

ALLOA COMMUNITY ENTERPRISES LIMITED

FINANCIAL STATEMENTS

31 MARCH 2002

Registered Number: SC092749



**Macfarlane Gray
Chartered Accountants & Registered Auditors
15 Gladstone Place
Stirling
FK8 2NX**

ALLOA COMMUNITY ENTERPRISES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

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The following page does not form part of the statutory accounts

Detailed Income & Expenditure Account

ALLOA COMMUNITY ENTERPRISES LIMITED
COMPANY INFORMATION
31 MARCH 2002

REGISTERED NUMBER	SC092749
CHAIRMAN	Dr Alfred Martin
OTHER DIRECTORS	Mr Harry Brown Mr Derek Stewart Mr Ewart McAuslane Mr William Wallace Mr Alistair Brown
SECRETARY	Mr Harry Brown
REGISTERED OFFICE	15A Mar Street Alloa FK10 1HR
CHARITY NUMBER	SC13106
BANKERS	Clydesdale Bank plc 11 Bank Street Alloa FK10 1HP
AUDITORS	Macfarlane Gray Chartered Accountants & Registered Auditors 15 Gladstone Place Stirling FK8 2NX
SOLICITORS	J M & J Mailer 70 Drysdale Street Alloa

ALLOA COMMUNITY ENTERPRISES LIMITED
DIRECTORS' REPORT
31 MARCH 2002

The directors present their report and the financial statements for the year ended 31 March 2002.

Respective responsibilities of directors and auditors

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company, and of the surplus or deficit of the company, for that year. In preparing those 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue.

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.

Principal activities

The company was incorporated as a company limited by guarantee on 5 November 1984.

Confirmation of the granting of charitable status was received on 13 May 1985, in respect of the company's objectives, in particular:

1. The relief of poverty by the alleviation of unemployment principally for the residents of Clackmannan District and Environs without distinction as to race, age or sex, or political, religious or other opinions.
2. To provide and assist in the provision of training opportunities for the said residents with a view to teaching particular skills which will assist such people in finding work.
3. To carry on business in manufacturing, construction, recycling and service industries with a view to furthering the objects above mentioned.

Review of the business

In partnership with the local authorities in Clackmannanshire, Stirling and Falkirk, all areas of the company's recycling operations have continued to expand and develop. The most significant development during the year in question was the establishment of a major trial kerbside recycling operation in Clackmannanshire. Ten thousand households were involved in the trial, with free distribution of plastic boxes and bags for collection of glass, cans, paper and textiles, and a fortnightly uplift using a custom built vehicle and four company staff members. The amount of material diverted from landfill rose quite rapidly to around 20 tonnes per week, and it is confidently expected that the operation will be extended in the near future to cover the whole of Clackmannanshire, with use of a further vehicle and personnel.

ALLOA COMMUNITY ENTERPRISES LIMITED
DIRECTORS' REPORT
31 MARCH 2002 (cont'd)

Risk management

The directors have assessed the major risks to which the company is exposed and are satisfied that systems are in place to mitigate these risks.

Reserves policy

The directors have reviewed their financial responsibilities and have established a policy whereby restricted funds not committed or invested in tangible fixed assets (free reserves) held by the company should equate to £300,000. At this level the directors feel that they would be able to continue the current activities of the company in the event of a significant drop in income. At present free reserves amounting to £160,346 do not reach this target and the directors aim to achieve the shortfall within the next 3 years.

Directors

The directors of the company during the year were as follows:

Dr Alfred Martin
Mr Harry Brown
Mr Derek Stewart
Mr William McIntosh – resigned 31 January 2002
Mr Ewart McAuslane
Mrs Marlyn Owen – resigned 11 July 2002
Mr William Wallace
Mr Brian Devlin – resigned 31 January 2002

None of the directors had any direct financial interest in the company.

Small company exemptions

The report is prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

The financial statements on pages 4 to 8 have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), and with Accounting & Reporting by Charities (Statement of Recommended Practice, issued October 2000).

On behalf of the board


Mr Harry Brown
Secretary

15A Mar Street
Alloa
FK10 1HR

22 April 2003

ALLOA COMMUNITY ENTERPRISES LIMITED

Report of the Auditors to the Members

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the charity's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 directors' 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 directors' remuneration and transactions with the charity 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 judgements 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 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 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.

BASIS OF AUDIT REPORT

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 no other purpose.

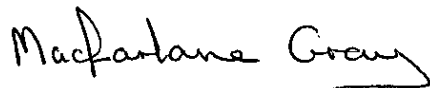
To the fullest extent permitted by law, we do not assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

ALLOA COMMUNITY ENTERPRISES LIMITED

Report of the Auditors to the Members (cont'd)

OPINION

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31st March 2002 and of the surplus of the charity for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Macfarlane Gray
Chartered Accountants & Registered Auditors
15 Gladstone Place
Stirling
FK8 2NX

Dated: 22 April 2003

ALLOA COMMUNITY ENTERPRISES LIMITED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

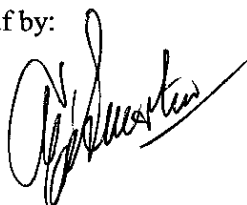
	Notes	2002 £	2001 £
Turnover	2	361,150	208,660
Cost of sales		(219,379)	(92,257)
Gross Surplus		141,771	116,403
Net operating expenses			
Administrative expenses		(214,655)	(95,432)
Other operating income		<u>141,219</u>	<u>19,285</u>
Operating surplus	3	68,335	40,256
Investment income	4	<u>18,534</u>	<u>17,236</u>
Profit on ordinary activities before taxation		86,869	57,492
Taxation	5	—	(6,526)
Surplus on ordinary activities after taxation retained for the year	11	<u>86,869</u>	<u>50,966</u>

ALLOA COMMUNITY ENTERPRISES LIMITED
BALANCE SHEET AT 31 MARCH 2002

	Notes	2002		2001*	
		£	£	£	£
Fixed assets					
Tangible assets	6		104,572		59,896
Current assets					
Stocks	7	-		245	
Debtors	8	68,982		37,850	
Cash at bank and in hand		<u>338,971</u>		<u>411,075</u>	
		407,953		449,170	
Creditors: amounts falling due within one year	9	<u>(204,108)</u>		<u>(255,058)</u>	
Net current assets			<u>203,845</u>		<u>194,112</u>
Total assets less current liabilities			308,417		254,008
Creditors: amounts falling due after more than one year	10		-		<u>(32,460)</u>
Net Assets			<u>308,417</u>		<u>221,548</u>
Funds					
Restricted funds	11		43,499		-
Unrestricted funds	11		<u>264,918</u>		<u>221,548</u>
Total funds			<u>308,417</u>		<u>221,548</u>

*The comparatives have been restated to reflect the company's new reserve policy.

These financial statements were approved by the directors on the 22 April 2003 and are signed on their behalf by:



Dr Alfred Martin

ALLOA COMMUNITY ENTERPRISES LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2002

	Notes	Unrestricted Funds £	Restricted Funds £	2002 Total Funds £	2001 Total Funds £
INCOMING RESOURCES					
<i>Activities in furtherance of the charity's objects:</i>					
Shop income		12,003	-	12,003	16,031
Recycling income		347,715	-	347,715	188,084
Landfill Tax Credit income		-	141,219	141,219	18,666
<i>Activities for generating funds:</i>					
Rental income		4,873	-	4,873	7,042
Investment income		7,418	6,243	13,661	10,194
Other incoming resources		<u>1,432</u>	<u>-</u>	<u>1,432</u>	<u>5,164</u>
Total incoming resources		<u>373,441</u>	<u>147,462</u>	<u>520,903</u>	<u>245,181</u>
RESOURCES EXPANDED					
<i>Charitable expenditure:</i>					
Recycling expenses		160,650	58,729	219,379	92,257
Management & Administration		169,421	45,234	214,655	95,432
Taxation		<u>-</u>	<u>-</u>	<u>-</u>	<u>6,526</u>
Total Resources expended	5	<u>330,071</u>	<u>103,963</u>	<u>434,034</u>	<u>194,215</u>
Net Movement in Funds		43,370	43,499	86,869	50,966
Balance at 1 April 2001		<u>221,548</u>	<u>-</u>	<u>221,548</u>	<u>170,582</u>
Balance at 31 March 2002	11	<u>264,918</u>	<u>43,499</u>	<u>308,417</u>	<u>221,548</u>

ALLOA CUMMUNITY ENTERPRISES LIMITED
NOTES ON FINANCIAL STATEMENTS 31 MARCH 2002

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), and with "Accounting and Reporting by Charities", (Statement of Recommended Practice, issued October 2000)

The company has taken advantage of the exemption from preparing a cash flow statement on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represent the amount derived from the provision of goods and services after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	15% reducing balance
Motor vehicles	25% straight-line
Collection bins	20% reducing balance

2. Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (2000 nil).

3. Operating surplus

	2002	2001
	£	£
Operating surplus is stated after charging:		
Depreciation of tangible fixed assets (note 6):		
Owned assets	46,750	44,769
Audit fee	2,500	-

4. Investment income

	2002	2001
	£	£
Interest receivable	13,661	10,194
Other non-trading income	<u>4,873</u>	<u>7,042</u>
	<u>18,534</u>	<u>17,236</u>

ALLOA COMMUNITY ENTERPRISES LIMITED
NOTES ON FINANCIAL STATEMENTS 31 MARCH 2002

5. Taxation

	2002 £	2001 £
Corporation tax on surplus on trading activities at 0% (2001 18.8%)	-	<u>6,526</u>

The company is a registered Charity. No provision for corporation tax has been made in the accounts as the directors are of the opinion that all of its activities fall within its charitable objects.

6. Tangible fixed assets

Cost	Motor Vehicles £	Collection Bins £	Plant & Equipment £	Total £
1 April 2001	201,358	84,738	29,051	315,147
Additions	87,800	-	4,084	91,884
Disposals	<u>(9,965)</u>	<u>-</u>	<u>(585)</u>	<u>(10,550)</u>
31 March 2002	<u>279,193</u>	<u>84,738</u>	<u>32,550</u>	<u>396,481</u>
Depreciation				
1 April 2001	183,944	53,827	17,480	255,251
Charge for the year	38,288	6,182	2,280	46,750
Disposals	<u>(9,965)</u>	<u>-</u>	<u>(127)</u>	<u>(10,092)</u>
31 March 2002	<u>212,267</u>	<u>60,009</u>	<u>19,633</u>	<u>291,909</u>
Net book value				
31 March 2002	<u>66,926</u>	<u>24,729</u>	<u>12,917</u>	<u>104,572</u>
31 March 2001	<u>17,414</u>	<u>30,911</u>	<u>11,571</u>	<u>59,896</u>

7. Stocks

	2002 £	2001 £
Stocks	-	<u>245</u>

8. Debtors

	2002 £	2001 £
Trade debtors	67,397	32,632
Other debtors	<u>1,585</u>	<u>5,218</u>
	<u>68,982</u>	<u>37,850</u>

ALLOA COMMUNITY ENTERPRISES LIMITED
NOTES ON FINANCIAL STATEMENTS 31 MARCH 2002

9. Creditors: amounts falling due within one year

	2002	2001
	£	£
Bank loans and overdrafts	2,369	-
Trade creditors	12,916	62,203
Corporation tax	6,526	6,526
Other taxation and social security	20,249	6,855
Other creditors	<u>162,048</u>	<u>179,474</u>
	<u><u>204,108</u></u>	<u><u>255,058</u></u>

10. Creditors: amounts falling due after more than one year

	2001	2002
	£	£
Other creditors	-	<u><u>32,460</u></u>

11. Funds

	Unrestricted	Restricted	Total
	£	£	£
1 April 2001	221,548	-	221,548
Surplus/(Deficit) for the year	<u>43,370</u>	<u>43,499</u>	<u>86,869</u>
31 March 2002	<u><u>264,918</u></u>	<u><u>43,499</u></u>	<u><u>308,417</u></u>

Represented by:

Fixed assets	104,572	-	104,572
Cash and bank and in hand	144,904	194,067	338,971
Other current assets	68,982	-	68,982
Current liabilities	<u>(53,540)</u>	<u>(150,568)</u>	<u>(204,108)</u>
Total	<u><u>264,918</u></u>	<u><u>43,499</u></u>	<u><u>308,417</u></u>

ALLOA COMMUNITY ENTERPRISES LIMITED
NOTES ON FINANCIAL STATEMENTS 31 MARCH 2002

11a Unrestricted Funds

	General Reserve	Fixed Asset Reserve	Total
At 1 April 2001	161,652	59,896	221,548
Surplus/(Deficit) for year	43,370	-	43,370
Transfers between reserves	(44,676)	44,676	-
At 31 March 2002	<u>160,346</u>	<u>104,572</u>	<u>264,918</u>

11b Restricted Funds

	Cumbrian Recycling	Clacks Waste Watchers	Total
Surplus/(Deficit) for year	-	<u>43,499</u>	<u>43,499</u>

ALLOA COMMUNITY ENTERPRISES LIMITED
DETAILED INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

	2002		2001	
	£	£	£	£
Turnover				
Shop sales	12,003		16,031	
Other sales	1,432		4,545	
Recycling sales	<u>347,715</u>		<u>188,084</u>	
		361,150		208,660
Cost of sales		<u>219,379</u>		<u>92,257</u>
Gross surplus		141,771		116,403
Other operating income				
Grants	-		619	
Landfill tax credit fee income	<u>141,219</u>		<u>18,666</u>	
		<u>141,219</u>		<u>19,285</u>
		282,990		135,688
Less overheads				
Staff salaries	58,981		29,580	
Staff pension	1,088		1,847	
Training and promotions	1,870		1,332	
Motor expenses	95,700		39,822	
Telephone charges	2,826		1,606	
Membership fees	-		150	
Printing postage and stationery	4,149		1,208	
Advertising	1,758		-	
Entertaining	198		-	
Travel and subsistence	481		-	
Deferred grant release	(636)		(162)	
Sundry expenses	3,120		425	
Heat and light	3,529		2,279	
Cleaning, repairs and renewals	3,277		2,365	
Insurance	3,078		1,347	
Rent and rates	26,601		11,353	
Bank charges	188		70	
Professional fees	5,038		500	
Accountant's fees	909		1,710	
Audit fees	<u>2,500</u>		<u>-</u>	
		<u>214,655</u>		<u>95,432</u>
		68,335		40,256
Other income				
Rent received	4,873		7,042	
Bank deposit interest	<u>13,661</u>		<u>10,194</u>	
		<u>18,534</u>		<u>17,236</u>
Net surplus for the year		<u>86,869</u>		<u>57,492</u>