

WESTLAKES RESEARCH LIMITED
(Company Number 02699264)

DIRECTORS' AND TRUSTEES' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999



WESTLAKES RESEARCH LIMITED

COMPANY INFORMATION

DIRECTORS AND TRUSTEES:

Dr G G Butler
Mr K Dixon
Professor J Fyfe
Professor A Hamnett
Miss D M Lavin
Mr W Lowther
Mr T A Williams
Mr W Minto

SECRETARY:

Mr G Coulthard

COMPANY NUMBER:

02699264

CHARITY NUMBER:

1024410

REGISTERED OFFICE:

International Research and Graduate Centre
Westlakes Science and Technology Park
Moor Row
Cumbria
CA24 3JY

AUDITORS:

Gibbons & Company
Chartered Accountants and Registered Auditors
Carleton House
136 Gray Street
Workington
Cumbria
CA14 2LU

WESTLAKES RESEARCH LIMITED

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WESTLAKES RESEARCH LIMITED

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 1999

The Directors and Trustees present their report and the financial statements for the year ended 31 March 1999.

Statement of Trustees' Responsibilities

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business;
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time the financial position of the Charity 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 Charity and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Objects of the Charity and Principal Activities

The Charity is constituted as a Company limited by guarantee and is therefore governed by a Memorandum and Articles of Association.

The Charity's object and its principal activity continues to be that of advancing the education of the public in such a manner, as may be charitable, and in particular (but not to limit the generality of the foregoing), to promote interest in and the understanding of, environmental research and to encourage and assist occupational health research and to establish an educational institution in West Cumbria.

The principal activity of the Subsidiary Undertaking continues to be that of carrying out research projects in respect of health and scientific matters.

Directors and Trustees

All the Directors of the Company are also Trustees of the Charity and there are no other Trustees. The Directors who have served during the year were as follows:-

Dr G G Butler
 Mr K Dixon
 Professor J Fyfe
 Professor A Hamnett
 Miss D M Lavin
 Mr W Lowther
 Mr T A Williams
 Mr W Minto (Appointed 20 July 1999)

WESTLAKES RESEARCH LIMITED

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 1999 (CONTD)

Development, Activities and Achievements This Year

During the year, the Charity has received final grants of £140,836 following the completion of the Post Graduate Research Centre at Westlakes Science Park. The Charity has now taken on a number of students who are undertaking scientific research activities in order to further the objects of the Charity.

Future Developments

During the year the trading Subsidiary Undertaking made an operating loss of £1,233,458 and paid £110,000 to the Charity. This loss was reduced by the receipt of £1,201,457 from West Cumbria Development Fund Limited, in respect of Transitional Funding (See Note 3). The Charity also received £600,000 in respect of this Funding. It is expected that the level of business conducted with British Nuclear Fuels PLC will continue to fall over the coming year, however, the Directors are of the opinion that other profitable contracts will be obtained.

Transactions and Financial Position

The Consolidated Statement of Financial Activities shows net expenditure for the year of £217,101 and reserves stand at £6,561,905 in total.

Important transactions in the year include the receipt of further European Regional Development Funding of £140,836 towards the completion of the Post Graduate Research Centre, together with the receipt of Transitional Funding from West Cumbria Development Fund Limited of £600,000.

During the year the Charity also received a further £110,000 (gross) from Westlakes Scientific Consulting Limited under the Deed of Covenant.

Tangible Fixed Assets for Use by the Charity

Details of movements in fixed assets are set out in Note 8 to these financial statements. The Trustees are of the opinion that the net book value of £4,659,229 in respect of Freehold Land and Buildings fairly reflect the current market value.

Auditors

The Auditors, Gibbons & Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Approval of Report

This report was approved by the Board on *1st October 1999* and signed on its behalf.



G COULTHARD
SECRETARY

WESTLAKES RESEARCH LIMITED

AUDITORS' REPORT TO THE MEMBERS OF WESTLAKES RESEARCH LIMITED

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 1 the Charity's Trustees, who are also Directors of Westlakes Research Limited for the purposes of Company Law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

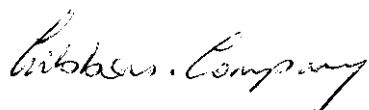
Basis of Opinion

We conducted our audit in accordance with 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 Trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit, so as to obtain all the information and explanations which we considered necessary, in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Charity's affairs as at 31 March 1999 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



GIBBONS & COMPANY

Chartered Accountants and Registered Auditors
Carleton House
136 Gray Street
Workington
Cumbria
CA14 2LU
14 October 1999

WESTLAKES RESEARCH LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 1999

	Note	Restricted £	Unrestricted £	Total 1999 £	Total 1998 £
Incoming Resources					
Grants Receivable	2	140,836	177,429	318,265	418,390
West Cumbria Development Fund Limited - Transitional Funding	3	-	600,000	600,000	600,000
Investment Income		-	19,451	19,451	53,756
Other Income		-	12,020	12,020	23,687
Net Expenditure of Trading Subsidiary	5	-	(216,430)	(216,430)	(418,489)
Total Incoming Resources		140,836	592,470	733,306	677,344
Resources Expended					
Direct Charitable Expenditure		(22,431)	(927,976)	(950,407)	(891,397)
Net Income/(Expenditure) for the Year		118,405	(335,506)	(217,101)	(214,053)
Fund Balance Brought Forward		2,916,833	3,862,173	6,779,006	6,993,059
Fund Balance Carried Forward		3,035,238	3,526,667	6,561,905	6,779,006

There were no Group recognised gains and losses for 1999 or 1998 other than those included in the Consolidated Statement of Financial Activities.

The notes on pages 8 to 15 form part of these financial statements.

WESTLAKES RESEARCH LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 1999

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Note	Restricted £	Unrestricted £	Total 1999 £	Total 1998 £
Incoming Resources					
Covenanted Income		-	110,000	110,000	40,000
Grants Receivable	2	140,836	177,429	318,265	418,390
West Cumbria Development Fund Limited - Transitional Funding	3	-	600,000	600,000	600,000
Investment Income	4	-	41,583	41,583	76,007
Other Income		-	12,020	12,020	23,687
Total Income		140,836	941,032	1,081,868	1,158,084
Resources Expended					
Direct Charitable Expenditure		(22,431)	(1,151,842)	(1,174,273)	(1,150,553)
Net Income/(Expenditure) for the Year		<u>118,405</u>	<u>(210,810)</u>	<u>(92,405)</u>	<u>7,531</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Restricted £	Unrestricted £	Total 1999 £	Total 1998 £
Net Income/(Expenditure) for the Year	118,405	(210,810)	(92,405)	7,531
Investment Losses	-	(124,696)	(124,696)	(221,584)
Net Movement in Funds for the Year	118,405	(335,506)	(217,101)	(214,053)
Total Funds Brought Forward	<u>2,916,833</u>	<u>3,862,173</u>	<u>6,779,006</u>	<u>6,993,059</u>
Total Funds Carried Forward	<u>3,035,238</u>	<u>3,526,667</u>	<u>6,561,905</u>	<u>6,779,006</u>

The notes on pages 8 to 15 form part of these financial statements.

WESTLAKES RESEARCH LIMITED

BALANCE SHEETS AS AT 31 MARCH 1999

		Group		Charity	
	Note	1999 £	1998 £	1999 £	1998 £
Fixed Assets					
Tangible Fixed Assets	8	5,268,272	5,381,915	2,644,362	2,616,047
Investments	9	-	-	2,458,571	2,583,267
		<u>5,268,272</u>	<u>5,381,915</u>	<u>5,102,933</u>	<u>5,199,314</u>
Current Assets					
Debtors and Prepayments	10	2,522,492	2,886,506	1,864,109	1,147,475
Cash at Bank and in Hand		<u>353,655</u>	<u>710,631</u>	<u>109,842</u>	<u>709,127</u>
		2,876,147	3,597,137	1,973,951	1,856,602
Creditors: Amounts Falling Due Within One Year	11	<u>1,582,514</u>	<u>2,200,046</u>	<u>514,979</u>	<u>276,910</u>
Net Currents Assets		<u>1,293,633</u>	<u>1,397,091</u>	<u>1,458,972</u>	<u>1,579,692</u>
Total Assets Less Current Liabilities		<u>6,561,905</u>	<u>6,779,006</u>	<u>6,561,905</u>	<u>6,779,006</u>
Income Funds					
Restricted Funds	12	3,035,238	2,916,833	3,035,238	2,916,833
Unrestricted Funds	12	1,068,098	1,278,908	3,526,667	3,862,173
Non-Charitable Trading Funds		<u>2,458,569</u>	<u>2,583,265</u>	-	-
		<u>6,561,905</u>	<u>6,779,006</u>	<u>6,561,905</u>	<u>6,779,006</u>

These financial statements were approved by the Board of Directors and Trustees on *1st October 1999* and signed on its behalf.



PROFESSOR J. PYFE
DIRECTOR AND TRUSTEE

The notes on pages 8 to 15 form part of these financial statements.

WESTLAKES RESEARCH LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1999

	Note	1999 £	1998 £
Net Cash Flow From Operating Activities	14	62,637	(470,498)
Taxation Paid		(173)	(208)
Capital Expenditure	15	<u>(351,543)</u>	<u>(901,053)</u>
Decrease in Cash	16	<u><u>(289,079)</u></u>	<u><u>(1,371,759)</u></u>

The notes on pages 8 to 15 form part of these financial statements.

WESTLAKES RESEARCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

1. ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards and the Statement of Recommended Practice on Charity Accounts. All of the activities of the Company are continuing.

(b) Covenanted Income

Covenanted Income is included in the Income and Expenditure Account at an amount which includes both the amount received and receivable and the amount of tax recoverable.

(c) Grants Received

Grants are credited in full to the Income and Expenditure Account in the period in which they are receivable.

(d) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:-

Freehold Buildings	1% Reducing Balance Basis
Plant and Machinery	20% Straight Line Basis
Office Equipment	20% Straight Line Basis
Motor Vehicles	20% Straight Line Basis
Computers	33% Straight Line Basis

(e) Pensions

The subsidiary undertaking operates a defined benefits pension scheme and pension contributions are charged to the Profit and Loss Account to spread the cost of pensions over the employees' working lives.

(f) Investments

Investments are valued in the Balance Sheet at market value. Realised and unrealised gains and losses on investments are recognised in the Statement of Financial Activities and credited or debited to the funds to which the investment relates.

(g) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Income and Expenditure Account as incurred.

2. GRANTS RECEIVABLE

	1999 £	1998 £
Revenue based Grants	177,429	60,400
Capital based Grants	140,836	357,990
	<u>318,265</u>	<u>418,390</u>

(a) Revenue Based Grants

During 1995/96 the Charity received approval of a European Regional Development Fund Grant towards the development and support of an administration infrastructure for a Post Graduate Research Centre at Westlakes Science and Technology Park.

During this year, the terms of this Grant were amended. The Charity may claim a grant of 34.57% of the eligible expenditure up to a maximum expenditure of £267,840. The project is now complete and the maximum funding has been agreed.

(b) Capital Based Grants

During 1995/96 the Charity received approval of grants from both West Cumbria Development Fund Limited and the European Regional Development Fund, which were to be used specifically towards the construction of a Post Graduate Research Centre at Westlakes Science and Technology Park.

Agreement was reached with West Cumbria Development Fund Limited whereby that Company would contribute £1.55 million towards the construction of the Post Graduate Research Centre. This donation has been treated as a Restricted Fund. There are no conditions or exit clauses attached to this donation.

The Charity received approval for the payment of a European Regional Development Fund Grant at a rate of 50% up to a maximum eligible expenditure of £3.1 million on the construction of the Post Graduate Research Centre.

This grant was payable on the satisfactory achievement of the following performance targets:-

- (i) 1,200 square metres of Research and Development space;
- (ii) 75 new training places created;
- (iii) 15 trainees qualified;
- (iv) 90 qualifications gained;
- (v) 90 permanent jobs created following project completion.

The grant may be repayable if –

- (i) There is a substantial or material change in the nature, scale, costs or timing of the project or if there is unsatisfactory progress towards meeting the performance targets listed above;
- (ii) During its economic life, which is taken as 20 years, the project is used for a purpose other than a Post Graduate Research Centre.

All funding has now been received following completion of this project and the grants have been treated as a Restricted Fund.

3. WEST CUMBRIA DEVELOPMENT FUND LIMITED – TRANSITIONAL FUNDING

During the year ended 31 March 1997 agreement was reached with West Cumbria Development Fund Limited whereby that Company would make available a maximum of £5.4 million over the next three years to Westlakes Scientific Consulting Limited and Westlakes Research Limited.

The actual and anticipated drawdown of these funds is as follows:-

	1997/98 £	1998/99 £	1999/00 £	2000/01 £	Total £
Guaranteed Funding	975,000	900,000	325,000	-	2,200,000
Incentivised Funding	517,055	901,457	1,250,000	526,488	3,195,000
	<u>1,492,055</u>	<u>1,801,457</u>	<u>1,575,000</u>	<u>526,488</u>	<u>5,395,000</u>

The guaranteed amounts are fixed and payable quarterly in advance to any of the above two Companies apportioned as agreed by those Companies.

The incentivised amounts are paid based on the achievements of each Company towards meeting certain business targets as agreed by West Cumbria Development Fund Limited.

During this year £1,801,457 has been received from the Fund, with this Company receiving £600,000 and £1,201,457 going to Westlakes Scientific Consulting Limited. West Cumbria Development Fund Limited is still holding funds amounting to £426,488 to be released when the Companies have met outstanding business targets and project milestones. Out of the total incentivised funding available of £3.2 million, the Companies have lost entitlement to claim £5,000.

The funding of £526,488, which is anticipated to be drawn down during 2000/01, is in respect of projects to be commenced prior to 31 March 2000 and expected to be completed some time during 2000/01.

4. INVESTMENT INCOME

	The Charity	
	1999 £	1998 £
Interest on Loan to Subsidiary Undertaking	22,132	22,251
Interest on Cash Deposits	19,451	53,756
	<u>41,583</u>	<u>76,007</u>

5. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The Charity has a wholly owned trading subsidiary, being Westlakes Scientific Consulting Limited, incorporated in England. This Company carries out research projects in respect of health and scientific matters and each year covenants to pay to the Charity its profits under a Deed of Covenant dated 29 March 1994.

A Summary of that Company's trading results are shown below. Audited Accounts have been filed at Companies House.

PROFIT AND LOSS ACCOUNT

	1999 £	1998 £
Turnover	4,390,396	4,871,655
Direct Costs	3,863,741	3,973,735
	526,655	897,920
Administrative Expenses	1,760,113	1,960,604
Operating Loss	(1,233,458)	(1,062,684)
Other Income	1,244,453	910,331
Profit/(Loss) on Ordinary Activities Before Interest	10,995	(152,353)
Interest Payable	25,427	29,058
Loss on Ordinary Activities Before Deed of Covenant Payment	(14,432)	(181,411)
Gross Amount Covenanted to Westlakes Research Limited	110,000	40,000
Loss on Ordinary Activities Before Taxation	(124,432)	(221,411)
Taxation	264	173
Transfer from Reserves	(124,696)	(221,584)
(Loss)/Profit on Ordinary Activities Before Deed of Covenant Payment	(14,432)	(181,411)
Taxation	264	173
	(14,696)	(181,584)
Less: Sales to Westlakes Research Limited	223,866	259,156
	(238,562)	(440,740)
Add: Expenses Charged by Westlakes Research Limited	22,132	22,251
Net Expenditure of Trading Subsidiary	(216,430)	(418,489)

6. NET INCOME

	1999 £	1998 £
This amount is stated after charging :-		
Depreciation of Tangible Fixed Assets	459,632	527,335
Loss on Sale of Tangible Fixed Assets	5,553	-
Directors' Remuneration	331,349	264,408
Auditors' Remuneration -		
Audit Services	7,450	7,275
Other Services	9,193	6,638
Operating Lease Rentals	265,899	274,764
Pension Scheme Contributions	184,139	163,288

All of the Directors' Remuneration was paid by the Subsidiary Undertaking.

7. STAFF COSTS

Staff Costs including Directors' remuneration, were as follows:-

	1999		1998	
	The Charity £	The Group £	The Charity £	The Group £
Wages and Salaries	10,323	3,061,572	1,333	2,929,572
Social Security Costs	893	250,508	112	225,509
Other Pension Costs	-	196,101	-	177,743
	<u>11,216</u>	<u>3,508,181</u>	<u>1,445</u>	<u>3,332,824</u>

The Charity only directly employed four employees during the year who were transferred to the subsidiary undertaking on 1 October 1998.

8. TANGIBLE FIXED ASSETS

The Charity

	Computers £	Motor Vehicles £	Freehold Land and Buildings £	Plant and Machinery £	Office Equipment £	Total £
Cost						
At 1 April 1998	451,192	25,922	2,210,044	134,933	36,558	2,858,649
Additions	15,439	-	82,135	198,594	7,900	304,068
Disposals	-	(25,922)	-	-	-	(25,922)
At 31 March 1999	<u>466,631</u>	<u>-</u>	<u>2,292,179</u>	<u>333,527</u>	<u>44,458</u>	<u>3,136,795</u>
Depreciation						
At 1 April 1998	152,515	5,184	49,060	26,987	8,856	242,602
Charge for Year	156,601	5,184	22,431	66,705	9,278	260,199
Disposals	-	(10,368)	-	-	-	(10,368)
At 31 March 1999	<u>309,116</u>	<u>-</u>	<u>71,491</u>	<u>93,692</u>	<u>18,134</u>	<u>492,433</u>
Net Book Values						
At 31 March 1999	<u>157,515</u>	<u>-</u>	<u>2,220,688</u>	<u>239,835</u>	<u>26,324</u>	<u>2,644,362</u>
At 31 March 1998	<u>298,677</u>	<u>20,738</u>	<u>2,160,984</u>	<u>107,946</u>	<u>27,702</u>	<u>2,616,047</u>

The Group

	Computers £	Motor Vehicles £	Freehold Land and Buildings £	Plant and Machinery £	Office Equipment £	Total £
Cost						
At 1 April 1998	628,790	47,302	4,861,415	666,810	665,494	6,869,811
Additions	57,003	-	82,888	211,636	10,016	361,543
Disposals	-	(25,922)	-	-	-	(25,922)
At 31 March 1999	<u>685,793</u>	<u>21,380</u>	<u>4,944,303</u>	<u>878,446</u>	<u>675,510</u>	<u>7,205,432</u>
Depreciation						
At 1 April 1998	240,173	19,273	241,097	480,049	507,304	1,487,896
On Disposals	-	(10,368)	-	-	-	(10,368)
Charge for Year	229,643	9,460	43,977	95,221	81,331	459,632
At 31 March 1999	<u>469,816</u>	<u>18,365</u>	<u>285,074</u>	<u>575,270</u>	<u>588,635</u>	<u>1,937,160</u>
Net Book Values						
At 31 March 1999	<u>215,977</u>	<u>3,015</u>	<u>4,659,229</u>	<u>303,176</u>	<u>86,875</u>	<u>5,268,272</u>
At 31 March 1998	<u>388,617</u>	<u>28,029</u>	<u>4,620,318</u>	<u>186,761</u>	<u>158,190</u>	<u>5,381,915</u>

Included in the net book value of Freehold Land and Buildings is £305,487 (1998 - £305,487) relating to the cost of land owned by the Subsidiary Undertaking which has not been depreciated.

9. INVESTMENTS

This represents the market value of Westlakes Scientific Consulting Limited. The Shares in that Company were transferred at par on 8 March 1995. The Charity has been the beneficial owner of these Shares since incorporation of Westlakes Scientific Consulting Limited on 2 April 1992 and the Consolidated Financial Statements reflect this position.

10. DEBTORS AND PREPAYMENTS

	1999		1998	
	The Charity £	The Group £	The Charity £	The Group £
Due Within One Year				
Trade Debtors	62,847	1,402,132	-	1,747,999
Amounts Owed by Subsidiary Undertaking (See (a) Below)	939,632	-	481,993	-
VAT Recoverable	70,555	70,555	47,613	47,613
Grants Receivable (See (b) Below)	714,219	714,219	592,082	592,082
Prepayments	42,356	205,087	9,812	144,148
Income Tax Recoverable	34,500	34,500	15,300	15,300
Other Debtors	-	95,999	675	339,364
	<u>1,864,109</u>	<u>2,522,492</u>	<u>1,147,475</u>	<u>2,886,506</u>

- (a) Included in the amounts owed by Subsidiary Undertaking is a loan of £250,000 advanced on 26 March 1997. This loan is for an unspecified period and interest is charged at 2% above the National Westminster Bank PLC Base Rate.

The loan is repayable in full, three months following the date of giving written notice of such repayment to the Subsidiary Undertaking.

- (b) The Grants Receivable relate to European Regional Development Fund Grants claimed by the Charity as follows :-

	1999 £	1998 £
Revenue Based Grants	57,301	76,000
Capital Based Grants	<u>656,918</u>	<u>516,082</u>
	<u>714,219</u>	<u>592,082</u>

11. CREDITORS: Amounts Falling Due Within One Year

	1999		1998	
	The Charity £	The Group £	The Charity £	The Group £
Loan (See (a) Below)	100,000	100,000	-	-
Bank Overdraft (See (b) Below)	129,427	129,427	-	297,324
Amounts Owed to Subsidiary Undertaking	110,306	-	-	-
Trade Creditors	61,371	303,528	91,609	387,059
Other Creditors Including Taxation and Social Security (See (c) Below)	-	230,807	444	359,109
Corporation Tax	-	264	-	173
Accruals and Deferred Income	<u>113,875</u>	<u>818,488</u>	<u>184,857</u>	<u>1,156,381</u>
	<u>514,979</u>	<u>1,582,514</u>	<u>276,910</u>	<u>2,200,046</u>

- (a) This is an interest free short term loan from West Cumbria Development Fund Limited which was repaid in April 1999.

- (b) The Subsidiary Undertaking currently has an overdraft facility of £250,000 and the National Westminster Bank PLC holds a mortgage debenture dated 14 August 1995 over all Company assets.

11. CREDITORS: Amounts Falling Due Within One Year (Contd)

(c) Other Creditors including Taxation and Social Security is made up as follows:-

	1999		1998	
	The Charity £	The Group £	The Charity £	The Group £
Income Tax Payable	-	25,300	-	8,400
PAYE/NIC	-	68,447	444	67,906
Value Added Tax	-	137,060	-	282,803
	<u>-</u>	<u>230,807</u>	<u>444</u>	<u>359,109</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	1999		1998	
	Unrestricted £	Restricted £	Unrestricted £	Restricted £
The Charity				
Tangible Fixed Assets	423,674	2,220,688	455,063	2,160,983
Investments	2,458,571	-	2,583,267	-
Net Current Assets	<u>644,422</u>	<u>814,550</u>	<u>823,843</u>	<u>755,850</u>
	<u>3,526,667</u>	<u>3,035,238</u>	<u>3,862,173</u>	<u>2,916,833</u>
The Group				
Tangible Fixed Assets	3,047,584	2,220,688	3,220,932	2,160,983
Net Current Assets	<u>479,083</u>	<u>814,550</u>	<u>641,241</u>	<u>755,850</u>
	<u>3,526,667</u>	<u>3,035,238</u>	<u>3,862,173</u>	<u>2,916,833</u>

13. COMPANY STATUS

The Company is limited by guarantee and does not have a share capital. The Company is also registered as a Charity with the Charity Commissioners.

14. RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH FLOW FROM OPERATING ACTIVITIES

	1999 £	1998 £
Changes in Resources	(217,101)	(214,053)
Depreciation Charges	459,632	527,335
Loss/(Profit) on Sale of Fixed Assets	5,553	(240)
Decrease/(Increase) in Debtors and Prepayments	364,014	(688,046)
Decrease in Creditors	<u>(549,461)</u>	<u>(95,494)</u>
Net Cash Flow From Operating Activities	<u>62,637</u>	<u>(470,498)</u>

15. GROSS CASH FLOWS

	1999 £	1998 £
Capital Expenditure		
Payments to Acquire Tangible Fixed Assets	361,543	902,253
Receipts From Sales of Tangible Fixed Assets	<u>(10,000)</u>	<u>(1,200)</u>
	<u>351,543</u>	<u>901,053</u>

16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1999 £	1998 £
Decrease in Cash in Year	<u>(289,079)</u>	<u>(1,371,759)</u>

17. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.98 £	Cash Flow £	At 31.3.99 £
Cash at Bank and in Hand	710,631	(356,976)	353,655
Loan	-	(100,000)	(100,000)
Bank Overdraft	(297,324)	167,897	(129,427)
	<u>413,307</u>	<u>(289,079)</u>	<u>124,228</u>

18. TRANSACTIONS WITH SUBSIDIARY UNDERTAKING

During the year the Subsidiary Undertaking has charged the Charity for expenses incurred amounting to £223,866 (1998 - £259,156).

On 26 March 1997 the Charity loaned the Subsidiary Undertaking £250,000, details of which are given in Note 10. During the year, interest has been charged on this loan of £22,132 (1998 - £22,251).