

THE SELBY CENTRE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2002

Charity No: 1042095
Company No: 2814639



KOUNNIS AND PARTNERS plc
Sterling House
Fulbourne Road
Walthamstow
LONDON E17 4EE

THE SELBY CENTRE

COMPANY INFORMATION

Directors and Trustees

Manoj Ambasna	(Chair)
G Bull	(Appointed on 20th March 2002)
Lucy Craig	(Resigned on 20th March 2002)
Raj Doshi	
Vural Saydam	
Charles Adje	
Mohamed D. Elmi	
Narendra Makenji	
Mowes G. Adem	
Elizabeth Henry	
Sharon Campbell	
Taiwo Aderogba Ibironke	
Nsimba Joani	
Gherezgher Araia	

Secretary

Elizabeth Henry	(Appointed on 7th November 2001)
Raj Doshi	(Resigned on 7th November 2001)

Treasurer

Raj Doshi

Company Number

2814639

Charity Number

1042095

Registered Office

Selby Road
London
N17 8JN

Bankers

The Co-operative Bank plc

Auditors

Kounnis And Partners plc
Sterling House
Fulbourne Road
Walthamstow
London E17 4EE

THE SELBY CENTRE

CONTENTS

	<u>Page</u>
Directors' and Trustees' Report	3 - 5
Auditors' Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Accounts	9 - 12

THE SELBY CENTRE
DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2002

Trustees' Responsibilities

The Charities Acts 1992 and 1993 require the trustees to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that year. In preparing those financial statements, we are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) 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;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue in operation.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

Principle Activity

The principle activity of the charity continues to be that of provision of office lettings, and sports and leisure facilities.

Results

The results of the year's trading, the financial position of the company and the transfer to reserves are shown in the annexed accounts.

The company's surplus for the year, before taxation, amounted to £8,204 (2001 Surplus: £28,014), of which £3,074 are restricted and £5,130 unrestricted.

Review of Business and Future Developments

The Selby Trust to-date has progressed from a community centre in deficit with the local authority and other creditors to a community resource centre housing 30+ organisations challenging poverty; by providing training, information, support networks and employment opportunities for the local community and North London. The centre has decreased its deficit and currently sustains an income through office lettings and meeting rooms hire.

The Trust has over the three years accomplished the following in terms of improvements:

- (a) Interior decorating and refurbishment of meeting rooms and main hall, by installing new seating and conference facilities.
- (b) Improved heating system with new boilers, radiators and flooring.
- (c) Window security and grills on all low ground floor windows, with locks on all offices, and secure alarm systems.
- (d) Sports facilities within the centre have also benefited from new equipment and heating and extractor systems.
- (e) Complete overhaul of South and North block toilet facilities.

THE SELBY CENTRE
DIRECTORS' AND TRUSTEES' REPORT (Cont'd)
FOR THE YEAR ENDED 31 MARCH 2002

All of the above have led to the increase in the main hall and meeting room incomes with advance bookings well into 2003. The income generated from this has contributed towards staff wages increase, new equipment and improved heating, with better communal facilities and security. The Trustees have assisted throughout this transition by ensuring that the centre increases its usage, maintenance and building development and generally oversee the smooth running of the centre by liaising with the Selby Director.

The Selby Centre along with nine other organisations has been awarded the quality standard as Advice & Guidance providers (GAB Accreditation) with the support of Haringey Training Network. The centre has two broadband facilities and houses a vast quantity of computers, software and learning resource materials.

The future of the centre has been outlined in a draft 'Transitional Plan' developed by the Board of Trustees and the Director. The plan encompasses all the roles currently played by the Selby Director and outlines how the centre's core business functions can be separated from its more strategic development role. This is inline with the appointment of an Operations Manager for the centre to deal with the day to day running of the organisation. The main objectives for the future are asset base development, acquiring a longer term lease, development of sub-regional and international projects, and maintenance and management of the resource facility.

Other Projects Under Development

- (1) Learning resource centre and incubation units for SME's.
- (2) Free internet with broadband facilities for users, trainees, visitor and the local community located at the Learning Resource centre.
- (3) Further improvements to the building by sourcing environmental solar panelling for more efficient heating, currently being researched.
- (4) Expansion of office availability by installing semi-permanent office facilities within the centre's boundaries, currently being researched.
- (5) Increased letting availability.

The Selby Centre has developed into a multi-purpose space providing conviviality, office space, eating areas, events facilities and opportunities to the local people, housing organisations from the local community that directly challenges poverty, economic and social problems.

Reserves Policy

Currently the charity does not have any 'free reserves'. In fact the unrestricted funds are in deficit by £111,734 as at 31st March 2002. The Trustees are hopeful of generating future surpluses as it has been over the last few years with a view to eradicating this deficit over the next 3 to 5 years. Subsequently it is the Trustees intention to build up free reserves equating to 2 months operational expenditure for prudence.

Risk Management

The Trustees are content that adequate systems of internal control are in place to mitigate against any internal risk. Funding streams are constantly reviewed and new ones applied for to mitigate any financial risk as far as is reasonably possible.

Directors and Trustees

The Trustees who served as directors of the company during the year are shown on page 1 and their liability is limited to £1.00 each.

THE SELBY CENTRE
DIRECTORS' AND TRUSTEES' REPORT (Cont'd)
FOR THE YEAR ENDED 31 MARCH 2002

Company Status

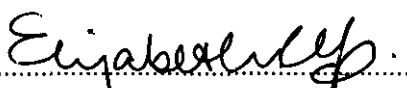
The charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association.

Auditors

The Auditors, KOUNNIS AND PARTNERS plc (a successor firm to Shears Schryer Carlton & Co.), have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

The report of the directors has been prepared in accordance with the Statement of Recommended Practice on Charity Accounts.

This report was approved and signed on behalf of the Board of Directors and Trustees


.....
ELIZABETH HENRY
(COMPANY SECRETARY)

Date: 28/11/02

THE SELBY CENTRE

AUDITORS' REPORT TO THE MEMBERS OF THE SELBY CENTRE

We have audited the Statement of Financial Activities, Balance Sheet and Notes to the Accounts on pages 7 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective Responsibilities of Trustees and Auditors

As described in the Trustees Report on page 3, the trustees are responsible for the preparation of the financial statements in accordance with United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 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 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.

Fundamental Uncertainty

In forming our opinion, we have considered the adequacy of the disclosure made in Note 1 of the financial statements concerning the ability of the charity to carry on its operations. The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available. The financial statements do not include any adjustments that would result from a failure to obtain funding.

Our opinion is not qualified in this respect.

Opinion

Except for the absence of the above provision, in our opinion the financial statements give a true and fair view of the state of affairs of the charity at 31 March 2002 and of its incoming resources and resources expended, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Kounnis And Partners Plc

28/11/02

Kounnis And Partners plc
Registered Auditors and Accountants
Sterling House
Fulbourne Road
Walthamstow
LONDON E17 4EE

THE SELBY CENTRE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2002

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	<u>Notes</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>TOTAL</u>	<u>2001</u>
<u>INCOMING RESOURCES</u>		<u>£</u>	<u>£</u>	<u>2002</u>	<u>£</u>
				<u>£</u>	
Main Income	2		407,543	407,543	332,106
Grants received	3	554,372	13,858	568,231	439,487
Other Income	4		21,141	21,141	16,689
Total Income		554,372	442,542	996,914	788,281
<u>RESOURCES EXPENDED</u>					
Direct Charitable Expenditure	7	551,298	421,916	973,214	741,388
Other Expenditure					
Publicity and Marketing	5	0	707	707	4,376
Management and Administration	6	0	14,789	14,789	14,502
Total Expenditure		551,298	437,412	988,710	760,267
SURPLUS / (DEFICIT) FOR THE YEAR	8	3,074	5,130	8,204	28,014
FUNDS BROUGHT FORWARD		24,855	(116,864)	(92,009)	(120,023)
FUNDS CARRIED FORWARD		27,929	(111,734)	(83,805)	(92,009)

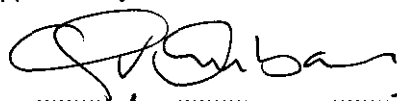
There are no other gains or losses for the year.

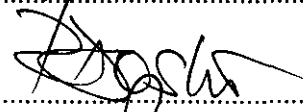
The notes on pages 8 to 11 form part of these accounts

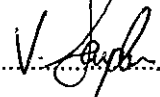
THE SELBY CENTRE
BALANCE SHEET
AS AT 31st MARCH 2002

		<u>2002</u>		<u>2001</u>	
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS					
Tangible Assets	10		68,432		41,991
CURRENT ASSETS					
Stock & Work in Progress	11	0		501	
Debtors	12	299,542		233,538	
Cash at Bank and in Hand	13	41,976		13,014	
		341,518		247,053	
CREDITORS : Amounts falling due within one year					
	14	(434,028)		(321,325)	
NET CURRENT ASSETS					
			(92,510)		(74,273)
NET ASSETS					
			<u>(24,078)</u>		<u>(32,282)</u>
<u>CAPITAL AND RESERVES</u>					
Capital Reserve	15		59,727		59,727
Restricted Income Funds			27,929		24,855
Unrestricted Funds			(111,734)		(116,864)
			<u>(24,078)</u>		<u>(32,282)</u>

Approved by the Board of Directors and Trustees and signed on its behalf on 28/11/02


..... Manoj Ambasna Director and Trustee


..... Raj Doshi Director and Trustee


..... Vural Saydam Director and Trustee

The notes on pages 9 to 12 form part of these accounts

THE SELBY CENTRE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2002

1. Accounting Policies

1.1 Basis of Preparation of Accounts

The accounts have been prepared under the historical cost convention and in compliance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as below.

The charity has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement.

1.2 Going Concern

The continuation of the charity's activities is dependent on the ability of the Trustees to generate adequate income to meet all ongoing and current obligations.

As can be seen from the trustees' report, your directors have continued the regime for rigorous collection of monies owed by debtors, economising in staff and building maintenance costs and maintaining the increase in rental income from letting office space. This plus other developments have helped stabilise the position and it is hoped that rental income will be further increased during the current year.

Your directors believe that continued support will be available from the local authority and major creditors to enable the charity to realise their plans. Draft management accounts for the current year indicate that the centre is trading at a breakeven situation but it is anticipated that further grants will be forthcoming during the year. Your directors hope that there will be a further gradual improvement as occurred in the previous two years.

Your directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. On this basis, they consider that it is appropriate to prepare the financial statements on a going concern basis. This assumes that the directors will be successful in their plans. The financial statements do not include any adjustments that would result if this assumption does not materialise.

1.3 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on the net book value to write off each category of assets over its estimated useful life on the following bases:

Building Improvement	20% reducing balance method
Computer Equipment	20% reducing balance method
Equipment	20% reducing balance method
Lease	20% straight line

1.4 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. However there were no stocks held at end of the year as the bar has been outsourced.

THE SELBY CENTRE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2002

1.5 Value Added Tax

The charity was registered for Value Added Tax under the standard partial exemption rules. The amounts which were not recoverable by the charity were included as part of the relevant costs in the Statement of Financial Activities and a rate of 14% has been used in claiming back the Pot VAT.

The charity has deregistered for Value Added Tax purposes from 30th June 2001 for various reasons with one being the administration time involved as to the amounts claimed.

1.6 Expenditure on Management and Administration of the Charity

Administration expenditure includes all expenditure not directly related to the charitable activity.

1.7 Share Capital

The charity is constituted as a company limited by guarantee and does not have a share capital.

2 Main Income

Main income comprises net receipts from lettings.

3 Grants Received

The grant from London Borough of Haringey includes £88,000 in circular funding (£55,000 being in respect of rent and therefore no money is received or paid, and £33,000 in respect of ground maintenance which again is an offset).

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
London Borough of Haringey	88,000	0	88,000	88,000
Haringey Training Network 2001/02	347,052	0	347,052	0
Haringey Training Network 1999/2001	0	0	0	227,843
Social & Community Enterprise (ERDF)	66,140	0	66,140	52,506
National Lottery Charities Board	33,180	0	33,180	41,504
BBC Children in Need / Peabody Community Fund	0	12,858	12,858	14,952
Bridge House Estates Trust Fund	0	0	0	11,832
North London Info., Advice & Guidance (NLIAG)	0	0	0	2,850
Tottenham Grammar	0	1,000	1,000	0
Urban Futures Grant	20,000	0	20,000	0
	<u>554,372</u>	<u>13,858</u>	<u>568,231</u>	<u>439,487</u>

4 Other Income

Other income includes interest received from cash in bank deposit and current accounts and all receipts other than from lettings and grants.

5 Publicity Costs

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Publicity and marketing cost	707	4,376
	<u>707</u>	<u>4,376</u>

6 Management and Administration Expenditure

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Legal and professional	577	645
Audit fees	3,575	2,000
Accountancy and clerical assistance	9,433	10,659
Bank charges	1,204	1,198
	<u>14,789</u>	<u>14,502</u>

THE SELBY CENTRE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2002

7 <u>Direct Charitable Expenditure</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Rent and Business rates	55,000	0	55,000	55,000
Ground Maintenance	33,000	0	33,000	33,000
Gross salaries and wages		224,253	224,253	200,967
HTN Salaries and NIC	90,396	0	90,396	46,692
HTN Expenses	256,656	0	256,656	181,150
SCE (ERDF) Salaries and NIC	40,595	0	40,595	33,874
SCE (ERDF) Expenses	25,545	2,716	28,262	18,633
Lottery Grant Expenses	23,124	0	23,124	8,484
Building repairs and maintenance	20,000	26,992	46,992	18,699
Equipment repairs and maintenance		4,902	4,902	4,990
Building services and supplies		24,373	24,373	20,932
Security services and expenses		6,525	6,525	3,596
Telephone		8,455	8,455	7,058
Postage, printing and stationery		3,709	3,709	4,125
Electricity		29,021	29,021	24,786
Gas		29,138	29,138	16,043
Water Rates		3,707	3,707	3,319
Insurance		19,733	19,733	16,259
Licences		5,005	5,005	5,322
Equipment leasing		1,039	1,039	3,037
Travelling expenses		2,164	2,164	621
Subscriptions+Training		1,276	1,276	451
Miscellaneous		2,723	2,723	1,873
Non-claimable VAT		0	0	0
Bad Debts		1,059	1,059	5,140
Depreciation	6,982	10,127	17,109	11,286
Consultancy fees		15,000	15,000	16,050
	551,298	421,916	973,214	741,388

Expenditure from certain restricted funds relates to capital items which have been capitalised hence there is a surplus on restricted fund income against which these assets will be depreciated over their useful lives.

8 Surplus For The Year

The surplus is stated after charging:

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Depreciation	17,109	11,286
Audit fees	3,575	2,000
Equipment leasing	1,039	3,037
Consultancy fees	15,000	16,050
Non-claimable VAT	0	0

9 Staff Costs

Remuneration was paid to a trustee, who is also a staff member, during the year:

Mr. Vural Saydam	14,907	9,128
------------------	--------	-------

The staff costs of the remaining staff were:

	<u>£</u>	<u>£</u>
Salaries and wages	307,659	218,115
Social security costs	20,345	20,417
	328,004	238,532

THE SELBY CENTRE
NOTES TO THE ACCOUNTS
AS AT 31st MARCH 2002

10 Tangible Fixed Assets

	<u>Building Improvement</u>	<u>Computer Equipment</u>	<u>Equipment</u>	<u>Lease</u>	<u>Total</u>
Cost					
At 1 April 2001	45,857	29,680	10,244	3,931	89,712
Additions	17,992	2,683	22,875	0	43,550
At 31 March 2002	63,849	32,363	33,119	3,931	133,262
Depreciation					
At 1 April 2001	20,272	17,437	6,081	3,931	47,721
Charge for year	8,715	2,986	5,408	0	17,109
At 31 March 2002	28,987	20,423	11,488	3,931	64,830
Net Book Value					
At 31 March 2002	34,861	11,940	21,631	0	68,432
At 31 March 2001	25,584	12,243	4,164	0	41,991

11 Stocks

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Bar Stock	0	501

12 Debtors

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Trade Debtors	56,324	49,351
Sundry Debtors	1,120	0
Haringey Training Network Debtors	175,405	121,431
SCE (ERDF) Receivable	12,912	7,708
National Lottery Receivable	23,124	41,504
Income Receivable from NLIAG	0	2,850
Urban Futures Receivable	20,000	0
Prepayment	10,657	10,694
	<u>299,542</u>	<u>233,538</u>

13 Cash at Bank and in Hand

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Bank Deposit Accounts	41,966	12,592
Petty Cash in Hand	10	422
	<u>41,976</u>	<u>13,014</u>

14 Creditors: Amounts falling due within one year

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Bank Overdraft	181,810	105,612
Trade Creditors	127,974	87,562
Deposits Held	21,024	17,827
Other Creditors - BBC Children in Need	0	1,453
Other Creditors - HTN grant	39,582	19,216
Other Creditors - SCE (ERDF)	0	12,828
Other Creditors - Peabody Community Fund	0	11,405
PAYE and NIC	8,200	6,233
Net wages / Pension fund	100	0
VAT Control Account	0	2
Accruals - Selby	55,338	58,585
Accruals - Haringey Training Network	0	602
	<u>434,028</u>	<u>321,325</u>

15 Capital Reserve

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Pre-incorporation profit	59,727	59,727

THE SELBY CENTRE
ADDITIONAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2002

<u>MAIN INCOME</u>	<u>2002</u>	<u>2001</u>
	£	£
Office lettings	262,621	224,863
Main hall hire	74,272	55,886
Meeting room hire	10,212	8,042
Rehearsal room hire	13,685	9,621
Training room hire	12,605	9,007
Sports hall / Pitches / Gymnasium hire	34,099	23,170
TV room hire	0	7
Bar room hire	50	1,509
	<u>407,543</u>	<u>332,106</u>

<u>OTHER INCOME</u>	<u>2002</u>	<u>2001</u>
	£	£
Telephone	1,293	937
Miscellaneous	2,265	2,645
Bank Interest Received	585	406
Bar Corkage	17,059	10,787
Gross Profit/(Loss) from Bar	(60)	1,914
	<u>21,141</u>	<u>16,689</u>

<u>BAR ACCOUNT</u>	<u>2002</u>	<u>2001</u>
	£	£
Sales	2,510	11,031
<u>Less Cost Of Sales:</u>		
Stock at 01.04.2001	501	616
Purchases	<u>2,069</u>	<u>9,002</u>
	2,570	9,618
Less Stock 31.03.2002	<u>0</u>	<u>(501)</u>
	(2,570)	(9,117)
Gross Profit	<u>(60)</u>	<u>1,914</u>

Due to the difficulty in isolating the specific wages of staff involved in bar activities, the charity has decided to exclude this from the bar accounts and leave all wage costs in payroll expenses.

This activity has been outsourced during the year. Selby Centre now derives rental and bar corkage income from this.