

SPREAD THE WORD
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENT
YEAR ENDED 31 MARCH 2002**

**CHARITY NO : 1088890
COMPANY NO : 3541037**



TRUSTEES:

Ms P. St Hilaire (Chair)
Ms S. C. Chapman
Ms J. S. Uglow
Mr E. G. D. Gibson
Ms E. Mitchener
Ms R. Borthwick

SECRETARY

Ms M. Abrahams

REGISTERED OFFICE

Unit 8
Eurolink Business Centre
49 Effra Road
London SW2 1BZ

AUDITORS

E. Grodzka & Co.
Accountants & Auditors
13 Manship Road
Mitcham
Surrey
CR4 2AY

BANKERS

Barclays Bank PLC
Brixton, Dulwich Group

REPORT OF THE TRUSTEES -Year ended 31st March 2002

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2002. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, the Companies Act 1985 and follow the recommendation in Accounting and Reporting by Charities : Statement of Recommended Practice.

PRINCIPAL ACTIVITY

The object of the charity is to advance the education of the public in literature in all its forms and in creative writing.

TRUSTEE'S RESPONSIBILITIES

Company law requires the trustees to prepare financial statements that give true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to :

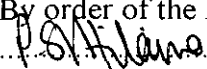
- ♦ select suitable accounting policies and then apply them consistently;
- ♦ make judgements and estimates that are reasonable and prudent; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the 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

A resolution will be proposed at the Annual General Meeting that E. Grodzka & Co. be re-appointed as auditors to the charity for the ensuing year.

By order of the Board:

.....

P.St.Hilaire - (Chairman)

AUDITORS' REPORT TO THE MEMBERS OF SPREAD THE WORD

We have audited the financial statements on pages 1 to 8 which have been prepared under the accounting policies set out on page 4.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 5 the trustees, who are also directors of the company for the purpose of company law, are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practises 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 judgement made by the trustees 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 materials misstatement, whether caused by fraud, 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 charitable company's state of affairs as at 31 st March 2002 and of its incoming resources and application of resources, including its income and expenditure, for the year ended and have been properly prepared in accordance with the Companies Act 1985.

E. Grodzka & Co.

SPREAD THE WORD

ACCOUNTING POLICIES - Year ended 31 March 2002

The financial statements have been prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice "Accounting by Charities". The particular accounting policies adopted are described below:

Basis of accounting

The financial statements have been prepared under historical cost convention.

Incoming resources and expenditure

Income and expenditure is included on an accruals basis with fee income related to courses being recognised in the accounts at the conclusion of relevant courses.

Income and expenditure are allocated in the different categories of the Statement of Financial Activities on a basis which reflects the day to day operations of the company. Salary costs are allocated on percentage basis which reflects the responsibilities of individual employees.

Fixed assets

Depreciation is provided to write off the cost of tangible fixed assets by annual instalments over their estimated economic lives. It is calculated at the following rates:

| | | |
|--------------------|------|---------------------------------|
| Office equipment - | 25% | Per Annum on Written Down Value |
| Computers | 100% | Per Annum FYA |

Cash flow

The financial statements do not include a cash flow statement because the company as a small reporting entity is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1, "Cash flow statements".

| FIXED ASSETS | Cost | Depreciation | N.B.V. |
|--|-----------------|-----------------|--------------------------|
| Office equipment at N.B.V. | 1,397.60 | 349.40 | 1,048.20 |
| Computer addition | 2,990.82 | 2,990.82 | 0.00 |
| New office equipment at cost | <u>5,035.95</u> | <u>1,258.99</u> | <u>3,776.96</u> |
| | <u>9,424.37</u> | <u>4,599.21</u> | 4,825.16 |
| CURRENT ASSETS | | | |
| Cash at bank | 9,473.76 | | |
| Loan | 1,500.00 | | |
| Cash on High Interest A/c | <u>0.00</u> | | <u>10,973.76</u> |
| | | | 15,798.92 |
| CURRENT LIABILITIES | | | |
| Creditors | | 470.00 | <u>470.00</u> |
| Excess Current Assets over Liabilities | | | <u>£15,328.92</u> |
| CAPITAL AND RESERVES | | | |
| Capital introduced | 4,158.85 | | |
| Profit and Loss Account C/F | 11,170.07 | | <u>£15,328.92</u> |

The Director has taken advantage of the exemptions conferred by Part I of Sch. 8 of the Companies Act 1985 and has done so on the grounds, that in his opinion the Company is entitled to these exemptions as a small company.

10.07.02
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DIRECTOR
P. S. Hildane

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2002

| | | |
|---------------------------|---|--------------------------|
| TURNOVER | | 138,187.00 |
| ADMINISTRATION EXPENSES | | <u>131,500.55</u> |
| PROFIT | on ordinary activities before taxation | 6,686.45 |
| Tax thereon | 0.00 | |
| Corporation tax 2000/2001 | 236.30 | |
| Less reserve | <u>(472.67)</u> | <u>(236.37)</u> |
| | | 6,922.82 |
| Add interest received | | <u>15.99</u> |
| | | 6,938.81 |
| Capital brought down | | <u>4,231.26</u> |
| Capital carried forward | | <u><u>£11,170.07</u></u> |

THERE WERE NO RECOGNISED GAINS OR LOSSES IN THE YEAR OTHER THAN THOSE SHOWN ABOVE.

HIGH INTEREST BUSINESS ACCOUNT AS AT 31.03.2002

| | | |
|-----------------------------|-------------------------|-------------------------|
| Opening balance | 2,210.95 | |
| Transfer to current account | | 2,226.94 |
| Interest Net received | <u>15.99</u> | |
| | <u><u>£2,226.94</u></u> | <u><u>£2,226.94</u></u> |

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TRADING PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2002

| | | | |
|---------------------------------------|---------------|-----------------|-------------------|
| Fees received | | | 138,187.00 |
| PROJECTS EXPENSES | | | |
| Publicity & marketing | 2,278.27 | | |
| Printing | 12,285.17 | | |
| Tutors fees, fees refund | 27,922.15 | | |
| Room hire | 1,745.25 | | |
| Miscellaneous expenses | 200.00 | | |
| Project admin. cost | 7,820.00 | | |
| Project hospitality | 419.16 | | |
| Materials | 1,311.25 | | |
| Market research & previews | 1,095.13 | | |
| Production costs | 1,934.95 | | |
| Website development & internet | 1,717.50 | | |
| Travel | <u>853.16</u> | 59,581.99 | |
| OVERHEADS EXPENSES | | | |
| Staff fees/salary & employees NI | 44,630.21 | | |
| EI Expenses | 375.00 | | |
| JS Expenses | 250.00 | | |
| MA Expenses | 750.00 | | |
| EH Expenses | 450.00 | | |
| Recruitment | 3,152.33 | | |
| Rent | 7,160.82 | | |
| Office expenses | 1,742.52 | | |
| Printing, postage and stationery | 2,301.74 | | |
| Telephone & fax | 1,508.14 | | |
| Subscriptions & books | 1,014.87 | | |
| Professional fees | 1,362.99 | | |
| Less reserve | (540.50) | | |
| Current year reserve | <u>470.00</u> | 1,292.49 | |
| Household expenses | 304.54 | | |
| Bank charges & interest | 320.82 | | |
| Board meetings & planning days | 233.19 | | |
| Subsistence | 34.00 | | |
| Training & development : Professional | 1,490.06 | | |
| Unallocated | <u>308.62</u> | 67,319.35 | |
| DEPRECIATION | | | |
| Computers and office equipment | | <u>4,599.21</u> | <u>131,500.55</u> |
| Surplus for year | | | <u>£6,686.45</u> |

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SUMMARY CASH BOOK FOR THE YEAR ENDED 31st MARCH 2002

| | | | |
|---------------|---|--------------------|--------------------|
| | Opening balance | 4,294.73 | |
| | Transfer from HIBA | 2,226.94 | |
| | Fees received | 138,187.00 | |
| | | <u>144,708.67</u> | |
| c1&wc1 | Staff fees/salary & employees NI | | 44,630.21 |
| g13&wg13 | EI Expenses | | 375.00 |
| g13&wg13 | JS Expenses | | 250.00 |
| g14&wg14 | MA Expenses | | 750.00 |
| g15&wg15 | EH Expenses | | 450.00 |
| g16&wg16 | Recruitment | | 3,152.33 |
| e1&we1 | Publicity & marketing | | 2,278.27 |
| e2&we2 | Printing | | 12,285.17 |
| e3,e6,we3,we6 | Tutors fees, fees refund | | 27,922.15 |
| e4&we4 | Room hire | | 1,745.25 |
| e5&we5 | Miscellaneous expenses | | 200.00 |
| e7&we7 | Project admin. cost | | 7,820.00 |
| e8&we8 | Project hospitality | | 419.16 |
| e9&we9 | Materials | | 1,311.25 |
| e10&we10 | Market research & previews | | 1,095.13 |
| e11&we11 | Production costs | | 1,934.95 |
| e12&we12 | Website development & internet | | 1,717.50 |
| e13&we13 | Travel | | 853.16 |
| f1wf1 | Computers | | 2,990.82 |
| g1&wg1 | Rent | | 7,160.82 |
| g2&wg2 | Office expenses | | 1,742.52 |
| g3&wg3 | Office equipment | | 5,035.95 |
| g4&wg4 | Printing, postage and stationery | | 2,301.74 |
| g5&wg5 | Telephone & fax | | 1,508.14 |
| g6&wg6 | Subscriptions & books | | 1,014.87 |
| g7&wg7 | Professional fees | | 1,362.99 |
| g8&wg8 | Household expenses - refreshments, cleaning | | 304.54 |
| g9&wg9 | Bank charges | | 319.61 |
| g10&wg10 | Board meetings & planning days | | 233.19 |
| g11&wg11 | Corporation tax | | 237.51 |
| g12&wg12 | Subsistence | | 34.00 |
| h1&wh1 | Training & development : Professional | | 1,490.06 |
| j1&wj1 | Unallocated | | 308.62 |
| | | <u>144,708.67</u> | <u>135,234.91</u> |
| | | <u>£144,708.67</u> | <u>9,473.76</u> |
| | | | <u>£144,708.67</u> |

RECONCILIATION OF BANK STATEMENT AS AT 31.03.2002

| | |
|-------------------------------|-----------------|
| Balance as per bank statement | 18,133.07 |
| Less o/s cheques | <u>8,659.31</u> |
| Balance as per cash book | <u>9,473.76</u> |