

**ARIEL TRUST LIMITED**  
**REPORT AND FINANCIAL STATEMENTS FOR**  
**THE YEAR ENDED 31 MARCH 2010**

Presented by:



**Harvey Guinan**

**Chartered Certified Accountants,  
Registered Auditors**

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**ARIEL TRUST LIMITED**

**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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**ARIEL TRUST LIMITED**  
**ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**Constitution**

Ariel Trust Limited is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. Charity number - 519688  
 Company Number - 2113575.

**Directors and Trustees**

The directors of the charitable company "the charity" are its trustees for the purpose of charity law and throughout the report are collectively referred to as the trustees. The trustees serving during the year and since the year end were as follows:

TRUSTEES

Stephen Ferguson (Chair)  
 Maurice Bessman  
 Diane Burbidge (appointed August 2010)  
 Mark Hewitson  
 Paulette Lappin  
 Colin Ling (appointed January 2010)  
 Avis Lundberg  
 Peter Mearns  
 Angela Pinnington  
 Yaqub Rahman  
 Yinka Yesufu (resigned 9 September 2010)

SECRETARY

Yaqub Rahman

EXECUTIVE DIRECTOR

Paul Ainsworth

REGISTERED OFFICE

6<sup>th</sup> Floor  
 Gostins Building  
 Hanover Street  
 Liverpool  
 L1 3DY

AUDITORS

Harvey Guinan  
 Chartered Certified Accountants  
 Registered Auditors  
 310/311 Vanilla Factory  
 39 Fleet Street  
 Liverpool L1 4AR

BANKERS

Natwest Bank Plc  
 Liverpool City Office  
 PO BOX 138  
 22 Castle Street  
 Liverpool  
 L69 2BE

**ARIEL TRUST LIMITED****Company Number 2113575 (England and Wales)****TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010**

The Trustees intend that this Annual Report also serves as the Statutory Directors' Report.

**REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are provided in these accounts on page 1.

**STRUCTURE GOVERNANCE AND MANAGEMENT**

The Charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association and on the winding up of the Charity each member will contribute £1.

Ariel Trust Limited has a Committee of Trustees, which normally meets every six weeks. The Board sets out and approves the policies to be adopted to achieve the Charity's objectives. In setting these policies the trustees have considered the Charity Commission's guidance on public benefit. The policies and the day to day management of the Charity are implemented by the Executive Director. The Charity has a Development Plan, which it is using to focus on immediate, medium and long term aims. The work programme as detailed in the plan is developed and delivered by the director and the staff team and up to 5 professional support workers.

Recruitment of Trustees is based upon diversity and equal opportunities. As a Board the Trustees represent the voluntary, public and private sectors. The Trustees are from wide ranging professional backgrounds including education, human resources, administration, legal, actuarial, writing, journalism and marketing. The Charity has access to the Business in the Arts Board Bank and Adviser scheme from which it can identify potential Trustees.

Induction of new Trustees involves a detailed introductory programme where the new Trustee receives copies of Strategic and Business Planning documents, the financial statements and all other relevant policies and issues of the organisation and has time to discuss these with the Board and Executive Management. Board Away Days are normally held at least once per year when strategy is on the agenda. The Away Day is also an opportunity for training and updating Trustees on important matters. When training needs are identified an action plan is put in place and appropriate training delivered.

The core team works alongside freelance support staff who deliver the adult training courses.

**Equal Opportunities:**

The company is committed to the principle of equal opportunities, and is striving to become an equal opportunities employer and service provider.

Ariel recognises that it is necessary to take positive steps to ensure that all people benefit from equal opportunities, whether when acting as an employer, providing services or working with people as individuals or in groups.

Ariel is committed to the development and expansion of positive policies to promote equal opportunities in employment regardless of workers' colour, age, class, employment status, disability, gender, marital status, nationality, parental status, religious beliefs and sexual orientation. This principle will apply in respect of all conditions of work including rates of pay, hours of work, holiday entitlement, work allocation, guaranteed earning, sick pay, maternity pay, paternity pay, recruitment, training, promotion and redundancy.

**ARIEL TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010 CONTINUED**

**Equal Opportunities: (Continued)**

Ariel has committed itself to adopting work practices which would enable people to attain a quality of life which is consistent with being equal members of society.

Ariel requires that all of its staff and Trustees promote this equal opportunities policy through its work and services.

**Trustees:**

The names of the present trustees and all who held office during the year are shown on page 1.

In accordance with the provisions of the Charity's Articles of Association, at the forthcoming Annual General Meeting of the Charity, the following trustees retire by rotation and being eligible, offer themselves for re-election:

Maurice Bessman  
 Mark Hewitson  
 Yaqub Rahman

**Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Principles (UK GAAP).

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 and of the net incoming or outgoing resources of the charity for that period. In preparing these financial statements, the trustees are required to:-

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are prudent and reasonable.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement of Disclosure of Information to Auditors**

The trustees of the charity who held office at the date of approval of this annual report confirm that:

- So far as they are aware, there is no relevant audit information, information needed by the charity's auditors in connection with preparing their report, of which the charity's auditors are unaware; and
- They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**ARIEL TRUST LIMITED****TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010 CONTINUED****Board Structure:**

The following sub committees have been established with the intention that they will take advantage of the specialist skills of a number of the trustees and allow for more focused work on these areas between board meetings.

Finance  
Human Resources

**Board Development:**

The Charity has worked with Business in the Arts:North West to identify gaps in skills on the board and recruit suitable specialists.

**Risk Management:**

The major risks to which the Charity is exposed concern business risk and operating risk and in particular raising adequate funds or generating sufficient income to cover costs. The Board confirms that the day to day reporting systems and controls operated and regularly monitored by the organisation are designed to mitigate those risks. The Charity regularly reviews and updates a schedule of risks.

**OBJECTIVES AND ACTIVITIES**

The Objects of the Charity are:

- To promote for the benefit of the public the furtherance of education, training, knowledge and understanding of all members of the public (with emphasis on the members of the public who are young or disadvantaged) in all aspects of sound, television and multi-media production.
- To promote for the benefit of the public and enable best practice and high standards in all aspects of sound, television and multi-media production which is of cultural, artistic or educational value.

Ariel supplies up to date skills to all members of the public (with emphasis on the members of the public who are young or disadvantaged), responds to demand in the media industry, builds partnerships and helps to deliver employment and economic growth.

Ariel Trust offers services to members of the public, with the emphasis on the members of the public who are young or disadvantaged to promote their knowledge and understanding of broadcasting in order to increase their chances of becoming economically active. The organisation does this by:-

- i) Operating a programme of training courses
- ii) Providing information and advice to unemployed people and others
- iii) Making equipment, studio space and resources available to unemployed people and others
- iv) Liaising with broadcasters and others in order to increase opportunities for unemployed people
- v) Organising conferences, work placements and other initiatives
- vi) Delivering education projects to young people.
- vi) Developing new ways to deliver education, training and media production.

In delivering the activities the Charity is supported by a voluntary Board of Trustees. The Charity does not have any other volunteer programme.

**ARIEL TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010 CONTINUED**  
**ACHIEVEMENTS AND PERFORMANCE**  
**Key Developments during 2009/10**

The year 2009/10 was a year of consolidation. It was the first full financial year after the end of ESF funding, a change that resulted in the loss of two thirds of our income. We had been planning for this change for a number of years by diversifying our products and services so that we could reach a wider customer base. This change process was supported by financial investment through the Future Builders programme. We had also restructured the organisation at the end of 2008/09 to be better focused on the needs of a sales led organisation. Despite this planning 2008/09 was always going to be a challenging year particularly as it coincided with the beginning of the global recession. Our aim going into the year 2009/10 was to consolidate our position and to build a strong basis on which to build for the future.

We have continued to work closely with Liverpool City Council in relation to their 'It's not OK' (INOK) programme. This has become one of the key 'legacy programmes' following Capital of Culture in 2008 and is now being led by Children's Services and the Culture Team. During 2009/10 we continued to win delivery contracts for the development of new resources. However, we also moved into a more strategic relationship with INOK during the year. In October 2009 we secured a contract to project manage the work in relation to INOK and this is continuing into 2010/11. As a result of this contract we have substantially increased the income that is directly supporting the core of the organisation.

We continue in our strategy of seeking to diversify our income sources and in 2009/10 have taken steps forward by winning our first substantial contract outside of Merseyside, with Cumbria Fire Service. We delivered one contract for them during the period and secured a second shortly before the year end. This strategy has been supported by the introduction of management processes that promote a sales led culture. This includes setting clear financial targets across the whole organisation and using weighted sales forecasts to monitor progress.

**FINANCIAL REVIEW**

The Statement of Financial Activities is on page 10. Total Incoming resources were £343,413 (2009 £257,677) and total resources expended were £299,931 (2009 £315,335) giving rise to net incoming resources for the year of £43,482 (2009 net outgoing resources £57,658). The net incoming resources was broken down to £645 net incoming resources on unrestricted funds and £42,837 net incoming resources on restricted funds as monies were received for projects to be delivered in future periods..

The mix of income continued to change in 2009/10 in line with diversification. Post 16 income increased by 20% and schools income by 25%. Ariel now has a wide variety of income streams from a more diverse range of organisations. Statutory investment particularly from the European Social Fund has finished during the previous year as described above but income now includes funding from trusts and foundations, corporate donations and income from educational services, as well as funds from the Big Lottery. Core Education Activity Income nearly trebled to £93,642 (2009 £33,248). E Learning income fell by 14% having increased by 20% in 2009.

The total funds position on the Balance sheet at 31 March 2010 was £30,997 being unrestricted funds of £25,514 in deficit and restricted funds of £56,511 in credit. Restricted revenue funds to be spent in future accounting periods were £55,734 and restricted funds invested in fixed assets were £777.

**ARIEL TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010 CONTINUED**

**Political Contributions:**

During the year there were no political or charitable donations.

**Fixed Assets:**

The movements on fixed assets are shown in the notes to the accounts.

**Reserves Policy:**

The organisation is run on a not for profit basis but for prudent management and in accordance with the Statement of Recommended Practice "Accounting by Charities" the Board aims to maintain a level of free reserves (that is those funds not tied up in designated or restricted funds) to establish a sustainable entity and guard against contingencies. The actual free reserves at 31 March 2010 were in debit by £25,514 (2009 debit £26,229). The Charity is working towards diversification and aims to increase the free reserves to £25,000, achieving target within the next 5 years. The basis of the preparation of the accounts is explained at note one.

**PLANS FOR FUTURE PERIODS**

**Key Issues in Next Period:**

After succeeding in our target of consolidating our position in 2009/10 our key target moving forward is to manage the planned deficit that occurred with the end of ESF funding. The Future Builders loan has provided the capital that has supported the organisation to date however the Trustees have a clear strategy to move Ariel back into surplus. As part of this strategy the Trustees have set a target for the clearing this planned deficit over a two year period i.e. by 2011/12 and staff are working towards financial and delivery targets on this basis.

We enter 2010/11 in a very strong position. We are busier than ever and are currently working at full capacity. Although the core staff team is only seven we are working with an increasing team of freelancers and sessional staff allowing us to increase our capacity flexibly in response to the needs of customers. Regular freelancers, temporary staff and volunteers currently number ten.

Our strategy for meeting our fundraising target remains the development of services that can be delivered flexibly in response to the needs of an increasing range of customers. We are currently winning contracts with a diverse range of customers including Local Authorities, the Police, Fire Services and the Probation Service. Despite the challenging economic climate demand for our work seems to be holding up strongly and we continue to be approached by new customers and are currently negotiating a number of contracts.

In addition we continue to target support from Trusts & Foundations for our work and plan to make a substantial application to the Heritage Lottery Fund during 2010/11.

**Strategy for Long-term Sustainability**

Ariel has taken a proactive approach to the changing economic circumstances that we faced and has moved from a traditional charity providing vocational training to a nationally recognised publisher of educational software.

A key tool in this change process has been the investment we secured from Future Builders and this has enabled us to manage the contraction in income experienced at the end of our ESF contracts and to move forward to a position where we are now winning contracts for services from statutory agencies across the North West.

**ARIEL TRUST LIMITED**  
**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010 CONTINUED**

**Strategy for Long-term Sustainability (Continued)**

During 2009/10 we have made steps forward in raising our profile on a national basis. This includes winning recognition from politicians of all parties. In October 2009 the then Prime Minister, Gordon Brown, wrote to us praising our work as "*vital in the months and years ahead*". We have also received positive recognition for our work from new Schools Minister Nick Gibb and the Liberal Democrat chair of the Education Sub-Committee. Our long-term strategy is to continue to raise our profile nationally and to win investment outside of the North West. We see our goal as establishing Ariel Trust as the UK leader in developing educational software in partnership with teachers and other professionals.

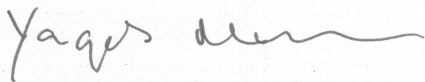
**SMALL COMPANY RULES**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

**AUDITORS**

A resolution to reappoint Harvey Guinan as statutory auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE TRUSTEES



Yaqub Rahman  
Trustee  
9 September 2010

**ARIEL TRUST LIMITED****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARIEL TRUST LIMITED**

We have audited the financial statements of Ariel Trust Limited for the year ended 31 March 2010 on pages 10 to 17 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

The trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Principles, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual 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 International Standards on Auditing (UK and Ireland) 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 trustees 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.

**OPINION**

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Principles;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

**ARIEL TRUST LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARIEL TRUST LIMITED**  
**(Cont'd)**

Emphasis of Matter

We draw attention to Note 1 to the financial statements which describes the basis of the preparation of the accounts. Our opinion is not qualified in respect of this matter.



**Julie Guinan**  
**Senior Statutory Auditor**  
**For and on behalf of**  
**Harvey Guinan**  
Chartered Certified Accountants  
Statutory Auditors  
310/311 Vanilla Factory  
39 Fleet Street  
Liverpool L1 4AR  
9 September 2010

**ARIEL TRUST LIMITED****STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2010**

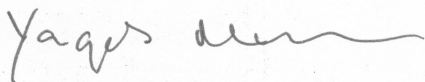
	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 31/3/2010	TOTAL FUNDS 31/3/2009
<b><u>Incoming Resources</u></b> (note 4)				
Incoming Resources from generated funds:				
Investment Income	-	-	-	2,029
Incoming Resources from Charitable Activities:				
Post 16 Multi Media Training	-	138,541	138,541	115,433
Schools Training and Services	16,526	45,375	61,901	49,671
Core Education Activity	26,642	67,000	93,642	33,248
E Learning	49,329	-	49,329	57,296
	-----	-----	-----	-----
<b>Total Incoming Resources</b>	92,497	250,916	343,413	257,677
<b><u>Resources Expended</u></b>				
Charitable Activities: (note 5)				
Post 16 Multi Media Training	-	127,923	127,923	153,680
Schools Training and Services	16,411	43,156	59,567	60,370
Core Education Activity	23,457	37,000	60,457	28,127
E Learning	48,984	-	48,984	70,158
	-----	-----	-----	-----
	88,852	208,079	296,931	312,335
Governance Costs	3,000	-	3,000	3,000
	-----	-----	-----	-----
<b>Total Resources Expended</b>	91,852	208,079	299,931	315,335
	-----	-----	-----	-----
Net movement in funds	645	42,837	43,482	(57,658)
Balances b/f 1 April 2009	(26,159)	13,674	(12,485)	45,173
	-----	-----	-----	-----
Balances c/f 31 March 2010 (note 10/11)	(25,514)	56,511	30,997	(12,485)
	=====	=====	=====	=====

The notes on pages 12 to 17 form part of these financial statements.

**ARIEL TRUST LIMITED****BALANCE SHEET**  
**AS AT 31 MARCH 2010**

<b>NOTE</b>		<b>2010</b>	<b>2009</b>
	<b><u>FIXED ASSETS</u></b>		
7	Tangible Assets	2,534	5,148
	<b><u>CURRENT ASSETS</u></b>		
8	Debtors	49,825	26,135
	Cash at Bank and in Hand	62,094	32,950
		-----	-----
		111,929	59,085
9	<b><u>CREDITORS - AMOUNTS</u></b>		
	<b><u>FALLING DUE WITHIN ONE YEAR</u></b>	(41,330)	(30,094)
		-----	-----
	<b><u>NET CURRENT ASSETS</u></b>	70,589	28,991
	<b><u>TOTAL ASSETS LESS CURRENT</u></b>		
	<b><u>LIABILITIES</u></b>	73,123	34,139
9	<b><u>CREDITORS- AMOUNTS</u></b>		
	<b><u>FALLING DUE AFTER MORE THAN ONE YEAR</u></b>	(42,126)	(46,624)
		-----	-----
	<b><u>NET ASSETS/(LIABILITIES)</u></b>	30,997	(12,485)
		=====	=====
	<b><u>FUNDS</u></b>		
10	Unrestricted funds	(25,514)	(26,159)
11	Restricted Funds	56,511	13,674
		-----	-----
		30,997	(12,485)
		=====	=====

The financial statements which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 were approved by the board on 9 September 2010 and are signed on its behalf.



Yaqub Rahman  
Trustee

The notes on pages 12 to 17 form part of these accounts.

**ARIEL TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**1 ACCOUNTING POLICIES**

**ACCOUNTING CONVENTION**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The accounts have been drawn up where appropriate in accordance with the Statement of Recommended Practice "Accounting by Charities" (SORP 2005) issued in March 2005.

**BASIS OF PREPARATION OF THE ACCOUNTS**

The balance on the Charity's funds at 31 March 2010 is £30,997 (2009 deficit £12,485). Since the loss of European Funding in 2009 the charity has embarked upon development and generating new sources of income for its activities. In 2009/2010 the charity has successfully increased its Funds Balance at the year end to improve financial stability and sustainability. At 31 March 2010 total funds are £30,997 being £56,511 restricted funds including £55,734 secured for the delivery of future projects with a contribution to project management and overheads and a debit balance on unrestricted funds of £25,514 (2009 debit balance £26,159). In the light of new sources of funds being secured for the charity's activities and services in recognition of its reputation for delivering quality, new ideas and innovation and based upon the continued successful performance against the business plan forecasting a return to a credit balance on general unrestricted funds by 2012 the Trustees prepare these accounts on the going concern basis.

**TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives at the following rates:

Equipment	15% Straight Line
Fixtures and Fittings	15% Straight Line
Computers	33 1/3% Straight Line

**INCOMING RESOURCES**

Income from continuing operations comprised revenue grant funding received and receivable, donations, income received and receivable against contracts with government agencies, schools and other establishments to deliver education and training and bank interest and sundry income. The charity is not registered for VAT. Income from donations and grants is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred to those periods
- When donors impose conditions which must be fulfilled before the charity becomes entitled to use such income, and there is uncertainty as to whether the charity can meet these conditions, the income is deferred and not included in incoming resources until there is certainty that those pre-conditions for use can be met.

**CHARITABLE EXPENDITURE AND EXPENDITURE ON GOVERNANCE COSTS**

All expenditure of the charity relates to the delivery of its objects and is therefore considered as direct charitable expenditure as detailed on the Statement of Financial Activities. Audit and legal and professional costs have been shown separately in governance costs.

**ARIEL TRUST LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**  
**(Continued)**  
**ACCOUNTING POLICIES CONTINUED**

**GRANTS**

Grants of both a revenue and capital nature are credited to income in the period in which they are due and when the principles of measurement, certainty and entitlement are met. Capital grants are treated as restricted income and depreciation charged against the restricted funds. Where revenue grants are given for a specific purpose then the income is shown as restricted on the Statement of Financial Activities.

**TAXATION**

No taxation is provided due to the company's charitable status.

**FUND ACCOUNTING**

Funds held by the charity are either:

- Unrestricted general funds which can be used in accordance with the charitable objectives at the discretion of the trustees.
- Restricted funds which can only be used for a specific purpose either specified by the donor or raised for the specific purpose.
- Designated Funds which have been set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

<b>2</b>	<b><u>NET MOVEMENT ON FUNDS</u></b>	<b>2010</b>	<b>2009</b>
	<b>This is stated after charging/(crediting):</b>		
	- Auditors' Remuneration	3,000	3,000
	- Depreciation of Tangible Fixed Assets	2,614	2,691
	- Release of Capital Grant for Depreciation	(1,628)	(1,624)
		=====	=====
<b>3</b>	<b><u>STAFF COSTS</u></b>	<b>2010</b>	<b>2009</b>
	- Wages and Salaries	164,413	194,179
	- Social Security Costs	16,555	17,994
	- Pension	5,597	6,642
		-----	-----
		186,565	218,815
		=====	=====

No director/trustee received fees, remuneration or expenses for their services as a director/trustee. The average number of full time equivalent employees (including casual and part time staff) during the year was made up as follows:

Manager	1	1
Administration and Finance	-	2
Development	1	1
Researcher	1	-
Media Producer	1	-
Project Officer – Schools	2	2
Project Officer – Post 16	1	2
	-----	-----
	7	8
	=====	=====

The company contributes to individual employee defined contribution pension schemes with assets held separately from the company managed by an insurance company.

**ARIEL TRUST LIMITED**  
**NOTES TO THE ACCOUNTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**4 INCOMING RESOURCES FROM DELIVERY OF TRAINING AND EDUCATION**

	Unrestricted Funds	Restricted Funds	Total 2010	Total 2009
<b>Investment Income</b>				
Bank Interest receivable	-	-	-	2,029
<b>Charitable Activities</b>				
<b>Post 16 Public Authority Service</b>				
<b>Agreements:</b>				
ESF	-	-	-	20,900
Big Lottery	-	138,541	138,541	94,533
	-----	-----	-----	-----
	-	138,541	138,541	115,433
<b>Schools Training and Services</b>				
Project Education Services	16,526	-	16,526	15,499
ESF	-	-	-	11,366
Children in Need	-	22,875	22,875	18,806
FA Premier League	-	-	-	4,000
Heritage Lottery	-	22,500	22,500	-
	-----	-----	-----	-----
	16,526	45,375	61,901	49,671
<b>Core Activity Income</b>				
Local Authority SLA	20,000	57,000	77,000	18,307
Other Services	6,642	-	6,642	5,277
Modernisation Fund	-	10,000	10,000	-
Esmee Fairbairn	-	-	-	9,664
	-----	-----	-----	-----
	26,642	67,000	93,642	33,248
<b>E Learning Project</b>				
Project Services	49,329	-	49,329	57,296
Lloyds TSB	-	-	-	-
	-----	-----	-----	-----
	49,329	-	49,329	57,296
Total Charitable Activities	92,497	250,916	343,413	255,648
	-----	-----	-----	-----
<b>TOTAL INCOMING RESOURCES</b>	92,497	250,916	343,413	257,677
	=====	=====	=====	=====

**5 DIRECT CHARITABLE EXPENDITURE**

All expenditure of the charity relates to the delivery of its objects and is therefore considered as direct charitable expenditure as detailed on the Statement of Financial Activities on Page 10 with the exception of governance costs shown separately (audit statutory and legal). Costs directly attributable to activities are shown below together with the costs incurred to support the activity, allocated based upon management time.

**ARIEL TRUST LIMITED****NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**  
**(Continued)****6 SUPPORT COSTS**

Support costs	Post16	Schools	Core Education	E Learning	Total 2010	Total 2009
Staff	39,569	12,405	35,861	12,004	99,839	133,875
Finance	1,188	372	1,076	360	2,996	4,144
Premises	7,598	2,382	6,886	2,305	19,171	24,145
Organisation	6,484	2,033	5,876	1,967	16,360	22,444
Web/Marketing	835	262	758	254	2,109	4,584
	<b>55,674</b>	<b>17,454</b>	<b>50,457</b>	<b>16,890</b>	<b>140,475</b>	<b>189,192</b>

Organisation costs include depreciation, telephone, insurance, printing postage and stationery, subscriptions and equipment repairs.

<b>7 <u>TANGIBLE FIXED ASSETS</u></b>	<b>Computers</b>	<b>Equipment</b>	<b>Fixtures and Fittings</b>	<b>Total</b>
At 1 April 2009	68,019	41,055	4,222	113,296
Additions	-	-	-	-
	-----	-----	-----	-----
At 31 March 2010	68,019	41,055	4,222	113,296
	=====	=====	=====	=====
<b>Depreciation:</b>				
At 1 April 2009	66,020	39,255	2,873	108,148
Charge for Year	1,692	512	410	2,614
	-----	-----	-----	-----
At 31 March 2010	67,712	39,767	3,283	110,762
	=====	=====	=====	=====
<b>Net Book Value:</b>				
At 31 March 2010	307	1,288	939	2,534
	=====	=====	=====	=====
At 31 March 2009	1,999	1,800	1,349	5,148
	=====	=====	=====	=====

<b>8 <u>DEBTORS</u></b>	<b>2010</b>	<b>2009</b>
Amounts falling due within one year:		
Trade Debtors	42,383	9,368
Other Debtors – Grants	4,262	14,277
Prepayments	3,180	2,490
	-----	-----
	49,825	26,135
	=====	=====

**ARIEL TRUST LIMITED****NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2010 (Continued)**

<b>9</b>	<b><u>CREDITORS</u></b>	<b>2010</b>	<b>2009</b>
	<b>Amounts falling due within one year:</b>		
	Trade Creditors	3,511	1,573
	Taxation and Social Security Costs	4,796	4,862
	Accruals	11,084	9,032
	Deferred Income	14,920	10,300
	Other Creditors	155	247
	Loan – Future Builders	6,864	4,080
		-----	-----
		41,330	30,094
		=====	=====

Deferred income represents amounts received during the year to be spent on projects in future accounting periods.

**Amounts falling due after more than one year:**

Loan – Future Builders	42,126	46,624
	=====	=====

The loan is unsecured and repayable within 10 years from the initial draw down date 9 March 2006. There was a capital and interest repayment holiday for the first 24 months after which interest is payable at 6% per annum with repayments currently at £822 per month including interest.

**10** **UNRESTRICTED FUNDS**

	<b><u>General</u></b> <b><u>Fund £</u></b>	<b><u>Designated</u></b> <b><u>Fund £</u></b>	<b><u>Total</u></b> <b><u>2010</u></b>
Balance 1.4.09	(26,229)	70	(26,159)
Movement in Funds for the Year	645	-	645
Transfer from Pack Sales Designated Fund	70	(70)	-
Balance 31.3.10	<b><u>(25,514)</u></b>	<b><u>-</u></b>	<b><u>(25,514)</u></b>

The funds were designated for the delivery of the respective activity to secure the development of the charity's activities and services to beneficiaries in accordance with the business plan outlined in the annual report.

**11** **RESTRICTED FUNDS**

	<b>01/04/09</b>	<b>Incoming</b> <b>Resources</b>	<b>Resources</b> <b>Expended</b>	<b>31/3/10</b>
Schools	10,403	45,375	(43,156)	12,622
Post 16 Multi Media Training	3,271	138,541	(127,923)	13,889
Core Activity	-	67,000	(37,000)	30,000
	-----	-----	-----	-----
Restricted Funds	13,674	250,916	(208,079)	56,511
	=====	=====	=====	=====
Unspent for Projects				55,734
				=====
Spent and Invested in Fixed Assets				777
				=====

**ARIEL TRUST LIMITED****NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2010 (Continued)****RESTRICTED FUNDS (Continued)**

**Schools Project** –Delivering innovative training within education in schools. The balance at 31 March 2010 is made up of £777 invested in equipment and £11,845 unspent project funds from Children in Need.

**Post 16 Multi Media Training Fund**-Funds for the delivery of a range of multi media training to post 16 year olds. The balance of funds at 31 March 2010 comprises unspent Lottery revenue.

**Core Education Activity** – Funding to develop a portfolio of linked education projects within Merseyside working with public agencies. This includes, in 2010, INOK Funding from Liverpool City Council and Funds from the Modernization Fund.

**12 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2010 Total</b>
Tangible fixed assets	1,757	777	2,534
Net current assets	14,855	55,734	70,589
Creditors due after more than one year	(42,126)	-	(42,126)
	-----	-----	-----
	(25,514)	56,511	30,997
	=====	=====	=====

**13 CAPITAL AND FINANCIAL COMMITMENTS**

There were no capital or other financial commitments as at 31 March 2010 (2009 £nil).