

THE WATERSIDE CENTRE, KINGS LANGLEY

(A Company Limited by Guarantee)

Report and Financial Statements

Year ended 31 March 2004

Charity no: 1001330

Company no: 2543708



HOWARD WILSON

Chartered Accountants and Reporting Accountants

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Legal and administrative information

Trustees / Directors

Mr. P. J. Spriggs (Chairman)

Mrs. P. M. L. Jennings

Mr. R. J. P. Miers

Mrs. C. Appleby

Mrs. A. Burgar

Mrs. D. Castro

Mrs. P. Waters (appointed 12 May 2003)

Company Secretary

Mrs. T. Manfield

Registered Office

63 The Waterside, Kings Langley, Herts. WD4 8HE

Bankers

Lloyds TSB Bank plc, 198/200 Marlowes, Hemel Hempstead, Herts. HP1 1BH

Reporting Accountants

Howard Wilson, 36 Crown Rise, Watford, Herts. WD25 0NE

REPORT OF THE MANAGEMENT COMMITTEE

The Management Committee present their annual report and financial statements for the year ended 31 March 2004.

Principal Activity

The principal activity of the charitable company is to provide Educational Training and Leisure Activities for Adults with learning difficulties.

Committee of Management

The Management Committee are Directors for Companies Act purposes and Trustees for Charity Law purposes. There is no maximum number of Directors/Trustees appointed but the minimum number is six. The Trustees meet a minimum of six times per annum to oversee the running of the organisation. Their responsibilities are defined in the Articles of Association. No remuneration is payable to the members of the Management Committee.

Committee Members and Their Interests

The charitable company having no share capital, the question of shares held by the members of the Management Committee does not apply.

Manager

The Manager is appointed by the Committee of Management and is responsible for the day to day management of the Centre and is remunerated at such terms as agreed by the Committee.

Aims and Objectives

To meet the aims and objectives of providing Educational and Training opportunities people with learning difficulties are sponsored by Statutory Services, Charities and other organisations to attend the Centre on specified days each week. The variety of activities offered include needlework, cookery, arts and crafts, woodwork, gardening, singing, basic numeracy, literacy and computer skills, discussion and group work. We also provide a nail and hair care service.

Meeting the Objectives

With experienced staff, supported by Volunteers, clients have an opportunity to participate in activities and individual learning programmes in small groups and where appropriate one to one support is given.

At present each individual has an annual Whole Life Review, this is an opportunity to bring together the work of all agencies involved in the care of a client and members of their family. The publication of Valuing People and subsequent work on Person Centred Planning which is the name given to a way of thinking and working that puts the person with learning disabilities at the heart of all decisions that affect them means that the present system will need to be replaced with new arrangements which fit closely with Person Centred Planning developments.

Review of Activities

During the past year our average client numbers have been 52 and the weekly number of places was 122. At the end of March 2004 client numbers were 53 (54 in 2003) and weekly places were 123 (125.5 in 2003).

Through the activities offered staff provide a safe, stimulating and relaxed environment where individuals can socialize, learn new and maintain existing skills that promote respect, dignity and self-worth. We have continued to change our programme every four months to enable clients to be offered the opportunity to exercise involvement and choice in the activities they pursue. During the past year we have raised our profile in the community through walks, and joining a keep-fit group, we also use the local library, shops and restaurants. Clients are also involved in leaflet drops to advertise our main social and fundraising events.

REPORT OF THE MANAGEMENT COMMITTEE (continued)

Review of the Charity's Financial Affairs

The year to 31 March 2004 yielded an operating deficit of £19,693 (2003 - surplus £3,870) which was reduced by fundraising and donations of £13,805 (2003 - £13,586). This fundraising helped finance capital purchases of £9,252 (2003 - £3,163). The turnaround from operating surplus to deficit is entirely due to the improvement made in staffing levels and remuneration. This is the outworking during the financial year of item (b) of the Risk Management Policy as set out below. The Trustees believe the staff quality and training issues vital to maintaining a high service level are in accord with the stated policy, and will receive continuing monitoring.

The excellent outcome for the year was achieved whilst maintaining, if not improving, our service level to our clients. This was backed up by the enthusiastic effort and commitment of our fundraising team which, over the years, has contributed significantly to the solid financial position that we find ourselves in at the end of this year.

Reserves Policy

The trustees policy is to retain sufficient reserves to protect the Centre against the erosion or loss of non-operating income over the next five years. The reserves policy is reviewed on an annual basis.

Risk Management Policy

The trustees have reviewed the risks associated with the business and there are two principal areas as follows:

- (a) the building lease comes up for renewal in December 2005. Our insurers have provided advice on certain aspects of the building fabric and we have introduced a specific maintenance provision in these financial statements which will ensure that the appropriate costs are covered. Our lease renewal depends upon the building continuing to be fit for purpose for the renewal period.
- (b) in addition to the building we depend upon maintaining a good quality of staff to deal with the varying needs of our clients. We are investing time in training and also ensuring that the staff/client ratios remain favourable. Thus we have procedures in place to monitor remuneration and training levels.

Statement of Management Committee Responsibilities

Company law requires the Committee Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and its surplus or deficit for that period.

In preparing those financial statements the Committee Members 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 charitable company will continue in business.

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

63 The Waterside,
Kings Langley,
Herts. WD4 8HE

Date: 6 September 2004

By Order of the Committee


Mrs. T. Manfield
Company Secretary

**ACCOUNTANTS REPORT TO THE MEMBERS ON THE UNAUDITED FINANCIAL
STATEMENTS OF THE WATERSIDE CENTRE, KINGS LANGLEY**

We report on the financial statements for the year ended 31 March 2004 which comprise the Income and Expenditure Account, Balance Sheet and Related Notes.

This report is made solely to the charitable company's members, as a body, in accordance with Section 249A(2) of the Companies Act 1985. Our 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 accountants 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 charitable company and the charitable company's members as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and reporting accountant

As described in the Trustees Report the charitable company's trustees are responsible for the preparation of the financial statements, and they consider that the charitable company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial activities with the accounting records kept by the charitable company, and making such limited enquiries of the officers of the charitable company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under s221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in s249C(6) of the Act; and
 - (ii) the charitable company satisfied the conditions for exemption from an audit of the financial statements for the year, specified in s249A(4) of the Act as modified by s249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in s249B(1).

Howard Wilson

Howard Wilson

Chartered Accountants and Reporting Accountants

36 Crown Rise,

Watford,

Herts.

WD25 0NE

Date: 6 September 2004

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004	2003
		£	£
INCOME AND EXPENDITURE			
Incoming resources			
Donations and gifts		8,880	8,488
Local authority contracts		155,677	151,899
Investment income		608	775
Other income		17,981	18,159
Total incoming resources		<u>183,146</u>	<u>179,321</u>
Resources expended			
Cost of generating funds			
Fundraising and publicity	4	<u>602</u>	<u>936</u>
Charitable expenditure			
Costs in furtherance of the charity's objects	5	188,905	155,224
Management and administration	6	<u>8,779</u>	<u>8,868</u>
		<u>197,684</u>	<u>164,092</u>
Total resources expended	7	<u>198,286</u>	<u>165,028</u>
Net (resources expended) / incoming resources before transfers		<u>(15,140)</u>	<u>14,293</u>
Transfers between funds	10	<u>3,000</u>	<u>3,000</u>
Net (resources expended) / incoming resources after transfers		<u>(18,140)</u>	<u>11,293</u>
(Net income for the year)			
Fund balances brought forward at 1 April		98,843	87,550
Fund balances carried forward at 31 March		<u>£ 80,703</u>	<u>£ 98,843</u>

Note

All the Charitable Company's operations are classed as continuing.
There are no gains or losses other than the (deficit) / surplus for the year.

The accompanying notes form an integral part of this Statement of Financial Activities

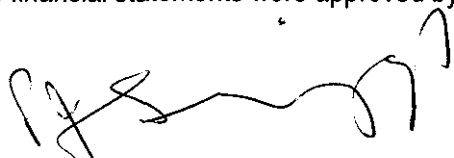
BALANCE SHEET AT 31 MARCH 2004

	Notes	2004 £	2003 £
CURRENT ASSETS			
Debtors	8	16,071	15,875
Short term deposits		36,578	35,971
Cash at bank and in hand		44,489	60,139
		<u>97,138</u>	<u>111,985</u>
CREDITORS: amounts falling due within one year			
	9	<u>1,435</u>	<u>1,142</u>
NET ASSETS		<u>£ 95,703</u>	<u>£ 110,843</u>
FUNDS			
Unrestricted		80,703	98,843
Designated	10	<u>15,000</u>	<u>12,000</u>
		<u>£ 95,703</u>	<u>£ 110,843</u>

These annual financial statements have not been audited because the charitable company is entitled to the exemption provided by Section 249A(2) of the Companies Act 1985 and no notice under s249B(2) has been deposited at the charitable company's registered office requiring the charitable company to obtain an audit of the financial statements.

The trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records that comply with s221 Companies Act 1985. The trustees also acknowledge their responsibilities for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with s226 Companies Act 1985, and which otherwise comply with the requirements of that Act relating to the financial statements, so far as applicable to the charitable company.

These financial statements were approved by the board on 6 September 2004 and signed on its behalf.



P. J. Spriggs ACMA
Trustee

The accompanying notes form an integral part of this Balance Sheet

**NOTES TO THE FINANCIAL STATEMENTS
AT 31 MARCH 2004**

1 COMPANY STATUS AND MEMBERS LIABILITY

The charitable company is a private company limited by guarantee and not having a share capital. The extent of the liability of the members of the charitable company on a winding up is limited to a maximum of one pound each. The charitable company is also a registered charity and accordingly no liability to corporation tax arises on the financial statements.

2 TITLE

The Centre has exemption under section 30(5) of the Companies Act 1985 from using "Limited" in the title.

3 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards.

Incoming Resources

The charitable company's policy is to recognise all incoming resources on a receivable basis.

Expenditure

All expenditure is accounted for gross, and when incurred.

Direct charitable expenditure includes the direct costs relating to the activities. Where such costs relate to more than one category, they have been apportioned on a percentage basis.

Unrestricted Funds

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

Designated Funds

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Fixed Assets

Where capital items are acquired through donations received, those assets are written off in the year of purchase. In the year ended 31 March 2004 there were capital purchases of £9,252 (2003: £3,163) written off.

Material Stocks

The value of stock in hand at the accounting date approximated to £300, including materials which had been donated. They have therefore been excluded from the balance sheet.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against net income/(expenditure) on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS
AT 31 MARCH 2004 (continued)

4 FUNDRAISING AND PUBLICITY	2004	2003
Advertising	£ 602	£ 936
	<u>£ 602</u>	<u>£ 936</u>
5 COSTS IN FURTHERANCE OF THE CHARITY'S OBJECTS	2004	2003
Staff costs	154,033	128,335
Materials	5,240	5,766
Canteen	7,178	6,355
Activities and outings	2,118	1,662
Services (Heat, light, insurance, telephone, repairs and maintenance)	11,084	9,943
Capital purchases (including software)	9,252	3,163
	<u>£ 188,905</u>	<u>£ 155,224</u>
6 MANAGEMENT AND ADMINISTRATION OF THE CHARITY	2004	2003
Staff costs	6,000	5,750
Equipment hire	886	1,231
Accountancy	999	975
Staff training	110	342
Legal and professional	784	570
	<u>£ 8,779</u>	<u>£ 8,868</u>
7 TOTAL RESOURCES EXPENDED	2004	2003
Total resources expended are stated after charging the following:		
Staff Costs:		
Wages and salaries	149,366	126,217
Social security costs	10,667	7,868
	<u>£ 160,033</u>	<u>£ 134,085</u>

No employee earned more than £50,000 p.a.

The average number of employees analysed by function, was:

	2003/04		2002/03	
	Full time	Part time	Full time	Part time
Management	1	1	1	1
Administration	1	-	1	-
Tutors	-	8	-	6
Cook/Tutor	-	1	-	1
General Assistants	-	3	-	3

NOTES TO THE FINANCIAL STATEMENTS
AT 31 MARCH 2004 (continued)

8 DEBTORS	2004	2003
Local authority sponsorship	15,161	14,999
Other debtors	910	876
	<u>£ 16,071</u>	<u>£ 15,875</u>
9 CREDITORS	2004	2003
Amounts falling due within one year		
Other creditors	<u>£ 1,435</u>	<u>£ 1,142</u>
10 DESIGNATED FUNDS	2004	2003
Building maintenance fund		
Balance brought forward	12,000	9,000
Transfer from unrestricted funds	3,000	3,000
Balance carried forward	<u>£ 15,000</u>	<u>£ 12,000</u>

The building maintenance fund has been established to provide for the cost of maintenance that is required to the fabric of the charity's building. The provision is introduced this year in order to recognise that the building must be maintained to a "fit for purpose" level for the lease renewal date in late 2005. A provision of £3,000 per annum will also be made in future years to bring the fund up to the required level.

11 OPERATING LEASE COMMITMENTS

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2004	2003
Operating leases which expire :		
Between one and two years	2,750	-
Between two and five years	-	2,750
	<u>2,750</u>	<u>2,750</u>

12 CAPITAL COMMITMENTS

The charity had the following capital commitments at the year end:

	2004		2003	
	Authorised, but not contracted for	Contracted for	Authorised, but not contracted for	Contracted for
Building refurbishment	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 5,500</u>