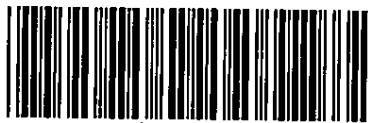


REGISTERED COMPANY NUMBER: 3213914
REGISTERED CHARITY NUMBER: 1057144

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009
FOR
MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

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MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

	Page
Report of the Trustees	1 to 5
Report of the Independent Auditors	6 to 7
Statement of Financial Activities	8
Balance Sheet	9 to 10
Notes to the Financial Statements	11 to 20
Detailed Statement of Financial Activities	21 to 22

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the period 1 January 2008 to 31 March 2009. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
3213914

Registered Charity number
1057144

Registered office
c/o BMW Hams Hall Plant
Canton Lane
Coleshill
North Warwickshire
B46 1GB

Trustees
A D Jones OBE
R Bradnock
Dr R W Cliffe
M F P Lavery
D Cooper
A Lyon
D Farthing

Chief Executive
I K Nield

Company Secretary
J M Lane

Auditors
Walker Thompson
Accountants and
Registered Auditors
Empress House
43a Binley Road
Coventry
CV3 1HU

Solicitors
Blackbourn & Bond Solicitors
12 Belmont
Shrewsbury
Shropshire
SY1 1TE

Bankers
Lloyds TSB
17 George street
Tamworth
B79 7LW

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document which is a deed of trust and constitutes a limited company that is limited by guarantee as defined by the Companies Act 1985.

The objects of Midlands Excellence are to provide relevant business training and education.

Recruitment and appointment of new trustees

Trustees are selected from organisations that clearly demonstrate a commitment to the pursuit of excellence and typically they have worked with us so have a good understanding of our business activities. Our trustees hold senior positions in their organisations, are well respected in the community and have proven track records of sound business acumen. We aim to maintain a balance of relevant and complementary skills to ensure that the objectives of the charity are met in a prudent and effective manner so all these criteria are considered before a new trustee is invited to join the board.

Induction and training of new trustees

New trustees are issued with an induction pack and this contains useful information including that which is published in the Charity Commission's booklet entitled 'The Essential Trustee: What you should know'. An induction programme is agreed which includes exposure to the Midlands Excellence team and our day to day activities.

Organisational structure

Midlands Excellence is a company limited by guarantee and is governed by its Memorandum and Articles of Association. The chief executive is accountable to a board of trustees and this body has the vested authority to appoint new trustees. Midlands Excellence employs twelve full time staff and our compact team of highly committed, enthusiastic people has continued to produce first class results. We are most grateful for the tremendous efforts put in by and dedication of all members of the successful Midlands Excellence team.

Related parties

Midlands Excellence is financed partly by corporate donations and we are delighted that many of our founder sponsors are continuing to provide financial support. Our generous sponsors in the period included: Advantage West Midlands, Lloyds TSB, West Bromwich Building Society, BMW, Fortis Bank, Pertemps Group, E.ON UK, PricewaterhouseCoopers, Richmond Motors Group, Derwent Living, The Community Housing Group, GSL and Vodafone UK. In addition funding has been provided by Advantage West Midlands to support the valuable work that we undertake in the West Midlands and we believe all this financial assistance has led to significant performance improvements for many organisations. Our grateful thanks go to all our sponsors and donors.

We organise many events and presentations whilst also attending numerous regional business meetings to promote our work. Our activities involve maintaining close links with the CBI, Government Offices, Business Links and Chambers of Commerce as well as other business and educational bodies in the region.

During 2007/8 Midlands Excellence undertook a comprehensive constitutional review to ensure that we continue to meet the requirements of the 2006 Charity Act and that our structure enables us to provide maximum support to the communities supported by the charity. A significant outcome of the review included the establishment of Investors in Excellence Limited in April 2008 and this company is a not for profit subsidiary of the charity focused on providing specific support to meet the individual performance improvement objectives of organisations within the expanding communities served by Midlands Excellence.

There have not been any other material changes to the successful policies of Midlands Excellence since the report of the trustees last year and all transactions with related parties are undertaken at arms length.

Risk management

The trustees regularly review the strategic, business and operational challenges which the charity faces and agree suitable actions to mitigate risks.

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

OBJECTIVES AND ACTIVITIES

Objectives and aims

Midlands Excellence was established in June 1996 with a vision to improve the competitiveness and performance of organisations in the midlands region primarily by promoting widespread use of the European Foundation for Quality Management (EFQM) Excellence Model©.

We are pleased to report the EFQM Excellence Model© continues to help organisations develop improvement action plans that lead to better results by focusing on the key enabling areas of an organisation which include : leadership, policy and strategy, people management, processes and the effective use of partnerships as well as resources.

Midlands Excellence delivers its objectives through promoting, supporting and recognising excellence.

ACHIEVEMENT AND PERFORMANCE

In the period under review Midlands Excellence supported more organisations than in any previous review period and we achieved excellent satisfaction ratings from the organisations served by the charity. In the majority of cases our customers recommended the services provided by the charity to others and this enabled us to extend our reach.

In addition to our core programmes we have continued to develop additional support services and these activities enable organisations to further improve their performance.

A key activity is the organisation and administration of the annual Midlands Excellence Awards programme that requires applicant organisations to carry out self-assessment work using the EFQM Excellence Model©. The thrust of our successful regional awards scheme which continues to be the largest of its kind in Europe is to assist applicant organisations learn, develop and improve their results in the pursuit of excellence. Our twelfth award cycle was completed in January 2009 and six organisations received awards at a gala ceremony held at the International Convention Centre in Birmingham with approximately 1,300 guests in attendance.

We trained over 150 assessors to use the EFQM Excellence Model© in the period covered by this report and this enabled them to undertake assessments of the award applicants. Our assessors are drawn from organisations that operate not just in the midlands but throughout the United Kingdom and after completion of training these committed volunteers are able to assist their own organisations in self-assessment improvement activities. More than 2,100 assessors have been trained by Midlands Excellence in the last twelve years and evidence continues to grow that our training brings significant benefits to the organisations which provide the assessors.

Annual Midlands Excellence Conferences are held during the year and 400 delegates attended the extremely successful 2008 conference held at The National Motorcycle Museum in Solihull. In addition regular networking events are held throughout the region and these attracted in excess of 1800 participants in the period covered by this report.

During the period Midlands Excellence has also continued to develop and promote the Investors in Excellence (IiE) standard which was devised by the charity several years ago. The valuable IiE initiative is now improving the results of all types of organisations not only in the midlands but also further afield and the standard has become widely recognised as an important stepping stone within the journeys to excellence undertaken by numerous businesses.

Midlands Excellence also delivered over ninety improvement based workshops to support continuous improvement within the businesses we engaged with and the charity has received excellent feedback from participants about the quality of these events.

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

To improve awareness of the EFQM Excellence Model® and promote the concept of continuous improvement we have developed a wide range of improvement hints and tips as well as comprehensive case studies accessible through our web site and this free resource is very popular being accessed by a large number of organisations. We continue to provide a free advisory service to organisations that wish to adopt the EFQM Excellence Model® and our chief executive together with members of the Midlands Excellence team undertook numerous public speaking engagements in the period to stimulate further improvements throughout the midlands region.

Financial review

At the end of 2009 our consolidated net assets amounted to £412,520 (2007: £278,223) and net income for the fifteen months covered by this report was £134,297 (2007: £10,371 in twelve months). Cash reserves at 31st March 2009 amounted to £269,557 (2007: £263,333). Our latest accounting period has seen continued investment in resources to meet the growing demand for the services provided by the charity and provide a platform for future growth.

The trustees are pleased with the financial position of Midlands Excellence and sound management of our finances has helped enable the organisation achieve success.

Reserves

Current income streams are dependent on the ongoing generosity of our donors and the financial surpluses generated from successful Midlands Excellence events as well as training programmes. Midlands Excellence also continues to receive valuable financial support from Advantage West Midlands in return for the work we undertake and this helps to fulfil the objectives of the regional economic strategy.

Our policy is to hold such reserves as will allow the charity a reasonable period of time to identify alternative sources of revenue in the event of a sudden and significant loss of income. In making their judgments as to the level of reserves to be retained the trustees continuously review the anticipated level of fixed costs arising in the following six months and consider the reserves at 31 March 2009 to be sufficient.

Plans for future periods

The trustees believe Midlands Excellence has again made excellent progress in the last twelve months and it is pleasing to see the continuing growth of interest throughout the midlands region in the EFQM Excellence Model®. We are well placed to build upon our successes and achieve further performance improvements in the future.

Our focus for the coming year will be the provision of further support and stimulation throughout the region to increase awareness as well as interest and engagement in business excellence activities. We will continue with our core support activities i.e. Midlands Excellence Awards, conferences, assessor training and networking events but also maintain the focus on developing further case studies, web-based support materials and facilitated networks to share best practice.

In addition the one to one support provided by Investors in Excellence Limited will help us ensure that we continue to meet the diverse needs of the wide range of organisations served by the charity.

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

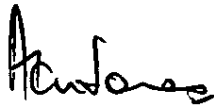
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Walker Thompson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
A D Jones OBE - Trustee

13 July 2009

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

We have audited the financial statements of Midlands Excellence (a company limited by guarantee) for the period ended 31 March 2009 on pages eight to twenty. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page five.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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. In addition, we also report to you whether, in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 trustees' remuneration and other transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Walker Thompson
Accountants and
Registered Auditors
Empress House
43a Binley Road
Coventry
CV3 1HU



13 July 2009

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES
(FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009)

		GROUP Unrestricted funds		CHARITY Unrestricted funds	
		Period 1.1.08 to 31.3.09	Year Ended 31.12.07	Period 1.1.08 to 31.3.09	Year Ended 31.12.07
		£	£	£	£
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds					
Donations and grants	3	319,623	274,917	239,226	274,917
Other income	4	1,612,524	616,073	412,578	616,073
Investment income	5	7,166	6,358	12,122	6,358
Total incoming resources		1,939,313	897,348	663,926	897,348
RESOURCES EXPENDED					
Costs of generating funds					
Charitable activities	6	1,357,448	618,726	395,938	618,726
Governance costs	7	431,351	262,892	159,189	262,892
Other resources expended		8,450	5,359	3,721	5,359
Taxation	8	7,767	-	-	-
		1,805,016	886,977	558,848	886,977
NET INCOMING RESOURCES		134,297	10,371	105,078	10,371
RECONCILIATION OF FUNDS					
Total funds brought forward		278,223	267,852	278,223	267,852
TOTAL FUNDS CARRIED FORWARD		412,520	278,223	383,301	278,223

CONTINUING OPERATIONS

All incoming resources and resources expended are from continuing operations.

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED AND CHARITY BALANCE SHEETS
AT 31 MARCH 2009

	Notes	GROUP Unrestricted funds		CHARITY Unrestricted funds	
		2009	2007	2009	2007
		£	£	£	£
FIXED ASSETS					
Tangible assets	13	2,965	5,426	2,965	5,426
Intangible assets	14	29,321	-	-	-
Investments	15	-	1	1	1
		<u>32,286</u>	<u>5,427</u>	<u>2,966</u>	<u>5,427</u>
CURRENT ASSETS					
Debtors	16	410,866	276,394	261,033	276,394
Cash at bank		269,557	263,333	167,940	263,333
		<u>680,423</u>	<u>539,727</u>	<u>428,973</u>	<u>539,727</u>
CREDITORS					
Amounts falling due within one year	17	(285,047)	(266,931)	(48,638)	(266,931)
		<u>395,376</u>	<u>272,796</u>	<u>380,335</u>	<u>272,796</u>
NET CURRENT ASSETS					
		<u>395,376</u>	<u>272,796</u>	<u>380,335</u>	<u>272,796</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		427,662	278,223	383,301	278,223
CREDITORS					
Amounts falling due after more than one year	18	(8,985)	-	-	-
PROVISIONS FOR LIABILITIES	19	(6,157)	-	-	-
		<u>412,520</u>	<u>278,223</u>	<u>383,301</u>	<u>278,223</u>
NET ASSETS					
		<u>412,520</u>	<u>278,223</u>	<u>383,301</u>	<u>278,223</u>
FUNDS					
Unrestricted funds		<u>412,520</u>	<u>278,223</u>	<u>383,301</u>	<u>278,223</u>
TOTAL FUNDS		<u>412,520</u>	<u>278,223</u>	<u>383,301</u>	<u>278,223</u>

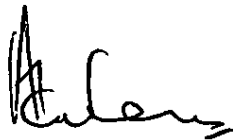
The notes form part of these financial statements

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

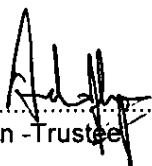
BALANCE SHEET - CONTINUED
AT 31 MARCH 2009

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 13 July 2009 and were signed on its behalf by:



.....
A D Jones OBE -Trustee



.....
A Lyon -Trustee

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

1. ACCOUNTING POLICIES

Accounting Policy Review

As part of an overall review and update of the Charity's accounting framework the trustees have reviewed all accounting policies, updating them as necessary in order to provide a clearer level of understanding of how the charity accounts for all transactions. Any changes to policies have not materially affected the financial results of the charity for either the current or preceding year.

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 1985 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking, Investors In Excellence Limited. The results of the subsidiary are consolidated on a line by line basis.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company.

Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Incoming resources will represent the net invoiced services provided to customers excluding value added tax.

Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. They are included at the cost to the donor as income and within the appropriate expenditure heading.

Annual sponsorship income is accounted for equally on a monthly basis.

Resources expended

Expenditure is accounted for on an accruals basis. All expenses incurred in promoting or meeting the objectives of Midlands Excellence have been included as direct charitable expenses. Expenses relating to general administration of the charity have been included as management and administration.

Expenses which relate to both direct and indirect costs have been apportioned on the basis of time spent by staff relating to the appropriate area of the charities activities.

Taxation

The charity is exempt from corporation tax on its charitable activities. Corporation tax will be calculated for each accounting period based upon the results of the charities subsidiary company for such period and will be provided as an accrual within the relevant balance sheet as a liability.

Deferred taxation will be recognised in respect of all timing differences that have originated but not reversed in any accounting period

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Unrestricted funds are retained to the extent considered necessary to ensure adequate funds are available to cover future capital and revenue costs which may not be covered by incoming resources. The level of reserves is maintained at a level equivalent to 6 months anticipated fixed costs. All expenditure is made in accordance with the charity's objectives.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. All exchange differences are taken to the Statement of financial Activities.

Grant income

Where the company receives grant assistance as income, it will determine whether such income is to be treated as revenue or as a credit against profit and loss expenses or a contribution against asset costs. The company will account for any grant income on a matching basis against the appropriate cost in the appropriate period irrespective of the date of receipt.

Work in progress

The company will account for any work in progress un-invoiced at an accounting date by evaluating the cost of services provided to a client including the cost of any expenses incurred on behalf of that client and an appropriate proportion of fixed and variable overheads applicable to the work.

Research and development

If the company becomes engaged in Research & Development programmes, expenditure made will be written off within the accounting period incurred.

Pension costs & post retirement benefits

The charitable company recognises its obligations to provide access for employees to a Defined Contribution Stakeholder Pension Scheme. Company contributions made towards any pension scheme will be made under Stakeholder rules & will be accounted for in the accounting period in which premiums are paid. All pension fund accounts are held separately from company assets and liabilities and the company has no liability actual or contingent to provide any post retirement staff benefits in addition to this.

Tangible fixed assets

The company will capitalise any expenditure incurred in acquiring additional assets or improving existing assets where the aggregate total of such expenditure exceeds the sum of £1000. Assets disposed of in an accounting period will be accounted for by deduction from asset cost & any depreciation provided to the date of disposal. Any surplus or deficit on disposal will be disclosed in the profit & loss account.

Depreciation will be provided at the following annual rates which are considered appropriate in order to write off each asset over its estimated useful life.

Assets capitalised under a finance lease arrangement will be written off over the lease term if less than its useful life.

Plant & equipment	straight line over 5 years
Office equipment	straight line over 5 years
Motor vehicles	25% on reducing balance

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

1. ACCOUNTING POLICIES - continued

Intangible assets

The company will capitalise any expenditure incurred in acquiring additional intangible assets or improving existing assets where the aggregate total of such expenditure exceeds the sum of £1000. Assets disposed of in an accounting period will be accounted for by deduction from asset cost & any amortisation provided to the date of disposal. Any surplus or deficit on disposal will be disclosed in the profit & loss account.

Amortisation will be provided at the following annual rates which are considered appropriate in order to write off each asset over its estimated useful life.

Computer software	Straight line over 3 years
-------------------	----------------------------

Hire purchase and leasing

If the company acquires assets under hire purchase contracts or finance leases these will be capitalised in the balance sheet. Depreciation will be provided on the assets in accordance with the Fixed Asset Policy.

Any interest element of hire purchase or lease obligations will be charged to the Statement of Financial Activities over the relevant period(s). The capital element representing the extent of future payments will be treated as a liability.

Rental payments made under operating lease agreements will be charged against the profit and loss account on a straight line basis over the lease term.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company, which is to provide business advice and solutions to customers to enable them to become more effective, efficient and competitive.

0.4% of the company's turnover relates to markets outside of the UK.

3. DONATIONS AND GRANTS

	Period 1.1.08 to 31.3.09 £	Year Ended 31.12.07 £
Donations	81,381	75,317
Grants	238,242	199,600
	<hr/>	<hr/>
	319,623	274,917
	=====	=====

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

4. OTHER INCOME

	Period 1.1.08 to 31.3.09 £	Year Ended 31.12.07 £
Assessor training	39,168	80,163
Courses	158,540	19,875
Improvement programmes	839,632	230,714
Award entry fees	56,950	39,905
Winners' conference	50,115	47,334
Awards evenings	266,393	-
Investors in excellence	195,376	187,747
Miscellaneous income	6,350	10,335
	<hr/> 1,612,524 <hr/> <hr/>	<hr/> 616,073 <hr/> <hr/>

5. INVESTMENT INCOME

	Period 1.1.08 to 31.3.09 £	Year Ended 31.12.07 £
Deposit account interest	7,166	6,358
	<hr/> 7,166 <hr/> <hr/>	<hr/> 6,358 <hr/> <hr/>

6. CHARITABLE ACTIVITIES

	Period 1.1.08 to 31.3.09 £	Year Ended 31.12.07 £
Staff costs	619,869	365,354
Motor and travel	20,063	11,756
Course costs	343,760	105,663
Printing, stationery & advertising	41,433	31,981
Awards evening	238,348	-
Winners' conference	41,276	38,226
Investors in excellence	52,699	65,746
	<hr/> 1,357,448 <hr/> <hr/>	<hr/> 618,726 <hr/> <hr/>

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

7. GOVERNANCE COSTS

	Period 1.1.08 to 31.3.09 £	Year Ended 31.12.07 £
Staff costs	265,660	156,580
Rent	26,732	20,448
Motor expenses	20,064	11,756
Insurance	3,071	2,835
Telephone	9,583	5,925
Sundries	3,459	3,858
Bank charges	1,195	641
Professional fees	26,827	13,214
Website development	44,090	30,460
IT Support	10,971	9,743
Audit fee	10,450	4,984
Relationship management	281	1,113
Bad debts	8,968	1,335
	<hr/> 431,351 <hr/>	<hr/> 262,892 <hr/>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Period 1.1.08 to 31.3.09 £	Year Ended 31.12.07 £
Current tax:		
UK corporation tax	1,610	-
Deferred tax	6,157	-
Tax on profit on ordinary activities	<hr/> 7,767 <hr/>	<hr/> - <hr/>

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	Period 1.1.08 to 31.3.09 £	Year Ended 31.12.07 £
Depreciation - owned assets	3,054	5,359
Amortisation – owned assets	4,729	-
Deficit on disposal of fixed asset	667	-
Operating lease rentals - other assets	26,732	20,448
Auditors remuneration - audit services	4,950	4,984
Auditors remuneration – audit services - subsidiary company	5,500	-
Auditors remuneration - other services	4,386	4,100
Auditors remuneration - other services – subsidiary company	4,659	-
	=====	=====

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 March 2009 nor for the year ended 31 December 2007.

Trustees' Expenses

There were no trustees' expenses paid for the period ended 31 March 2009 nor for the year ended 31 December 2007.

11. STAFF COSTS

All employees have retirement benefits under money purchase schemes. There were outstanding pension contributions at 31/03/09 of £14,547 (2007 : £6001)

The average staff numbers employed during the period ended 31 March 2009 was 13 (2007 : 12)

Two employees had earnings in excess of £60,000 pa (2007 : 1).

	Period 1.1.08 to 31.3.09 £	Year Ended 31.12.07 £
£60,001 - £70,000	1	-
£90,001 - £100,000	-	1
£120,001 - £130,000	1	-
	=====	=====

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

12. DEFERRED INCOMING RESOURCES

	Period 1.01.08 to 31.03.09 £	Year Ended 31.12.07 £
Opening deferred income	154,285	18,010
Income receivable	1,807,750	1,033,623
Closing deferred income	(22,722)	(154,285)
	<u>1,939,313</u>	<u>897,348</u>

13. TANGIBLE FIXED ASSETS

	Office equipment Group £	Charity £
COST		
At 1 January 2008	36,520	36,520
Additions	1,260	1,260
Disposals	(15,741)	(15,741)
	<u>22,039</u>	<u>22,039</u>
At 31 March 2009	22,039	22,039
DEPRECIATION		
At 1 January 2008	31,094	31,094
Charge for year	3,054	3,054
Eliminated on disposal	(15,074)	(15,074)
	<u>19,074</u>	<u>19,074</u>
At 31 March 2009	19,074	19,074
NET BOOK VALUE		
At 31 March 2009	2,965	2,965
	<u>2,965</u>	<u>2,965</u>
At 31 December 2007	5,426	5,426
	<u>5,426</u>	<u>5,426</u>

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

14. INTANGIBLE FIXED ASSETS

	Computer software Group £	Charity £
COST		
Additions	34,050	-
	<hr/>	<hr/>
At 31 March 2009	34,050	-
	<hr/>	<hr/>
AMORTISATION		
Amortisation for the year	4,729	-
	<hr/>	<hr/>
At 31 March 2009	4,729	-
	<hr/>	<hr/>
NET BOOK VALUE		
At 31 March 2009	29,321	-
	<hr/>	<hr/>

15. INVESTMENTS

The charity owns 100% of the issued share capital (1 ordinary share of £1) of Investors in Excellence Limited, a company incorporated in England and Wales. Its company registration number is 06253828.

Investors in Excellence Limited commenced trading on 1 April 2008, providing business advice and solutions. It prepares financial statements each year to 31 March. The company donates a proportion of its profits to the parent charity.

The results of the subsidiary for the year ended 31 March 2009 are :

	Period 1.1.08 to 31.3.09 £	Year Ended 31.12.07 £
Turnover	1,350,343	-
Staff Costs	(759,296)	-
Administration expenses	(504,376)	-
Finance costs	(4,956)	-
Amortisation	(4,729)	-
Donation	(40,000)	-
	<hr/>	<hr/>
Profit on ordinary activities before taxation	36,986	-
Tax on profit on ordinary activities	(7,767)	-
	<hr/>	<hr/>
Profit for the Financial Period after Taxation	29,219	-
	<hr/>	<hr/>

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

16. DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	Group 2007 £	2009 £	Charity 2007 £
Trade debtors	410,472	255,730	48,533	255,730
Amount due to group undertaking	-	-	212,500	-
Other debtors	394	20,664	-	20,664
	<u>410,866</u>	<u>276,394</u>	<u>261,033</u>	<u>276,394</u>

17. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	Group 2007 £	2009 £	Charity 2007 £
Trade creditors	72,432	40,738	10076	40,738
Taxation & social security	49,630	50,877	4415	50,877
Amount due to group undertaking	-	-	6,825	-
Other creditors	162,985	175,316	27,322	175,316
	<u>285,047</u>	<u>266,931</u>	<u>48,638</u>	<u>266,931</u>

18. CREDITORS : AMOUNTS FALLING AFTER ONE YEAR

	2009 £	Group 2007 £	2009 £	Charity 2007 £
Other creditors	8,985	-	-	-
	<u>8,985</u>	<u>-</u>	<u>-</u>	<u>-</u>

19. PROVISIONS FOR LIABILITIES AND CHARGES

	2009 £	Group 2007 £	2009 £	Charity 2007 £
Deferred tax	6,157	-	-	-
	<u>6,157</u>	<u>-</u>	<u>-</u>	<u>-</u>
			Group £	Charity £
Profit & loss charge			6,157	-
Balance at 31 March 2009			<u>6,157</u>	<u>-</u>

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

20. OPERATING LEASE COMMITMENTS

	2009 £	Group 2007 £	2009 £	Charity 2007 £
Expiring : Within one year	20,448	20,448	20,448	20,448
	=====	=====	=====	=====

21. MOVEMENT IN FUNDS

	At 1.1.08 £	Net movement in funds £	At 31.3.09 £
Unrestricted funds			
General fund	278,223	134,297	412,520
	-----	-----	-----
TOTAL FUNDS	278,223	134,297	412,520
	=====	=====	=====

Net movement in funds, included in the above are as follows :

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,939,313	1,805,016	134,297
	-----	-----	-----
TOTAL FUNDS	1,939,313	1,805,016	134,297
	=====	=====	=====

22. RELATED PARTY DISCLOSURES

A number of the trustees of Midlands Excellence or directors of Investors In Excellence Ltd are senior officials of organisations which sponsor, or whose staff benefit from, the programmes delivered by the organisations. Services provided by the organisations are charged at standard programme rates. In aggregate the income from these organisations in the year amounted to £ 415,206 (2007: £332,103).

Details of the more significant of the above transactions are as follows:

Trustee	Organisation	Income	Debtor	Costs
M F P Lavery	Advantage West Midlands	375,856	95,582	-
A D Jones OBE	GSL Group	11,823	344	34,050

23. ULTIMATE CONTROLLING PARTY

The company is controlled by the trustees as a body and no single trustee has overall control.

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

DETAILED STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

	Period 1.1.08 to 31.3.09 £	Group Year Ended 31.12.07 £	Period 1.1.08 to 31.3.09 £	Charity Year Ended 31.12.07 £
INCOMING RESOURCES				
Donations and grants				
Donations	81,381	75,317	121,381	75,317
Grants	238,242	199,600	117,845	199,600
	<hr/>	<hr/>	<hr/>	<hr/>
	319,623	274,917	239,226	274,917
	<hr/>	<hr/>	<hr/>	<hr/>
Other income				
Assessor training	39,168	80,163	18,420	80,163
Courses	158,540	19,875	5,547	19,875
Improvement programmes	839,632	230,714	111,055	230,714
Award entry fees	56,950	39,905	22,100	39,905
Winners' conference	50,115	47,334	50,115	47,334
Awards evenings	266,393	-	136,921	-
Investors in excellence	195,376	187,747	32,070	187,747
Miscellaneous income	6,350	10,335	6,350	10,335
Management charge	-	-	30,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,612,524	616,073	412,578	616,073
	<hr/>	<hr/>	<hr/>	<hr/>
Investment income				
Deposit account interest	7,166	6,358	7,166	6,358
Loan interest received	-	-	4,956	-
	<hr/>	<hr/>	<hr/>	<hr/>
	7,166	6,358	12,122	6,358
	<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources	<hr/> 1,939,313	<hr/> 897,348	<hr/> 663,926	<hr/> 897,348
RESOURCES EXPENDED				
Charitable activities				
Wages	519,684	301,298	72,994	301,298
Social security	56,090	34,620	7,871	34,620
Pensions	44,095	29,436	7,498	29,436
Motor and travel	20,063	11,756	3,432	11,756
Course costs	343,760	105,663	99,764	105,663
Printing, stationery & advertising	41,433	31,981	24,086	31,981
Awards evening	238,348	-	125,162	-
Winners' conference	41,276	38,226	41,276	38,226
Investors in excellence	52,699	65,746	13,855	65,746
	<hr/>	<hr/>	<hr/>	<hr/>
	1,357,448	618,726	395,938	618,726
	<hr/>	<hr/>	<hr/>	<hr/>

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MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

DETAILED STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2009

	Period 1.1.08 to 31.3.09 £	Group Year Ended 31.12.07 £	Period 1.1.08 to 31.3.09 £	Charity Year Ended 31.12.07 £
Governance costs				
Wages	222,722	129,127	31,283	129,127
Social security	24,039	14,837	3,373	14,837
Pensions	18,899	12,616	3,214	12,616
Rent	26,732	20,448	26,732	20,448
Motor expenses	20,064	11,756	3,432	11,756
Insurance	3,071	2,835	2,788	2,835
Telephone	9,583	5,925	7,070	5,925
Sundries	3,459	3,858	1,330	3,858
Bank charges	1,195	641	1,184	641
Professional fees	26,827	13,214	14,735	13,214
Website development	44,090	30,460	44,090	30,460
IT support	10,971	9,743	6,567	9,743
Audit fee	10,450	4,984	4,950	4,984
Relationship management	281	1,113	281	1,113
Bad debts	8,968	1,335	8,160	1,335
	<u>431,351</u>	<u>262,892</u>	<u>159,189</u>	<u>262,892</u>
Other resources expended				
Depreciation of office equipment	3,054	5,359	3,054	5,359
Depreciation of computer software	4,729	-	-	-
Loss on sale of tangible fixed assets	667	-	667	-
	<u>8,450</u>	<u>5,359</u>	<u>3,721</u>	<u>5,359</u>
Taxation				
Corporation tax	1,610	-	-	-
Deferred tax	6,157	-	-	-
	<u>7,767</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total resources expended	<u>1,805,016</u>	<u>886,977</u>	<u>558,848</u>	<u>886,977</u>
Net income	<u>134,297</u> =====	<u>10,371</u> =====	<u>105,078</u> =====	<u>10,371</u> =====

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