

**THE GLOBE CENTRE
(City and East London) Limited**

**Report and Accounts
for the year ended 31 March 2005**



Company registration number: 2546750 (a company limited by guarantee)
Charity registration number: 1001582

Trustees' Report and Accounts for the year ended 31 March 2005

	Pages
Patrons, Trustees and Charity Information	2
Chair's statement	3
Trustees' Report	6
Auditor's Report	10
Statement of Financial Activities	11
Balance sheet	12
Notes to the Accounts	13
Detailed Income & Expenditure Account	21

Patrons, Trustees and Charity Information

Patrons:	Kevin Everett Elizabeth Hurley Sir Elton John Revd. Malcolm Johnson Eddie Oliver Stephen O'Brien Right Revd. Roger Sainsbury Sir Neil Shaw David Vermont John Vetere Zoe Wannamaker	
Trustees/ Directors:	Matthew Hale Brian Dunlop Clare Bennett Michael Tilley Barry Slapp Alice Mugabo Tayo David-Ogundele Paul Fleming Richard Meyer	Chair Treasurer (Resigned 20/05/04) (Resigned 20/05/04) (Resigned 03/08/04) (Appointed 20/05/04) (Appointed 20/05/04) (Appointed 09/11/04)
Company Secretary	Clare Bennett Paul Fleming	(Resigned 20/05/04) (Appointed 13/12/04)
Company no.	2546750 (A company limited by guarantee)	
Registered charity no.	1001582	
Registered office and Principal address	159 Mile End Road London E1 4AQ	
Principal bankers	National Westminster Bank PLC Mile End Branch 331/335 Whitechapel Road London E1 1AU	
Auditors	Winters Chartered Accountants & Registered Auditors 29 Ludgate Hill London EC4M 7JE	

Chair's Statement for the year ended 31 March 2005

The past financial year was a busy and successful time with merger negotiations with London East AIDS Network (LEAN) being the central focus in relation to the management and governance of the charity. Trustees believed that the merger was worthy of this high level focus and the time investment as the central goal was to develop a more robust organisation that was better able to increase the mission value of the charity in a fast changing needs and funding environment. More specifically Trustees of both merger partners set out their ambition for the merged organisation in 7 merger goals:-

- Increase range of services
- Ensure better integration of services across East London
- Improve quality of services
- Provide a stronger Voice for people with HIV in the development of services and policy
- Develop a greater ability to maximise and increase resources (increasing investment in services)
- Develop a greater ability to influence
- Create a more robust organisation

The work of the merger was underpinned by an extensive consultation process involving all stakeholders including service users, funders, health & social care professionals, volunteers, staff and trustees and this enabled the merger group to determine their views, successfully steer the process, manage an effective change management programme agreeing a combined mission and a new name - Positive East.

The closer working, during this time, involved integration of services at the Globe Centre with the three LEAN sites; the synergy of which started to meet the stated merger goals

On a more detailed level the integration of the different staff structures started to assist with the delivery of common services in the new consolidated organisation. The charity appointed Steve Worrall as Deputy Director to assist with effectiveness of delivering a smooth merger and to support Mark Santos with implementing the necessary changes.

During this time we continued to maintain a rigorous focus on service delivery and in fact a number of new service programmes have been implemented. These include the Living Well programme (where we have become the focal point for the roll out of this project across East London), the Home Office's Challenge Fund with the appointment of Acomo Oloya in the Refugee Integration project.

Chair's Statement for the year ended 31 March 2005

This was a very successful innovative programme of work that was both popularly received and had significant positive impacts on people's lives.

Some very difficult decisions had to be made during this time and perhaps the most difficult was the closure of our hydrotherapy pool. This was a much valued service by our clients and had quite self-evident benefits. Unfortunately the service was extremely difficult to fund despite best efforts on the part of staff and Trustees and with regret the Trustees had no other option but to close the service. We also had to close the gym for similar reasons but through our developing partnership with LEAN were able to re-open this after a few months of closure. Unfortunately we also had to close our Welfare Rights programme however once again our partnership with LEAN enabled us to ensure that the needs of our clients in this respect were met.

On the positive side the core services continued delivering our comprehensive range of high quality services meeting the needs of people living with and affected by HIV. These included our assessment/advice service, adherence support, newly diagnosed groups, Volunteering Programme, Positive About Work (PAW) services, Open Access. We also continued to host services provided by the NAZ Project London (Spanish Speaking Support one to one and support group), LEAN (Himaat – South Asian Gay Men Support Group), LEAN (Advice Services), Barts & The London (Sexual Health Outreach Project), DASL (Drug & Alcohol Counselling) amongst others. Looking forward the future is bright with the opportunities brought by the merger which will include new services delivered from what will become the Stepney Site of Positive East. These include Signpost a helpline for gay men, the expansion of the Gay Men Team, a Smoking Cessation programme and outreach via the "HOTEL" programme

On the governance side there have been a number of movements of the trustees – Clare and Michael left in May 04 and Barry in August. Tayo David joined the Board in May. Whilst Paul Flemming and Richard Meyer joined later in the year. Richard in November. Both were volunteers with PAW and Apply Yourself. Richard being the instigator and founder. This programme has now developed into part of Equal 2

The merged organisation which took effect from 1st April has two co-chairs: Azad Khaleel, the LEAN Chair, who brings an extensive knowledge and experience of governance within the voluntary sector, me - Matthew Hale, Chair of Globe Trustees, ensuring continuity within the structure and bringing to bear my extensive business experience to the new organisation.

Chair's Statement for the year ended 31 March 2005

We would thank the staff that left the charity during the year for their contribution to the Globe Centre over the years these include Jo Piner, Julie Barton, Ilora Faruque, Roger. We would also thank a number of key funders for their continued confidence in the charity, which has enabled the trustees to keep the general fund in balance and carry forward a £48,375 in restricted projects to the new merged organisation.

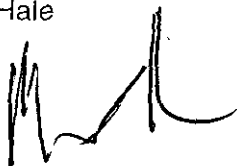
Note during the year the Globe received money from LEAN, totalling £32,500, which has been treated as trust money on the basis of promised donations and we should thank Peter Moore's Foundation as well as the Elton John AIDS Foundation for their part in enabling this to occur. Other key donors that we would wish to thank for their support in the year include MacAIDS for £15k (towards merger), the Monument Trust (£18k for Mental Health and £13.5k towards Deputy Director post); the Community Fund (sponsoring a £40k open access and now careers advise programme) , London Development Agency for £26k towards return to work, Consortia for Volunteering who gave us £35k, Challenge Fund another £36k. Also our thanks go out to the London Borough of Tower Hamlets and Tower Hamlets Primary Care Trust our key statutory funders who have supported and encouraged us through this change.

No year would be complete without a mention of the enormous help that we have had from the active volunteering programme. In the year a massive 7,000 hours and equivalent to four full time posts, This was delivered across all areas - complementary therapies, reception, gardening, the Positive About Work programme and building maintenance. Thank you one and all.

And all of this activity was generated to support the service users who during the year undertook 27,000 services with an average 280 individuals attending the centre each month. The centre's newsletter circulation also rose to 1,400.

A busy year with much accomplished given the organisational and constitutional activities there were ongoing in the background. So a resounding thanks to all who were involved in helping us to successfully navigate the year and emerge in the new financial year a stronger and more financially stable organisation continuing to offer our service users a better and more diverse service .

Matthew Hale

A handwritten signature in black ink, appearing to be 'Matthew Hale', written in a cursive style.

Trustees' Report for the year ended 31 March 2005

The Board of Directors, acting as the Charity's Trustees, present their report and the audited financial statements for the year ended 31 March 2005.

Constitution

Company Limited by Guarantee. The Globe Centre (City and East London) Limited is a company limited by guarantee (No. 2546750). The liability of members is limited to £1 each in the event of the company being wound up. The members are admitted by the Board of Directors.

Charity. The company is also a registered charity (No. 1001582) and as such is not liable to income tax, corporation tax, and capital gains tax.

Governing Documents. As a company limited by guarantee, the objectives and legal framework of the company are set out in its Memorandum and Articles of Association, which are available at the registered office.

Objectives

- (i) To relieve persons in the City of London and East London and the surrounding area who are suffering from or affected by Acquired Immune Deficiency Syndrome (AIDS), other illness caused by or related to the Human Immunodeficiency Virus (HIV) or any other diseases or conditions which cause severe mental or physical disability in particular by providing or assisting in the provision of counselling, advice, medical assistance, homes, hospitals, services and places of resort and refuge for such persons which would not otherwise be provided by the local authority.
- (ii) To advance public education and to promote and preserve the health of the general public by conducting research into AIDS, HIV and other illnesses or conditions and disseminating the useful results of such research.
- (iii) To establish or secure the establishment of a Centre and to maintain and manage the Centre in furtherance of these objects.

Trustees

The Board of Trustees of the charity are the directors for Companies Acts purposes, and are authorised to appoint new trustees to fill vacancies. Representatives from Service Users and Volunteers sit on the Board, which is responsible for the strategic direction of the Centre. Management of the Centre is delegated to the Centre Director.

The Trustees and the principal officers during the year are shown on page 2.

Investment Powers

The Trustees are authorised to make and hold investments using the general funds of the charity, but no such investments are presently held.

Development, Activities and Achievements

The principal activity of the Charity in the period under review was the provision of services to those affected by HIV and AIDS in the City and East London area..

The Trustees continued to support an extensive range of services available to service users. Over 30 different services are offered both directly by the Centre and its partners. The Centre is used every day of the week, most evenings, and many week-ends. However, Individual sessions have fallen for the year under review, owing to the closure of the Hydrotherapy Unit and Welfare Advice Service. On 21st March 2005, the Trustees invited the Trustees of London East AIDS Network (LEAN) to membership of the Globe Centre (City and East London) Ltd, and the assets of the Charity were transferred to LEAN as from 1st April. More details are given in the Chair's Statement on page 3.

Trustees' Report for the year ended 31 March 2005 (Cont'd)

Financial Review

The statement of Financial Activities of the Charity is provided on page 10. The Trustees report a net deficit for the year on all Funds of £14,253 (2004: £48,349) Total fund reserves decreased to £188,702 (2004: £202,955) .

Total incoming resources were £428,850 (2004: £487,005), and total resources expended fell to £443,103 (2004: £535,354) including net depreciation of £29,247 (2004: £31,208).

The General Fund was again fully utilised in meeting the challenges posed during the year, resulting in a surplus of £63 (2004: £5,108 deficit) leaving a surplus to be carried forward of £1,636 (2004: £1,573)

The Trustees are taking the necessary legal steps to transfer the assets to the new, merged, organisation.

Risk Management

The Trustees review the major risks to which the charity is exposed on an ongoing basis. The Trustees have established systems to mitigate these risks and review these systems as appropriate to ensure that no 'control gap' develops over time.

The major risks to the strategic aims of the charity can be summarised as follows: Going Concern, Key Staff Retention, Fraud/Cost Control, Demand for Services, Health and Safety, IT Failure and Opportunity Management. The following are examples of key controls in place to mitigate risk in each of these areas:

Going Concern - the charity actively manages its cashflow. An annual budget is approved by the Trustees. The Finance Manager maintains a cashflow forecast that is reviewed with regular meetings with the Treasurer and at meetings of the Board of Trustees. A finance sub-committee of the trustees concentrates further on the financial management of the charity. The charity aims to follow charity commission publication 'CC19 Charities Reserves' with respect to maintenance of adequate reserves.

Key Staff Retention - the charity values its staff. A full salary review is made annually and systems are in place to ensure all staff have a line manager and regular documented supervision.

Fraud / Cost Control - these risks have been considered together as they are both mitigated by finance department controls. The Finance Manager and Treasurer maintain comprehensive system controls over purchasing and the protection of the charity's cash from loss through fraud. The Finance Subcommittee regularly reviews the controls against those suggested by the Charity Commission publication 'CC8 Internal Financial Controls for Charities' to see if any further improvements can be made.

Demand for Services - in the year under review, the charity has yet again seen an increase in service users without a corresponding increase in statutory funding. During the year, the charity successfully handled such increases. However in June 2003, the charity became overwhelmed with new registrations, and thereafter had to restrict access to its services. The Director and senior staff monitor the workload on staff and the effectiveness of services provided, and reports on this regularly to the Board of Trustees.

IT Failure - the charity has an IT maintenance contract that provides prompt support in the event of any computer failure. Security copies are made regularly of the computer system data and copies are stored away from the building to minimise the risk of loss.

Opportunity Management - the charity recognises the need to capitalise on opportunities to better the charity and achieve its strategic objectives. The Director regularly addresses such matters at Trustee meetings. Trustees are also carefully selected to provide an appropriate mix of skills and experience and are required to familiarise themselves with Charity Commission publication 'CC3 Responsibilities of Charity Trustees'.

Designated Funds

A Fixed Asset Fund was set up to equate to the net book value of fixed assets at 31 March 1995, reduced by the related capital grant from the then North East Thames Regional Health Authority. This fund is utilised each year to match the annual depreciation of the assets concerned. Of the equipment, furniture and leasehold improvements purchased to create the Centre at 159 Mile End Road, the balance remaining now consists entirely of the unwritten-down value of the leasehold improvements (see note 13)

Restricted Funds

Restricted funds are established when an incoming resource is given for a restricted purpose, and are set out in note 14 to the Financial Statements.

General Funds

These represent all funds that are not designated or restricted, and are available to the Trustees for any purpose within the charitable objectives.

The Trustees have previously set a target of maintaining a minimum of three months operating costs in General Funds, which would be within the guidelines set by the Charity Commission. However, despite maintaining fund-raising activities, and reducing costs where possible, it has not been possible to meet this target.

Auditors

A resolution to appoint as auditors, Messrs Winters, the auditors of London East AIDS Network, was passed at an Extraordinary General Meeting held on 5th August 2005, to which the previous auditors, Messrs Leonard Finn & Co, have indicated their acceptance.

Trustees' Reports for the year ended 31 March 2005 (Cont'd)

Statement of Trustees' Responsibilities

The law applicable to charities in England and Wales requires the Board of Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing those accounts, the Board of Trustees should follow best practice and:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards and the Statement of Recommended Practice have been followed, subject to any 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 Board of Trustees are responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy the financial position of the Charity and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Trustees confirms acceptance of this responsibility.

Signed on behalf of the Trustees:



Matthew Hale
Chair of the Board of Trustees



Brian Dunlop ACA
Treasurer

16th December 2005

**Independent Auditor's Report to the Members of
The Globe Centre (City and East London) Limited
a Company limited by guarantee**

We have audited the financial statements of The Globe Centre (City and East London) Limited on pages 11 to 20 that have been prepared under the historical cost convention and the accounting policies set out on pages 13 to 15.

This report is made solely to the Members as a body. Our audit work has been undertaken so that we might state to the Members those matters that we are required to state to them in an auditor's 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 Members as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

The Trustees, who are also the Directors of The Globe Centre (City and East London) Limited for the purposes of company law, have responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, and are set out in the Statement of Trustees' Responsibilities. 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 Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the Charity is not disclosed.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications of our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

We are not required to consider whether the statements in the Trustees' Report concerning the major risks to which the Charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the Charity's risk management and control procedures.

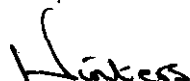
Basis of Opinion

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 Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 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 Charity's affairs at 31 March 2005, 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.



Winters
Chartered Accountants and Registered Auditors
29 Ludgate Hill
London EC4M 7JE

16 December 2005

Statement of Financial Activities for the year ended 31 March 2005

	Notes	General funds £	Designated funds £	Restricted funds £	Total funds 2005 £	Total funds 2004 £
Incoming Resources:						
Donations and fund-raising	2	8,889	-	120,993	129,882	221,275
Activities in furtherance of the Charity's Objects:						
Grants receivable	3	141,554	-	119,182	260,736	236,547
Activities for generating funds:						
Other income		37,605	-	-	37,605	28,610
Interest		627	-	-	627	573
Total Incoming resources		188,675	0	240,175	428,850	487,005
Resources expended:						
	4					
Costs of generating funds:						
Publicity and Fund-raising		920	15	0	935	4,260
Direct Charitable Expenditure:						
Assessment & Advice Services		26,145	242	17,653	44,040	101,965
Open Access		45,820	2,127	70,709	118,656	131,368
Treatment & Care		9,254	834	30,885	40,973	43,633
Physical Health		21,499	4,531	1,396	27,426	61,255
Career & Volunteering Opportunities		19,560	3,032	69,836	92,428	82,570
Other Services		27,654	4,197	65	31,916	39,118
Support Expenditure		31,606	216	13,533	45,355	34,957
Management & Administration		6,154	216	35,004	41,374	36,228
Total Resources Expended		(188,612)	(15,410)	(239,081)	(443,103)	(535,354)
Net Resources for the Year		63	(15,410)	1,094	(14,253)	(48,349)
Balances brought forward at 1 April 2004		1,573	154,101	47,281	202,955	251,304
Balances carried forward at 31 March 2005		£1,636	£138,691	£48,375	£188,702	£202,955

All items dealt with in the above statement of Financial Activities relate to continuing operations.
The notes on pages 12-19 form part of these accounts.

Balance sheet at 31 March 2005

	Notes	31 March 2005 £	31 March 2004 £
Fixed Assets			
Net tangible fixed assets		283,674	325,777
less Unexpended Government Grant	12	(126,000)	(140,000)
Net Fixed Assets	9	157,674	185,777
Current Assets			
Stocks	8	0	100
Debtors	10	42,478	29,636
Cash at bank and in hand		69,141	63,240
		111,619	92,976
Creditors:			
Amounts falling due within 1 year	11	80,591	75,798
Net Current Assets		31,028	17,178
Net Assets	17	£188,702	£202,955
Funds and Reserves			
Unrestricted Funds			
General Funds		1,636	1,573
Designated - Fixed Asset Fund	13	138,691	154,101
Restricted Funds	14	48,375	47,281
Total Reserves		£188,702	£202,955

The financial statements ~~on pages 10 to 19~~ were approved by the Trustees on 16th Dec 2005



Matthew Hale
Chair of the Board of Trustees



Brian Dunlop ACA
Treasurer

Notes to the Financial Statements for the year ended 31 March 2005**1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Charity's Financial Statements.

The Financial Statements are prepared under the historical cost convention and on the accruals basis. They comply with the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2000), and are in accordance with applicable accounting standards and the Companies Act

1.1 Basis of preparing the Financial Statements – going concern.

The Financial Statements have been prepared on a going concern basis which assumes the Charity will continue in operational existence for the foreseeable future. The validity of this assumption depends on the Charity being able to meet its projected cash-flow forecasts, and on the Charity's principal funders continuing their support by providing adequate funds. However, the nature of the Charity is such that there can be considerable variation in the timing of cash inflows and outflows, and there is therefore uncertainty about whether the cash-flow forecast will be met on a timely basis. If therefore the Charity were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the Balance Sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise, and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

1.2 Services - in - kind

No account is made of the significant contributions of volunteers and voluntary organisations, who provide services free of charge.

1.3 Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Donated assets are included in income and capitalised at their estimated value to the charity where the value is ascertainable and material.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, on a straight line basis over the useful economic lives of the assets concerned as follows:

Leasehold premises and additions	5%
Fixtures and fittings	15%
Office equipment	25%

1.4 Stock

Stock is valued at the lower of cost and estimated net realisable value.

1.5 Cash Flow Statement

A cash flow statement is not included in these accounts because the Charity qualifies as a small company as defined in s246 to 249 of the Companies Act 1985. In addition Financial Reporting Standards 1 exempts the Company from this requirement.

Notes to the Financial Statements for the year ended 31 March 2005**1.6 Fund Accounting**

General funds comprise the accumulated surplus or deficit on income and expenditure account. They are available at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds subject to specific restricted conditions imposed by the donors. Designated funds are funds which have been set aside at the discretion of the Trustees for specific purposes.

Fixed asset funds are funds which have been set aside to account for assets that have been capitalised out of capital grants. Capital grants received to fund the cost of acquiring fixed assets are taken to the Income and Expenditure Account over the useful life of the asset concerned.

1.7 Grants from public bodies

Government, Health, and Local Authority grants received in respect of expenditure charged to the Income and Expenditure Account during the year have been included in the Income and Expenditure Account.

- . Grants for immediate expenditure are accounted for when they become due.
- . Grants received for specific purposes are treated as restricted funds.
- . Grants restricted to future accounting periods are deferred and recognised in those periods.
- . Capital Grants are credited to the Income and Expenditure Account over the estimated useful life of the fixed asset by reducing the acquisition costs of the fixed asset by the amount of the grant, and basing the annual depreciation charge on the net account.

1.8 Voluntary Income

Voluntary income and donations are accounted for as received by the Charity. The income from fund-raising ventures are shown gross with the associated expenditure included in publicity and fund-raising expenditure.

1.9 Investment Income

Investment Income is included gross in the Financial Statements.

1.10 Resources expended

Expenditure is allocated and classified under the Charity's principal categories of activity rather than types of expenses in order to provide more useful information to users of the accounts (see note 4).

The cost headings comprise expenditure directly attributable to the activity. Where overhead costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources, such as staff time or building space used, and previous periods.

Publicity and fund-raising costs include the costs of promoting the Charity. Management and administration costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements such as the auditor's remuneration of £5,287 (2004: £7,050)

1.11 Pensions

The Charity does not operate its own pension scheme. However, contributions are made to individual employees' personal pension schemes. The liability of the Charity is restricted to the amounts paid in the year.

1.12 Value Added Tax

The Charity is not registered for Value Added Tax (VAT), and is therefore unable to reclaim any input tax on its expenditure. Such expenditure in the accounts is shown inclusive of VAT.

Notes to the Financial Statements for the year ended 31 March 2005**1.13 Tax Status**

The Charity is a registered charity and its income is within the exemptions of the Income and Corporation Taxes Act 1988.

1.14 True and fair view

The Charity does not seek to make a profit, nor can its results be measured by normal commercial criteria. In order that a true and fair view of the activities is given, a Statement of Financial Activities has been included in place of a profit & loss account as required by the Companies Act 1985.

2. Voluntary Income

	General funds	Designated funds	Restricted funds	Total funds 2005	Total funds 2004
Charitable Grants	150	-	105,993	106,143	106,965
Donations	5,628	-	15,000	20,628	102,140
Benefits and fundraising events	3,111	-	-	3,111	12,170
Total	£8,889	-	120,993	129,882	221,275
2004	£154,610	-	66,665	221,275	

3. Grants receivable

	General funds	Designated funds	Restricted funds	Total funds 2005	Total funds 2004
Tower Hamlets Primary Care Trust	79,804	-	20,500	100,304	81,116
The London Borough of Tower Hamlets	50,000	-	-	50,000	56,000
Consortium of Volunteering	-	-	34,894	34,894	31,268
Corporation of London	4,750	-	-	4,750	4,750
London Borough of Waltham Forest	7,000	-	-	7,000	0
Positive Futures/Single Regen. Budget	-	-	-	0	0
Positive Futures/European Social Fund	-	-	1,395	1,395	16,305
Association of London Government	-	-	-	0	40,500
London Development Agency	-	-	26,433	26,433	6,608
Home Office Challenge Fund	-	-	35,960	35,960	
Total	141,554	0	119,182	260,736	236,547
2004	£108,218	-	128,329	236,547	

Notes to the Financial Statements for the year ended 31 March 2005**4. Total resources expended****2005 2004**

Costs are split between functions on the following basis:

Staff salaries are allocated according to the estimated time spent on each activity.

Actual costs incurred in carrying out an activity are charged to that activity.

An estimated premises overheads charge is made to each activity based on the approximate floor area used.

	CoGF	Assessment & Advice	Open Access	Treatment & Care	Physical Health	Career & Volunteering Opportunities	Other Services	Support Services	Managemt. & Admin.	Total	Total
Staff Salaries	342	38,155	70,896	33,354	5,609	43,978	1,879	40,103	28,461	262,777	288,572
Contracted Staff	-	-	-	-	-	12,437	-	-	-	12,437	26,419
Other Staff Costs	-	220	220	-	-	502	-	40	195	1,177	7,377
Volunteer Costs	-	-	-	-	-	6,734	390	-	312	7,436	7,020
Café & refreshments	-	-	-	-	-	-	8,494	-	-	8,494	14,865
Direct Service Costs	-	400	31,218	615	1,160	1,457	3,353	-	-	38,203	61,653
Fund-raising Costs	493	-	-	-	-	-	-	-	-	493	2,962
Service Awareness	-	10	10	10	10	609	10	-	-	659	1,517
Professional Fees	-	-	-	-	-	1,152	-	-	8,452	9,604	12,304
Office Costs	31	3,403	6,324	2,975	500	5,420	168	3,577	2,539	24,937	30,009
Premises Costs	47	735	6,465	2,533	14,060	9,214	13,273	656	656	47,639	51,448
Depreciation	22	1,117	3,523	1,486	6,087	10,925	4,349	979	759	29,247	31,208
	£935	44,040	118,656	40,973	27,426	92,428	31,916	45,355	41,374	443,103	535,354
2004	4,260	101,965	131,368	43,633	61,255	82,570	39,118	34,957	36,228	535,354	

5. Analysis of Resources Expended**2005 2004**

The following have been charged to the Statement of Financial Activities:

Staff Costs	262,778	288,572
Depreciation	29,247	31,208
Auditors' Remuneration	5,287	7,050

6. Employees**2005 2004**

The aggregate payroll costs were as follows:

Gross Salaries	238,056	261,400
Employers National Insurance	23,693	25,534
Pension Costs	1,029	1,638
	262,778	288,572

No employee earned more than £50,000 p.a. The average number of employees analysed by function was:

Advice	1.3	3.4
Open Access	3.6	2.3
Treatment & Care	1.2	1.1
Physical Health	0.1	1.1
Career & Volunteering Opportunities	2.1	2.0
Support Services	1.6	1.6
Management, Administration, & Fund-raising	1.1	1.5
	11.0	13.0

Notes to the Financial Statements for the year ended 31 March 2005**7. Directors**

The company had six directors at 31 March 2005. The directors received no remuneration during the year, but did receive refreshments, travel and phone costs to the value of £312 (2004: £259) at meetings undertaken to carry out their duties. One of the Directors, Matthew Hale, made a donation of £500 (2004: £50,080)

8. Stocks

	2005	2004
Vending machine stocks	0	100

9. Tangible fixed assets

	Leasehold Improvements	Less Government Grant	Furniture & fittings	Office equipment	Total 2005	Total 2004
Cost						
At 1 April 2004	596,722	(280,000)	152,887	84,394	554,003	597,478
Additions	-	-		1,148	1,148	15,525
Disposals	-	-			0	(59,000)
At 31 March 2005	596,722	(280,000)	152,887	85,542	555,151	554,003
Accumulated Depreciation						
At 1 April 2004	295,800	(140,000)	145,536	66,895	368,231	396,018
Charge for the year	29,836	(14,000)	2,354	11,057	29,247	31,208
Depreciation on Disposals	-	-			0	(59,000)
At 31 March 2005	325,636	(154,000)	147,890	77,952	397,478	368,226
Net book value						
at 31 March 2005	£271,086	(126,000)	4,997	7,590	157,673	185,777
Net book value						
at 31 March 2004	£300,922	(140,000)	7,352	17,503	185,777	

The value of leasehold improvements represents the expenditure by the company to renovate the building. In 1993/94 the company received a Capital Grant of £280,000 towards these improvements from North East Thames Regional Health Authority and this is deducted from Fixed Assets. The Leasehold Tenure on the building is 125 years, expiring in 2118, at a peppercorn rent.

Notes to the Financial Statements for the year ended 31 March 2005**10. Debtors**

	2005	2004
Grants receivable: European Social Fund	-	3,598
Monument Trust	13,500	
LB Waltham Forest	1,750	-
Tower Hamlets Primary Care Trust	5,000	4,000
	20,250	7,598
Trade debtors	-	-
Prepayments	13,058	13,885
Accrued Income	7,500	-
Tax Recoverable		3,175
Other debtors	1,670	4,978
Total	£42,478	£29,636

11. Creditors due within one year

	2005	2004
Accruals	48,077	28,895
Deferred Income	2,500	2,500
Social Security and other taxation	13,432	15,607
Other creditors	16,582	28,796
Total	£80,591	£75,798

12. Unexpended Government Grant

	2005	2004
Balance brought forward	140,000	154,000
Amortised during year (Year 11 of 20)	(14,000)	(14,000)
Balance carried forward	£126,000	£140,000

The Unexpended Capital Grant is shown in the Balance Sheet as a deduction from the Leasehold Improvements towards which it was granted. The Grant is amortised at 5% per annum on a straight line basis in line with the depreciation on Leasehold Improvements.

13. Designated Funds

The value of the Fixed Asset Fund represents the amount raised by the company in an appeal to renovate the building in 1993/94, net of a Capital Grant of £280,000 towards these improvements from North East Thames Regional Health Authority. The Fund is amortised at 5% per annum on a straight line basis in line with the depreciation on Leasehold Improvements. £15,410 (2004 £15,410) was utilised during the year.

Notes to the Financial Statements for the year ended 31 March 2005**14. Restricted funds**

The outstanding balances comprising the restricted funds are: -

Donor	Project	Income	Expenditure	2005	2004
<i>Amounts utilised for depreciation on capital grants:</i>					
Spitalfields Market CT	Car park perimeter security fencing	-	151	5,218	5,369
Co-operative W S	do	-	190	3,040	3,230
Ford of Britain	Refurbishment, Hydro pool	-	1,204	3,543	4,747
Anonymous	Computer Software	-	250		250
Various	Hoist, Hydro pool	-	121	202	323
Elton John AIDS Fndn	Computer trunking, Healthcare Team	-	148	243	391
Positive Futures /	Equipping <i>Positive About Work</i>	-	6,731	1,942	8,673
<i>Grants made to support the Open Access / Refugee Integration Project:</i>					
Crusaid	Extended hours for Receptionist	-	7,449		7,449
Community Fund	Black Project Worker post	40,147	39,898	10,223	9,974
Consortium on Opportunities for Volunteering	Access to services by minorities	34,894	34,894	-	-
<i>Grants made to support groups:</i>					
Tower Hamlets PCT	Naz Project Latino Group	8,000	8,000	-	-
Tower Hamlets PCT	Newly Diagnosed Groups	5,000	5,000	-	-
Tower Hamlets PCT	<i>Living Well</i>	7,500	7,500		
Home Office Challenge Fund	Refugee Integration	35,960	13,198	22,762	
Children with AIDS Charity	Creche provision	1,846	644	1,202	-
<i>Grants made to support "Positive About Work":</i>					
Positive Futures / LDA	HIV and Employment	26,433	26,433	-	-
European Social Fund	HIV and Employment	1,395	1,395	-	-
<i>Grants made for specialist services:</i>					
Monument Trust	Mental Health Worker post	18,000	24,875		6,875
Monument Trust	Deputy Director post	13,500	13,500	-	-
Peter Moore's Foundation	Drug Adherence Worker post	12,500	12,500		
Elton John AIDS Foundation	Merger Facilitation	20,000	20,000		
Estee Lauder (MacAIDS)	Merger Facilitation	15,000	15,000	-	-
Total Restricted Funds		£ 240,175	239,081	48,375	47,281
	2004	194,994	222,825	47,281	

Notes to the Financial Statements for the year ended 31 March 2005**15. Consortium on Opportunities for Volunteering**

Grant-aid of £34,894 was received in 2004/05 from the Consortium on Opportunities for Volunteering for the Refugee Integration Project. The following table illustrates what the money was awarded for, and that it has been used for these purposes.

	Year to 31 March 2005		Year to 31 March 2004	
	Grant	Spent	Grant	Spent
Remuneration of Project Co-ordinator	18,449	20,081	16,825	15,851
Staff Training	654	316	1,000	673
Training of Management Committee and Volunteers	2,500	3,693	3,000	2,753
Volunteers Expenses	5,400	2,629	5,000	4,269
Management and Supervision	3,167	3,377	2,843	3,026
Office Costs	992	1,142	1,000	964
Premises Costs	3,732	3,656	1,600	3,732
£	34,894	34,894	31,268	31,268

16. Taxation

The company has charitable status for taxation purposes. It is able to recover tax credits on investment income and income tax. The company is exempt from Corporation tax, income tax, and capital gains tax on disposal of investments.

17. Analysis of Net Assets between funds

	General fund	Designated fund	Restricted fund	Total 2005	Total 2004
Fixed Assets	10,289	138,691	8,694	157,674	185,777
Current Assets	71,938	-	39,681	111,619	92,976
Current Liabilities	(80,591)	-	-	(80,591)	(75,798)
Net Assets	£1,636	138,691	48,375	188,702	202,955
2004	£1,573	154,101	47,281	202,955	

18. Post Balance Sheet Events

The charity merged with London East AIDS Network with effect from 1 April 2005 and that the two charities have been operating as one merged charity (called Positive East) from this date. The transfer document has been signed and the Charity Commission have been consulted and have approved the changes in the charity's objectives. The necessary changes to the Memorandum & Articles of Association will be put to the Board on 5 December 2005.

A summary of the results of London East AIDS Network for the year ended 31 March 2005 were as follows:

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds £
Income	850,337	-	180,193	1,030,530
Net incoming resources/(resources expended) after transfers	114,236	-	(105,594)	8,642
Net assets	340,218	80,000	22,246	442,464