

Company Registration Number 2493904  
Charity Number 1010541

**INNOVATE TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
ANNUAL REPORT  
&  
FINANCIAL STATEMENTS  
For The Year Ended 31 March 2003**



# **INNOVATE TRUST**

## **FINANCIAL STATEMENTS**

**Year Ended 31 March 2003**

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# **INNOVATE TRUST**

## **MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS**

### **The members of the committee**

Alan Pursell (Chair)  
Sarah Kemp  
David Thomas  
David Davies  
Jackie Amos  
Norman Berg (Treasurer)

### **Company secretary**

Alex Bird (Chief Executive)

### **Registered office**

433 Cowbridge Road East  
Canton  
Cardiff  
CF5 1JH

### **Auditors**

Haines Watts  
Chartered Accountants  
& Registered Auditors  
Pagefield House  
24 Gold Tops  
Newport  
South Wales  
NP20 4PG

### **Bankers**

National Westminster Bank PLC  
277 Cowbridge Road East  
Canton  
Cardiff  
CF5 1YE

### **Solicitors**

Morgan Cole  
Bradley Court  
Park Place  
Cardiff  
CF5 1YE

Peter Mallia & Co  
196 Cowbridge Road East  
Cardiff  
CF5 1GX

# **INNOVATE TRUST**

## **TRUSTEES ANNUAL REPORT**

**Year Ended 31 March 2003**

The trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2003.

### **Legal Status**

The Charity is a company limited by guarantee, registration number 2493904 and is governed by its Memorandum and Articles of Association. It is also registered with the Charity Commission, number 1010541. The Trustees are also the Board of Management of the Charity.

### **Aims of the Organisation**

Providing for, or assisting with the care, accommodation, training, education, employment and occupation of disability or sickness, particularly learning disability, physical disability and mental illness.

Promoting the development of facilities for independent living to facilitate greater inclusion of people with disabilities within their communities.

Supporting those who care for people with disabilities.

Educating the public in their needs.

Developing high quality innovative services that reflect the core values of the organisation and meet the needs of service users.

Developing and expanding volunteer opportunities for students, and others, promoting an understanding of the issues related to people with disabilities.

Working in partnership with service users, their carers, other providers, purchasers and the wider community to promote models of good practice.

Investing in staff development, training and support that enables the delivery of quality services and reflects their contribution to the achievement of the organisation's mission and aims.

Offering a service which is responsive to and respects the race, religion, culture, language, gender, sexuality and abilities of service users and of staff.

### **Main Activities of the Organisation**

- QUEST supported employment. Supporting people to find quality employment.
- Community Living Developments. Supporting people in their homes.
- Tenant Support Service.
- Field Days. Providing a range of work experiences and training.
- Student Volunteer Projects. Working with children, families and schools through student volunteers.
- Respite Services. Providing short stay and holiday services.
- Emergency Support Services. Supporting people who are in a crisis.
- Central Support Services. Providing personnel, financial and administrative support to the organisation and to the other organisations where agreed.
- Consultancy and Staff Development.

# **INNOVATE TRUST**

## **TRUSTEES ANNUAL REPORT *(continued)***

**Year Ended 31 March 2003**

### **Financial Review**

During the year the Charity's net incoming resources on its unrestricted funds amounted to £17,451 (2002: £41,534). This was increased to £39,226 following transfers from restricted funds to meet the fixed asset depreciation charged as shown in note 11. The balance on unrestricted funds carried forward into 2004 is now £457,524. This increase in funds for the year is in accordance with the Reserves Policy.

The trustees have carried out a full assessment of the risks to the charity, and have formulated policies for identifying and managing risks and are determining the level of general funds that are required to cover these risks.

As the general funds have previously been expended, the Trustees and management team will strive to generate further surpluses in the forthcoming years to generate funds to cover these risks, in particular, additional unfunded staffing costs that may be incurred through redundancy, maternity or long term sickness cover.

### **Trustees' and Their Beneficial Interests**

The trustees have no beneficial interests as the charity has no share capital being limited by guarantee.

The trustees nominate prospective trustees who are officially accepted at the Annual General Meeting.

### **Fixed Assets**

Full details of the fixed assets owned by the Charity are provided in the notes to the financial statements.

### **Reserves**

The Charity has a policy to build up its level of unrestricted reserves to be able to fund at least six months direct overheads.

The Trustees recognise that private charitable contributions, notably from the Jane Hodge Foundation, have enabled the organisation to increase the asset base considerably, which has significantly lowered the organisation's loan to asset ratio (gearing). The trustees are, however, still reliant on commercial bank loans and overdrafts to meet its cash flow requirements. In the longer term the organisation is seeking to reach a zero borrowing requirement, together with a 60 day liquid reserve to cover the daily cash-flow requirements and a further 120 day reserve to cover the medium term liabilities. This will greatly reduce bank and interest charges.

An investment strategy will be developed in the medium to long term to ensure best use is made of the growing asset base. The new Charity Commission regulations on investment will enable the Board of Management to invest in a wide range of investment vehicles, including those that provide capital growth rather than income, such as the Stock Market. This will enable them to obtain better returns on investments whilst continuing to minimise risk.

### **Results**

The results for the year, and the charity's financial position at the end of the year are shown in the attached financial statements.

# **INNOVATE TRUST**

## **TRUSTEES ANNUAL REPORT *(continued)*** **Year Ended 31 March 2003**

### **The Trustees**

The trustees who served the charity during the period were as follows:

Alan Pursell (Chair)  
Sarah Kemp  
David Thomas  
David Davies  
Jackie Amos  
Norman Berg (Treasurer)

### **Responsibilities Of The Trustees**

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

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

### **Risks**

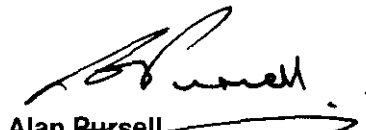
Innovate Trust, as part of its system of Corporate Governance carried out a review of all major risks the organisation is exposed to, and the systems in place to mitigate these risks. All risks were assessed and appropriate action taken if it was assessed that the risk was inappropriately high.

The Trustees identified the 8 most important risks to the organisation are, Computer Data Loss, Loss of Accreditation/Registration, Abuse of Vulnerable People, Destruction of Physical Assets, Accident affecting Staff or Service User, Loss of Substantial Contract/Grant Funding, Fraud/Financial Crime.

### **Auditors**

A resolution to re-appoint Haines Watts as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the trustees



Alan Pursell  
Trustee

Approved by the trustees on 29.7.03

# **INNOVATE TRUST**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

**Year Ended 31 March 2003**

We have audited the financial statements on pages 7 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 12.

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditors' 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS**

The responsibilities of the trustees (who also acts as Directors for the charitable activities of the company) of the charity for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 4.

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 are not required to consider whether the statement in the Trustees Annual 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.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

### **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 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 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.

# INNOVATE TRUST

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS *(continued)* Year Ended 31 March 2003

### OPINION

In our opinion the financial statements give a true and fair view of the charity's state of affairs as at 31 March 2003 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.

*Haines Watts*

**HAINES WATTS**  
**Chartered Accountants**  
**& Registered Auditors**  
Pagefield House  
24 Gold Tops  
Newport  
South Wales  
NP20 4PG

*4th August 2003*



# INNOVATE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES Year Ended 31 March 2003

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
<b>INCOMING RESOURCES</b>					
Donations	2	6,529	—	6,529	4,042
<b>Income from charitable activities:</b>					
Grants receivable	3	449,752	1,062,404	1,512,15	1,455,300
Interest receivable	5	10,750	—	10,75	11,928
Rents receivable		168,581	—	168,58	150,754
Salary costs reimbursed		108,890	—	108,89	106,650
Other income		85,624	—	8	78,122
Deferred income		(4,546)	—	(4,54	(18,192)
<b>TOTAL INCOMING RESOURCES</b>		<u>£825,580</u>	<u>£1,062,404</u>	<u>£1,887,984</u>	<u>£1,788,604</u>
<b>RESOURCES EXPENDED</b>					
<b>Charitable expenditure:</b>					
Costs in furtherance of charitable objects	6	793,732	1,062,404	1,856,136	1,665,939
Management and administration	7	14,397	—	14,397	19,750
<b>TOTAL RESOURCES EXPENDED</b>	9	<u>£808,129</u>	<u>£1,062,404</u>	<u>£1,870,533</u>	<u>£1,685,689</u>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>	10	17,451	—	17,451	102,915
Transfer between funds		21,775	(21,775)	—	—
<b>NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR</b>		39,226	(21,775)	17,451	102,915
Balances brought forward		418,298	665,166	1,083,464	980,549
Balances carried forward		<u>£457,524</u>	<u>£643,391</u>	<u>£1,100,915</u>	<u>£1,083,464</u>

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 10 to 16 form part of these financial statements.

# **INNOVATE TRUST**

## **INCOME AND EXPENDITURE ACCOUNT**

**Year Ended 31 March 2003**

	<b>Note</b>	<b>2003 £</b>	<b>2002 £</b>
<b>INCOME</b>		<b>1,877,234</b>	<b>1,776,676</b>
<b>TOTAL EXPENDITURE</b>	<b>9</b>	<b><u>1,870,533</u></b>	<b><u>1,685,689</u></b>
<b>OPERATING SURPLUS</b>		<b>6,701</b>	<b>90,987</b>
<b>OTHER INCOME</b>			
Interest receivable and similar income	<b>5</b>	<b><u>10,750</u></b>	<b><u>11,928</u></b>
<b>NET RETAINED SURPLUS FOR THE FINANCIAL YEAR</b>		<b><u>£17,451</u></b>	<b><u>£102,915</u></b>

All of the activities of the charity are classed as continuing.

The notes on pages 10 to 16 form part of these financial statements.

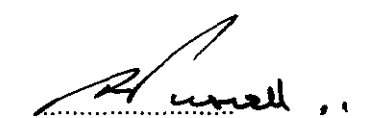
# INNOVATE TRUST

## BALANCE SHEET

At 31 March 2003

	Note	2003 £	2002 £
<b>FIXED ASSETS</b>			
Tangible assets	11	811,429	836,843
<b>CURRENT ASSETS</b>			
Debtors	12	114,063	56,653
Cash at bank		290,999	333,241
		<u>405,062</u>	<u>389,894</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(97,224)</u>	<u>(113,173)</u>
<b>NET CURRENT ASSETS</b>		<b>307,838</b>	<b>276,721</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,119,267</b>	<b>1,113,564</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	14	<b>(18,353)</b>	<b>(30,100)</b>
<b>NET ASSETS</b>		<b><u>£1,100,914</u></b>	<b><u>£1,083,464</u></b>
<b>FUNDS</b>			
Unrestricted:			
Designated funds	15	268,850	268,850
Other charitable funds		188,673	149,448
Restricted	16	643,391	665,166
<b>TOTAL FUNDS</b>		<b><u>£1,100,914</u></b>	<b><u>£1,083,464</u></b>

These financial statements were approved by the members of the committee on the 17<sup>th</sup> July 2003 and are signed on their behalf by:

  
ALAN PURSELL (CHAIR)

.....  
DAVID DAVIES (TRUSTEE)

  
NORMAN BERG (TREASURER)

The notes on pages 10 to 16 form part of these financial statements.

# **INNOVATE TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS** **Year Ended 31 March 2003**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and the Companies Act 1985.

#### **Cash flow statement**

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

#### **Incoming Resources**

##### **(i) Donations and similar income**

Donations and similar incoming resources are recognised when they are received.

##### **(ii) Capital Grants**

Capital grants, received to fund the purchase of fixed assets, are held in a restricted fund and transferred to general funds over the expected useful lives of the related assets.

##### **(iii) Revenue Grants**

Revenue grants are recognised in the period in which the expenditure to which they relate is incurred.

Where there are conditions attached to the use of these grants they are credited to the Restricted Fund. All other revenue grants are included in the General Fund in unrestricted funds.

##### **(iv) Rental Income**

Rental income is based upon the weekly charge arising in the accounting period to which it relates.

#### **Funds Structure**

The Charity's funds are split between restricted and unrestricted. The restricted funds are analysed in note 16. Administration is apportioned on the time and resources spent by the central office.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 4% on cost
Computer equipment	- 33 1/3% on cost
Fixtures and fittings	- 25% on written down value
Motor Vehicles	- 25% on cost

The organisation changed its depreciation policy on Freehold Properties so that all properties are depreciated on the same base of 4% Straight Line from 1st April 2002, as a property was previously been depreciated on a 6 2/3% Straight Line. The effect in this change is a reduction in the charge for the year of £5,107.

# **INNOVATE TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 March 2003**

### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the statement of financial activities on a straight line basis.

### **Finance lease agreements**

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the statement of financial activities on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

### **Pension costs**

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

### **Apportionment of expenditure**

All expenditure incurred by the company is allocated at the time that it is incurred to direct charitable expenditure or management and administration of the company by reference to the nature of the expense.

The staff costs for each employee are allocated to direct charitable expenditure and management and administration by reference to the proportion of the employees's time spent on each activity or task and the nature of these activities and tasks.

Expenditure that relates to the company as a whole, and which cannot otherwise be accurately apportioned is apportioned by reference to the total salary costs allocated to direct charitable expenditure and to management and administration respectively. This method of apportionment is considered to best reflect the proportion of these expenses that are direct charitable expenditure and management and administration respectively.

### **Designated reserves**

#### **(i) Building maintenance reserve**

This reserve has been established to fund future major and cyclical repairs expenditure on freehold properties owned by the company. Transfers to the reserve are made by reference to the expected pattern and timing of future major and cyclical repairs expenditure.

#### **(ii) Equipment Replacement Reserve**

This reserve has been established to fund the cost of replacing existing project fixtures and equipment. Transfers to the reserve are made by reference to both the expected replacement cost of these fixtures and equipment and the expected life of the existing fixtures and equipment.

#### **(iii) Revaluation Reserve**

Surpluses arising on the revaluation of fixed assets are credited to the revaluation reserve and are transferred back to general funds over the remaining useful life of the related asset.

# INNOVATE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year Ended 31 March 2003

### (iv) Development Reserve

Surpluses arising on the disposal of properties are transferred to this reserve which has been established to assist in funding the purchase and development of new properties which will be used to further the aims of the Charity.

### 2. DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
Donations and fundraising	<u>6,529</u>	<u>-</u>	<u>6,529</u>	<u>4,042</u>

### 3. GRANTS RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
All-Wales Strategy	-	409,095	409,095	437,227
Resettlement team	-	496,560	496,560	520,887
Other local authority grants	47,464	8,820	56,284	64,563
Health Authorities grants	6,790	-	6,790	6,790
European Social Fund	-	138,929	138,929	94,651
Community Care allowance	189,719	-	189,719	172,632
SHRG	5,120	-	5,120	7,448
Social services funding	55,220	-	55,220	51,541
Other	152,764	11,000	163,764	50,803
Jane Hodge Foundation	-	-	-	80,000
Deferred Grants	(7,325)	(2,000)	(9,325)	(31,242)
	<u>£449,752</u>	<u>£1,062,404</u>	<u>£1,512,156</u>	<u>£1,455,300</u>

### 4. CHARITABLE TRADING INCOME

The incoming resources were from rents and grants. There were no trading activities.

### 5. INTEREST RECEIVABLE

	2003 £	2002 £
Bank interest receivable	<u>10,750</u>	<u>11,928</u>

### 6. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
<b>Provision of charitable services:</b>				
Staff costs	529,375	974,327	1,503,702	1,347,625
Depreciation	37,020	-	37,020	37,200
Other administrative costs	227,337	88,077	315,414	281,114
	<u>£793,732</u>	<u>£1,062,404</u>	<u>£1,856,136</u>	<u>£1,665,939</u>

# INNOVATE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2003

### 7. MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
Salaries	5,500	-	5,500	7,000
Office costs	675	-	675	750
Accountancy fees	5,871	-	5,871	8,000
Audit fees	2,351	-	2,351	4,000
	<u>£14,397</u>	<u>-</u>	<u>£14,397</u>	<u>£19,750</u>

### 8. TAXATION

The company has been granted exemption from corporation tax due to its charitable status.

### 9. TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	Total Funds 2003 £	Total Funds 2002 £
Direct charitable expenditure	1,503,702	37,021	315,414	1,856,137	1,665,939
Management and administration	5,500	-	8,897	14,397	19,750
	<u>£1,509,202</u>	<u>£37,021</u>	<u>£324,311</u>	<u>£1,870,534</u>	<u>£1,685,689</u>

The aggregate payroll costs were:

	2003 £	2002 £
Wages and salaries	1,342,896	1,214,803
Social security costs	107,033	94,252
Other pension costs	59,273	45,570
	<u>£1,509,202</u>	<u>£1,354,625</u>

#### Particulars of employees:

The average number of staff employed by the charity during the financial year amounted to:

	2003 No	2002 No
Central Office Administration	11	9
Care Works/Support Staff etc.	101	95
	<u>112</u>	<u>104</u>

#### Particulars of employees:

The Trustees received no remuneration during the year or expenses in furtherance of their duties as Trustees. No one employee earned in excess of £50,000 during the year.

# INNOVATE TRUST

## NOTES TO THE FINANCIAL STATEMENTS Year Ended 31 March 2003

### 10. OPERATING SURPLUS

Operating surplus is stated after charging:

	2003 £	2002 £
Staff pension contributions	59,273	45,570
Depreciation	37,021	37,200
Auditors' remuneration		
- as auditors	2,351	4,000
- for other services	5,871	8,000

#### Auditors' fees

The fees charged by the auditors can be further analysed under the following headings for services rendered:

	2003 £	2002 £
Audit	2,351	4,000
Accountancy	5,871	8,000
	<u>£8,222</u>	<u>£12,000</u>

### 11. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment £	Fixtures & fittings £	Motor vehicles £	Total £
<b>COST</b>					
At 1 April 2002	912,316	5,131	151,828	4,895	1,074,170
Additions	6,740	4,820	—	—	11,560
Disposals	—	—	—	(4,000)	(4,000)
<b>At 31 March 2003</b>	<u>919,056</u>	<u>9,951</u>	<u>151,828</u>	<u>895</u>	<u>1,081,730</u>
<b>DEPRECIATION</b>					
At 1 April 2002	97,491	4,591	130,305	4,893	237,280
Charge for the year	29,897	1,743	5,380	—	37,020
On disposals	—	—	—	(3,999)	(3,999)
<b>At 31 March 2003</b>	<u>127,388</u>	<u>6,334</u>	<u>135,685</u>	<u>894</u>	<u>270,301</u>
<b>NET BOOK VALUE</b>					
<b>At 31 March 2003</b>	<u>791,668</u>	<u>3,617</u>	<u>16,143</u>	<u>1</u>	<u>811,429</u>
At 31 March 2002	<u>814,825</u>	<u>540</u>	<u>21,523</u>	<u>2</u>	<u>836,890</u>

The historical cost of freehold buildings is £879,161.

### 12. DEBTORS

	2003 £	2002 £
Grant debtors	110,359	51,880
Rent arrears	1,771	2,696
Prepayments	1,933	2,077
	<u>£114,063</u>	<u>£56,653</u>



# INNOVATE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2003

### 13. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	10,360	8,860
Social security costs	32,820	26,073
Other creditors	17,054	28,806
Accruals	23,11	13,445
Deferred income	13,87	49,434
	<u>£97,22</u>	<u>£113,173</u>

The bank loan is secured on the company's freehold properties at 433 Cowbridge Road East and 66 Hamilton Street.

### 14. CREDITORS: Amounts falling due after more than one year

	2003	2002
	£	£
Bank loans and overdrafts	<u>18,353</u>	<u>30,100</u>

The bank loan is secured on the company's freehold properties at 433 Cowbridge Road East and 66 Hamilton Street.

### 15. DESIGNATED FUNDS

	£
Development Reserve	160,146
Revaluation Reserve	27,812
Equipment Replacement Reserve	49,400
Building Maintenance Reserve	31,492
	<u>£268,850</u>

The Equipment Replacement Reserve and Building Maintenance Reserve have been established to fund future repairs and/or replacements of assets owned by the company.

The Revaluation Reserve represents the surplus arising on the revaluation 66 Hamilton Street, Cardiff.

The development reserve represents surpluses arising on the disposal of properties carried forward to fund development of new properties.

### 16. RESTRICTED FUNDS

	Movement in resources:		
	Balance at 1 Apr 2002	Outgoing	Balance at 31 Mar 2003
	£		£
Capital grants	<u>665,166</u>	<u>(21,775)</u>	<u>643,391</u>

The Restricted Funds are all related to the funding of Capital Equipment and Property. These funds are being released to unrestricted funds over the useful life of the assets concerned.

## INNOVATE TRUST

### NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2003

#### 17. ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)

	<b>Tangible fixed assets</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Capital grants	<b>517,339</b>	<b>126,052</b>	<b>643,391</b>
Unrestricted funds	<b>294,090</b>	<b>163,433</b>	<b>457,523</b>
	<b><u>£811,429</u></b>	<b><u>£289,485</u></b>	<b><u>£1,100,914</u></b>

#### 18. RELATED PARTY TRANSACTIONS

One of the Trustees, Alan Pursell, is a director of a company of independent financial advisors that provides pensions advice to the company's employees under contract from the company's pension providers.

One of the Trustees, David Davies, is a director of an engineering inspection company that contracts with the company's insurers to provide electrical and lifting gear inspections to the company.

#### 19. COMPANY LIMITED BY GUARANTEE

Innovate Trust is a company limited by guarantee and a registered charity.

#### 20. CAPITAL COMMITMENTS

Capital expenditure of £305,000 (2002: £305,000) was authorised but not contracted for as at 31 March 2003 for a further property.