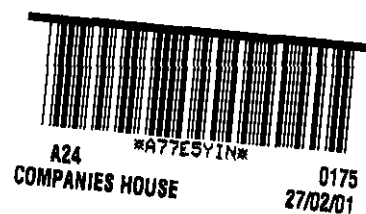


**EAST DURHAM PARTNERSHIP LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2000**

**REGISTERED NO. 3055620**



**WALKERS  
17 - 25 SCARBOROUGH STREET  
HARTLEPOOL  
TS24 7DA**

**EAST DURHAM PARTNERSHIP LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000**

**Directors**

C. Barbour  
J. Bailey  
F. Shepherd  
C. Smith (appointed 27th April 2000)

**Secretary**

C. Barbour (resigned 27th April 2000)  
J. Bailey (appointed 27th April 2000)

**Registered office**

St Bedes Annexe  
Westway  
Peterlee  
Co. Durham  
SR8 1DE

**Auditors**

Walkers  
Chartered Accountants  
17 - 25 Scarborough Street  
Hartlepool  
TS24 7DA

**EAST DURHAM PARTNERSHIP LIMITED**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000**

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# **EAST DURHAM PARTNERSHIP LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000**

The directors present their annual financial statements of the company for the year ended 31 March 2000.

### **Directors' responsibilities**

The directors are required under company law to prepare financial statements for each financial period 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 period.

In preparing the 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **EAST DURHAM PARTNERSHIP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000**

#### **Directors**

The directors who served during the year were:

C. Barbour  
J. Bailey  
F. Shepherd  
J. S. Graham (appointed 30 March 1999)

#### **Principal activities**

The principal activities of the company are providing training and placements for the long term unemployed.

#### **Basic employability**

This project is aimed at the long term unemployed to consider employment or further education. This is a County Durham TEC funded programme for unemployed. Funding is based on trainee starts and outcomes i.e. accreditation, work experience etc. Funding has been agreed for 2000/2001.

#### **Part - time courses**

East Durham Partnership provides part-time courses in Information Technology, ASDAN Towards Independence. This is funded by the Further Education Funding Council through Hartlepool and City of Sunderland colleges. Contracts are in place for 2000/2001.

#### **We'ed do well (formerly Helping Hands)**

This project ended during the year having been successful in helping the elderly, single parents and other vulnerable elements of society.

#### **Holidays at Home**

This project ended during the year having provided playschemes for children and bus trips for pensioners, children and underprivileged adults.

# **EAST DURHAM PARTNERSHIP LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000**

### **Business review and future developments**

The company has continued to expand and develop its training programmes and the directors believe that the company's expertise in carrying out and completion of such contracts place it in a strong position in respect of renewal of the contracts. Although the company was technically insolvent at the year end, in the period since cash flow has improved. This, and the continued support of our bankers and, should ensure that the company returns to surplus in the short to medium term

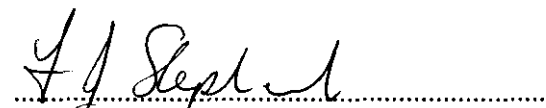
In addition, the company continues to develop and undertake other projects for the benefit of the local community.

### **Auditors**

The auditors, Walkers, have indicated their willingness to accept re-appointment under Section 385 of the Companies Act 1985.

The directors have taken advantage, in the preparation of their report, of the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

This report was approved by the Board on .....15. 2. 2001..... and is signed on its behalf by:



F. Shepherd  
Director

## **EAST DURHAM PARTNERSHIP LIMITED**

### **AUDITORS' REPORT TO THE MEMBERS OF EAST DURHAM PARTNERSHIP LIMITED**

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 7 and 8.

#### **Respective responsibilities of directors and auditors**

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 information in the financial statements.

#### **Fundamental uncertainty**

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the ability of the company to continue its operations, which comprise the requirement to obtain adequate funding to finance expenditure on educational and other projects for the benefit of the local community.

Project funding is of a short term nature, and as a result of the nature of the company's business, the long term financial position is uncertain, and depends upon the company continuing to be successful in obtaining contracts.

The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being secured to enable projects to be undertaken. Details of the circumstances relating to this fundamental uncertainty are described in note 1 to the financial statements. Our opinion is not qualified in this respect.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2000 and of its excess of expenditure over income for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

.....*W. J. M. S.*.....

Walkers  
Chartered Accountants and  
Registered Auditors  
17-25 Scarborough Street  
Hartlepool  
TS25 7DA

Date: *26 February 2001*.....

# **EAST DURHAM PARTNERSHIP LIMITED**

## **INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000**

	<b>Note</b>	<b>2000</b> <b>£</b>	<b>1999</b> <b>£</b>
<b>Grants and fundraising</b>	2	167,852	172,244
Activity expenditure (including exceptional item)	3	<u>(152,533)</u>	<u>(155,163)</u>
<b>Gross surplus</b>		15,319	17,081
Net operating expenses	4	<u>(59,032)</u>	<u>(58,111)</u>
<b>Operating (deficit)/surplus</b>	5	(43,713)	(41,030)
Interest receivable and similar income		-	-
Interest payable and similar charges		<u>(2,496)</u>	<u>(1,984)</u>
<b>Excess of expenditure over income before taxation</b>		(46,209)	(43,014)
Taxation		<u>-</u>	<u>(14)</u>
<b>Excess of expenditure over income after taxation</b>		(46,209)	(43,028)
<b>Deficit brought forward</b>		(43,272)	(244)
<b>Deficit carried forward</b>		<u><u>(89,481)</u></u>	<u><u>(43,272)</u></u>

The company's turnover and expenses all relate to continuing operations.

The only recognised loss for the period was the excess of expenditure over income for the financial period £37,078 (1999: £43,028).

The annexed notes form part of these financial statements.




# **EAST DURHAM PARTNERSHIP LIMITED**

## **BALANCE SHEET AS AT 31 MARCH 2000**

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	6	45,232	71,280
<b>Current assets</b>			
Debtors	7	19,305	31,545
Cash at bank and in hand		<u>-</u>	<u>103</u>
		19,305	31,648
<b>Creditors</b>			
Amounts falling due within one year	8	<u>(74,149)</u>	<u>(59,768)</u>
<b>Net current assets</b>		<u>(54,844)</u>	<u>(28,120)</u>
<b>Total assets less current liabilities</b>		(9,612)	43,160
<b>Creditors</b>			
Amounts falling due after more than one year	9	(16,042)	(22,605)
<b>Net assets</b>		<u><u>(25,654)</u></u>	<u><u>20,555</u></u>
<b>Capital and reserves</b>			
Capital reserve	10	63,827	63,827
Accumulated fund	10	(89,481)	(43,272)
<b>Shareholders' funds</b>	11	<u><u>(25,654)</u></u>	<u><u>20,555</u></u>

The directors have taken advantage, in the preparation of the accounts, of the special provisions of Part VII of the Companies Act 1985 applicable to small companies and the Financial Reporting Standard for Smaller Entities (effective March 2000).

The accounts were approved by the board of directors on ..... 15. 2. 2001 ..... and are signed on its behalf by:



F. Shepherd

Director

The annexed notes form part of these financial statements.

## **EAST DURHAM PARTNERSHIP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000**

#### **1. Accounting policies**

##### **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The effect of events in relation to the year ended 31 March 2000 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 March 2000 and of the results for the year ended on that date.

##### **Grants and Funding**

Revenue grants and funding are matched with the project expenditure to which they relate. Amounts receivable at the balance sheet date in respect of expenditure charged to the Income and Expenditure account for the accounting period is included in debtors as Grants and Project income receivable.

Amounts received before the balance sheet date which relate to expenditure to be incurred in future accounting periods is included in creditors as Deferred project funding.

Capital grants are matched with the assets to which they relate and are written off over the useful lives of those assets. Amounts not written off at the balance sheet date are included in creditors as Deferred grant income.

##### **Depreciation**

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives at the following rates:

Mobile creche	-25% per annum reducing balance
Computer equipment	-25% per annum reducing balance
Plant and machinery	-20% per annum reducing balance
Fixtures and fittings	-25% per annum reducing balance
Motor vehicles	-25% per annum reducing balance

##### **Leasing and hire purchase commitments**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

## **EAST DURHAM PARTNERSHIP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000 (CONT)**

#### **Format of financial statements**

The directors have adapted the formats for financial statements as required by Section B of Schedule 4 to the Companies Act 1985, to suit the nature of the company's activities.

#### **Going Concern**

The company's objectives are to provide training and placements for the long term unemployed, and to organise and administer projects for the benefit of the local community.

The ability of the company to continue its operations is largely dependent upon the company being able to secure grants and other project related funding in advance of projects being undertaken.

The company has obtained funding to secure its short term future. However, the company's long term future is dependent upon contracts for similar short term funding being renewed.

The directors believe that the company's track record and expertise places it in a strong position to continue to obtain such contracts.

Therefore, the financial statements have been drawn up on a going concern basis on the grounds that the company will be able to secure adequate finance in order to carry out future proposed projects.

#### **2. Turnover**

Turnover comprises income receivable from grants, funding and donations.

#### **3. Exceptional item**

Activity expenditure included an exceptional charge in 1999 of £15373. This relates to a disputed charge in respect of VAT on salary recharges relating to prior years for which payment was demanded during the year. £5000 has been paid in respect of this during the year ended 31 March 2000. The balance of £10373 has been carried forward as a creditor on the grounds of prudence.

Net operating expenses for the year ended 31 March 2000 includes a fixed asset impairment write down of £7,478 in respect of assets which were sold shortly after the year end. This adjustment reduces the assets to

#### **4. Net operating expenses**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Administrative expenses	67,782	60,686
Other operating income	<u>(8,750)</u>	<u>(2,575)</u>
	<u><u>59,032</u></u>	<u><u>58,111</u></u>

#### **5. Operating deficit**

Operating deficit is stated after charging:

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Operating leases - property	-	-
Hire of plant and machinery - operating leases	-	498
Depreciation	20,259	10,082
Auditors' remuneration	<u><u>1,175</u></u>	<u><u>1,246</u></u>

# **EAST DURHAM PARTNERSHIP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000 (CONT)**

### **6. Tangible fixed assets**

	<b>Mobile creche £</b>	<b>Computers £</b>	<b>Plant and machinery £</b>	<b>Fixtures and equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 April 1999	39,218	23,740	5,135	9,279	20,000	97,372
Additions	-	737	-	952	-	1,689
Transfers	-	-	-	-	-	-
At 31 March 2000	<u>39,218</u>	<u>24,477</u>	<u>5,135</u>	<u>10,231</u>	<u>20,000</u>	<u>99,061</u>
<b>Depreciation</b>						
At 1 April 1999	-	8,552	2,276	4,639	10,625	26,092
Charge for year	12,087	3,897	572	1,359	2,344	20,259
Impairment	6,320	-	1,158	-	-	7,478
At 31 March 2000	<u>18,407</u>	<u>12,449</u>	<u>4,006</u>	<u>5,998</u>	<u>12,969</u>	<u>53,829</u>
<b>Net book value</b>						
At 31 March 2000	<u>20,811</u>	<u>12,028</u>	<u>1,129</u>	<u>4,233</u>	<u>7,031</u>	<u>45,232</u>
At 31 March 1999	<u>39,218</u>	<u>15,188</u>	<u>2,859</u>	<u>4,640</u>	<u>9,375</u>	<u>71,280</u>

### **7. Debtors**

	<b>2000 £</b>	<b>1999 £</b>
Grants and project income receivable	18,758	18,932
Other debtors	547	12,613
	<u>19,305</u>	<u>31,545</u>

### **8. Creditors**

#### **Amounts falling due within one year**

	<b>2000 £</b>	<b>1999 £</b>
Bank overdraft	18,850	10,695
Deferred project funding	2,432	6,421
Deferred grant income	5,347	7,534
Activity expenditure payable	11,365	9,016
Tax and social security	16,919	1,589
Other creditors	19,236	24,513
	<u>74,149</u>	<u>59,768</u>

# **EAST DURHAM PARTNERSHIP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000 (CONT)**

### **9. Creditors**

Amounts falling due after more than one year

	2000 £	1999 £
Deferred grant income	<u>16,042</u>	<u>22,605</u>

### **10. Reserves**

	Accumulated fund £	Capital reserve £
Balance at 1 April 1999	(43,272)	63,827
Excess of expenditure over income for the year	(46,209)	-
Balance at 31 March 2000	<u>(89,481)</u>	<u>63,827</u>

The capital reserve represents the net assets introduced into the company arising from project activities undertaken by East Durham Partnership, which was an unincorporated body with the same aims and objectives as the company.

### **11. Reconciliation of movements in capital and reserves**

	2000 £
Opening capital and reserves	20,555
Excess expenditure over income for the year	(46,209)
Closing capital and reserves	<u>(25,654)</u>

### **12. Leasing commitments**

	2000	1999
	Land and buildings £	Land and buildings £
	Other £	Other £
Operating leases which expire:		
Within one year	-	-
Within two to five years	6,560	6,560
	<u>6,560</u>	<u>6,560</u>

## **EAST DURHAM PARTNERSHIP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000 (CONT)**

#### **13. Share capital**

The company does not have share capital, but every member of the company undertakes to contribute such an amount as may be required to the assets of the company if it should be wound up while he is a member or within one year after he ceases as a member for payment of the debts and liabilities of the company contracted before he ceases as a member and the costs charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves.

**THE FOLLOWING PAGES ARE FOR THE INFORMATION  
OF THE DIRECTORS ONLY.**

**THEY DO NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS.**

# **EAST DURHAM PARTNERSHIP LIMITED**

## **INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000**

	<b>2000</b>		<b>1999</b>	
	£	£	£	£
<b>Grants, fees and fundraising</b>				
ESF funding		4,421		34,241
TEC grants		82,449		60,407
FEFC funding		33,277		49,324
EDDV funding		25,668		-
New deal fees		1,804		-
Other training fees		-		8,426
Other grants, donations and income		9,449		2,162
		<u>157,068</u>		<u>154,560</u>
Rents receivable		8,568		-
We'd Do Well		216		5,040
Holidays at home		-		1,665
Creche		2,000		10,935
Training and canteen		-		44
		<u>167,852</u>		<u>172,244</u>
<b>Activity expenditure</b>				
Wages, tuition fees and courses	144,660		123,542	
Disputed salary recharges	-		15,373	
Consultancy	-		-	
Course certificates and accreditation	6,580		4,620	
Grants	-		1,310	
Evaluation fees	743		530	
	<u>151,983</u>		<u>145,375</u>	
Opportunities for volunteers	-		-	
Helping hands (now We'd Do Well)	-		3,720	
Holidays at home	550		1,055	
Creche	-		4,576	
Training and canteen	-		437	
		<u>152,533</u>		<u>155,163</u>
<b>Gross surplus</b>		15,319		17,081
<b>Other operating income</b>				
Bank interest	-		-	
Amortisation of capital grants				
- I T grant	1,526		2,034	
- Other	7,224		541	
		<u>8,750</u>		<u>2,575</u>
		<u>24,069</u>		<u>19,656</u>



# **EAST DURHAM PARTNERSHIP LIMITED**

## **INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000**

		2000	1999
	£	£	£
<b>Administrative expenses</b>			
Motor expenses	7,752	6,467	
Travel and accommodation	1,675	2,726	
Rent and rates	7,792	8,375	
Insurance	3,642	2,186	
Light, heat and water	4,726	4,025	
Telephone	3,024	6,355	
Printing, postage, stationery and computer supplies	4,233	4,615	
Repairs, renewals and consumables	955	5,842	
Advertising and publicity	503	2,486	
Hire of equipment	-	498	
Security	403	1,618	
Bank charges	1,166	1,255	
Audit fees	1,175	1,246	
Accountancy fees	2,080	1,246	
Professional fees	588	764	
Entertainment	-	-	
Depreciation	20,259	10,082	
Impairment of fixed assets	7,478	-	
Penalty on overdue PAYE	300	-	
Sundry expenses	31	900	
		67,782	60,686
		(43,713)	(41,030)
<b>Interest payable</b>			
Bank interest		2,496	1,984
<b>Excess expenditure over income for the year</b>		(46,209)	(43,014)