

IDEA CENTRE (WORKSPACES) LIMITED
FINANCIAL STATEMENTS

FOR
31 DECEMBER 2001

Company Registration Number 3819632



IDEA CENTRE (WORKSPACES) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

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IDEA CENTRE (WORKSPACES) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2001

The director presents her report and the financial statements of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the holding of a building suitable for use as a learning centre, whilst pursuing grant funding for its conversion.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At	At
		31 December	1 January 2001
		2001	
Ms Pugh		—	—
Mr Lennie	(Resigned 9 May 2002)	—	—
Mr Lee	(Resigned 4 June 2001)		
Mr Southcombe	(Resigned 9 November 2001)		

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

AUDITORS

A resolution to re-appoint Chittenden Horley as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

IDEA CENTRE (WORKSPACES) LIMITED

THE DIRECTORS' REPORT *(continued)*


YEAR ENDED 31 DECEMBER 2001

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

E Pugh - Director

Approved by the director on October 31 2002

 31/10/2002

IDEA CENTRE (WORKSPACES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 DECEMBER 2001

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the 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 directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

IDEA CENTRE (WORKSPACES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(CONTINUED)*

YEAR ENDED 31 DECEMBER 2001

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



456 Chester Road
Old Trafford
Manchester
M16 9HD

CHITTENDEN HORLEY
Chartered Accountants
& Registered Auditors

October 31 2002

IDEA CENTRE (WORKSPACES) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2001

	Note	Year to 31 Dec 01 £	Period from 30 Jul 99 to 31 Dec 00 £
TURNOVER		—	—
Administrative expenses		3,884	62,402
OPERATING LOSS	2	(3,884)	(62,402)
Interest payable and similar charges		4,736	238,925
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,620)	(301,327)
Tax on loss on ordinary activities	3	—	—
LOSS FOR THE FINANCIAL YEAR		(8,620)	(301,327)

The notes on pages 8 to 11 form part of these financial statements.

IDEA CENTRE (WORKSPACES) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 DECEMBER 2001

	Year to 31 Dec 01 £	Period from 30 Jul 99 to 31 Dec 00 £
Loss for the financial year attributable to the shareholders	(8,620)	(301,327)
Unrealised profit on revaluation of certain fixed assets	—	364,254
Total gains and losses recognised since the last annual report	<u>(8,620)</u>	<u>62,927</u>

The notes on pages 8 to 11 form part of these financial statements.

IDEA CENTRE (WORKSPACES) LIMITED

BALANCE SHEET

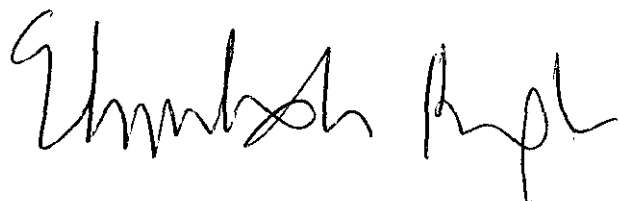
YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	4	1,132,750	1,132,750
CURRENT ASSETS			
Debtors	5	98	98
Cash at bank		—	80
		<u>98</u>	<u>178</u>
CREDITORS: Amounts falling due within one year	6	<u>170,732</u>	<u>224,909</u>
NET CURRENT LIABILITIES		<u>(170,634)</u>	<u>(224,731)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>962,116</u>	<u>908,019</u>
CREDITORS: Amounts falling due after more than one year	7	<u>907,711</u>	<u>844,994</u>
		<u>54,405</u>	<u>63,025</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	98	98
Revaluation reserve		364,254	364,254
Profit and Loss Account		<u>(309,947)</u>	<u>(301,327)</u>
SHAREHOLDERS' FUNDS		<u>54,405</u>	<u>63,025</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the director on October 31 2002 and are signed by her

E PUGH
Director



The notes on pages 8 to 11 form part of these financial statements.

IDEA CENTRE (WORKSPACES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The accounts have not been prepared on the going concern basis because the grant funding required for the development of the company's property asset has not yet been secured. In order to limit the financial exposure of the company's parent, (a registered charity) the director has agreed to give instructions for the property to be sold. If the property sold at the net valuation amount (£1,132,750) then it is proposed that the company should be wound up by means of a members' voluntary liquidation.

However the director believes that this is the worse case outcome. The company continues to pursue grant funding for its development. The property is situated in an area which is currently being regenerated and various environmental improvements are being undertaken, funded by other parties.

The costs of holding the property, including bank interest and interest due to the Charity, have been accrued up to June 2003. The Director believes that this timescale is reasonable for realising the property value either by sale or development.

2. OPERATING LOSS

Operating loss is stated after charging:

	Year to 31 Dec 01 £	Period from 30 Jul 99 to 31 Dec 00 £
Directors' emoluments	—	—
Auditors' fees	500	500

IDEA CENTRE (WORKSPACES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2001

3. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no liability to corporation tax because of the availability of tax losses to carry forward of approximately £110,000.

4. TANGIBLE FIXED ASSETS

	Freehold Property £
COST OR VALUATION	
At 1 January 2001 and 31 December 2001	<u>1,132,750</u>
DEPRECIATION	<u>—</u>
NET BOOK VALUE	
At 31 December 2001	<u>1,132,750</u>
At 31 December 2000	<u>1,132,750</u>

5. DEBTORS

	2001 £	2000 £
Called up share capital not paid	<u>98</u>	<u>98</u>

6. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Accruals and deferred income	<u>170,732</u>	<u>224,909</u>

IDEA CENTRE (WORKSPACES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2001

7. CREDITORS: Amounts falling due after more than one year

	2001 £	2000 £
Bank loans and overdrafts	490,000	490,000
Other creditors	417,711	354,994
	<u>907,711</u>	<u>844,994</u>

The bank loan is secured by a first charge over the company's freehold property in favour of the Co-operative Bank.

The inter-company loan is secured by a second charge over the company's freehold property.

8. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard for Small Entities.

9. SHARE CAPITAL

Authorised share capital:

	2001 £	2000 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>-</u>
	2001 £	2000 £
Ordinary share capital brought forward	98	-
Issue of ordinary shares	-	98
	<u>98</u>	<u>98</u>

The amounts of paid-up share capital for the following category of shares differed from the called-up share capital stated above due to unpaid calls and were as follows:

	2001 £	2000 £
Ordinary shares	<u>98</u>	<u>98</u>

IDEA CENTRE (WORKSPACES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2001

10. ULTIMATE PARENT COMPANY

The company is the sixty nine percent subsidiary of Innovation in Digital and Electronic Arts Limited, a company incorporated in England and Wales and a registered charity. Apart from the amounts outstanding in the loan account there has been no inter-company trading in the period under review.

E Pugh is, and J S Lee was, also a director of the holding company, but they have not received any remuneration for their services from either company.