

# ALSG ANNUAL REPORT AND ACCOUNTS

31<sup>st</sup> December 2013

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COMPANIES HOUSE

**ADVANCED LIFE SUPPORT GROUP  
YEAR END 31<sup>ST</sup> DECEMBER 2013**



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## **TRUSTEES' ANNUAL REPORT**

The Trustees present their annual report, together with the audited accounts for the year ended 31<sup>st</sup> December 2013.

The report and accounts have been prepared in accordance with the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008, Section 419(2) of the Companies Act 2006, with the accounting policies set out on pages 16 & 17 of the attached accounts and comply with the charitable company's Memorandum and Articles of Association, applicable laws, and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005.

<b>Charity name</b>	Advanced Life Support Group is also known as:- Advanced Life Support Courses (North West)
<b>Registered numbers</b>	Company No. 4580873 Charity No. 1095478
<b>Trustees</b>	The Trustees, who all served during the year, are as follows: Mr Alan Charters Ms Kathy Doyle Mr Peter Driscoll Dr Peter-Marc Fortune Mr Kim Hinshaw Prof Kevin Mackway-Jones Dr Barbara Phillips Dr Martin Samuels Dr Chris Vallis Prof Terence Wardle
<b>Secretary and Chief Executive Officer</b>	Mrs Susan Wieteska
<b>Principal and Registered Office</b>	Advanced Life Support Group 29-31 Ellesmere Street Swinton, Manchester, M27 0LA Telephone: 0161 794 1999 Fax: 0161 794 9111 Email: ***@alsg.org Website: www.alsg.org

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**TRUSTEES' ANNUAL REPORT (continued)**

**Professional advisors**

**Bankers**

Royal Bank of Scotland PLC  
Navigation House  
Furness Quay  
The Quays  
Salford  
M5 2XZ

**Solicitors**

GLP Solicitors  
672 Bolton Road  
Pendlebury  
M27 8FH

**Auditor**

Harry Sager & Co.  
Statutory Auditor  
Chartered Certified Accountants  
69 Middleton Road  
Crumpsall  
Manchester  
M8 4JY

**Commercial Property  
Consultants**

Robert Pinkus & Co.  
Chartered Surveyors  
16-18 Riversway Business Village  
Navigation Way  
Preston  
PR2 2YP

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

### **ADVANCED LIFE SUPPORT GROUP IN 2013**

#### **Structure, Governance and Management**

##### **Governing document**

The organisation is a charitable company limited by guarantee, incorporated on 4<sup>th</sup> November 2002 and registered as a charity on 20<sup>th</sup> January 2003. Prior to this the organisation had been registered as an unincorporated charity (1024554) since 4<sup>th</sup> August 1993 and all funds were transferred to the charity company on 1<sup>st</sup> January 2003. The company was incorporated under the Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

##### **Recruitment and appointment of trustee committee**

The directors of the company are also charity trustees for the purposes of charity law and under the company's articles are known as members of the Trustee Committee. Under the requirements of the Memorandum and Articles of Association the members of the Trustee Committee are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting. Work to balance the Trustee Committee continued in 2013 and is continuing into 2014.

##### **Trustee induction and training**

All existing trustees are already familiar with the work of the charity through continued involvement in course development, course teaching and research.

New trustees are encouraged to attend induction training to familiarise themselves with the charity and the context within which it operates. These are led by the Chief Executive of the charity and cover:

- The obligations of the Trustee Committee including trustee job description and induction/training process
- The main documents which set out the operational framework for the charity including Memorandum and Articles
- The current 5 year strategic plan and annual detailed business plan
- The latest published accounts

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

### **Risk management**

The trustees and senior management team have conducted a review of the major risks to which the charity is exposed. A risk management document has been prepared, which details the systems, procedures and other actions that have been taken to mitigate the risks. In 2014 this has been further consolidated with a stratification of risks and clear processes for risk elevation and review. Regular reviews are included of medium and high level risks and the risk map and risk management document are also reviewed annually as part of the planning cycle.

### **Organisational Structure**

The Advanced Life Support Group has a Trustee Committee that meets face-to-face on at least 3 occasions each year, other meetings are held by telephone conference and email discussion forum. The committee is responsible for the strategic direction and policy of the charity. At present there are ten members, nine from clinical backgrounds and one lay member. The Secretary, CEO, Operations Director and Development Director also sit on the Committee but have no voting rights.

A scheme of delegation is in place and day to day responsibility for the charity activities rest with the Chief Executive Officer, Operations Director and Development Director. During the year 26 full and part-time employees worked within the Manchester offices and were responsible for all areas of activity. A network of over 10,000 volunteers internationally support the training activities and a series of 14 volunteer working groups direct the clinical content and policy for individual course types.

### **Related Parties**

In so far as it is complementary to the charity's objects, the charity is guided by national and international policy. There are no transactions with related parties.

### **Objectives and Activities**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning current and future activities. During 2013, the charity has continued its three core policies and the related activities as outlined below in furtherance of the objects "to preserve life by providing training and education to the general public and in particular but not exclusively to doctors, nurses and other members of the medical profession, in life saving techniques in particular regarding advanced trauma, cardiac and paediatric life support treatment". These policies focus on the *advancement of health and the saving of lives* and in that respect benefit all members of the public who have need for emergency care. As a result of improved care and improved outcomes this benefit extends to their families and wider communities and the economy in general. There are no restrictions to the receipt of the benefit of improved emergency care. The Charity continued to reinvest income received during the year into course development and redevelopment. This ensures that our courses are fit for purpose and achieve the maximum public benefit.

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

- **Training Course Provision**

The aim is to provide training using standardised teaching packages to enable candidates to use a structured approach to a variety of clinical and non-clinical situations where the life or health of the patient is at risk. This ensures that the public benefit is consistent across all geographical locations. The courses are all intensive and use tried and tested educational methods.

- **Training Course Development**

The organisation has made great efforts to develop training course packages to fill any gaps in the existing range available. All of the packages are didactic, comprehensive, consistent, and are structured in such a way that other organisations can deliver them. This approach ensures that the 'system' of care is available to a much wider number of people. This benefits the public in that it ensures that the reach of the charity is as wide as possible.

- **Feedback and Quality Control Function**

The organisation is often pioneering new courses and consolidating existing ones. It is important for the credibility of the courses, the providers and the instructors that ALSG continues to audit course effectiveness. This ensures that the public benefit from professionals who have been trained using the most effective methods possible provides an appropriate balance between time spent on training and time devoted to patient care. This continual process of review and quality control function is also undertaken by the central administrative function of ALSG.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Courses**

We are now running 27 course packages in 42 countries on five continents; extending the depth and breadth of our approach to saving lives by providing training. At the end of 2013, we had trained 156,316 people globally supported by 10,524 volunteer instructors.

During the year, our activity in the ALSG training centre continued to improve as did activity in other centres.

Several new editions of courses were launched in 2013 ensuring that ALSG courses remain fit for purpose and represent the most-up-to-date approaches both clinically and educationally. Development work specifically aimed at achieving increased accessibility to our on-line materials was successful and our new on-line courses are cross-platform compatible. We have also developed an efficient and effective method for translation of the on-line materials into other languages; supported, of course, by volunteers at our international centres.

The work around the integration of human factors into all of our courses continued and during the year we made the e-learning modules available free of charge to all of our instructors, thereby ensuring that the important patient safety message is widely disseminated.

## TRUSTEES' ANNUAL REPORT (continued)

The quality of provision of courses was further supported by the update to the Generic Instructor Course (GIC), which provides an important quality assurance platform for our instructor training. This work was achieved in collaboration with the Resuscitation Council (UK) (RC (UK)) and a blended learning package was developed and launched. In order to further support this essential aspect of our work, the e-learning modules are available free of charge to all new and existing ALSG and RC (UK) instructors. 2013 also saw this course accredited by the Academy of Medical Educators (AoME) and by Keele University who are offering Masters level credits and a Post Graduate Award based on the GIC.

*In 2013 objectives 2-5 were associated with courses*

2. reduced reliance on a single course to 65% or less	• This objective was reviewed and removed
3. developed new products in the community and psychiatry	• Development continued on the series of courses aimed specifically at the improvement of patient safety as more patients are cared for in the community. This work continues into 2014. • The development of the psychiatry course was delayed in 2013 and will proceed later in 2014.
4. re-align existing courses on the BCG matrix	• This is continually reviewed and progress is being made. Several courses have been successfully re-aligned and others are undergoing either development or proactive marketing to achieve the realignment.
5. introduce courses into at least one of the BRIC countries	• The Manchester Triage System has been introduced into Brazil • Demonstrations of elements of the APLS course were given in Russia

## Collaborations

Our collaborations continue with the following key partners:

- Maternal & Childhealth Advocacy International (MCAI) with the *Strengthening Emergency Care* programme. The APLS-CD scheme continues to provide funding for this important work in Developing Nations. This programme is running in Pakistan, The Gambia and Liberia.
- Royal College of Paediatrics and Child Health (RCPCH), the National Society for the Prevention of Cruelty to Children (NSPCC) and the British Society for Paediatric Dentistry (BSPD) with the *Recognition and Response in Child Protection* and *Child Protection in Practice* course programmes.
- National Tracheostomy Safety Project (NTSP) with the *emergency tracheostomy* training programmes.
- Resuscitation Council (UK) (RC (UK)) with the *GIC (instructor)* training programme.

## Research

The support for the PhD student was completed during 2013 with a successful outcome. During 2013, we also provided a grant of £10,000 to support ALSG-related health economics research completed by Liverpool University. This was supervised by Dr Alan Haycock, director of a group of researchers and health economists at Liverpool Health Economics and looked at links between our training and health economic and wider public benefit.



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

We also developed a collaborative agreement with Health Psychologists at Manchester University Medical School to support new approaches to evaluation of our courses focusing on behaviour change. This will further support the improvement of our courses and the implementation of the life saving approaches benefitting patients and the public more widely.

### **Licensing**

The Manchester Triage System (MTS) has been adopted by organisations in 10 countries and the UK. The royalties received will continue to be invested in a more robust infrastructure to support the audit and continued development of the programme. Work was completed in 2013 to introduce a third edition of the core text and work is on-going to introduce the approach into *telephone triage and advice* and *paediatrics*.

### **Lobbying**

Changes in structures in the NHS continue to cause concern in particular with regard to the ability of candidates and instructors to attend nationally recognised and standardised course. Monitoring and lobbying continues in this area.

### **Organisational issues**

During 2013, we continued to embed the value-based marketing approaches, supported by a part-time marketing consultant. We successfully recruited a part-time employee into the marketing and communications role for the start of 2014 and this provided an internal team of 1.1 FTE. The part-time marketing consultant will no longer be required in 2014. The role of interim Development Director was extended to the end of 2014 to ensure a transitional overlap with the incoming Development Director. This transition commenced in April 2014 and is a further step in the succession planning for the CEO.

At a succession planning meeting with Trustees in January 2014 further targets were set and actions agreed. These will start to be implemented in 2014 and form a core aspect of the ongoing development of the staff team. As part of this IT has been identified as a key system for review in 2014. An IT resilience review and the development of an IT strategy have commenced. In addition, a full external review of security during overseas activity was completed in early 2014 and implementation of the key recommendations is ongoing.

### **FINANCIAL REVIEW**

During the year the Charity's total income was £1,603,961 (2012 £1,554,672), and the overall performance recorded a surplus of £120,415 (2012 surplus £107,039), resulting in a similar increase in reserves. Governance costs, expended as a percentage of income, continue to reduce in 2013: 4.37% (2012: 5.46%; 2011: 6.80%).

### **Principal Funding Sources**

There are three main sources of funding:

1. Course fee income from candidates attending courses in the Manchester training centre.
2. Certification and on-line course fee income from courses running elsewhere for ALSG courses
3. Royalties donated from the sale of published materials.

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

### **Collaborative Working**

The *Strengthening Emergency Care* programme is a strategic collaboration between MCAI and ALSG. All projects within this programme are managed jointly and resources from both organisations are deployed. At year end 31<sup>st</sup> October 2013, the income for MCAI was £299,914 and at year end 31<sup>st</sup> December 2013, the income for ALSG was £1,603,961.

### **Investment Policy**

Currently, ALSG is working towards a position where 3 months free reserves are available and this is restricting funds available for investment. Therefore, ALSG only invests in:

1. cash deposits in the bank with a tied current and high interest account where funds are automatically transferred by the bank to maintain an amount in the current account sufficient to cover immediate needs.
2. cash deposits in a Bonus Saver account where cash is tied-up for a period of one quarter to produce a 1.05% higher interest rate. One withdrawal per quarter can be made without penalty.

ALSG has a *cash and investment policy* and this governs investment processes and decision-making.

### **Reserves Policy**

The Trustees' policy is that the "free reserves", i.e. funds not already invested in fixed assets, should be retained to meet foreseeable fixed expenditure (including purchase of fixed assets) over a period of 3 months, which equates to approximately £180,124. At this level, the Trustees feel that they would be able to continue the current activities of the charity in the event of a significant fall in take up of courses and course materials. As at 31<sup>st</sup> December 2013, these reserves amount to £196,148.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

### **PLANS FOR FUTURE PERIODS**

A strategic review carried out by the Trustees and senior management team in January 2012 has provided the basis for the organisational strategy for 2012-2016. The objectives and targets from 2012-2016 are based on the achievement of our vision and values and our 3 core approaches in training course provision, training course development and research and quality control.

By 2016, we will have set and built on a foundation for growth which will ensure that we produce value from everything we do and that we can continue to save lives by providing training.

## TRUSTEES' ANNUAL REPORT (continued)

In preparing the 2014 business plan, we reviewed and restated our key objectives focusing on why they are important to ALSG:

- |   |   |
|---|---|
| 1 | • Protect our values and ethos                                |
| 2 | • Sustain the organisation                                    |
| 3 | • Ensure a safe and effective handover to the next generation |

Our restated key objectives for 2012-2016 are:

- |   |  |
|---|--|
| 1 | • Achieve an average 5% growth year on year to fund a safe and effective handover to the next generation                     |
| 2 | • Maintain a 40%-45% ratio of salaries to turnover   |
| 3 | • To include risk assessment associated with course and sector splits in any development/marketing decisions to protect ALSG |
| 4 | • To achieve an overall surplus margin of 10% to sustain ALSG  |
| 5 | • To have completed succession planning for key roles and to recruit within key aim 2 to work towards this plan              |

By the end of 2014:

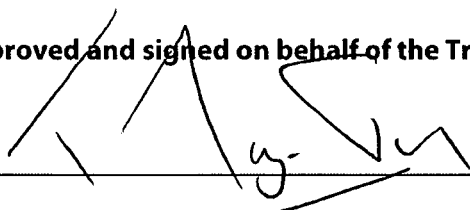
- |   |   |
|---|---|
| 1 | • To achieve a turnover of £1.598m            |
| 2 | • To achieve a 10% surplus margin             |
| 3 | • To maintain salaries at 40%-45% of turnover |

1. ALSG is financially sound and has free reserves to meet 3 months fixed expenditure
2. ALSG has consolidated and developed new products in the community and psychiatry setting
3. ALSG has continued to support all existing centres to implement more ALSG courses
4. ALSG has consolidated the development director role and identified a targeted action plan for other succession planning requirements

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

The above report has been prepared in accordance with the Provisions applicable to Companies subject to the small Companies regime as set out in Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Approved and signed on behalf of the Trustees**



**Professor K Mackway-Jones  
Chairman of Trustees  
10<sup>th</sup> June 2014**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of ALSG for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. 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. The trustees are responsible for the maintenance and integrity of charity and financial information on the charity's website.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ADVANCED LIFE SUPPORT GROUP**

We have audited the accounts of ALSG for the year ended 31st December 2013 on pages 14 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 trustees and auditor***

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland).

### ***Scope of the audit of the accounts***

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the accounts.

### ***Opinion on accounts***

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### ***Opinion on other matter prescribed by the Companies Act 2006***

In our opinion the information given in the Trustees' Annual Report for the financial year for which the accounts are prepared is consistent with the accounts.

### ***Matters on which we are required to report by exception***

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the accounts are not in agreement with the accounting records and returns
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**HARRY SAGER F.C.C.A.**  
**SENIOR STATUTORY AUDITOR**

For and on behalf of  
HARRY SAGER & CO, STATUTORY AUDITOR  
CHARTERED CERTIFIED ACCOUNTANTS,  
69 MIDDLETON ROAD, CRUMPSALL, M8 4JY  
10<sup>th</sup> June 2014

Harry Sager & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**STATEMENT OF FINANCIAL ACTIVITIES**

	NOTE	2013 TOTAL FUNDS £	2012 TOTAL FUNDS £
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds:</b>			
Investment income	2	567	555
<b>Incoming resources from charitable activities:</b>			
Course fees and course materials		1,415,797	1,364,176
CAI CD sales		99,920	88,680
Royalties		73,273	85,917
<b>Other incoming resources:</b>			
Venue hire		14,404	15,344
<b>Total incoming resources</b>		<b>1,603,961</b>	<b>1,554,672</b>
<b>RESOURCES EXPENDED</b>			
	3		
Charitable activities		1,413,497	1,362,677
Governance costs		70,049	84,956
<b>Total resources expended</b>		<b>1,483,546</b>	<b>1,447,633</b>
<b>Net incoming resources</b>		<b>120,415</b>	<b>107,039</b>
<b>EXCEPTIONAL ITEM</b>			
Fixed asset impairment	5	-	(172,112)
<b>Net surplus/(deficit)</b>		<b>120,415</b>	<b>(65,073)</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>General reserve</b>			
Total funds brought forward		307,854	372,927
Total funds carried forward		<b>428,269</b>	<b>307,854</b>

**ADVANCED LIFE SUPPORT GROUP**  
**YEAR END 31<sup>ST</sup> DECEMBER 2013**



**BALANCE SHEET AS AT 31<sup>ST</sup> DECEMBER 2013**

		<b>2013</b>		<b>2012</b>	
	<b>NOTE</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Tangible	<b>5</b>	419,783		406,548	
<b>CURRENT ASSETS</b>					
Stock of course materials		9,207		12,607	
Debtors	<b>6</b>	170,873		155,095	
Cash at bank and in hand		291,427		267,442	
		<u>471,507</u>		<u>435,144</u>	
<b>CREDITORS (Amount falling due within 1 year)</b>					
Bank loan	<b>7</b>	13,000		14,000	
Other taxes and social security		14,075		12,109	
Accruals		70,954		74,345	
Deferred income		91,328		82,999	
Other creditors		99,002		145,190	
		<u>288,359</u>		<u>328,643</u>	
<b>Net current assets</b>		<u>183,148</u>		<u>106,501</u>	
		602,931		513,049	
<b>CREDITORS (Amount falling due after 1 year)</b>	<b>8</b>	(174,662)		(205,195)	
		<u>428,269</u>		<u>307,854</u>	
<b>Represented by unrestricted funds</b>		<u>428,269</u>		<u>307,854</u>	

These accounts have been prepared in accordance with the Provisions applicable to Companies subject to the small Companies regime as set out in Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**Approved by the Board of Trustees on 10<sup>th</sup> June 2014**

Professor K Mackway-Jones - Chairman

The notes on pages 16 to 21 form part of these accounts.

## **NOTES TO THE ACCOUNTS**

- Accounting policies

- a. Basis of accounting

The Accounts have been prepared under the Historical Cost Convention, in accordance with the Companies Act 2006, applicable accounting standards, and comply with the Statement of Recommended Practice 'Accounting by Charities' issued by the Charity Commissioners in March 2005, and the Charities Act 2011.

- b. Incoming resources

All incoming resources are included in the statement of financial activities when the conditions for receipt have been met. The following specific policies apply to categories of income.

- Training Course Fees: included on a receivable basis. Course fees are invoiced in advance and, therefore, deferred and included in income in the relevant financial year when the course is held.
- Sale of Course Materials and CD Sales: included on a receivable basis when an invoice is issued and goods dispatched.
- Royalties: included in income when notified of entitlement by publisher. The Royalties received are shown net of amounts payable to overseas centres as a contribution to work in translation.
- Venue Hire: included in income on invoice following use of venue.
- Investment Income: this relates to interest from bank deposits and is included in income when receivable.

- c. Resources Expended and Allocation of Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of VAT which cannot be recovered, and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of resources (i.e. staff time spent, floor space etc).

- Charitable activities: Costs of the charity incurred in the delivery of its activities and services.
- Governance Costs: Costs associated with the general running of charity as opposed to those costs associated with direct charitable activities.



## **NOTES TO THE ACCOUNTS (continued)**

### **d. Fixed Assets**

The cost of tangible fixed assets is written off over their useful lives as follows:

Course equipment: slides - over 4 years straight line

Course equipment: others - over 2 years straight line

Office equipment - over 5 years straight line

Computer equipment - over 2 years straight line

In accordance with Financial Reporting Standard No. 15 and the Companies Act 2006 all tangible assets are to be depreciated. Although the freehold buildings have not been depreciated the Trustees do regular impairment reviews.

### **e. Stock**

Stock is stated at the lower of cost or net realisable value.

### **f. Operating leases**

Rentals applicable to operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

### **g. Pension costs**

The charity contributes to a group Personal Pension Plan operated by Foster De Novo for all eligible employees, and contributions to the scheme are charged to the Statement of Financial Activities as and when they become payable.

### **h. Cash flow statement**

The Charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a Cash Flow Statement on the grounds that it is a small charity.

**NOTES TO THE ACCOUNTS (continued)**

	2013 £	2012 £
<b>2 INVESTMENT INCOME</b>		
Bank deposit interest	567	555
<b>3 RESOURCES EXPENDED</b>		
<b>Charitable activities</b>		
Bad debts	6,766	1,271
Bank interest	5,046	5,668
Course related costs including materials	497,748	510,703
CAI CD costs	87,419	79,821
Equipment rental	40,522	52,554
Heat and light	9,665	11,857
Insurance	5,666	4,658
Marketing and professional fees	37,356	20,232
Printing, postage and stationery	22,101	24,147
Professional IT costs and support	23,037	25,049
Rates and water	6,487	5,323
Repairs and renewals	19,573	32,073
Credit card and switch charges	11,078	11,186
Staff costs	604,489	542,769
Staff training, travel and expenses	10,260	20,207
Telephone charges	4,009	4,207
Depreciation	22,275	10,952
	<u>1,413,497</u>	<u>1,362,677</u>
<b>Governance costs</b>		
Audit and accountancy charges	12,026	16,244
Bank interest	160	175
Equipment rental	1,285	1,625
Heat and light	306	366
Insurance	1,160	1,238
Marketing and professional fees	143	2,950
Professional IT costs and support	1,972	2,447
Rates and water	206	165
Repairs and renewals	621	992
Staff costs	51,735	53,268
Staff training, travel and expenses	0	5,074
Telephone and sundry expenses	435	412
	<u>70,049</u>	<u>84,956</u>

<b>NOTES TO THE ACCOUNTS (continued)</b>		<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
<b>4 STAFF COSTS</b>			
Wages and salaries (including child care costs)		550,075	510,179
Social security costs		49,145	46,810
Pension costs		57,004	39,048
		<u>656,224</u>	<u>596,037</u>
<i>Allocated to:</i>			
Charitable activities		604,489	542,769
Governance		51,735	53,268
Wages and Salaries has been reduced by way of salary sacrifices as requested by a number of employees and alternative payment made as follows:			
Childcare costs		5,832	5,832
Additional pension contribution		15,541	-
In addition, a great amount of time, the value of which is impossible to reflect in these accounts is donated by thousands of volunteer instructors throughout the UK and overseas.			
In 2013 there was one (2012 one) higher paid member of staff, who received remuneration between £60,000 and £69,999 including pension benefit of £9,977 (including £4,997 salary sacrifice).			
The average number of full time and part time employees analysed by function was:			
Charitable activities		24	21
Governance		2	3
		<u>26</u>	<u>24</u>

## NOTES TO THE ACCOUNTS (continued)

### 5 FIXED ASSETS

Tangible fixed assets held for continuing use in the charity's activities:

	Freehold land and buildings	Course equipment	Office equipment	Computer equipment	Total
Cost/Value	£	£	£	£	£
At 1 <sup>st</sup> January 2013	400,000	85,989	32,711	24,377	543,077
Additions	-	33,433	520	1,557	35,510
Impairment/Disposals	-	(8,073)	(1,397)	(4,022)	(13,492)
At 31 <sup>st</sup> December 2013	400,000	111,349	31,834	21,912	565,095
<b>Depreciation</b>					
At 1 <sup>st</sup> January 2013	-	83,741	28,743	24,045	136,529
Charge for year	-	18,964	2,201	1,110	22,275
On Disposals	-	(8,073)	(1,397)	(4,022)	(13,492)
At 31 <sup>st</sup> December 2013	-	94,632	29,547	21,133	145,312
<b>Net book value</b>					
At 31 <sup>st</sup> December 2013	400,000	16,717	2,287	779	419,783
At 31 <sup>st</sup> December 2012	400,000	2,248	3,968	332	406,548

A formal valuation of the Freehold Land and Buildings was carried out by Robert Pinkus & Co, Chartered Surveyors, in August 2012 on the basis of open market value. This gave a valuation of £400,000. In the opinion of the Trustees the market value of the Freehold Properties at 31<sup>st</sup> December 2013 continue to be £400,000.

	2013 £	2012 £
<b>6 DEBTORS (Due within one year)</b>		
Other debtors	93,985	86,468
Prepayments	76,888	68,627
	<u>170,873</u>	<u>155,095</u>

### 7 BANK LOAN

The loan is secured by legal charge to Royal Bank of Scotland plc over the land and buildings at 27-31 Ellesmere Street, Swinton, Manchester, M27 0LA

	2013 £	2012 £
<b>8 CREDITORS (Amounts falling due after more than one year)</b>		
Bank loan (see note 7)	<u>174,662</u>	<u>205,195</u>
Between two and five years	52,073	57,000
In five years or more	122,589	148,195

## **NOTES TO THE ACCOUNTS (continued)**

### **9 PENSION COSTS**

The group Personal Pension Plan is a defined contribution scheme, and is open to all employees. Employee contributions are not compulsory. The employer contribution is either 7% or 7.5%. Some employees have accepted a salary sacrifice in exchange for additional pension contribution.

The pension cost to the charity for the year was £57,004 to include £1,850 Term Assurance (2012 £39,048 incl. £5,176 Term Assurance).

At the year-end there were outstanding contributions payable to the scheme of £5,203 (2012 £3,698).

### **10 TRANSACTIONS WITH TRUSTEES**

- a. During the year six Trustees were reimbursed for travelling expenses and this totalled £4,060 (2012 – eight Trustees reimbursed £2,120)
- b. None of the Trustees received remuneration from the Charity (2012 – One Trustee received £4,053)

### **11 AUDITOR'S REMUNERATION**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Audit fees	12,026	12,244
Accountancy charges	-	4,000
	<u>12,026</u>	<u>16,244</u>

### **12 COMMITMENTS**

#### **Operating leases**

At 31<sup>st</sup> December 2013 the charity had annual commitments under non-cancellable operating leases for computers and office equipment as follows:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within one year	360	1,279
Within two to five years	33,557	38,231