

**DEVELOPMENT EDUCATION CENTRE
[BIRMINGHAM] LIMITED**

[Limited by Guarantee]

**REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1998**

**Charity No. 516038
Company No. 1863269**



**Norris-Small
Chartered Accountants
Lonsdale House
52 Blucher Street
Birmingham
B1 1QU**

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1998

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DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

CHARITY INFORMATION

Chairperson	Rita Chowdhury
Vice Chair	Roland Clark
Committee	Margaret Barnfield Roger Carter Gill Fox Peter Hedges [Treasurer] Peter Humphreys Colleen Johnson Christopher Leach Roger McBrien Tony Morrison Audrey Osler Roger Robinson* Jeff Serf Julie Wooldridge * Co-opted [not a Trustee]
Company secretary	Iain Scott Sinclair
Registered Office	Development Education Centre Gillett Centre 998 Bristol Road Selly Oak Birmingham B29 6LE
Auditors	Norris-Small Chartered Accountants Lonsdale House 52 Blucher Street Birmingham B1 1QU
Bankers	Lloyds Bank Plc 142 Edgbaston Park Road Birmingham B15 2TY

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
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REPORT OF THE TRUSTEES

The Trustees [Chair, Vice Chair and voting members of the Committee], who are also Directors for the purposes of company law, present their report and the audited financial statements of the company for the year ended 31 December 1998.

Principal activities and aims

The company is a registered charity and its principal activity is to support education with respect to increasing development awareness. The core aims are:

- to further development education practice and policy by enabling individuals and organisations to adopt a global dimension and development perspective as part of their own agenda;
- to offer a range of projects involving people in a creative process focused on aspects of policy, the curriculum or on specific development issues;
- to disseminate the ideas and strategies generated by such projects.

These are supported by key objectives linked to initiatives on curriculum development and school practice, education policy, mutual learning and issue centred work. DEC has established a network of teachers involved in the organisation's work. This is known as Tide~ [Teachers in development education].

Review of the activities

During 1998 the Trustees continued to increase grants and fees and seek further sources of funding. A small surplus of income was achieved. This process must continue in 1999 so that the Charity can continue to achieve its objectives. The Committee considered the current reserves to be too low and are seeking to increase them over the next two years to enable the smooth running of the Charity to continue.

Results for the year

The company achieved a surplus of £1,324 [1997 loss £3,743].

SORP [Statement of Recommended Practice] accounting for charities

In order to comply with the SORP relating to the accounts of charities, a statement of financial activities including an income and expenditure account has been prepared and is set out on page 6 of these accounts.

Members of the committee

The members of the committee as at the date of this report are set out on page 2.

In accordance with the company's Articles of Association, a third of the committee members will retire and a ballot will be held to decide the new members to be elected at the forthcoming Annual General Meeting.

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
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REPORT OF THE TRUSTEES
[Continued]

Interests of members of the committee

No members of the committee have any interests in the company.

Tangible fixed assets

The movements in tangible fixed assets during the year are set out in note 6 to the financial statements on page 12.

Trustees' Responsibilities

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They 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

Norris-Small have expressed their willingness to continue in office as auditors and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

By Order of the Trustees


RITA CHOWDHURY

Chairperson
22 March 1999

AUDITOR'S REPORT
TO THE MEMBERS OF
DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

I have audited the financial statements on pages 6 to 14 which have been prepared on the basis of the accounting policies set out on page 8.

Respective responsibilities of Trustees and Auditor

As described on page 4 the Trustees, who are also the directors of Development Education Centre [Birmingham] Limited for the purposes of company law, are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the committee 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.

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

Opinion

In my opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 December 1998 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Norris - Small

NORRIS-SMALL

Chartered Accountant
Registered Auditor

Birmingham

22 March 1999

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1998**

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
Incoming Resources			
Sale of goods and fees	2	49,952	60,421
Grants and donations	3	156,255	119,682
		-----	-----
Total Incoming Resources		206,207	180,103
		=====	=====
 Resources Expended			
Cost of sales and services	4	33,823	40,695
Charitable activities	5	142,651	122,518
Fund raising and publicity	5	5,128	1,562
Administration	5	23,281	19,071
		-----	-----
Total Outgoing Resources		204,883	183,846
		=====	=====
 Net Incoming/(Outgoing) Resources		1,324	(3,743)
 Fund balances brought forward at 1 January		26,819	30,562
		-----	-----
 Fund balances carried forward at 31 December		28,143	26,819
		=====	=====

The notes on pages 8 to 14 form part of these accounts. A statement of recognised gains and losses has not been prepared as all transactions have been included in the above statement of financial activities.

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
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BALANCE SHEET - 31 DECEMBER 1998

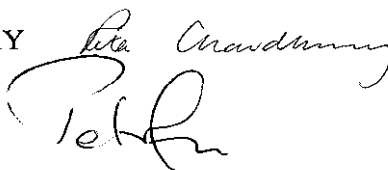
	Note	<u>1998</u> £	<u>1997</u> £
Fixed assets			
Tangible assets	6	3,319	5,865
Current assets			
Stocks and publications	7	29,033	36,157
Debtors	8	23,482	16,445
Cash at bank and in hand		<u>13,837</u>	<u>5,958</u>
		<u>66,352</u>	<u>58,560</u>
Creditors: amounts falling due within one year	9	<u>(35,528)</u>	<u>(37,606)</u>
Net current assets		<u>30,824</u>	<u>20,954</u>
Total assets less current liabilities		<u>34,143</u>	<u>26,819</u>
Creditors: due in more than one year			
Loan	10	<u>(6,000)</u>	<u>-</u>
Total assets less current liabilities		<u>28,143</u> =====	<u>26,819</u> =====
Reserves			
Non-distributable		<u>28,143</u> =====	<u>26,819</u> =====

The financial statements were approved by the Trustees on 22 March 1999 and signed on its behalf by:-

Signed on behalf of the Trustees:

RITA CHOWDHURY

PETER HEDGES



DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
[Limited by Guarantee]

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. The principal accounting policies adopted by the company in the preparation of its financial statements are as follows:-

- (a) **Income**
Income consists of grants and fees, the sale of books and publications [excluding VAT], course fees and sundry income. Grants and fees are taken to income over the period to which they relate, or on completion of any project to which they relate.
- (b) **Depreciation**
Depreciation is provided on equipment and fixtures at a rate of 25% p.a. on cost in order to write the equipment off over its anticipated useful life.
- (c) **Stocks**
Stocks of books and publications are valued at the lower of cost or net realisable value. Cost of publications includes printing and design costs only. Full provision is made against those publications where the cost will not be recovered from future revenues.
- (d) **Taxation**
No provision for taxation is necessary as the company is a registered charity.
- (e) **Pensions**
Contributions are made to defined contribution schemes for certain employees. Costs are charged in the profit and loss account at the date of payment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998

[continued]

	<u>1998</u> £	<u>1997</u> £
2. Sale of goods and fees		
Sale of books and publications	27,353	42,082
Conferences and courses	3,042	4,832
Royalties	-	168
Tide~	875	1,191
GAIA	2,265	-
Development Education Association	6,750	6,699
80:20 Partnership	6,500	4,000
Titan Partnership	2,000	-
Miscellaneous	1,167	1,449
	<hr/>	<hr/>
	49,952	60,421
	=====	=====
3. Grants and donations		
EU	46,062	50,459
Oxfam	63,080	15,000
City of Birmingham	10,000	13,500
The Barrow Cadbury Trust	5,000	7,500
Save the Children Fund	10,000	2,500
UNICEF	7,500	7,500
The Joseph Rowntree Trust	5,000	5,417
Christian Aid	3,333	2,500
Severn Trent	6,000	15,000
Covenants	280	306
	<hr/>	<hr/>
	156,255	119,682
	=====	=====

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998

[continued]

	<u>1998</u> £	<u>1997</u> £
4. Cost of Sales and Services		
Cost of books, publications sold and utilised	29,401	31,895
Project Partners	4,422	8,800
	-----	-----
	33,823	40,695
	=====	=====
5. [a] Employment Costs		
Salaries	83,423	70,034
National Insurance	7,274	5,462
Pensions contributions	4,239	3,369
Redundancy costs	5,678	-
	-----	-----
	100,614	78,865
	=====	=====
[b] Other costs and overheads		
Tide~ newsletters	4,944	4,438
Project costs	14,577	4,600
Rent	18,831	18,525
Telephone	1,568	1,558
Stationery, office and copying costs	6,388	5,159
Postage	4,105	4,840
Travel	6,542	13,532
Special materials	117	173
External Conferences	55	146
Subscriptions	729	271
Audit fee	475	450
Depreciation	4,074	4,367
Training	1,070	325
Insurance	2,100	2,063
VAT irrecoverable	1,884	1,167
Sundry expenses	2,987	2,672
	-----	-----
	70,446	64,286
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998

[continued]

[c] Analysis of employment and other costs

	Charitable Activities £	Fund Raising £	Admin- istration £	Total £
31 December 1998				
Employment costs	81,068	4,797	14,749	100,614
Other costs	<u>61,583</u>	<u>331</u>	<u>8,532</u>	<u>70,446</u>
	<u>142,651</u>	<u>5,128</u>	<u>23,281</u>	<u>171,060</u>
31 December 1997				
Employment costs	66,751	1,203	10,911	78,865
Other costs	<u>55,767</u>	<u>359</u>	<u>8,160</u>	<u>64,286</u>
	<u>122,518</u>	<u>1,562</u>	<u>19,071</u>	<u>143,151</u>

The above costs include the following:-

	1998 £	1997 £
Depreciation	4,074	5,321
Auditor's remuneration	475	450
Operating lease rentals		
Plant	1,868	1,868
Property	18,831	18,525

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998

[continued]

6. Tangible fixed assets

**Computer, fixtures,
and other equipment**

	£
Cost	
At 1 January 1998	32,207
Additions	1,528
	<hr/>
At 31 December 1998	33,735
	=====
Depreciation	
At 1 January 1998	26,342
Charge	4,074
	<hr/>
At 31 December 1998	30,416
	=====
Net book value	
At 31 December 1998	3,319
	=====
At 31 December 1997	5,865
	=====

There were no capital commitments at 31 December 1998 [1997- £Nil]

7. <u>Stocks</u>	1998	1997
	£	£
Books	6,723	8,790
Publications	22,310	27,367
	<hr/>	<hr/>
	29,033	36,157
	=====	=====

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998
[Continued]

8. Debtors	<u>1998</u>	<u>1997</u>
	£	£
Books and publications	2,377	3,395
Courses and other debtors	2,400	979
EU	17,684	11,056
Prepayments	1,021	1,015
	<hr/>	<hr/>
	23,482	16,445
	=====	=====
 9. Creditors: amounts falling due within one year		
Trade creditors	17,464	10,317
Grant in advance from UNICEF	2,500	2,500
Grant in advance from Christian Aid	-	833
Grant in advance EU	-	4,978
Grant in advance DEA	2,500	3,000
Accruals	5,957	5,978
University of Birmingham loan [unsecured] [current portion]	4,000	10,000
Other taxation	2,557	-
Other creditors	550	-
	<hr/>	<hr/>
	35,528	37,606
	=====	=====
 10. Creditors: due in more than one year		
University of Birmingham loan [unsecured]	6,000	-
	=====	=====

The loan is interest free, and is repayable in three equal annual tranches starting in 1999.

DEVELOPMENT EDUCATION CENTRE [BIRMINGHAM] LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998
[Continued]

11. Commitments

The company has annual commitments in respect of the operating leases:-

	<u>1998</u>	<u>1997</u>
	£	£
<u>Property</u> expiring in 2 - 5 years	18,525 =====	18,525 =====
<u>Equipment</u> expiring in 2 - 5 years	1,868 =====	1,868 =====

12. Related party transactions

The Company entered into no transactions with Committee Members or any other related parties during the year. [1997 None.]