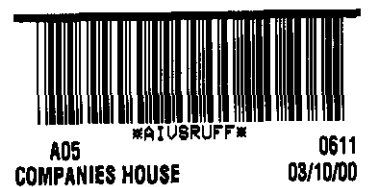


URBAN CHALLENGE LIMITED

Registered Number: 3438413

**Financial Accounts for the
year ended 31st March 2000**

**Saul Fairholm and Co.
Chartered Accountants
12 Tentercroft Street
Lincoln
LN5 7DB**



URBAN CHALLENGE LIMITED

Financial Accounts for the year ended 31st March 2000

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8.	Income and Expenditure Account
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URBAN CHALLENGE LIMITED**COMPANY INFORMATION**

CHAIRMAN: Mr N I Jackson (Director/Trustee)

**OTHER DIRECTORS/
MEMBERS:**

Mr I P Annibal
Mr I E Extance
Cllr N M Murray
Rev A Vaughan
Cllr B Fippard
Mr A Daniels
Mr A Cameron

SECRETARY: Ms C Wheeler

REGISTERED OFFICE: St Swithins Secretarial Limited
St Swithins Square
Lincoln
LN2 1HB

AUDITORS: Saul Fairholm and Co
Chartered Accountants
12 Tentercroft Street
Lincoln
LN5 7DB

SOLICITORS: Andrew and Co
St Swithins Square
Lincoln
LN2 1HB

BANKERS: Co-Operative Bank Plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

COMPANY NUMBER: 3438413

**REGISTERED
CHARITY NUMBER:** 1072949

URBAN CHALLENGE LIMITED**COMPANY INFORMATION (CONT'D)****ADVISORY COMMITTEE****Representing**

I Annibal	Lincolnshire County Council Development Services and Lincolnshire TEC
Ms J Ellis	Employment Service
N Jackson	AEEU
A Brooks	Lincoln Voluntary Centre
M Roberts	Lincoln City Council Economy, Leisure, Tourism and Arts
Rev A Vaughan	Lincoln Industrial Mission
C Church	North Lincolnshire College
Chief Supt E Hill	Lincolnshire Police
Dr K Brown	University of Lincolnshire and Humberside
F Swift	De Monfort University School of Applied Arts and Design
I Extance	Lincoln Co-Operative Society Limited
B Porter	Lincolnshire Health
Cllr B Fppard	Lincolnshire Police Authority
Ms J Bliss	Lincolnshire Social Services Directorate
A Cameron	Lincoln Federation of Tenants and Residents Association
Ms M Bardon	Lincolnshire County Council Development Services
Cllr N Murray	Lincoln City Council
Ms L Marsden	Lincolnshire Probation Service
A Daniels	Neighbourhood Watch Crime Prevention Officer
Ms S Bell	Lincoln City Council Economy, Leisure, Tourism and Arts
Ms K Ashworth	Youth Offending Team Leader
Ms M Vahl	Lincoln Research Centre

URBAN CHALLENGE LIMITED**Chairmans Report**

The period 1999/2000 covered by this report has been a successful and busy year for Urban Challenge.

Our main sources of funding are provided by Lincolnshire Training and Enterprise Council and Lincoln City Council, but conscious that the TEC will be replaced by the Learning and Skills Council in April 2001, alternative avenues of project funding have been explored, which include European Union Objective 2 and the National Lottery Charities Board. Urban Challenge will also benefit from the successful SRB VI bid.

The staff of Urban Challenge continue to play a major role in a number of initiatives, with commitment to partnership working always at the heart of projects.

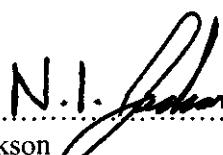
This year has been the implementation of the Lincoln Youth Matters Project, which is underpinned by SRB V funding. The Park Area Healthy Living Initiative, based on a multi-agency partnership is moving forward and will build on essential work being undertaken in that area by the Park Ward Capacity Building Project.

The Lincoln Crime and Disorder Reduction Strategy is in place and we are pleased to provide the secretariat to that body, which has responsibility to monitor forty-two multi-agency projects.

Substance misuse has featured heavily in the City in recent years and with partners, we have facilitated the development of aftercare services for those people who have completed treatment.

To complete the list of just some of our achievements, we further developed the SRB V Appraisal system and administered six projects from SRB IV round.

Many thanks to all the staff of Urban Challenge for their total commitment throughout the year. To my fellow Directors and Members of support committees, partners and funders, without whom our aim to provide a better quality of life in the City of Lincoln would not succeed, I would also like to say thank you.


.....
N I Jackson
- Chairman

27th June 2000

URBAN CHALLENGE LIMITED

Report of the Directors for the year ended 31st March 2000

The Directors present their annual report on the affairs of the Company, together with the Accounts and Auditor's Report for the above year.

1. RESULTS AND DIVIDENDS

The net surplus of the Company for the year was £8054.

The Company is prohibited from making dividend payments under the terms of its Memorandum and Articles of Association.

2. REVIEW OF BUSINESS

The Company's principal activity during the year was to work with local communities in the City of Lincoln to:

- Develop the capacity and skills of the socially and economically deprived in Lincoln;
- To promote any charitable purpose for the benefit of the relief of poverty and advancement of education.

The Company obtained charitable status on 14th December 1998.

The Company is limited by guarantee.

3. DIRECTORS

The Directors of the Company at the end of the year were:

N I Jackson Esq	Rev A Vaughan	I E Extance Esq
I P Annibal Esq	Cllr B Fippard	Cllr N M Murray
A Daniels Esq (appointed 1.11.1999)		
A Cameron Esq (appointed 1.11.1999)		

I E Extance Esq and Cllr N M Murray, retire by rotation and being eligible offer themselves for re-election.

4. DIRECTORS RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those accounts the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

URBAN CHALLENGE LIMITED**Report of the Directors for the year ended 31st March 2000 (Cont'd)****4. DIRECTORS RESPONSIBILITIES (CONT'D)**

The Directors are responsible for keeping proper accounting records which disclose reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts 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

5. AUDITORS

A resolution will be proposed at the Annual General Meeting to re-appoint the Auditors Saul Fairholm and Co.

BY ORDER OF THE BOARD

C. Wheeler
Secretary

27th June 2000

AUDITORS' REPORT TO THE MEMBERS OF
URBAN CHALLENGE LIMITED

We have audited the accounts on pages 7 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 4 and 5, the Company's Directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

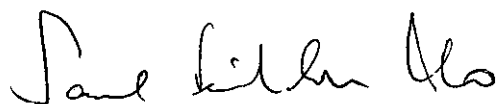
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the Charitable Company's affairs as at 31st March 2000 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SAUL FAIRHOLM & CO
Chartered Accountants and Registered Auditors
12 Tentercroft Street
Lincoln

27th June 2000

URBAN CHALLENGE LIMITED**Statement of Financial Activities for the year ended 31st March 2000**

	<u>Note</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total 2000</u> £	<u>Total 1999</u> £
<u>INCOMING RESOURCES</u>					
European Social Fund		-	3081	3081	51328
Single Regeneration Budget		16098	30000	46098	53219
Grants from Training and Enterprise Council		70000	20000	90000	99810
Grants from Lincoln City Council		14643	6000	20643	24908
Other Grants and Funds		2037	6000	8037	4468
Investment Income		470	-	470	916
Overprovision for ESF		(3717)	-	(3717)	-
TOTAL INCOMING RESOURCES	2	99531	65081	164612	234649
<u>RESOURCES EXPENDED</u>					
Direct Charitable Expenditure					
Grants Payable		25539	24648	50187	107183
Advisory Services		39910	38988	78898	83382
		65449	63636	129085	190565
Other Expenditure					
Administration		26028	1445	27473	27917
TOTAL RESOURCES EXPENDED	3	91477	65081	156558	218482
NET INCOMING RESOURCES BEFORE TRANSFERS	4	8054	-	8054	16167
Transfers between Funds		-	-	-	-
NET INCOMING RESOURCES		8054	-	8054	16167
NET MOVEMENT IN FUNDS	5	8054	-	8054	16167
Fund Balances brought forward 1 st April 1999		16167	-	16167	-
Fund Balances carried forward 31 st March 2000		24221	-	24221	16167

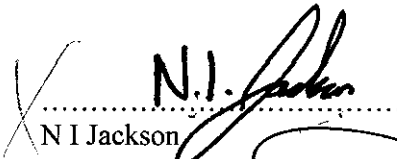
URBAN CHALLENGE LIMITED**Income and Expenditure Account for the year ended 31st March 2000**

	<u>2000</u> £	<u>1999</u> £
Gross Income of Continuing Operations	164612	234649
Total Income of Continuing Operations	164612	234649
Total Expenditure of Continuing Operations	156558	218482
Net Income for the Year	<u>8054</u>	<u>16167</u>

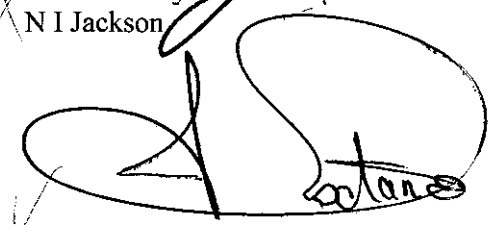
URBAN CHALLENGE LIMITED**Balance Sheet as at 31st March 2000**

	Note	£	<u>2000</u>	£	<u>1999</u>	£
FIXED ASSETS						
Tangible Assets	7			639		1274
CURRENT ASSETS						
Debtors	8		29055		8382	
Cash in Hand			4901		37172	
			<u>33956</u>		<u>45554</u>	
CREDITORS						
Amounts falling due within one year	9		<u>10374</u>		<u>30661</u>	
NET CURRENT ASSETS				23582		14893
TOTAL NET ASSETS	12		<u>24221</u>		<u>16167</u>	
CAPITAL AND RESERVES						
Share Capital	10		-		-	
Profit and Loss Account			24221		16167	
SHAREHOLDERS FUNDS			<u>24221</u>		<u>16167</u>	

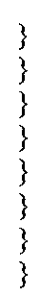
Signed on behalf of the Board of Directors



N I Jackson



I E Exance



Directors
Approved on 27th June 2000

URBAN CHALLENGE LIMITED**Notes to the Accounts for the year ended 31st March 2000****1. ACCOUNTING POLICIES**

- a. The Accounts have been prepared under the Historical Cost Convention and in accordance with applicable Accounting Standards including the Statement of Recommended Practice on Accounting by Charities.
- b. Turnover represents the net amount of Grants receivable.
- c. Depreciation is provided on tangible fixed assets in use at rates calculated to write off the cost of each asset over its expected useful life as follows:

Office Equipment	33%	Straight Line Method
------------------	-----	----------------------
- d. The Company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a cash flow statement for the year.
- e. Interest receivable is accounted for as it accrues.
- f. The Accounts include a Statement of Financial Activities in addition to the Income and Expenditure Account. This gives a clearer statement of the resources receivable and expended by the Charity during the year.
- g. Income Grants receivable and payable are accrued to the Income and Expenditure Account for the period to which they relate. Capital Grants are capitalised and written-off to match the useful life of the related asset.

URBAN CHALLENGE LIMITED**Notes to the Accounts for the year ended 31st March 2000****2. INCOME**

The income and surplus is attributable to the Company's principal activity, namely, that of co-ordinating with local communities in the City of Lincoln to support projects dealing with the problems of urban development.

Grants and Voluntary Donations

	<u>2000</u>	<u>1999</u>
	£	£
Grants from Government and Other Public Bodies		
- In Cash	149462	216873
- In Kind	14643	13642
Other Grants	37	3218
Investment Income	470	916
	164612	234649

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

	<u>Staff</u>			
	<u>Costs</u>	<u>Other</u>	<u>Deprec'n</u>	<u>Totals</u>
	£	£	£	£
Direct Charitable Expenditure				
Direct Grants	-	50187	-	50187
Advisory Services	78898	-	-	78898
	78898	50187	-	129085
Other Expenditure				
Management and Administration	7491	19982	-	27473
	86389	70169	-	156558

No grants were made to individuals.

The following material direct grants were made:

	£
Birchwood Access Centre	13529
Abbey Access Centre	7000
Lincoln Voluntary Centre	12000
	32529

URBAN CHALLENGE LIMITED**Notes to the Accounts for the year ended 31st March 2000****4. NET INCOMING RESOURCES**

	<u>2000</u>	<u>1999</u>
	£	£
Net Incoming Resources is stated after charging/(crediting):		
Depreciation (Note 7)	635	635
Staff Costs (Note 4a)	80985	86713
Auditors Remuneration - Audit Fee	999	881
- Other Services	341	141
Grant Amortisation (Note 9)	(635)	(635)

4a. WAGES AND SALARIES

Wages and Salaries	72070	4981
Social Security Costs	6486	337
Grants to SOVA	-	81395
Pension	2429	-
	80985	86713

The average weekly number of employees during the year was as follows:

	<u>No.</u>	<u>No.</u>
Office and Management	4	4

5. CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>Total Funds</u>
	£	£	£
Net movement in funds for the year	-	8054	8054
Net increase in tangible fixed assets for direct charitable purposes	-	-	-
for other purposes	-	-	-
NET MOVEMENT IN FUNDS AVAILABLE FOR FUTURE ACTIVITIES			
	-	8054	8054

6. TAXATION

There was no liability to Corporation Tax for the current or previous year.

URBAN CHALLENGE LIMITED**Notes to the Accounts for the year ended 31st March 2000****7. TANGIBLE FIXED ASSETS**

	<u>Office Equipment</u> £
COST:	
At 1 st April 1999	1909
Additions	-
At 31 st March 2000	1909
DEPRECIATION:	
At 1 st April 1999	635
Charge for the Year	635
At 31 st March 2000	1270
NET BOOK VALUE:	
At 31 st March 2000	639
At 1 st April 1999	1274

The net book value at 31st March 2000 represents fixed assets used for:

	<u>Office Equipment</u> £
Direct Charitable Purposes	
Advisory Services	-
Other Purposes	
Management and Administration	639
	639

URBAN CHALLENGE LIMITED**Notes to the Accounts for the year ended 31st March 2000****8. DEBTORS**

	<u>2000</u>	<u>1999</u>
	£	£
Amounts due within one year:		
Other Debtors	29055	8382

9. CREDITORS

Amounts falling due within one year:		
Deferred Capital Grants	639	1274
Accrued Expenses	9735	29387
	10374	30661

Grants received for the purchase of Fixed Assets are deferred and amortised over the useful life of the assets.

10. MEMBERS GUARANTEE

The Company is a registered charity limited by guarantee with the liability of each of the Members being limited to £10.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Unrestricted</u>	<u>Restricted</u>
	<u>Funds</u>	<u>Funds</u>
	£	£
Fund Balances at 31 st March 2000 are represented by:		
Tangible Fixed Assets	639	-
Current Assets	33956	-
Current Liabilities	(10374)	-
TOTAL NET ASSETS	24221	-

12. CONTINGENT LIABILITIES AND COMMITMENTS

The Company has contracted at 31st March 2000 to provide grant funding for future periods of £6000 (1999 - £5000).

URBAN CHALLENGE LIMITED**Detailed Income and Expenditure Account for the year ended 31st March 2000**

	<u>2000</u>	<u>1999</u>
£	£	£
<u>INCOME</u>		
Grants from TEC (Including Discretionary Fund)	90000	99810
Grants from Lincoln City Council	6000	11266
Grants in Kind from Lincoln City Council	14643	13642
Private Sector Funding	-	2729
Voluntary Sector Funding	37	489
Grants from European Social Fund	3081	51328
Grants from Single Regeneration Budget	46098	53219
Other Public Funding	8000	1250
Overprovision for ESF Grant	(3717)	-
	<u>164142</u>	<u>233733</u>
<u>OTHER INCOME</u>		
Interest Received	470	916
	<u>164612</u>	<u>234649</u>
<u>EMPLOYMENT COSTS</u>		
Employment Costs	-	81395
- Grants to SOVA	-	-
- Direct Employees	78898	-
	<u>78898</u>	<u>81395</u>
<u>GRANTS AND DIRECT COSTS</u>		
Jobs Fair Costs	-	1987
Community Development	6487	3913
Community Safety	1719	3941
Credit Union	6260	5129
Abbey Access Centre	7000	15000
St. Giles Access Centre	167	30000
Birchwood Access Centre	13529	28000
Lincoln Voluntary Centre	12000	21200
St Giles Community Action Trust	3025	-
	<u>50187</u>	<u>109170</u>
	<u>35527</u>	<u>44084</u>
<u>OVERHEADS</u>		
	<u>27473</u>	<u>27917</u>
<u>SURPLUS FOR THE YEAR</u>		
	<u>8054</u>	<u>16167</u>

URBAN CHALLENGE LIMITED**Schedule of Overheads for the year ended 31st March 2000**

	<u>2000</u>	<u>1999</u>
	£	£
<u>OVERHEADS</u>		
Wages	7491	5318
Publicity and Advertising	1445	4544
Office Accessories and Equipment	321	748
Stationery	838	935
Office Running Costs - In Kind	14643	13642
AGM Expenses	438	463
Insurances	343	253
Legal and Professional Fees	235	300
Audit Fee	999	881
Telephone	507	590
Bank Charges	55	21
Sundry Expenses	158	222
Depreciation of Fixed Assets	635	635
Amortisation of Grants	(635)	(635)
	<u>27473</u>	<u>27917</u>