



Accountants and business advisors

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Dixons City Technology College Charitable Trust

(A company limited by guarantee)

Registered number 2303464

Charity number 328020

Annual Report
Year ended 31 August 2003



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DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2003

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**DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST
LEGAL AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 AUGUST 2003**

Governors

Professor Grace Alderson
Geoffrey Budd
Brian Collins
Jeremy Darroch (resigned 1 January 2003)
John Davies
Pat Drake
Peter Flesher
John Francis
Ian Greenwood
Ehjaz Gull (resigned 3 July 2003)

Sir James Hill (Chairman of Governors)
David Holmes
Sir Stanley Kalms (resigned 1 August 2003)
Guy Kitchen (resigned 3 February 2003)
Marion Le Pla
Bruce Marsh (appointed 7 February 2003)
Jonathan Moorhouse
Tim Ratcliffe
Nicholas Robinson (resigned 1 August 2003)
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 2003

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 2003.

RESULTS FOR THE YEAR

The excess of trading income over expenditure for the year was £252k, prior to capital grants and depreciation, the whole of which has been added to the General Purpose Fund. External non-DfES activities contributed most 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 £49k. Depreciation charges exceeded capital grants by £58k and thus the net excess of income over expenditure was £194k.

The balance sheet discloses cash and bank balances of £1,601k. These funds are earmarked for various purposes, including the following:

	<u>£'000</u>
Student deposits for educational visits, etc.	149
Capital commitments per note 19	26
Long term capital reserve-unspecified (Note 15)	585
Short/medium term fixed asset replacement - specified	460
One month's recurrent funding	375

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 number of places available with the ratio this year remaining at approximately 4:1.

Our students continued to perform well at all key stages, exceeding the excellent results achieved last year.

	2003 %	2002 %
Key Stage 3 SATS Results – level 5 and above		
English	96	95
Maths	96	91
Science	96	95
ICT	93	98

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

REPORT OF THE GOVERNORS

YEAR ENDED 31 AUGUST 2003

REVIEW OF RESULTS (CONTINUED)

		2003	2002
		%	%
GCSE	5 or more A* - C grades	95.1	94.4
	A* and As	28.2	19.9
Post - 16	pass rate grade E and above	98.6	96.0
	pass rate grade B and above	41.7	32.0
	average points per student	300.0	271.0

We are pleased with the improvements achieved at the top end of each cohort and with the insignificant difference in performance according to gender and ethnic groups, contrary to national trends. There is significant value-added by students in each of the academic key stages.

For the second successive year, the College received a School Achievement Award from the Department of Education & Skills recognising the success of the College, the professionalism and expertise of its staff and the achievements of its students. The award is a further reflection of the esteem in which the College is held, supplementing awards of Investor in People, CharterMark, Beacon School and this year being awarded Training School status (see review of activities).

RESERVES POLICY

The Governors have accepted the need for general long-term reserves to be maintained at a level approximately equal to 10% of turnover. At the year end this reserve was £585k.

Additionally, and to help fund short and medium term investment, the Governors transfer to restricted funds an annually variable sum up to a maximum of 12.5% of Government grant. At the year end the fund balance, inclusive of covenanted income, was £585k.

LINKS WITH OTHER SCHOOLS

The College has firmly established a national reputation as a 'centre of excellence' and has many links with other schools through various projects, conferences, teacher training and workshops on the 'electronic classroom'.

The Primary School Partnership project, established three 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's Sixth Form students have participated in voluntary work at these schools, particularly assisting teachers in the Literacy Strategy under the Better Reading Partnership programme.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

REPORT OF THE GOVERNORS

YEAR ENDED 31 AUGUST 2003

LINKS WITH OTHER SCHOOLS (CONTINUED)

The College has now completed its third 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. We are very pleased that this has again been renewed in September 2003 for what is expected to be the final year in which the DfES will support these activities.

The College is also working closely with five other schools as part of the South Bradford Confederation, which aims to improve levels of attainment across the area. For the first time this provides a formal framework within which the College can work in partnership with LEA Secondary 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 the provision of educational information communications technologies to schools and other establishments.

Each of these companies have had a successful year, generating surpluses which were gift aided to the College.

REVIEW OF OTHER ACTIVITIES

The College has always recognised that it has a duty to play a prominent role 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's initiative to train Information Communication Technology teachers on a one-year placement.

The College's long standing contribution to Initial Teacher Training has been recognised this year with the award of Training School status. The College now works closely with the Teacher Training Agency to improve the quality and quantity of teacher training in the whole of the Yorkshire & Humberside region which means that, in addition to the above, we now work closely with staff in other schools to develop their teacher training capabilities.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

REPORT OF THE GOVERNORS

YEAR ENDED 31 AUGUST 2003

REVIEW OF OTHER ACTIVITIES (CONTINUED)

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 continued its significance as a prominent activity of The Minerva Centre Ltd.

Protracted negotiations were held throughout the year with regard to the possibility of the College merging with Bradford Cathedral Community College to form a new *City Academy*. Parties involved were the two Colleges, the Department for Education & Skills, Bradford LEA and Education Bradford. However the project did not go ahead due to disagreement concerning the basic structure and organisation of the proposed new Academy.

MANAGEMENT OF RISK

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

DIXONS GROUP PLC

The Governors once again place on record their grateful acknowledgement of the 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.

In August 2003, Sir Stanley Kalms, recently retired Chairman of Dixons Group plc, resigned from the Board of Governors. Sir Stanley was instrumental in the concept of a City Technology College in Bradford, the establishment and subsequent growth of the College. He remained enthusiastically supportive of the College's aims and proud of its achievements during his tenure as a Governor. The Governors are indebted to Sir Stanley for the substantial contribution he has made to the College during his period in office.

FIXED ASSETS

Details of changes in fixed assets are given in note 11 to the financial statements.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

REPORT OF THE GOVERNORS

YEAR ENDED 31 AUGUST 2003

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:

John Davies (Chairman)	David Holmes
Geoffrey Budd	Bruce Marsh
Peter Flesher	Tim Ratcliffe
Sir James Hill	Jo Williams

STATUS

The College is a company limited by guarantee and is a registered charity. Because of its charitable status, it is exempt from UK corporation taxation.

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

11 December 2003

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 2003

We have audited the financial statements of Dixons City Technology College Charitable Trust for the year ended 31 August 2003 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.

This report is made solely to the members of the charitable trust, 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 trust's members those matters we are required to state to them in an Auditors' 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 trust and the members of the trust as a body, for our audit work, for this report, or for the opinions we have formed.

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 Report of the Governors 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 Report of the Governors, 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 2003

Qualified opinion arising from disagreement about accounting treatment

As explained in Note 1 (a) the company has not prepared consolidated accounts for its group, which are required by the Accounting and Reporting by Charities: Statement of Recommended Practice (Revised 2000). As a consequence the financial statements do not give all the information required about the economic activities of the group of which the company is the parent.

Except for the non-preparation of consolidated accounts indicated above, in our opinion:

- a) the financial statements give a true and fair view of the state of affairs of the company as at 31 August 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;
- 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.

PKF

PKF

Registered Auditors

Leeds, UK

18 December 2003

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2003

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2003 £'000	Total 2002 £'000
Incoming resources						
Grants receivable		-	4,377	233	4,610	4,085
Donations and gifts	3	-	-	100	100	103
Investment income	2/5	40	9	-	49	40
Other income	5	211	98	-	309	276
Total incoming resources		<u>251</u>	<u>4,484</u>	<u>333</u>	<u>5,068</u>	<u>4,504</u>
Resources expended						
Charitable expenditure:						
Provision of education		77	3,086	346	3,509	3,242
Support costs		-	487	10	497	373
Educational management And administration		-	484	15	499	484
Premises		-	369	-	369	344
Total resources expended	6	<u>77</u>	<u>4,426</u>	<u>371</u>	<u>4,874</u>	<u>4,443</u>
Net incoming/(outgoing)						
Resources before transfers		174	58	(38)	194	61
Transfer between funds		<u>(150)</u>	<u>-</u>	<u>150</u>	<u>-</u>	<u>-</u>
Net movement in funds		24	58	112	194	61
Fund balances brought forward at 1 September 2002		<u>561</u>	<u>620</u>	<u>7,156</u>	<u>8,337</u>	<u>8,276</u>
Fund balances carried forward at 31 August 2003	15/16	<u>585</u>	<u>678</u>	<u>7,268</u>	<u>8,531</u>	<u>8,337</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 11 and the overall financial position at the year end is summarised in the balance sheet on page 12.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 AUGUST 2003

	Notes	2003 £'000	2002 £'000
INCOME			
Annual per capita grant	2	4,143	3,904
Other DfES income	4	341	237
Other income	5	271	250
DfES capital		233	10
Sponsorship	3	80	103
		<u>5,068</u>	<u>4,504</u>
EXPENDITURE			
Annual per capita grant related expenditure	2	4,245	4,001
Other DfES grant related expenditure		181	59
Private sector income related expenditure		77	24
Depreciation		371	359
		<u>4,874</u>	<u>4,443</u>
EXCESS OF INCOME OVER EXPENDITURE BEFORE TRANSFERS	18	<u>194</u>	<u>61</u>
TRANSFERS TO:			
GENERAL PURPOSE FUND: Unrestricted	15	24	14
Restricted	14	58	168
		82	182
FIXED ASSET FUND	14	<u>112</u>	<u>(121)</u>
		<u>194</u>	<u>61</u>

The Income and Expenditure account is derived from the Statement of Financial Activities on page 10 which, together with the notes to the accounts on pages 14 to 24 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 relate to continuing operations.

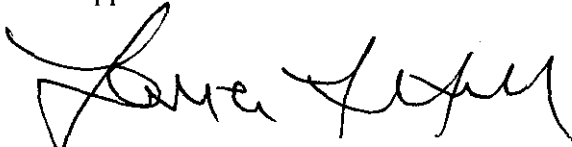
DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

BALANCE SHEET

31 AUGUST 2003

	Notes	2003 £'000	2002 £'000
TANGIBLE FIXED ASSETS	11	7,221	7,295
CURRENT ASSETS			
Debtors - Due within one year	12	119	131
- Due after one year	12	126	183
Prepayments and accrued income		57	43
Cash at bank and in hand		<u>1,601</u>	<u>1,222</u>
		<u>1,903</u>	<u>1,579</u>
LESS: CURRENT LIABILITIES			
Amounts falling due within one year			
Trade creditors		144	188
Other creditors	13	326	230
Accruals and deferred income		<u>123</u>	<u>119</u>
		<u>593</u>	<u>537</u>
NET CURRENT ASSETS		<u>1,310</u>	<u>1,042</u>
NET ASSETS		<u>8,531</u>	<u>8,337</u>
FINANCED BY:			
FUNDS			
Restricted fixed assets funds	16	7,268	7,156
Restricted general fund	16	678	620
Unrestricted fund	15	585	461
Premises fund	15	<u>-</u>	<u>100</u>
	18	<u>8,531</u>	<u>8,337</u>

Approved on behalf of the Board of Governors on 11 December 2003


 Sir James Hill Governor

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2003

	Notes	2003 £'000	2002 £'000
OPERATING ACTIVITIES			
RECEIPTS			
Recurrent grants received from DfES:			
Annual per capita grant		4,157	3,894
Other receipts from DfES		309	237
Other receipts		283	228
PAYMENTS			
Staff costs		(3,609)	(3,353)
Other operating expenses		<u>(840)</u>	<u>(741)</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	300	265
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest received		45	40
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(336)	(186)
FINANCING			
Capital grants from DfES		233	10
Support from sponsors		80	103
Loan to subsidiary	23	<u>57</u>	<u>(183)</u>
		370	(70)
NET INCREASE IN CASH AT BANK AND IN HAND		379	49
CASH AT BANK AND IN HAND BROUGHT FORWARD AT THE BEGINNING OF THE YEAR		<u>1,222</u>	<u>1,173</u>
CASH AT BANK AND IN HAND AT THE END OF THE YEAR		<u>1,601</u>	<u>1,222</u>

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2003

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements 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 company has not prepared consolidated financial statements for its group, which are required by the Accounting and Reporting by Charities: Statement of Recommended Practice (Revised 2000), because the directors believe that they would not show any information that is not disclosed in the individual companies' financial statements. Except for the failure to prepare consolidated financial statements, the format has been adapted to provide information which complies with the SORP.

(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 year of purchase.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2003

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**

The Teacher's Pension Scheme ("TPS") is a statutory, contributory, final salary scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local education authorities and also to teachers in many independent and voluntary aided schools and establishments of further and higher education. Teachers are able to opt out of the TPS.

The TPS is a multi employer scheme; the company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly has accounted for it as a defined contribution scheme in accordance with FRS17.

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.

2 ANNUAL PER CAPITA GRANT (APG)	2003 £'000	2002 £'000
APG income		
Annual per capital grant	4,059	3,825
Threshold payment	75	69
Capital interest	9	10
	<hr/> 4,143	<hr/> 3,904
Carry over brought forward from previous year	(111)	(14)
	<hr/> 4,032	<hr/> 3,890
Net APG expenditure	(4,245)	(4,001)
(Overspent)/underspent APG	<hr/> (213)	<hr/> (111)
Maximum permitted carry over (12% of APG)	<hr/> 497	<hr/> 467

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2003

3	PRIVATE SECTOR INCOME	2003	2002
		£'000	£'000

Capital sponsorship	<u>80</u>	<u>103</u>
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4	OTHER DUES INCOME
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Beacon school	39	39
Community	21	21
School standards grant	90	72
Achievement award	41	40
Teacher training	36	9
Miscellaneous tuition income	53	48
Examination income	9	8
Leadership incentive	<u>52</u>	<u>-</u>
	<u>341</u>	<u>237</u>

5	OTHER INCOME
----------	---------------------

Interest receivable (private)	40	30
Gift Aid from subsidiary undertakings	20	-
Sundry income	<u>211</u>	<u>220</u>
	<u>271</u>	<u>250</u>

6	TOTAL RESOURCES EXPENDED
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	Staff costs £'000	Depreciation £'000	Other costs £'000	Total 2003 £'000	Total 2002 £'000
Direct provision of education	2,768	346	395	3,509	3,242
Support costs	446	10	41	497	373
Educational management and administration	313	15	171	499	484
Premises	<u>127</u>	<u>-</u>	<u>242</u>	<u>369</u>	<u>344</u>
	<u>3,654</u>	<u>371</u>	<u>849</u>	<u>4,874</u>	<u>4,443</u>

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2003

7	EXCESS OF INCOME OVER EXPENDITURE	2003 £'000	2002 £'000
	Excess of income over expenditure is after charging the following:		
	Depreciation	371	359
	Educational supplies and services	258	245
	Occupancy costs	164	161
	Maintenance costs	78	62
	Supplies and services	171	164
	Auditors' remuneration	8	8

8 STAFF COSTS

Wages and salaries	3,162	2,931
Social security costs	214	203
Other pension costs	278	201
	3,654	3,335

The average monthly number employed during the year was:

	2003 Number	2002 Number
Teaching including technicians	97	94
Management	3	3
Administration	16	19
Premises	3	3
Hourly paid	21	21
	140	140

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

£50k to £60k	-	1
Over £60k	3	2

9 EMOLUMENTS OF GOVERNORS

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

10 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 2003 was £365.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2003

11 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 2002	8,806	662	1,824	1,143	22	12,457
Additions	125	39	35	98	-	297
Disposals	(150)	-	-	-	-	(150)
At 31 August 2003	<u>8,781</u>	<u>701</u>	<u>1,859</u>	<u>1,241</u>	<u>22</u>	<u>12,604</u>
Accumulated Depreciation:						
At 1 September 2002	1,974	645	1,624	909	10	5,162
Charge for year	156	11	68	133	3	371
Disposals	(150)	-	-	-	-	(150)
At 31 August 2003	<u>1,980</u>	<u>656</u>	<u>1,692</u>	<u>1,042</u>	<u>13</u>	<u>5,383</u>
Net book value:						
At 31 August 2003	<u>6,801</u>	<u>45</u>	<u>167</u>	<u>199</u>	<u>9</u>	<u>7,221</u>
At 31 August 2002	<u>6,832</u>	<u>17</u>	<u>200</u>	<u>234</u>	<u>12</u>	<u>7,295</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 2003

11 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	6,455	517	1,013	375	-	8,360
Private sector	2,476	184	823	716	22	4,221
Other DfES grants	-	-	23	150	-	173
	<u>8,931</u>	<u>701</u>	<u>1,859</u>	<u>1,241</u>	<u>22</u>	<u>12,754</u>

The net book value at 31 August 2003 represents fixed assets used for:

Direct charitable purposes:

Educational provision	6,210	39	142	199	-	6,590
Support services	315	3	6	-	-	324

Other purposes:

Management and administration	276	3	19	-	9	307
	<u>6,801</u>	<u>45</u>	<u>167</u>	<u>199</u>	<u>9</u>	<u>7,221</u>

12 DEBTORS

**2003
£'000** **2002
£'000**

Amounts falling due within one year:

Other debtors	<u>119</u>	<u>131</u>
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Amounts falling due after more than one year:

Loan to subsidiary undertaking (note 23)	<u>126</u>	<u>183</u>
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Included in the above loan to subsidiary undertaking is £32k due within one year.

13 OTHER CREDITORS

Other taxation and social security	81	68
Other creditors	<u>245</u>	<u>162</u>
	<u>326</u>	<u>230</u>

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2003

14 RESTRICTED FUNDS

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

	Balance at 31 August 2002 £'000	Incoming resources £'000	Expenditure gains/losses and transfers £'000	Balance at 31 August 2003 £'000
APG revenue	621	4,059	(4,091)	589
DfES Achievement Award	-	75	(75)	-
Masterclass / Community	2	21	(21)	2
Direct DfES Funding	-	90	-	90
Beacon School	(2)	39	(39)	(2)
Virtual classroom project	(1)	-	-	(1)
Achievement award	-	41	(41)	-
Teacher training	-	36	(36)	-
Other restricted income	-	123	(123)	-
Restricted fixed asset fund	7,156	483	(371)	7,268
	<u>7,776</u>	<u>4,967</u>	<u>(4,797)</u>	<u>7,946</u>

The movement on the restricted general fund amounted to an increase of £58,000.

15 DESIGNATED FUNDS

The income funds of the College included a designated fund for building maintenance which had been set aside out of both restricted and unrestricted funds by the Governors for this purpose. This has now been incorporated into the unrestricted fund.

	Balance at 31 August 2002 £'000	Incoming Resources £'000	Transfers and Expenditure £'000	Balance at 31 August 2003 £'000
Premises fund	100	-	(100)	-
Unrestricted funds	461	251	(127)	585
	<u>561</u>	<u>251</u>	<u>(227)</u>	<u>585</u>

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2003

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total £'000
Tangible fixed assets	-	-	7,221	7,221
Current assets	585	1,271	47	1,903
Current liabilities	-	(593)	-	(593)
	<u>585</u>	<u>678</u>	<u>7,268</u>	<u>8,531</u>

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

	2003 £'000	2002 £'000
Excess of income over expenditure of revenue fund for the year	174	61
Capital grants	(313)	(113)
Interest receivable	(49)	(36)
Increase in debtors	18	(49)
(Decrease)/increase in creditors	99	43
Depreciation charge	371	359
	<u>300</u>	<u>265</u>

18 RECONCILIATION OF MOVEMENT IN FUNDS

Excess of income over expenditure of revenue fund for the year	194	61
Balance at 1 September 2002	<u>8,337</u>	<u>8,276</u>
Balance at 31 August 2003	<u>8,531</u>	<u>8,337</u>

19 CAPITAL COMMITMENTS

Contracted but not provided for	<u>26</u>	<u>172</u>
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DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2003

20 PENSION CONTRIBUTIONS

Although teachers are employed by LEAs and various other bodies, their retirement and other superannuation benefits, including annual increases payable under the Pensions (Increase) Acts, are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the TPS, which is an unfunded scheme, teachers' contributions, on a "pay-as-you-go" basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions increases). With effect from 1 April 2001, the Account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Not less than every five years, the Government Actuary ("GA"), using normal actuarial principles, conducts an actuarial review of the TPS. The aim of the review is to specify the level of future contributions. The actuarial review as at 31 March 2001 made the following assumptions. The balance in the Account as at 31 March 2001 shall be such that, in the current review, the value of the scheme assets equals the value of the scheme liabilities. The scheme assets consist of the notional investments and the future contributions in respect of existing members. Thus, the balance in the Account as at 31 March 2001 will be determined as the difference between the value of the scheme liabilities and the value of future contributions. Contributions are assessed in two parts. First, a normal contribution is determined. This is the contribution, expressed as a percentage of the 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. Secondly, a supplementary contribution is payable by employers if, as a result of the actuarial valuation, it is found that the accumulated liabilities of the Account for benefits to past and present teachers are not fully covered by normal contributions to be paid in future and by the fund built up from past contributions. Because the liabilities were put into balance for the 2001 valuation there is no supplementary contribution. From 1 April 2003, employers pay 13.5% of salary.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2003

20 PENSION CONTRIBUTIONS (continued)

The last valuation of the TPS was for the period 1 April 1996 to 31 March 2001. The GA's report of March 2003 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £142,880 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £142,880 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed rate of return is 7%.

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 £278k (2002: £201k). At 31 August 2003 contributions amounting to £40k (2002: £27k) were payable to the scheme and are included in creditors.

21 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 2003 there were 3 members (2002 - 3 members).

22 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.

During the year ended 31 August 2003, Interactive Learning Limited generated turnover of £170k, made a profit of £38k and at that date had net liabilities of £2k.

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.

DIXONS CITY TECHNOLOGY COLLEGE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2003

22 INVESTMENT IN SUBSIDIARY UNDERTAKINGS (CONTINUED)

The Minerva Centre Limited (continued)

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.

During the year ended 31 August 2003, The Minerva Centre Limited generated turnover of £677k, made a profit of £11k and at that date had net assets of £2k.

23 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 £5,670 (2002: £15,457) and £22,450 (2002: £13,273) respectively by the College.

The balances owing to the College at 31 August 2003 were £58,815 (2002: £58,386) in respect of Interactive Learning Limited and £22,453 (2002: £29,502) in respect of The Minerva Centre Limited.

An amount of Gift Aid of £20,000 is receivable from The Minerva Centre Limited in respect of the period. This is included in other debtors.

In addition, The Minerva Centre Limited owes the College £126,082 (2002: £183,082) in respect of a long-term funding loan.