

REGISTERED COMPANY NUMBER 3213914
REGISTERED CHARITY NUMBER: 1057144

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
FOR
MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**WALKER THOMPSON
ACCOUNTANTS AND
REGISTERED AUDITORS
EMPRESS HOUSE
43A BINLEY ROAD
COVENTRY
CV3 1HU**

WEDNESDAY



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22/12/2010

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COMPANIES HOUSE

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

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FOR THE YEAR ENDED 31 MARCH 2010**

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**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2010**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2010. 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

- resigned 22 10 09

Dr R W Cliffe

M F P Lavery

D Cooper

A Lyon

- resigned 26 10 10

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 YEAR ENDED 31 MARCH 2010**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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 2006

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 through its trading subsidiary Investors In Excellence Limited employs fourteen 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 to their work 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, BMW, Fortis Bank, E.ON UK, PricewaterhouseCoopers, The Community Housing Group, Haldex Concentric Pumps Ltd, ESOS Ltd and Siemens Group.

Additional funding has been provided by Advantage West Midlands to support the valuable work that we undertake in the West Midlands and we know that 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 as well as attend 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.

Our structure ensures that we continue to meet the requirements of the 2006 Charity Act and provide maximum support to the communities supported by the charity.

Investors in Excellence Limited is a not for profit subsidiary of the charity and focuses 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 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 YEAR ENDED 31 MARCH 2010**

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 action plans that lead to better results by focusing on the key enablers of performance which include leadership, services, products, processes, policy, strategy, people management and the effective use of partnerships as well as resources

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

How our activities deliver public benefit

Our main activities and the recipients of our help are outlined below. The charitable activities of Midlands Excellence focus on public education and business training all of which is designed to help organisations throughout the region achieve better results

The work of the charity enables companies to achieve all round performance improvements thereby creating wealth for the region and our activities also help to improve public services so this again has a positive impact on the regional economy. In addition individuals benefit from our work through engaging with Midlands Excellence and become more effective managers through learning how to deliver excellence

For instance over the past seven years we have worked in partnership with Advantage West Midlands to deliver a range of excellence programmes in support of our aims and this work has been externally assessed by evaluation specialists Ekosgen to illustrate the value that has accrued to the West Midlands region

Key results from the work performed by Midlands Excellence in the West Midlands identified by Ekosgen in its report published in June 2009 included a 19 to 1 return on investment for the taxpayer and this compares with the regional average return on investment of 8 to 1 achieved by other programmes funded by Advantage West Midlands. In addition Ekosgen were advised by the surveyed organisations that our support enabled them to achieve improved outcomes quicker than they would have otherwise done so and indeed most reported that their businesses are a year ahead of where they would have been without the support of Midlands Excellence

A range of key measures was used by Ekosgen on behalf of Advantage West Midlands to evaluate the value of our work derived from funds distributed to us by the regional development agency (RDA) amongst a sample of 250 organisations and the performance improvements attributed to the activities carried out by Midlands Excellence are impressive. The aggregate financial performance improvements reported to Ekosgen by the surveyed organisations include cost savings valued at £19m, revenue increases of £19.4m and performance improvements amounting to £22m. Furthermore Ekosgen identified that an extra 111 jobs were created and more than 227 posts safeguarded as a result of the work carried out by Midlands Excellence with the organisations contained in the sample

The Ekosgen evaluation demonstrates the value to the region of business excellence approaches and also identifies the significant return on investment (one of the highest in the region) achieved by the successful publicly funded support programme provided for Advantage West Midlands by Midlands Excellence

Because business excellence approaches are not a specific element of the Government business support simplification agenda we have agreed to exit programmes financed by RDA money and indeed it has now been announced that all RDAs will close at the end of March 2012. We are making plans to work closely with the Local Enterprise Partnerships and the outcome of this initiative will be covered in next years report

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2010**

OBJECTIVES AND ACTIVITIES

Who used and benefited from our service

Midlands Excellence continues to provide support to a wide range of organisations with this approach demonstrating that all types and sizes of businesses can benefit from our work

Indeed we worked with more than 800 organisations in 39 industry sectors during the period and these ranged from SMEs with fewer than five employees to large scale organisations employing 250 or more staff. Approximately 70% of the organisations that engaged with Midlands Excellence are in the private sector and most of the remainder were government agencies with the balance being voluntary bodies. Approximately 70% of the organisations helped by Midlands Excellence were in the West Midlands and 30% in the East Midlands.

Our vision is to 'make excellence accessible to all' and we are delighted the services provided by Midlands Excellence continue to appeal to such a broad audience through everyone engaging with us sharing the common aim of improving their performance.

Universal application of the Investors in Excellence standard enables us to engage with any organisation so we continue to raise awareness through a range of media that include our website, e-communications, events and intermediaries.

Our strategy is to remain focussed on providing as much support as the financial resources of Midlands Excellence allow and the only limiting factor to further growth apart from the availability of funds is the desire of people working within organisations to get involved with the successful programmes offered by the charity.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Intense competition continues to have an impact on the organisations we serve and many people throughout the region are still focussing on survival rather than improvement. Economic conditions have changed engagement patterns with fewer people attending our events and networks. We have responded by further investing in our web sites which have been redesigned during the period to create dedicated areas for improvement tips and techniques together with a 'knowledge vault' that is available to everyone.

However, there is still a large number of active participants in our networks and we are delighted that Midlands Excellence continues to generate high levels of customer satisfaction. We have introduced a 'net recommender score' which measures the willingness of organisations engaging with us to recommend our services to others and the results are not only positive but ahead of the stretch target of 80% set by the capable Midlands Excellence management team.

A key activity remains the promotion, organisation, administration and development 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 thirteenth award cycle was completed in January 2010 and five excellent organisations received Midlands Excellence awards at a gala ceremony held at the International Convention Centre in Birmingham. More than 1,100 guests attended the awards ceremony and this remains the largest event of its type in Europe.

We trained over 120 assessors to use the EFQM Excellence Model® in the period covered by this report and this work enabled them to undertake thorough as well as fair assessments of the Midlands Excellence 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.

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2010**

ACHIEVEMENT AND PERFORMANCE

More than 2,200 assessors have been trained by Midlands Excellence in the last thirteen years and evidence continues to grow that our training brings significant benefits to the organisations which provide the assessors

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, public sector bodies and charities.

During the period Midlands Excellence also delivered over seventy 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.

FINANCIAL REVIEW

At the end of 2010 our consolidated net assets amounted to £427,521 (2009 £412,520) and net income for the period covered by this report was £15,001 (2009 £134,297 in fifteen months). Cash reserves at 31st March 2010 amounted to £361,042 (2009 £269,557).

Our latest accounting period has seen continued investment in resources which enables us to help the organisations we serve and meet the consistently high demand for the services provided by the charity as well as provide a platform for future growth.

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

Reserves

Current income streams are dependent on the ongoing generosity of our donors, financial surpluses generated from successful Midlands Excellence events as well as training programmes and returns generated by our trading subsidiary Investors in Excellence Limited. The difficult economic conditions resulted in a smaller contribution than planned but against this backdrop the trustees are pleased with the sound financial position and high level of support provided by our funding partners.

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 judgement 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 2010 to be sufficient.

PLANS FOR FUTURE PERIODS

The trustees believe Midlands Excellence has again made sound 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® as well as our Investors in Excellence standard. 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 to engage with even more organisations and provide further support. We will increase awareness as well as interest and engagement in business excellence activities. We firmly believe that all organisations can improve and combat difficult economic conditions by using the Investors in Excellence standard. We will not only continue with our core support activities that include operation of the Midlands Excellence Awards programme, 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)**

**BALANCE SHEET - CONTINUED
AT 31 MARCH 2010**

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies

The financial statements were approved by the Board of Trustees on 18 November 2010 and were signed on its behalf by



A D Jones OBE -Trustee



M F P Lavery -Trustee

The notes form part of these financial statements

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2010**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Midlands Excellence (a company limited by guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, 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 2006. 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

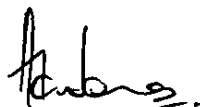
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) 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

18 November 2010



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 MARCH 2010**

We have audited the financial statements of Midlands Excellence (a company limited by guarantee) for the year ended 31 March 2010 on pages nine to twenty-two. 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 Chapter 3 of Part 16 of the Companies Act 2006. 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' (who are also directors of the charitable company for the purposes of company law) 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) and for being satisfied that the financial statements give a true and fair view are set out on page six.

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 United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006. 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 the charitable company's financial statements are not in agreement with the accounting records and returns if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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)
FOR THE YEAR ENDED 31 MARCH 2010**

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Report of the Trustees is consistent with the financial statements

Christopher John Irvine FCCA (Senior Statutory Auditor)

For and on behalf of Walker Thompson

Accountants and
Registered Auditors

Empress House
43a Binley Road
Coventry
CV3 1HU

18 November 2010

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2010**

| | Notes | GROUP Unrestricted funds | | CHARITY Unrestricted funds | |
|--|----------|-----------------------------|-------------------------|-------------------------------|-------------------------|
| | | Year | Period | Year | Period |
| | | Ended 31 3 10 | 1 1 08 to 31 3 09 | Ended 31 3 10 | 1 1 08 to 31 3 09 |
| | | £ | £ | £ | £ |
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Donations and grants | 3 | 52,220 | 319,623 | 46,545 | 199,226 |
| Other income | 4 | 1,538,653 | 1,612,524 | 40,980 | 412,578 |
| Investment income | 5 | 300 | 7,166 | 2,532 | 12,122 |
| Gift Aid Payment from subsidiary company | | - | - | - | 40,000 |
| | | ----- | ----- | ----- | ----- |
| Total incoming resources | | 1,591,173 | 1,939,313 | 90,057 | 663,926 |
| RESOURCES EXPENDED | | | | | |
| Costs of generating funds | | | | | |
| Charitable activities | 6 | 1,275,131 | 1,357,448 | 41,804 | 395,938 |
| Governance costs | 7 | 286,165 | 431,351 | 35,110 | 159,189 |
| Other resources expended | | 13,950 | 8,450 | 1,627 | 3,721 |
| Taxation | 8 | 926 | 7,767 | - | - |
| | | ----- | ----- | ----- | ----- |
| Total resources expended | | 1,576,172 | 1,805,016 | 78,541 | 558,848 |
| | | ----- | ----- | ----- | ----- |
| NET INCOMING RESOURCES | | 15,001 | 134,297 | 11,516 | 105,078 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 412,520 | 278,223 | 383,301 | 278,223 |
| | | ----- | ----- | ----- | ----- |
| TOTAL FUNDS CARRIED FORWARD | | 427,521 | 412,520 | 394,817 | 383,301 |
| | | ===== | ===== | ===== | ===== |

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities

The notes form part of these financial statements

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED AND CHARITY BALANCE SHEETS
AT 31 MARCH 2010**

| | | GROUP Unrestricted funds | | CHARITY Unrestricted funds | |
|--|-------|-----------------------------|----------------|-------------------------------|----------------|
| | | 2010 | 2009 | 2010 | 2009 |
| | | £ | £ | £ | £ |
| | Notes | | | | |
| FIXED ASSETS | | | | | |
| Tangible assets | 14 | 5,872 | 2,965 | 1,339 | 2,965 |
| Intangible assets | 15 | 17,971 | 29,321 | - | - |
| Investments | 16 | - | - | 1 | 1 |
| | | <u>23,843</u> | <u>32,286</u> | <u>1,340</u> | <u>2,966</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 17 | 320,258 | 410,866 | 186,707 | 261,033 |
| Cash at bank | | 361,042 | 269,557 | 240,928 | 167,940 |
| | | <u>681,300</u> | <u>680,423</u> | <u>427,635</u> | <u>428,973</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 18 | (269,586) | (285,047) | (34,158) | (48,638) |
| NET CURRENT ASSETS | | <u>411,714</u> | <u>395,376</u> | <u>393,477</u> | <u>380,335</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 435,557 | 427,662 | 394,817 | 383,301 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 19 | (3,310) | (8,985) | - | - |
| PROVISIONS FOR LIABILITIES | 20 | (4,726) | (6,157) | - | - |
| | | <u>427,521</u> | <u>412,520</u> | <u>394,817</u> | <u>383,301</u> |
| NET ASSETS | | <u>427,521</u> | <u>412,520</u> | <u>394,817</u> | <u>383,301</u> |
| | | <u>=====</u> | <u>=====</u> | <u>=====</u> | <u>=====</u> |
| FUNDS | | | | | |
| Unrestricted funds | | 427,521 | 412,520 | 394,817 | 383,301 |
| TOTAL FUNDS | | <u>427,521</u> | <u>412,520</u> | <u>394,817</u> | <u>383,301</u> |
| | | <u>=====</u> | <u>=====</u> | <u>=====</u> | <u>=====</u> |

The notes form part of these financial statements

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006 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 charity's 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 charity's 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 YEAR ENDED 31 MARCH 2010**

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.

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

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

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2010**

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.

0.5% of the company's turnover relates to markets outside of the UK (2009 0.5%)

3. DONATIONS AND GRANTS

| | Year Ended | Period |
|-----------|------------|---------|
| | 31 3 10 | 1 1 08 |
| | £ | to |
| | | 31 3 09 |
| | £ | £ |
| Donations | 46,545 | 81,381 |
| Grants | 5,675 | 238,242 |
| | ----- | ----- |
| | 52,220 | 319,623 |
| | ===== | ===== |

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2010**

4. OTHER INCOME

| | Year Ended 31 3 10 £ | Period 1 1 08 to 31 3 09 £ |
|-------------------------|----------------------------|--|
| Assessor training | 40,211 | 39,168 |
| Courses | 128,956 | 158,540 |
| Improvement programmes | 1,040,236 | 839,632 |
| Award entry fees | 27,800 | 56,950 |
| Winners' conference | 38,330 | 50,115 |
| Awards evenings | 88,240 | 266,393 |
| Investors in Excellence | 174,880 | 195,376 |
| Miscellaneous income | - | 6,350 |
| | ----- | ----- |
| | 1,538,653 | 1,612,524 |
| | ===== | ===== |

5. INVESTMENT INCOME

| | Year Ended 31 3 10 £ | Period 1 1 08 to 31 3 09 £ |
|--------------------------|----------------------------|--|
| Deposit account interest | 300 | 7,166 |
| | ===== | ===== |

6 CHARITABLE ACTIVITIES

| | Year Ended 31 3 09 £ | Period 1 1 08 to 31 3 09 £ |
|-------------------------|----------------------------|--|
| Staff costs | 475,841 | 619,869 |
| Motor and Travel | 12,291 | 20,063 |
| Marketing | 57,265 | 32,348 |
| Course costs | 555,710 | 343,760 |
| Printing and Stationery | 10,276 | 9,085 |
| Awards evening | 90,085 | 238,348 |
| Winners' conference | 35,564 | 41,276 |
| Investors in Excellence | 38,099 | 52,699 |
| | ----- | ----- |
| | 1,275,131 | 1,357,448 |
| | ===== | ===== |

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2010**

7. GOVERNANCE COSTS

| | Year Ended 31 3 10 £ | Period 1 1 08 to 31 3 09 £ |
|-------------------------|----------------------------|--|
| Staff costs | 203,931 | 265,660 |
| Rent | 21,726 | 26,732 |
| Motor expenses | 12,290 | 20,064 |
| Insurance | 3,078 | 3,071 |
| Telephone | 6,808 | 9,583 |
| Sundries | 2,379 | 3,459 |
| Bank charges | 882 | 1,195 |
| Professional fees | 17,037 | 26,827 |
| Website development | 350 | 44,090 |
| IT Support | 6,385 | 10,971 |
| Audit fee | 7,000 | 10,450 |
| Relationship management | - | 281 |
| Bad debts | 4,299 | 8,968 |
| | ----- | ----- |
| | 286,165 | 431,351 |
| | ===== | ===== |

8 TAXATION

Analysis of the tax charge

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

| | Year Ended 31 3 10 £ | Period 1 1 08 to 31 3 09 £ |
|--------------------------------------|----------------------------|--|
| Current tax | | |
| UK corporation tax | 2,357 | 1,610 |
| Deferred tax | (1,431) | 6,157 |
| | ----- | ----- |
| Tax on profit on ordinary activities | 926 | 7,767 |
| | ===== | ===== |

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2010**

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

| | Year Ended 31 3 10 £ | Period 1 1 08 to 31 3 09 £ |
|---|----------------------------|--|
| Depreciation - owned assets | 2,341 | 3,054 |
| Amortisation – owned assets | 11,350 | 4,729 |
| Deficit on disposal of fixed asset | 259 | 667 |
| Operating lease rentals - other assets | 21,726 | 26,732 |
| Auditors remuneration - audit services | 2,750 | 4,950 |
| Auditors remuneration – audit services - subsidiary company | 4,250 | 5,500 |
| Auditors remuneration - other services | 2,224 | 4,386 |
| Auditors remuneration - other services – subsidiary company | 5,761 | 4,659 |
| | ===== | ===== |

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2010 nor for the period ended 31 March 2009

Trustees' Expenses

There were no trustees' expenses paid for year ended 31 March 2010 nor for the period ended 31 March 2009

11. STAFF COSTS

| | Year Ended 31 3 10 £ | Period 1 1 08 to 31 3 09 £ |
|-----------------------|----------------------------|--|
| Wages and Salaries | 565,171 | 742,406 |
| Social Security costs | 58,998 | 80,129 |
| Pension costs | 55,603 | 62,994 |
| | ----- | ----- |
| | 679,772 | 885,529 |
| | ===== | ===== |

All employees have retirement benefits under money purchase schemes. There were outstanding pension contributions at 31 March 2010 of £6,608 (2009 £14,547)

The average staff numbers employed during the year ended 31 March 2010 was 14 (2009 13)

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2010**

Two employees had earnings in excess of £60,000 pa (2009 2)

| | Year Ended 31 3 10 £ | Period 1 1 08 to 31 3 09 £ |
|---------------------------------------|----------------------------|--|
| £60,000 - £70,000 | 1 | 1 |
| £100,001 - £110,000 | 1 | - |
| £120,001 - £130,000 | - | 1 |
| | ===== | ===== |
| Pension costs paid to high paid staff | 24,900 | 22,917 |
| | ===== | ===== |

12. PENSION COSTS

The charity operates a contributory pension scheme. It is a defined scheme and contributions are charged in the Statement of Financial Activities as they accrue. The charge for the year was £55,603.

13 DEFERRED INCOMING RESOURCES

| | Year Ended 31 03 10 £ | Period 1 01 08 to 31 03 09 £ |
|-------------------------|-----------------------------|--|
| Opening deferred income | 22,722 | 154,285 |
| Income receivable | 1,598,828 | 1,807,750 |
| Closing deferred income | (30,377) | (22,722) |
| | ----- | ----- |
| | 1,591,173 | 1,939,313 |
| | ===== | ===== |

14 TANGIBLE FIXED ASSETS

| | Office equipment Group £ | Charity £ |
|------------------------|--------------------------------|--------------|
| COST | | |
| At 1 April 2009 | 22,039 | 22,039 |
| Additions | 5,506 | - |
| Disposals | (11,052) | (11,052) |
| | ----- | ----- |
| At 31 March 2010 | 16,493 | 10,987 |
| | ===== | ===== |
| DEPRECIATION | | |
| At 1 April 2009 | 19,074 | 19,074 |
| Charge for year | 2,341 | 1,368 |
| Eliminated on disposal | (10,794) | (10,794) |
| | ----- | ----- |
| At 31 March 2010 | 10,621 | 9,648 |
| | ===== | ===== |
| NET BOOK VALUE | | |
| At 31 March 2010 | 5,872 | 1,339 |
| | ===== | ===== |
| At 31 March 2009 | 2,965 | 2,965 |
| | ===== | ===== |

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2010**

15. INTANGIBLE FIXED ASSETS

| | Computer software Group £ | Charity £ |
|-----------------------------------|---------------------------------|--------------|
| COST | | |
| At 1 April 2009 and 31 March 2010 | 34,050 | - |
| | ----- | ----- |
| AMORTISATION | | |
| At 1 April 2009 | 4,729 | |
| Amortisation for the year | 11,350 | - |
| | ----- | ----- |
| At 31 March 2010 | 16,079 | - |
| | ----- | ----- |
| NET BOOK VALUE | | |
| At 31 March 2010 | 17,971 | - |
| | ===== | ===== |
| At 31 March 2009 | 29,321 | - |
| | ===== | ===== |

16. 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 provide business advice and solutions. It prepares financial statements each year to 31 March. The company may donate a proportion of its profits to the parent charity.

Two directors of Investors in Excellence are trustees of the Charity. This enables the Charity to exercise control over the subsidiary.

The results of the subsidiary for the year ended 31 March 2010 are as follows, and are consolidated into the annual results of the Charity.

| | Year Ended 31 3 10 £ | Period 1 1 08 to 31 3 09 £ |
|---|----------------------------|--|
| Turnover | 1,503,348 | 1,350,343 |
| Staff Costs | (679,772) | (759,296) |
| Administration expenses | (804,610) | (504,376) |
| Finance costs | (2,232) | (4,956) |
| Amortisation | (11,350) | (4,729) |
| Depreciation | (973) | - |
| Gift Aid Payment to parent undertaking | - | (40,000) |
| | ----- | ----- |
| Profit on ordinary activities before taxation | 4,411 | 36,986 |
| Tax on profit on ordinary activities | (926) | (7,767) |
| | ----- | ----- |
| Profit for the Financial Year after Taxation | 3,485 | 29,219 |
| | ===== | ===== |

MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2010

The aggregate of the assets, liabilities and funds was

| | Year Ended 31 3 10 £ | Period 1 1 08 to 31 3 09 £ |
|--|----------------------------|--|
| Assets | 460,667 | 500,096 |
| Liabilities | 427,962 | 470,876 |
| | ----- | ----- |
| | 32,705 | 29,220 |
| | ===== | ===== |
| Funds | | |
| Called Up Share Capital (1 ordinary share of £1) | 1 | 1 |
| Profit and Loss Account | 32,704 | 29,219 |
| | ----- | ----- |
| | 32,705 | 29,220 |
| | ===== | ===== |

17. DEBTORS . AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2010 £ | Group 2009 £ | 2010 £ | Chanty 2009 £ |
|----------------------------|-----------|--------------------|-----------|---------------------|
| Trade debtors | 316,766 | 410,472 | - | 48,533 |
| Amount due from subsidiary | - | - | 184,498 | 212,500 |
| Other debtors | 1,283 | - | - | - |
| Prepayments | 2,209 | 394 | 2,209 | - |
| | ----- | ----- | ----- | ----- |
| | 320,258 | 410,866 | 186,707 | 261,033 |
| | ===== | ===== | ===== | ===== |

The amount due from the subsidiary undertaking is secured by a charge over the assets of the subsidiary

18 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2010 £ | Group 2009 £ | 2010 £ | Chanty 2009 £ |
|----------------------------|-----------|--------------------|-----------|---------------------|
| Trade creditors | 133,752 | 72,432 | 5,188 | 10,076 |
| Taxation & social security | 56,139 | 49,630 | - | 4,415 |
| Amount due to subsidiary | - | - | - | 6,825 |
| Other creditors | 12,283 | 20,222 | - | - |
| Accruals | 67,412 | 142,763 | 28,970 | 27,322 |
| | ----- | ----- | ----- | ----- |
| | 269,586 | 285,047 | 34,158 | 48,638 |
| | ===== | ===== | ===== | ===== |

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2010**

19. CREDITORS - AMOUNTS FALLING AFTER ONE YEAR

| | 2010 £ | Group 2009 £ | 2010 £ | Charity 2009 £ |
|-----------------|-----------|--------------------|-----------|----------------------|
| Other creditors | 3,310 | 8,985 | - | - |
| | ===== | ===== | ===== | ===== |

20. PROVISIONS FOR LIABILITIES AND CHARGES

| | 2010 £ | Group 2009 £ | 2010 £ | Charity 2009 £ |
|--------------|-----------|--------------------|-----------|----------------------|
| Deferred tax | 4,726 | 6,157 | - | - |
| | ===== | ===== | ===== | ===== |

| | Group £ | Charity £ |
|--------------------------|------------|--------------|
| Balance at 1 April 2009 | 6,157 | - |
| Profit & Loss charge | (1,431) | - |
| | ----- | ----- |
| Balance at 31 March 2010 | 4,726 | - |
| | ===== | ===== |

21. OPERATING LEASE COMMITMENTS

| | 2010 £ | Group 2009 £ | Land and Buildings 2010 £ | Charity 2009 £ |
|-----------------------------|-----------|--------------------|---------------------------------|----------------------|
| Expiring Within one year | 21,726 | 21,726 | 21,726 | 21,726 |
| | ===== | ===== | ===== | ===== |

22. MOVEMENT IN FUNDS

| | At 1 4 09 £ | Net movement in funds £ | At 31 3 10 £ |
|---------------------------|----------------|-------------------------------|-----------------|
| Unrestricted funds | | | |
| General fund | 412,520 | 15,001 | 427,521 |
| | ----- | ----- | ----- |
| TOTAL FUNDS | 412,520 | 15,001 | 427,521 |
| | ===== | ===== | ===== |

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 1,591,173 | 1,576,172 | 15,001 |
| | ----- | ----- | ----- |
| TOTAL FUNDS | 1,591,173 | 1,576,172 | 15,001 |
| | ===== | ===== | ===== |

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2010**

23 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 £142,992 (2009 £415,206)

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

| Trustee | Organisation | Income | Debtor | Costs |
|--------------|-------------------------|--------|--------|--------|
| M F P Lavery | Advantage West Midlands | 41,475 | - | - |
| S Dingley | Integrated FM | 1,298 | 351 | 13,500 |
| A Lyon | Pricewaterhouse Coopers | 13,342 | - | - |
| D Cooper | ESOS | 19,214 | 676 | 12,297 |
| D Farthing | E-On | 22,307 | 10,715 | |

24 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 YEAR ENDED 31 MARCH 2010

| | Group Year Ended 31 3 10 £ | Group Period 1 1 08 to 31 3 09 £ | Charity Year Ended 31 3 10 £ | Charity Period 1 1 08 to 31 3 09 £ |
|---------------------------------|-------------------------------------|---|---------------------------------------|---|
| INCOMING RESOURCES | | | | |
| Donations and grants | | | | |
| Donations | 46,545 | 81,381 | 46,545 | 121,381 |
| Grants | 5,675 | 238,242 | - | 117,845 |
| | <u>52,220</u> | <u>319,623</u> | <u>46,545</u> | <u>239,226</u> |
| Other income | | | | |
| Assessor training | 40,211 | 39,168 | - | 18,420 |
| Courses | 128,956 | 158,540 | - | 5,547 |
| Improvement programmes | 1,040,236 | 839,632 | 2,650 | 111,055 |
| Award entry fees | 27,800 | 56,950 | - | 22,100 |
| Winners' conference | 38,330 | 50,115 | 38,330 | 50,115 |
| Awards evenings | 88,240 | 266,393 | - | 136,921 |
| Investors in excellence | 174,880 | 195,376 | - | 32,070 |
| Miscellaneous income | - | 6,350 | - | 6,350 |
| Management charge | - | - | - | 30,000 |
| | <u>1,538,653</u> | <u>1,612,524</u> | <u>40,980</u> | <u>412,578</u> |
| Investment income | | | | |
| Deposit account interest | 300 | 7,166 | 300 | 7,166 |
| Loan interest received | - | - | 2,232 | 4,956 |
| | <u>300</u> | <u>7,166</u> | <u>2,532</u> | <u>12,122</u> |
| Total incoming resources | <u>1,591,173</u> | <u>1,939,313</u> | <u>90,057</u> | <u>663,926</u> |
| RESOURCES EXPENDED | | | | |
| Charitable activities | | | | |
| Course costs | 555,710 | 343,760 | 3,645 | 99,764 |
| Awards evening | 90,085 | 238,348 | - | 125,162 |
| Investors in excellence | 38,099 | 52,699 | - | 13,855 |
| Winners' conference | 35,564 | 41,276 | 35,564 | 41,276 |
| Wages | 395,620 | 519,684 | - | 72,994 |
| Social security | 41,299 | 56,090 | - | 7,871 |
| Pensions | 38,922 | 44,095 | - | 7,498 |
| Motor and travel | 12,291 | 20,063 | - | 3,432 |
| Marketing | 57,265 | 32,348 | 637 | 20,126 |
| Printing and stationery | 10,276 | 9,085 | 1,958 | 3,960 |
| | <u>1,275,131</u> | <u>1,357,448</u> | <u>41,804</u> | <u>395,938</u> |

This page does not form part of the statutory financial statements

**MIDLANDS EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**DETAILED STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2010**

| | Group Year Ended 31 3 10 £ | Group Period 1 1 08 to 31 3 09 £ | Charity Year Ended 31 3 10 £ | Charity Period 1 1 08 to 31 3 09 £ |
|---------------------------------------|-------------------------------------|---|---------------------------------------|---|
| Governance costs | | | | |
| Wages | 169,551 | 222,722 | - | 31,283 |
| Social security | 17,699 | 24,039 | - | 3,373 |
| Pensions | 16,681 | 18,899 | - | 3,214 |
| Rent | 21,726 | 26,732 | 21,726 | 26,732 |
| Motor expenses | 12,290 | 20,064 | - | 3,432 |
| Insurance | 3,078 | 3,071 | 2,299 | 2,788 |
| Telephone | 6,808 | 9,583 | 3,718 | 7,070 |
| Sundries | 2,379 | 3,459 | 44 | 1,330 |
| Bank charges | 882 | 1,195 | 808 | 1,184 |
| Professional fees | 17,037 | 26,827 | 2,275 | 14,735 |
| Website development | 350 | 44,090 | 350 | 44,090 |
| IT support | 6,385 | 10,971 | 1,140 | 6,567 |
| Audit fee | 7,000 | 10,450 | 2,750 | 4,950 |
| Relationship management | - | 281 | - | 281 |
| Bad debts | 4,299 | 8,968 | - | 8,160 |
| | 286,165 | 431,351 | 35,110 | 159,189 |
| Other resources expended | | | | |
| Depreciation of office equipment | 2,341 | 3,054 | 1,368 | 3,054 |
| Depreciation of computer software | 11,350 | 4,729 | - | - |
| Loss on sale of tangible fixed assets | 259 | 667 | 259 | 667 |
| | 13,950 | 8,450 | 1,627 | 3,721 |
| Taxation | | | | |
| Corporation tax | 2,357 | 1,610 | - | - |
| Deferred tax | (1,431) | 6,157 | - | - |
| | 926 | 7,767 | - | - |
| Total resources expended | 1,576,172 | 1,805,016 | 78,541 | 558,848 |
| Net income | 15,001 | 134,297 | 11,516 | 105,078 |

This page does not form part of the statutory financial statements

