGE
CHARITABLE TRUST
(A company limited by Guarantee)**

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002



PKF

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

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**DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST
LEGAL AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 AUGUST 2002**

Governors

Mohammed Ali (resigned 26 April 2002)	John Francis
Brian Collins (appointed 26 April 2002)	Ian Greenwood
David Holmes (appointed 19 December 2001)	Ehjaz Gull
Nicholas Robinson (appointed 20 September 2002)	Sir James Hill (Chairman of Governors)
Professor Grace Alderson	Sir Stanley Kalms
Geoffrey Budd	Guy Kitchen
Jeremy Darroch	Marion Le Pla
John Davies	Johnathan Moorhouse
Pat Drake	Tim Ratcliffe
Peter Flesher	Jo Williams

Secretary

Geoffrey Budd

Principal Address

Ripley Street
Bradford
BD5 7RR

Registered Office

Maylands Avenue
Hemel Hempstead
Hertfordshire, HP2 7TG

Company Registration Number

2303464

Charity Registration Number

328020

Bankers

HSBC Plc
47 Market Street
Bradford, BD1 1LW

Solicitors

Cobbetts
Trafalgar House
29 Park Place
Leeds, LS1 2SP

Auditors

PKF
6 Queen Street
Leeds, LS1 2TW

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

REPORT OF THE GOVERNORS

YEAR ENDED 31 AUGUST 2002

The Governors (who are the trustees of the charitable company for the purposes of charity law) submit their annual report and the audited financial statements for the year ended 31 August 2002.

RESULTS FOR THE YEAR

The excess of trading income over expenditure for the year was £303k, prior to capital grants and depreciation, the whole of which has been added to the General Purpose Fund. External non DfES activities contributed over half of this sum, particularly from sports lettings, evening classes run in association with Bradford College and management fees charged to the two subsidiary companies (see later note); interest income on public and private funds was £36k. Depreciation charges exceeded capital grants by £246k and thus the net excess of income over expenditure was £61k.

The balance sheet discloses cash and bank balances of £1,222k. These funds are earmarked for various purposes, including the following:-

	<u>£k</u>
Student deposits for educational visits etc.	148
Capital commitments per note 18	172
Long term capital reserve	500
One month's recurrent funding	340

PRINCIPAL ACTIVITY AND OBJECTIVE

The principal activity and objective of the College is the advancement of public education.

REVIEW OF RESULTS

The College continues to receive a high demand for the limited number of places available with the ratio this year again reaching 4:1.

We are pleased to report that our students continued to achieve significant examination success. All 14 year old students were entered for the Key Stage 3 national tests, which are conducted in Mathematics, Science and English. This year our students excelled, improving upon excellent standards achieved in previous years.

At GCSE level, 94% of the students gained the nationally recognised benchmark of five or more A*-C grades, considerably above the national average and above other local schools' results; this achievement made the College one of the top ten state comprehensive schools nationally. This is a particularly commendable performance by our students, supported by committed staff.

At the new AS level, our students achieved an 89% pass rate.

In the "A" level examinations our students performed well, improving further on the good results of last year. The average UCAS points per student improved by over 50% to 280. Over 80% of our students have moved on to University, many of these being the first generation of their family to do so.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

REPORT OF THE GOVERNORS (continued)

YEAR ENDED 31 AUGUST 2002

Following the relocation of the Minerva Centre Limited, the College converted the vacated space into a dedicated Sixth Form Centre with conference and ICT facilities; a common room was also provided.

RESERVES POLICY

Governors accepted the need for general long-term reserves to be built up until a sum approximately equal to 10% of turnover had been achieved. Included in this should be a sinking fund of £100k for property repairs.

Additionally, and to help fund capital investment, Governors transfer to restricted funds an annually variable sum, up to a maximum of 12.5% of Government grant.

LINKS WITH OTHER SCHOOLS

The Primary School Partnership project, established two years ago and encompassing ten local Primary Schools, continued to flourish. The Year 6 pupils were involved in several activities within the fields of Design Technology, Science, Mathematics and a rigorous course in ICT resulting in an RSA qualification. Many of the College Sixth Form students have participated in voluntary work at these schools, particularly assisting teachers on the Literacy Strategy under the Better Reading Partnership programme.

The College has now completed its second year as a Beacon School and has in place a programme of activities in partnership with the Bradford Beacon Schools Group and the Yorkshire & Humberside region of Beacon Schools.

SUBSIDIARY COMPANIES

On 1 January 2002, the College was gifted the whole of the issued share capital of two separate companies being Interactive Learning Limited and The Minerva Centre Limited, both of which commenced operations on that date.

The principal activity of Interactive Learning Limited is the production of interactive educational CDs and student assessment software.

The principal activity of The Minerva Centre Limited is educational ICT services.

REVIEW OF OTHER ACTIVITIES

The College has always recognised that it has a prominent role to play in the life of the community and the City of Bradford as a whole and continues to explore and develop appropriate opportunities to demonstrate its social commitment.

The College continued to function as an adult education centre in partnership with the Bradford College with classes running on two evenings per week and on Saturdays, all with very high attendance. Additionally and connected to Bradford College, the College has continued participation in the Government Teacher Training Agency initiative to train Information Communication Technology teachers on a one year placement.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

REPORT OF THE GOVERNORS (continued)

YEAR ENDED 31 AUGUST 2002

The College has in recent years been very active in local partnerships with the South Bradford Education Action Zone and with Bradford Trident, operator of the local New Deal for Communities programme. This year, the partnership with Bradford Trident has grown significantly and is now a prominent activity of The Minerva Centre Limited.

The College Library is a partner with the Bradford Library Service which, for the last three years, has been providing New Opportunities Funded training to school and public librarians. The programme has been highly successful and received an exemplary report from the regulatory authority, the Teacher Training Agency. Also, under the auspices of the School Libraries Association, the College hosted two successful conferences for 150 librarians and literacy co-ordinators.

This year the College received a Healthy Schools Award, valid for three years, under the Government's national project designed to promote a healthy environment and ethos, including areas such as equal opportunities, citizenship and positive behaviour. Also this year, the College received a third Drugswatch Award recognising its work with students on drugs and substance abuse. This award is supported by the Police Authority, Bradford Education and the Soroptimists.

MANAGEMENT OF RISK

The College has this year conducted a formal review of management of risk. Strategies have been put in place to deal with any associated contingency. Governors are pleased to report that there are no matters of concern arising from this review which will be renewed on an annual basis.

DIXONS GROUP PLC

The Governors once again place on record their grateful acknowledgement of the substantial ongoing support from Dixons Group plc. Support, both financial and non-financial, is received for many activities benefiting students and staff alike, who also receive professional guidance from those executives who are members of the Governing Body.

FIXED ASSETS

Details of fixed assets are given in note 10 to the financial statements.

GOVERNORS

The Governors who held office during the year are set out on page 1.

The College Governors are assisted by a Finance Committee; at the year end its members were:-

Guy Kitchen (Chairman)
Sir Stanley Kalms
Sir James Hill
Geoffrey Budd
John Davies

Jeremy Darroch
Peter Flesher
Tim Ratcliffe
Jo Williams

STATUS

The College is a company limited by guarantee and is a registered charity. As a result of charitable status it is exempt from corporation tax.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

REPORT OF THE GOVERNORS (continued)

YEAR ENDED 31 AUGUST 2002

AUDITORS

The auditors, PKF, Chartered Accountants, have signified their willingness to continue in office. A resolution to reappoint them and to authorise the Governors to agree their remuneration will be proposed at the forthcoming Annual General Meeting.

By order of the Board of Governors



G D Budd
Secretary

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- ensure grants received from the Department for Education and Skills have been applied for the purpose intended;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 College will continue in business.

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Companies Act 1985. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The Governors are responsible for ensuring that the Governors' Report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST**

YEAR ENDED 31 AUGUST 2002

We have audited the financial statements of Dixons City Technology College Charitable Trust for the year ended 31 August 2002 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of governors and auditors

The responsibilities of the governors (who also act as trustees for the charitable activities of Dixons City Technology College Charitable Trust and as directors for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Governors' Responsibilities.

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 Governors' report is not consistent with the financial statements, if the charitable 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 governors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Governors' 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 judgements made by the governors 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.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST (continued)**

YEAR ENDED 31 AUGUST 2002

Opinion

In our opinion:

- a) the financial statements give a true and fair view of the state of affairs of the College at 31 August 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;
- b) the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Education and Skills in respect of the financial year;
- c) proper accounting records have been kept by the College throughout the financial year;
- d) grants made by the Department for Education and Skills have been applied for the purposes intended;
- e) we are satisfied that the College's systems of internal controls are such as to comply with the obligations placed on the governing body by the Secretary of State for Education and Skills and we have not identified any material weaknesses.

Leeds, UK

19 December 2002

DKF

Registered Auditors

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2002

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2002 £'000	Total 2001 £'000
Incoming resources						
Grants receivable		-	4,075	10	4,085	3,878
Donations and gifts	3	-	-	103	103	69
Investment income	4	30	10	-	40	56
Other income	4	220	56	-	276	310
Total incoming resources		<u>250</u>	<u>4,141</u>	<u>113</u>	<u>4,504</u>	<u>4,313</u>
Resources expended						
Charitable expenditure:						
Provision of education		78	2,832	332	3,242	3,059
Support costs		31	330	12	373	394
Educational management and administration		-	469	15	484	531
Premises		2	342	-	344	326
Total resources expended	5	<u>111</u>	<u>3,973</u>	<u>359</u>	<u>4,443</u>	<u>4,310</u>
Net incoming/(outgoing) resources before transfers		139	168	(246)	61	3
Transfer between funds		<u>(125)</u>	<u>-</u>	<u>125</u>	<u>-</u>	<u>-</u>
Net movement in funds		14	168	(121)	61	3
Fund balances brought forward at 1 September 2001:		<u>547</u>	<u>452</u>	<u>7,277</u>	<u>8,276</u>	<u>8,273</u>
Fund balances carried forward at 31 August 2002	14/15	<u>561</u>	<u>620</u>	<u>7,156</u>	<u>8,337</u>	<u>8,276</u>

The Statement of Financial Activities analyses all the capital and income resources and expenditures of the College during the year and reconciles the movements in funds. Further analysis of the income and expenditure for the year is shown on page 10 and the overall financial position at the year end is summarised in the balance sheet on page 11.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 AUGUST 2002

	Notes	2002 £'000	2001 £'000
INCOME			
Annual per capita grant	2	3,894	3,598
Other DfES income		247	230
Other income	4	250	366
DfES capital		10	50
Sponsorship	3	103	69
		<u>4,504</u>	<u>4,313</u>
EXPENDITURE			
Annual per capita grant related expenditure	2	4,001	3,769
Other DfES grant related expenditure		59	86
Private sector income related expenditure		24	38
Depreciation		359	417
		<u>4,443</u>	<u>4,310</u>
EXCESS OF INCOME OVER EXPENDITURE BEFORE TRANSFERS	17	<u>61</u>	<u>3</u>
TRANSFERS TO:			
GENERAL PURPOSE FUND: Unrestricted	14	14	84
Restricted	13	168	42
		182	126
FIXED ASSET FUND	13	<u>(121)</u>	<u>(123)</u>
		<u>61</u>	<u>3</u>

The Income and Expenditure account is derived from the Statement of Financial Activities on page 9 which, together with the notes to the accounts on pages 13 to 22 provides full information on the movements during the year on all the funds of the College.

All items dealt with in arriving at the excess of income over expenditure for 2002 and expenditure over income for 2001 relate to continuing operations.

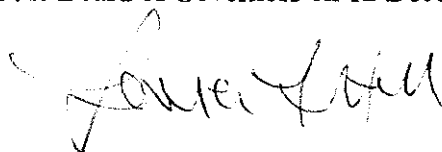
DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

BALANCE SHEET

31 AUGUST 2002

	Notes	2002 £'000	2001 £'000
TANGIBLE FIXED ASSETS	10	7,295	7,447
CURRENT ASSETS			
Debtors - Due within one year	11	131	69
- Due after one year	11	183	-
Prepayments and accrued income		43	56
Cash at bank and in hand		<u>1,222</u>	<u>1,173</u>
		<u>1,579</u>	<u>1,298</u>
LESS: CURRENT LIABILITIES			
Amounts falling due within one year			
Trade creditors		188	158
Other creditors	12	230	226
Accruals and deferred income		<u>119</u>	<u>85</u>
		<u>537</u>	<u>469</u>
NET CURRENT ASSETS		<u>1,042</u>	<u>829</u>
NET ASSETS		<u>8,337</u>	<u>8,276</u>
FINANCED BY:			
FUNDS			
Restricted fixed assets funds	15	7,156	7,277
Restricted general fund	15	620	452
Unrestricted fund	14	461	447
Premises fund	14	<u>100</u>	<u>100</u>
	17	<u>8,337</u>	<u>8,276</u>

Approved on behalf of the Board of Governors on 12 December 2002



Governor

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2002

	Notes	2002 £'000	2001 £'000
OPERATING ACTIVITIES			
RECEIPTS			
Recurrent grants received from DfES:			
Annual per capita grant		3,894	3,598
Other receipts from DfES		237	273
Other receipts		228	324
PAYMENTS			
Staff costs		(3,353)	(3,138)
Other operating expenses		<u>(741)</u>	<u>(820)</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	16	265	237
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest received		40	52
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(186)	(209)
FINANCING			
Capital grants from DfES		10	22
Support from sponsors		103	69
Loan to subsidiary	22	<u>(183)</u>	<u>-</u>
NET INCREASE IN CASH AT BANK AND IN HAND		<u>(70)</u>	<u>91</u>
CASH AT BANK AND IN HAND BROUGHT FORWARD AT THE BEGINNING OF THE YEAR		<u>1,173</u>	<u>1,002</u>
CASH AT BANK AND IN HAND AT THE END OF THE YEAR		<u>1,222</u>	<u>1,173</u>

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

1 ACCOUNTING POLICIES

(a) **Accounting convention**

The accounts are prepared in accordance with the historical cost convention and also in accordance with DfES accounting requirements. DfES accounting requirements vary in format from those of the Companies Act 1985 and have been applied where special circumstances exist. The format has also been adapted to provide information which complies with the Statement of Recommended Practice (SORP) Accounting by Charities.

The company has not prepared group accounts on the basis that the subsidiaries are immaterial to the group. The financial statements relate to this company only.

(b) **Income and Expenditure**

Income is the total amount of income receivable by the College for the year. Expenditure is charged to the Income and Expenditure account on the accruals basis.

(c) **Grants**

Revenue grants and capital grants are recognised in the income and expenditure account in the period in which they are receivable.

In accordance with the Charities SORP, expenditure has been analysed between direct charitable and other expenditure. The only activity undertaken by the College is the operation of the College and indirect charitable expenditure reflects the costs of management, administration and fundraising necessary for the operation of the College. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. These include:

Cost category	Basis of apportionment
Maintenance of Premises	Capacity of accommodation utilised
Depreciation	Capacity of accommodation utilised

(d) **Tangible fixed assets**

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives as follows:

Freehold land	Nil
Freehold buildings	1.67% - 20% straight line
Plant and machinery	10%-20% straight line
Furniture and equipment	10%-25% - straight line
Computer equipment and software	25% straight line
Motor vehicles	25% reducing balance

Software purchased independently of computers is written off in the year of purchase.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

1 ACCOUNTING POLICIES (continued)

(e) **Taxation**

Under S360 Taxes Act 1970 the College is not liable to corporation tax. The cost of Value Added Tax incurred by the College has been included in the Income and Expenditure Account.

(f) **Capital income**

Capital income by way of grants from the Government and by private donations are recognised in the income and expenditure account in the period in which they are received.

(g) **Pension costs**

Retirement benefits to teachers employed by the College are provided by the Teachers Pension Scheme (TPS). The TPS is a national, statutory, contributory, unfunded final salary scheme administered by the Teachers Pension Agency, an independent agency of the Department for Education and Skills. Pension costs are assessed in accordance with the advice of the Government Actuary (GA), which requires a review not less than every five years. The scheme is a defined benefit scheme but the Trust is unable to identify its share of the underlying assets and liabilities.

Costs include normal and supplementary contributions. The regular cost is the normal contribution, expressed as a percentage of salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Currently, teachers pay 6% of salary whilst their employers pay the balance of the normal contribution. Variations from the regular pension cost are met by a supplementary contribution. This occurs if, as a result of the actuarial investigation, it is found that the accumulated liabilities for benefits to past and present teachers are not fully covered by normal contributions to be paid in the future and by the notional fund built up from past contributions. The employer's contribution rate was increased from 7.4% to 8.35% in April 2002. The normal and supplementary contributions are charged to the income and expenditure account in the year.

The last valuation of the TPS was for the period 1 April 1991 to 31 March 1996. The GA's report of June 1999 revealed that the total liabilities of the scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £65,670 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £61,710 million. The GA concluded, in his supplementary report of March 2002 specifying an alternative pattern of employers' supplementary contributions, that the deficiency of £3,960 million could be eliminated by supplementary contributions of 0.4% of pay from 1 April 2000 to 31 March 2002, and of 1.35% from 1 April 2002 to 31 March 2040. The financial assumptions in the GA report were that prices would increase by 5% and salaries by 6.5%, and the rate of return on investments would be 8.5%.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

1 ACCOUNTING POLICIES (continued)

(g) Pension costs (continued)

The Government Actuary will produce a report on the 2001 scheme valuation at the end of 2002. Because the contribution rate set at the valuation will, for the first time, include the cost of pension increases, as well as taking account of developments – such as changes in mortality assumptions – since the 1996 valuation, the employer contribution rate, applicable from 1 April 2003, is likely to be in the 13-14% range.

Non teaching members of staff are offered membership of a defined contribution scheme. The assets of this scheme are held separately from those of the College, being invested with insurance companies. The pension costs for that scheme represent the contributions payable by the College in the year.

	2002 £'000	2001 £'000
2 ANNUAL PER CAPITA GRANT (APG)		
APG income	3,904	3,598
Carry over brought forward from previous year	<u>(14)</u>	<u>157</u>
	3,890	3,755
Net APG expenditure	<u>(4,001)</u>	<u>(3,769)</u>
(Overspent)/underspent APG	<u>(111)</u>	<u>(14)</u>
Maximum permitted carry over (12% of APG)	<u>467</u>	<u>432</u>
3 PRIVATE SECTOR INCOME		
Capital sponsorship	<u>103</u>	<u>69</u>
4 OTHER INCOME		
Interest receivable (public)	10	25
Interest receivable (private)	30	31
Sundry income	<u>276</u>	<u>310</u>
	<u>316</u>	<u>366</u>

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

5 TOTAL RESOURCES EXPENDED

	Staff costs £'000	Depreciation £'000	Other costs £'000	Total 2002 £'000	Total 2001 £'000
Direct provision of education	2,589	332	321	3,242	3,059
Support costs	320	12	41	373	394
Educational management and administration	304	15	165	484	531
Premises	122	-	222	344	326
	<u>3,335</u>	<u>359</u>	<u>749</u>	<u>4,443</u>	<u>4,310</u>
				2002 £'000	2001 £'000

6 EXCESS OF INCOME OVER EXPENDITURE

Excess of income over expenditure is after charging
the following:

Depreciation	359	417
Educational supplies and services	245	228
Occupancy costs	161	150
Maintenance costs	62	68
Supplies and services	164	191
Auditors' remuneration	<u>8</u>	<u>7</u>

7 STAFF COSTS

Wages and salaries	2,931	2,720
Social security costs	203	213
Other pension costs	<u>201</u>	<u>176</u>
	<u>3,335</u>	<u>3,109</u>

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

7 STAFF COSTS (continued)

The average number employed during the year was:

	2002 Number	2001 Number
Teaching including technicians	94	105
Management	3	4
Administration	19	14
Premises	3	3
Hourly paid	21	21
	<u>140</u>	<u>147</u>

Employees earning over £50,000 were in the following ranges:

£50,001 - £60,000	1	2
£60,001 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	<u>1</u>	<u>1</u>

8 EMOLUMENTS OF GOVERNORS

The Governors received no emoluments from the College in their capacity as Governors.

9 INSURANCE

The College has various insurance policies. Included is cover against any losses of money or goods resulting from fraud or dishonesty by College employees. The insurance provides cover up to £250,000 and the cost for the year ended 31 August 2002 was £365.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

10 TANGIBLE FIXED ASSETS

Cost:	Freehold land and buildings £'000	Plant and machinery £'000	Furniture and equipment £'000	Computer equipment and software £'000	Motor vehicles £'000	Total £'000
At 1 September 2001	8,697	662	1,825	1,064	22	12,270
Additions	109	-	17	94	-	220
Disposals	-	-	(18)	(15)	-	(33)
At 31 August 2002	<u>8,806</u>	<u>662</u>	<u>1,824</u>	<u>1,143</u>	<u>22</u>	<u>12,457</u>
Accumulated depreciation:						
At 1 September 2001	1,836	640	1,552	789	6	4,823
Charge for year	138	5	78	134	4	359
Disposals	-	-	(6)	(14)	-	(20)
At 31 August 2002	<u>1,974</u>	<u>645</u>	<u>1,624</u>	<u>909</u>	<u>10</u>	<u>5,162</u>
Net book value:						
At 31 August 2002	<u>6,832</u>	<u>17</u>	<u>200</u>	<u>234</u>	<u>12</u>	<u>7,295</u>
At 31 August 2001	<u>6,861</u>	<u>22</u>	<u>273</u>	<u>275</u>	<u>16</u>	<u>7,447</u>

The above cost includes freehold land of £370,590 which has not been depreciated.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

10 TANGIBLE FIXED ASSETS (continued)

Source of funding for assets acquired since date of incorporation.

	Freehold land and buildings £'000	Plant and machinery £'000	Furniture and equipment £'000	Computer equipment and software £'000	Motor vehicles £'000	Total £'000
Capital grants	6,245	517	1,013	341	-	8,116
Private sector	2,561	145	788	652	22	4,168
Other DfES grants	-	-	23	150	-	173
	<u>8,806</u>	<u>662</u>	<u>1,824</u>	<u>1,143</u>	<u>22</u>	<u>12,457</u>

The net book value at 31 August 2002 represents fixed assets used for:

Direct charitable purposes:

Educational provision	6,229	17	174	234	-	6,654
Support services	322	-	9	-	-	331

Other purposes:

Management and administration	281	-	17	-	12	310
	<u>6,832</u>	<u>17</u>	<u>200</u>	<u>234</u>	<u>12</u>	<u>7,295</u>

11 DEBTORS

	2002 £'000	2001 £'000
Amounts falling due within one year:		
Other debtors	<u>131</u>	<u>69</u>
Amounts falling due after more than one year:		
Loan to subsidiary undertaking (note 22)	<u>183</u>	<u>-</u>

12 OTHER CREDITORS

Other taxation and social security	68	66
Other creditors	<u>162</u>	<u>160</u>
	<u>230</u>	<u>226</u>

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

13 RESTRICTED FUNDS

The income funds of the College comprise the following balances of grants to be applied for specific purposes.

	Balance at 31 August 2001 £'000	Incoming resources £'000	Expenditure gains/losses and transfers £'000	Balance at 31 August 2002 £'000
APG revenue	385	3,969	3,733	621
DfES Achievement Award	-	40	40	-
Virtual classroom project	(1)	-	-	(1)
Masterclass / Community	2	21	21	2
Direct DfES Funding	70	72	142	-
Beacon School	(4)	39	37	(2)
Restricted fixed asset fund	7,277	238	359	7,156
	<u>7,729</u>	<u>4,379</u>	<u>4,332</u>	<u>7,776</u>

The movement on the restricted general fund amounted to an increase of £168,000.

14 DESIGNATED FUNDS

The income funds of the College include a designated fund for building maintenance which has been set aside out of both restricted and unrestricted funds by the Governors for this purpose.

	Balance at 31 August 2001 £'000	Incoming Resources £'000	Transfers and Expenditure £'000	Balance at 31 August 2002 £'000
Premises fund	100	-	-	100
Unrestricted funds	447	250	236	461
	<u>547</u>	<u>250</u>	<u>236</u>	<u>561</u>

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total £'000
Tangible fixed assets	-	139	7,156	7,295
Current assets	561	1,018	-	1,579
Current liabilities	-	(537)	-	(537)
	<u>561</u>	<u>620</u>	<u>7,156</u>	<u>8,337</u>

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

16 RECONCILIATION OF EXCESS OF EXPENDITURE OVER INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £'000	2001 £'000
Excess of expenditure over income of revenue fund for the year	61	3
Capital grants	(113)	(91)
Interest receivable	(36)	(52)
Increase in debtors	(49)	(32)
(Decrease)/increase in creditors	43	(8)
Depreciation charge	359	417
	<u>265</u>	<u>237</u>

17 RECONCILIATION OF MOVEMENT IN FUNDS

Excess of expenditure over income of revenue fund for the year	61	3
Balance at 1 September 2001	<u>8,276</u>	<u>8,273</u>
Balance at 31 August 2002	<u>8,337</u>	<u>8,276</u>

18 CAPITAL COMMITMENTS

Contracted but not provided for	<u>172</u>	<u>21</u>
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19 PENSION CONTRIBUTIONS

The Teaching Staff are members of The DfES Teachers' Pensions Agency Teachers' Pension Scheme, which is a defined benefit scheme. The assets of the scheme are held separately from those of the College in an independently administered fund. The College has also arranged personal pension plans for those non-teaching staff who wish to avail themselves of the facility. These schemes are defined contribution schemes. The pension costs charge represents the contribution payable by the College to the schemes, and amounted to £201k (2001: £176k). At 31 August 2002 contributions amounting to £27k (2001: £23k) were payable to the scheme and are included in creditors.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

20 MEMBERS

The liability of members is limited to a guarantee of £1 each if the College is wound up during membership or within one year after ceasing to be a member. At 31 August 2002 there were 3 members (2001 - 3 members).

21 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Interactive Learning Limited

The College was previously gifted the whole of the issued share capital of Interactive Learning Limited comprising 99 shares of £1 each. The principal activity of Interactive Learning Limited is the production of interactive education CDs and student assessment software.

During the first period of trading, being eight months to 31 August 2002, Interactive Learning Limited made a loss of £39k and, at that date, had a deficiency of net assets amounting to £39k.

The College has confirmed that it will financially support the company for at least twelve months from the balance sheet date. The College has made provision against the amount due from the company of an amount approximately equal to the company's net asset deficiency.

The Minerva Centre Limited

The College was previously gifted the whole of the issued share capital of The Minerva Centre Limited comprising 99 shares of £1 each. The principal activity of The Minerva Centre Limited is educational ICT services.

During the first period of trading, being eight months to 31 August 2002, The Minerva Centre Limited made a loss of £8k and, at that date, had a deficiency of net assets amounting to £8k.

The College has confirmed that it will financially support the company for at least twelve months from the balance sheet date. The College has made provision against the amount due from the company of an amount approximately equal to the company's net asset deficiency.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2002

22 RELATED PARTY TRANSACTIONS

The College has invested £2k in Advocate, a consultancy company offering education services. It is expected that some College staff will be hired from time to time for consultancy work.

During the year, Interactive Learning Limited and The Minerva Centre Limited were charged £15,457 and £13,273 respectively by the College.

The balances owing to the College at 31 August 2002 were £58,386 in respect of Interactive Learning Limited and £29,502 in respect of The Minerva Centre Limited.

In addition, The Minerva Centre Limited owes the College £183,082 in respect of a long-term funding loan.