

NEWHAM TRAINING & EDUCATION CENTRE LTD.
(a company limited by guarantee)

FINANCIAL STATEMENTS AND DIRECTORS' REPORT
for the
YEAR ENDED 31ST DECEMBER 2002

Co. No: 2444362
Charity No: 802868



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NEWHAM TRAINING & EDUCATION CENTRE LTD.

**FINANCIAL STATEMENTS AND DIRECTORS' REPORT
for the year ended 31st December 2002**

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NEWHAM TRAINING & EDUCATION CENTRE LTD.

**FINANCIAL STATEMENTS AND DIRECTORS' REPORT
for the year ended 31st December 2002**

Information

Status

NEWTEC is a company limited by guarantee without share capital incorporated on 20th November 1989 and registered as a charity on 20th February 1990.

Company number

2444362

Registered office

22 Deanery Road
Stratford
London E15 4LP

Bankers

HSBC Bank plc
15/16 The Mall
Stratford
London E15 1XL

Solicitors

Cartwright Cunningham Haselgrove & Co
13 The Broadway
Woodford Green
Essex IG8 0HL

Auditors

Appleby & Wood
3 The Office Village
4 Romford Road
Stratford
London E15 4EA

NEWHAM TRAINING & EDUCATION CENTRE LTD.

DIRECTORS' REPORT for the year ended 31st December 2002

The directors present their annual report and the audited financial statements of Newham Training and Education Centre Ltd. (NEWTEC) for the year ended 31st December 2002.

PRINCIPAL ACTIVITY

NEWTEC is a company limited by guarantee having charitable status. Its principal aim is to provide education and training services for women, men and the community, to enable them to gain access to employment or further education. NEWTEC provides integrated support for clients by providing quality childcare on and off site in its nursery and with local registered childminders.

ORGANISATION

NEWTEC has a Board of unpaid, volunteer directors who meet 8 times a year to oversee NEWTEC's strategic development and financial probity.

NEWTEC employed 65 full and part time employees during 2002. The Senior Management Team, who have delegated day to day responsibility for NEWTEC, comprises the Chief Executive, Assistant Chief Executives (Service Delivery & Operations), Head of Finance, Head of Information Services and Head of Business Development. The Senior Management Team work with operational managers to ensure the service delivery of training and childcare by front line staff meets NEWTEC's charitable status.

OBJECTIVES

During 2002 NEWTEC reviewed its strategic aims and objectives and introduced a new mission "changing lives through learning". 5 new strategic aims were developed and new values were introduced. The strategic aims are:

- To provide rewarding, inclusive and supportive learning for women, minority ethnic communities and other socially excluded groups

- To maximise the employment potential of individuals and endeavour to meet the skills and recruitment needs of employers

- To promote affordable, high quality childcare provision

- To encourage diversity and create a positive working environment

- To achieve business excellence within an ethical framework

SERVICE PROVISION

Learning, Training and Employment

NEWTEC's curriculum is divided into 4 areas and learning opportunities, most leading to external qualifications, are developed under each area:

- ICT (applications) - this includes Basic Computing and Modern Office Applications (leading to the CLAIT qualification) and Business Technology (leading to the ECDL qualification).

NEWHAM TRAINING & EDUCATION CENTRE LTD.

DIRECTORS' REPORT for the year ended 31st December 2002

- b) ICT technical) - this includes the CISCO networking qualification (Semesters 1-4) and A+.
- c) Early Years & Childcare - this includes childminding to level 3, a preparatory course for classroom assistants (CLANSA) and the Foundation Award in Caring for Children (level 1) .
- d) Basic Skills & Employability - this broad curriculum area includes English, maths, job search, vocational guidance and work preparation. An innovative employability module initially developed for the Private Industry Partnership Programme (PIPP), concentrates on "soft skills" such as team working, problem solving, motivation and communication - skills often cited by employers as essential to effective workplace performance.

Childcare

NEWTEC continued to provide childcare support for learners and local parents through the 37 place on-site nursery and a network of local childminders. The nursery is of a very high standards and is regularly inspected by OFSTED.

NEW DEVELOPMENTS

East London Childcare Institute

Building work for the East London Childcare Institute began in earnest during 2002 and is expected to open during 2003. The new centre, will have a 60-place full day-care nursery catering for children aged 3-months to 5 years plus after school provision. ELCI will provide training for unemployed people who wish to work in the early years sector and professional development for existing employees. In addition it will support individuals and companies to set up childcare facilities such as childminders to develop a business strategy, community nurseries, work-place childcare etc.

Outreach

NEWTEC has developed a new project, due to start in January 2003 to deliver childminder and childcare training from community venues across Newham. Funding for the project is place and work will start at the same time. The work of this project will complement the work of the East London Childcare Institute

NEWHAM TRAINING & EDUCATION CENTRE LTD.

DIRECTORS' REPORT (cont) for the year ended 31st December 2002

Financial review of the year

In the Year ending 31 December 2002, NEWTEC made a surplus of £3,037,923. The main reasons for this is that there has been an increase in funding activity to fund the ICT Training and Childcare facility at Mark Street, Stratford, notably Single Regeneration Budget, European Social Fund and Learning and Skills Council.

Reserves policy

NEWTEC holds restricted funds in the form of fixed assets in respect of capital grants received. Included in unrestricted funds is £99,383 held as designated funds for the contractual obligations NEWTEC may have to meet in the future. The balance of unrestricted funds are held by NEWTEC to meet its future operating expenses due to the way NEWTEC receives funding from its funder's, much of which is paid up to 18 months in arrears.

Financial commitments

The financial commitments of the company at 31st December 2002 are as shown in notes 11 to 14 of the financial statements, and as described below:

Capital Commitment:

The company has entered into a commitment to build an ICT Training and Childcare facility at Mark Street, Stratford. The estimated project cost is £6,596,000 and is due to be completed by August 2003.

This project will be financed through Capital grants. There are commitments from funders to date amounting to £5,823,000.

Lease of building:

The lease of 22 Deanery Road runs from 1st June 1997 for fifty years. The profile of rent payable over the life of the lease is as follows:

	£
- first year	8,000
- second year	10,000
- third to seventh years inclusive	12,000
- eighth year onwards	15,000

NEWHAM TRAINING & EDUCATION CENTRE LTD.

**DIRECTORS' REPORT (cont)
for the year ended 31st December 2002**

Risk Assessment

The major risks to which NEWTEC is exposed, as identified by the Board of directors, have been reviewed and systems have been established to mitigate those risks appropriate to the level of materiality and risk.

Directors and their interests

The directors of the company during the year were:

Carole Snee
Hilary Banks
Geraldine Clark
Angela Ishmael
Naomi Kingsley
Ceryse Fear
Caroline Grant

The directors are elected annually at the annual general meeting by virtue of a simple majority. They are nominated by the company's association members.

No director is employed by or has any interest in any contract with the company. All directors are members of the company. At 31st December 2002, the number of members' guarantees totalled 7 (2001-8).

NEWHAM TRAINING & EDUCATION CENTRE LTD.

DIRECTORS' REPORT (cont)
for the year ended 31st December 2002

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 the company's affairs and of the profit or loss for that year. In preparing these financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

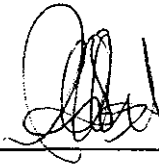
Make Judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;

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 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.

Signed on behalf of the directors:



HILARY BANKS

CHAIR

10th September 2003

NEWHAM TRAINING AND EDUCATION CENTRE LIMITED

AUDITORS' REPORT

Independent Auditor's Report to the Members of Newham Training and Education Centre Limited

We have audited the financial statements of Newham Training and Education Centre Limited for the year ended 31 December 2002 which are set out on pages 8 to 17. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for that purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any one than the company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described on page 6, the directors are responsible for preparing the financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK 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.

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 judgments 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 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.

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 December 2002 and of its incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

16.10.03

3 The Office Village
4 Romford Road
Stratford
London E15 4EA

APPLEBY & WOOD
Registered Auditors

NEWHAM TRAINING AND EDUCATION CENTRE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2002

	Note	Restricted funds £	Unrestricted funds £	Total 2002 £	Total 2001 £
Incoming resources					
Grants	2	4,436,880	215,016	4,651,896	2,475,968
Other income		-	267,901	267,901	249,955
Bank interest		-	42,359	42,359	18,292
Total incoming resources		4,436,880	525,276	4,962,156	2,744,215
Resources expended					
Direct charitable expenditure:					
Course running costs		695,489	256,685	952,174	945,846
Support costs		555,986	205,198	761,184	656,878
Other expenditure:					
Fundraising and publicity		134,809	49,754	184,563	175,463
Management and administration		19,219	7,093	26,312	23,879
Total resources expended	3	1,405,503	518,730	1,924,233	1,802,066
Surplus/deficit for the year		3,031,377	6,546	3,037,923	942,149
Funds as at 1 January 2002		1,493,199	69,621	1,562,820	620,671
Funds as at 31 December 2002		4,524,576	76,167	4,600,743	1,562,820

All of the company's operations are classed as continuing. The company had no recognised gains or losses for the year other than those shown above. The movement on reserves is shown above and in notes 11 and 12.

The notes on pages 10 to 17 form part of these financial statements.

NEWHAM TRAINING AND EDUCATION CENTRE LIMITED

BALANCE SHEET
as at 31 December 2002

	Note	2002		2001	
		£	£	£	£
Tangible fixed assets	7		4,649,832		1,769,530
Investments	8		3		3
			<u>4,649,835</u>		<u>1,769,533</u>
Current assets					
Debtors	9	472,670		420,663	
Cash at bank and in hand		<u>735,871</u>		<u>487,400</u>	
		1,208,541		908,063	
Creditors - Amounts falling due within one year	10	<u>1,257,633</u>		<u>1,114,776</u>	
Net current (liabilities)			<u>(49,092)</u>		<u>(206,713)</u>
Net total assets			<u>4,600,743</u>		<u>1,562,820</u>
Reserves					
Restricted funds	12		4,524,576		1,493,199
Unrestricted funds	11		76,167		69,621
			<u>4,600,743</u>		<u>1,562,820</u>

The notes on pages 10 to 17 form part of these financial statements.

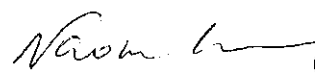
Approved by the directors and signed on their behalf by:



HILARY BANKS

CHAIR

10th September 2003



NAOMI KINGSLEY

TREASURER

10th September 2003

NEWHAM TRAINING AND EDUCATION CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2002

1. Accounting policies

Accounting convention

The accounts have been prepared in accordance with applicable accounting standards and follow the recommendations of the Statements of Recommended Practice -- Accounting by Charities.

Grants receivable

Revenue grants are credited to income in the year to which they relate.

Grants received or applied for the purchase of fixed assets are credited to income in full in the year in which they are received.

Expenditure

Salaries are apportioned between course costs, support costs, fund-raising and publicity and management and administration on the basis of time is spent on each of these activities.

Overheads are allocated to course costs if they are direct charitable expenditure, otherwise they are allocated to support costs.

Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meet these criteria is identified to the fund, together with a fair allocation of support, fundraising and publicity and management and administration costs.

Unrestricted funds are donations and other income received or generated for charitable purposes.

Designated funds are unrestricted funds earmarked for particular purposes by the management committee.

Fixed Assets

Expenditure on items costing £500 and over is capitalised in the year of acquisition. Items costing less than this are to be written off to the income and expenditure account.

Depreciation is provided on all tangible fixed assets at the following rates:

- a) Equipment -- 15% per annum
- b) Fixtures and fittings -- 15% per annum
- c) Computer equipment -- 25% per annum
- d) Building works and play area -- 2% per annum
- e) Computer software -- 50% per annum

Pension scheme

Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme.

NEWHAM TRAINING AND EDUCATION CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2002

1. Accounting policies (continued)

Leases of equipment

All leases of equipment are considered to be operating leases and rentals are charged against revenue incurred. No assets are held under hire purchase agreements.

2. Grants

	2002 £	2001 £
SRB- Capital	2,449,467	1,050,210
European Social Funding	665,035	638,247
ERDF - Capital	450,683	-
Learning and Skills Council - Capital	40,500	-
Learning and Skills Council - Revenue	315,785	219,168
New Deal Young Persons	88,437	124,312
New Deal Lone Parents	30,038	121,612
London Borough Grants	72,000	72,000
SRB - Revenue	161,187	62,831
Skills Work	59,916	46,050
London Borough of Newham	28,189	40,049
Sir John Cass	27,057	35,669
BG Foundation	-	20,000
Morgan Stanley	20,000	20,000
New Opportunity Fund -UK Online - Capital	180,375	-
New Opportunity Fund -UK Online - Revenue	43,969	12,500
New Opportunity Fund	-	7,897
University of East London	-	4,871
Other	19,258	552
	<u>4,651,896</u>	<u>2,475,968</u>

All grants were given as a subsidy towards the capital expenditure, salaries and running costs of the charity, and have been fully used for this purpose in the accounting period. European Social Fund grants are applied for have been treated as receivable.

The amount received from the London Borough of Newham, comprises a subsidy towards the salaries of certain employees.

The grants received from the London East Learning & Skills Council comprises of funding to the support the capital build of East London Childcare Institute and the establishment of new childcare places at Mark Street and Deanery Road.

Grants from the European Social Fund and the University of East London are shown gross of administration fees.

NEWHAM TRAINING AND EDUCATION CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2002

3. Resources expended

a) Analysis of resources expended

	Course Costs £	Support Costs £	Fund. & Publicity £	Mgmt. & Admin. £	Total 2002 £	Total 2001 £
Salaries and wages	701,731	416,898	140,840	12,066	1,271,535	1,109,071
Temporary staff	35,105	20,855	7,046	603	63,609	104,796
Staff healthcare	3,603	2,141	786	-	6,530	4,545
Other staff costs	3,305	1,963	721	-	5,989	15,568
Course materials	26,196	-	-	-	26,196	11,717
Advertising	-	-	30,985	-	30,985	32,375
Trainee travel	13,920	-	-	-	13,920	16,110
Examination and college fees	8,479	-	-	-	8,479	5,193
Childminders	65,967	-	-	-	65,967	125,185
Nursery running costs	8,077	-	-	-	8,077	11,829
Occupancy costs	-	51,664	-	-	51,664	29,429
Equipment maintenance	-	19,202	-	-	19,202	10,724
Insurance	-	10,097	-	-	10,097	10,731
Rent and rates	-	21,720	-	-	21,720	17,324
Depreciation	65,518	43,679	-	-	109,197	104,794
Administration	-	81,235	-	-	81,235	75,322
Staff recruitment	4,856	2,885	1,058	-	8,799	29,631
Audit and accountancy	-	-	-	11,780	11,780	13,771
Professional fees	-	13,636	-	-	13,636	712
Consultancy fees	-	15,405	-	-	15,405	26,507
Staff training	13,379	7,951	2,686	229	24,244	25,064
Staff travel	2,037	1,210	443	-	3,690	3,162
Security	-	9,235	-	-	9,235	3,894
Computer equipment	-	3,431	-	-	3,431	4,637
Software	-	21,956	-	-	21,956	10,058
Bank interest	-	-	-	1,634	1,634	3,750
Café running costs	-	12,533	-	-	12,533	1,904
Bad debts recovered	-	-	-	-	-	(5,900)
Sundry	-	3,488	-	-	3,488	163
	952,173	761,184	184,563	26,312	1,924,233	1,802,066

NEWHAM TRAINING AND EDUCATION CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2002

4. Net incoming resources for the year

	2002 £	2001 £
This is stated after charging:		
Depreciation	109,197	104,794
Auditors' remuneration in respect of audit services	<u>8,850</u>	<u>7,500</u>

5. Staff costs

	2002 £	2001 £
Salaries	1,147,012	1,000,443
Social security costs	99,166	84,351
Pension costs	<u>25,357</u>	<u>24,277</u>
	<u>1,271,535</u>	<u>1,109,071</u>

The average number of employees in the year was 71 (2001 - 43).

The aggregate amount reimbursed to the directors for travel and childcare expenses was £NIL (2001 - NIL). Three employees earned £40,000 per annum or more.

6. Taxation

The company is a registered charity and applies all its income to its charitable objects. It is therefore exempt from Corporation tax.

7. Fixed assets

	Play area £	Building works £	Land £	Computers £	Fixtures, Fittings & Equipment £	Total £
Cost:						
1st January 2002	8,809	1,662,824	650,000	641,464	214,880	3,177,977
Additions	-	2,856,933	-	158,755	6,310	3,021,997
Cost adjustment	-	-	(32,500)	-	-	(32,500)
31st December 2002	<u>8,809</u>	<u>4,519,757</u>	<u>617,500</u>	<u>800,219</u>	<u>221,190</u>	<u>6,167,474</u>
Depreciation:						
1st January 2002	8,340	639,641	-	571,279	189,187	1,408,447
Charged in the year	176	10,523	-	89,014	9,481	109,194
31st December 2002	<u>8,516</u>	<u>650,164</u>	<u>-</u>	<u>660,293</u>	<u>198,668</u>	<u>1,517,642</u>
Net Book Value:						
As at 31st December 2002	<u>293</u>	<u>3,869,593</u>	<u>617,500</u>	<u>139,926</u>	<u>22,522</u>	<u>4,649,832</u>
As at 31st December 2001	<u>469</u>	<u>1,023,184</u>	<u>650,000</u>	<u>70,186</u>	<u>25,693</u>	<u>1,769,530</u>

NEWHAM TRAINING AND EDUCATION CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2002

7. Fixed assets (continued)

Newtec has entered into an agreement with Newham Corporation on 6th July 2001 to acquire freehold property at Mark Street, Stratford, London for £650,000. Under the terms of this agreement, the company has paid a deposit of £32,500 and a licence fee of £32,500 which are both regarded as advance payments of the purchase price of the property. The terms of the licence allow Newtec to develop the property in accordance with plans and specifications approved by both parties.

The balance of the purchase price is due on the Transfer Completion Date which is ten days after the completion of the development or 21st January 2004, whichever is the earlier. Newtec is currently in negotiations with Newham Corporation to defer the final settlement date

The Directors consider that this transaction represents the acquisition of a fixed asset under the recommendation of accounting standard FRS 5 (Reporting of the Substance of Transactions) and have capitalised the full purchase price accordingly.

8. Investments

	2002 £	2001 £
3 ordinary shares of a dormant company, NEWTEC Services Ltd	<u>3</u>	<u>3</u>

9. Debtors

	2002 £	2001 £
Trade debtors	115,246	30,762
Accrued income	333,831	367,317
Prepayments	23,443	19,701
Other debtors	150	2,882
	<u>472,670</u>	<u>420,663</u>

10. Creditors

	2002 £	2001 £
Bank overdraft	52,420	62,215
Trade creditors	375,448	129,196
Taxation and Social Security	30,875	26,991
Other creditors	3,305	3,275
Accruals and deferred income	795,585	893,099
	<u>1,257,633</u>	<u>1,114,776</u>

11. Unrestricted funds

	1st Jan. 2002 £	Incoming resources £	Outgoing resources £	31st Dec. 2002 £
Contractual employment obligations	99,388	-	-	99,383
General funds	(29,762)	525,276	(518,730)	(23,216)
	<u>69,621</u>	<u>525,276</u>	<u>(518,730)</u>	<u>76,167</u>

NEWHAM TRAINING AND EDUCATION CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2002

12. Restricted funds

	1st Jan. 2002 £	Incoming resources £	Outgoing resources £	31st Dec. 2002 £
Tangible fixed assets				
NLCB - Capital	191,355	-	(4,169)	187,186
Skill Challenge - Capital	124,220	-	(6,206)	118,014
Building works	62,352	-	(1,356)	60,996
Bridge House	39,744	-	(828)	38,916
SRB - Capital	1,054,569	2,449,467	(13,813)	3,490,223
ERDF - Capital	14,724	450,683	(3,340)	462,067
New Opportunity Fund - UK Online	-	180,375	(57,858)	122,517
Sir John Cass	6,235	-	(2,078)	4,157
Learning and Skills Council	-	40,500	-	40,500
	<u>1,493,199</u>	<u>3,121,025</u>	<u>(89,648)</u>	<u>4,524,576</u>
European Social Fund grant	-	665,035	(665,035)	-
New Deal Lone Parents	-	29,146	(29,146)	-
New Deal Young Persons	-	77,611	(77,611)	-
SRB - Revenue	-	161,188	(161,188)	-
Learning and Skills Council	-	141,846	(141,846)	-
Skills Work	-	59,916	(59,916)	-
London Borough of Newham	-	28,189	(28,189)	-
Sir John Cass - Revenue	-	27,057	(27,057)	-
Morgan Stanley	-	20,000	(20,000)	-
London Voluntary Sector Council	-	9,000	(9,000)	-
New Opportunity Fund - UK Online	-	25,000	(25,000)	-
New Opportunity Fund	-	65,629	(65,629)	-
Neighbourhood Training Network	-	6,237	(6,237)	-
	<u>-</u>	<u>1,315,855</u>	<u>(1,315,855)</u>	<u>-</u>
	<u>1,493,199</u>	<u>4,436,880</u>	<u>(1,405,503)</u>	<u>4,524,576</u>

NEWHAM TRAINING AND EDUCATION CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2002

13. Analysis of net assets between funds

	Unrestricted Reserves £	Restricted Reserves £	Total £
Tangible fixed assets	162,446	4,487,386	4,682,332
Investments	3	-	3
Current assets	741,803	466,738	1,208,541
Current liabilities	(828,085)	(429,548)	(1,290,133)
Net assets at 31 December 2002	<u>76,167</u>	<u>4,524,576</u>	<u>4,600,743</u>

14. Capital commitments

At 31st December 2002 the company had the following commitments:

	2002 £	2001 £
Authorised and contracted for	<u>2,553,972</u>	<u>4,868,060</u>

Newham Training & Education Centre Ltd is committed to in the provision of a training, education and childcare facility to be completed by August 2003. The estimated project cost is £6,596,000. This will be financed through Capital grants. There are commitments to date from funders of £5,823,000

15. Pension commitments

The company contributes towards the personal pensions of a group defined contribution scheme for participating employees. NEWTEC contributes 5% on behalf of each participating employee and a minimum of 3% is contributed by participating employees. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme.

The outstanding contribution included in creditors at the end of the year was £3,242(2001: £2,024).The total number of staff in the scheme was 22 (2001: 22)

NEWHAM TRAINING AND EDUCATION CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2002

16. Operating lease commitment

At 31st December 2002 the company was committed to make the following payments during the next year in respect of operating leases:

	2002 £	2001 £
Operating leases which expire:		
In over five years	<u>12,000</u>	<u>12,000</u>

17. Fixed and floating charge

The company has an overdraft facility of £65,000 (2001 £65,000) and a weekly BACS facility of £90,000 (2001 £70,000). These are secured by way of a fixed charge over all book and other debts, and a floating charge over all other assets of the company.