

ARIEL TRUST LIMITED
REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2006

Company Number: 2113575

Charity Number: 519688

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 2006

Reference and Administrative Details	1
Report of the Directors and the Trustees	2 - 7
Auditors' Report to the Members	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Accounts	11 - 16
The following pages do not form part of the Statutory Accounts:	
Income and Expenditure Account	17 - 20

ARIEL TRUST LIMITED**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2006****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:

DIRECTORS AND TRUSTEES	Stephen Ferguson (Chair) Maurice Bessman Mark Hewitson Michael Kipling (Treasurer) Paulette Lappin Avis Lundberg Deirdre Morley (resigned August 2006) Yaqub Rahman Yinka Yesufu
SECRETARY	Paulette Lappin (resigned 05-06) Yaqub Rahman (appointed 05-06)
EXECUTIVE DIRECTOR	Paul Ainsworth
REGISTERED OFFICE	6 th 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**TRUSTEES' ANNUAL REPORT/DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006**

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. 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 staff team has grown significantly during the last year. The Executive Director works with two full time administrators, 2 full time Schools Project Officers, and a full time Development Officer.

This core team works alongside 5 freelance support staff that 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, unemployment,

ARIEL TRUST LIMITED

TRUSTEES' ANNUAL REPORT/DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

Equal Opportunities: (Continued)

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 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:

Stephen Ferguson
Paulette Lappin
Yinka Yesufu

Trustees' responsibilities in relation to the financial statements

Company Law requires the Trustees to prepare financial statements that give a true and fair view of the state of affairs of the Charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The Trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each of the persons who are trustees at the time when the trustees report is approved :

- So far as the trustee is 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
- Each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself 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/DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006****Board structure:**

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

Finance
Human Resources

Board Development:

The Charity have 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/DIRECTORS' REPORT FOR THE YEAR ENDED 31
MARCH 2006 CONTINUED
ACHIEVEMENTS AND PERFORMANCE
Key Developments during 2005/6

Ariel has continued to deliver face-to-face radio training for two important client groups this year:

- Young people at risk of exclusion from school
- Young adults currently outside the labour market

Both areas of work have been funded through the European Social Fund and have been delivered in a way that meets our contractual targets during the year. New projects have also been funded and delivered in partnership with the local authorities in Liverpool and on Wirral.

During the year we have worked with a total of 324 young people in a range of face-to-face projects. This included an initiative supported by Liverpool Culture Company working with a new client group, young offenders. The project encouraged participants to explore their own experiences and to use these to produce positive radio advertisements encouraging their peers to make different choices. The adverts produced by this project were broadcast on BBC Radio Merseyside, Radio City and community stations including Talking Toxteth, to an audience in excess of 200,000.

New investment during the year has made it possible for Ariel to move ahead with the development of new products and services. Firstly £30k of capital investment from Mersey Broadband has enabled us to expand our ICT infrastructure. This includes a new server and independent network. The new equipment also increases our capacity to deliver additional services in the future including e-learning.

The development of our capacity to deliver e-learning took another step forward through the launch of a new distance learning pack 'Plastered'. Though 'Plastered' is an actual pack delivered as hard copy, it is a distance resource mapped against the national curriculum and potentially relevant to every secondary school in England and Wales. Ariel's long-term plan is to develop distance learning and e-learning resources for a national customer base.

To support this development we have applied for and won investment from Future Builders England. During the year Future Builders invested £14k in the form of a development grant; this grant was provided to support Ariel in the development of a Business Plan that will see our work in schools grow and diversify substantially during the next 5 years. The work on the Business Plan, including market research and the piloting of new services, lead to a further approach to Future Builders and in December 2005 we were successful in securing investment worth a minimum of £150k over two years to capacity build Ariel in this area.

Key Issues in next period

Ariel will continue to deliver face-to-face programmes in both schools and for young adults with support from the European Social Fund (ESF). ESF provides for only part of the cost of these programmes and at the current time, as unemployment rates fall, securing investment for vocational training is challenging. We therefore feel it is prudent to designate a significant proportion of our reserves as match funding for these programmes. We are therefore designating £16k for our work in schools and £30k for our Post 16 programme.

ARIEL TRUST LIMITED**TRUSTEES' ANNUAL REPORT/DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006 CONTINUED**

Ariel Trust has grown year on year since 2000. In 2005/6 we reached the point where our premises were beginning to restrict our ability to deliver contracts and were preventing future growth. We therefore decided to identify and move to new premises during 2006/07. In 2005/6 financial statements we have designated funds of £5k to cover the costs of relocation.

Strategy for long-term sustainability

Ariel recognises that providing vocational training programmes of the type we have previously delivered is not sustainable in isolation. We are committed, in the short-term, to continuing this provision because there is dramatic growth in the radio industry at this time. However we recognise that in order to remain sustainable as an organisation we need to develop additional sources of income to support this work.

The investment from Future Builders is a major step forward in this area and this investment will be used to increase our staff team and actively market new services. This will particularly include the development of distance learning and e-learning resources and the marketing of Continuing Professional Development training targeted at teachers, youth workers and other agencies. The successful launch of 'Plastered' points the way, it demonstrates our ability to win contracts in this new market and provides a template for further development.

FINANCIAL REVIEW

Details of the Statement of Financial Activities appear on page 9. Total incoming resources were £226,747 (2005 £232,778) and total resources expended were £215,822 (2005 £193,230) giving rise to a net movement in funds of £10,925 (2005 £39,548). The net movement in funds for 2005/6 is split between excess income of £14,850 on the unrestricted fund and £3,925 excess expenditure on the restricted funds. Out of unrestricted funds for 2005/6 of £14,850 an amount of £10,546 has been transferred to a designated Post 16 Activity Fund, an amount of £5,000 has been designated for an office relocation fund (to be spent summer 2006) and £1,546 was transferred in of the designated Post 16 fund brought forward at 1.4.05 leaving £850 to add to the general fund so it stands at £12,009 at 31.3.06.

The mix of income changed in 2005/6 in line with diversification and increase in activity. Post 16 income fell by 65% but school income increased 37% mainly as a result of generating income from providing services. Core income is being applied to core inter active radio delivery and development and income from services was also generated in this area. The development project monies increased 8% which includes the ERDF monies and the Esmee Fairburn monies together with a small amount of fees for services. The broadband fund is a new income stream to assist in developing Ariel's brand and actively promote Ariel as well as upgrading ICT systems and equipment to achieve capacity building for the future. This increase in funds and activities has enabled the Charity to further expand and develop.

At 31 March 2006 the position on the Funds on the Balance Sheet was a total of £85,238 (2005 £74,313) made up of £63,009 unrestricted funds (including £51,000 designated funds) and £22,229 restricted Funds.

ARIEL TRUST LIMITED
TRUSTEES' ANNUAL REPORT/DIRECTORS' REPORT FOR THE YEAR ENDED 31
MARCH 2006 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 2006 were £12,009 (2005 £11,159) representing a small planned increase. The Charity is working towards diversification and aims to increase the free reserves to £25,000, achieving target within the next 3 to 5 years. The business plan indicates that the level of reserves of £12,009 is sufficient to support current activities.

PLANS FOR FUTURE PERIODS

Our Business Plan has been used as the basis of an application for funding to Future Builders. This is a new Home Office initiative aimed at building the capacity of the voluntary sector to deliver public services. Our plans have been well received and the organisation is undertaking development.

We have conducted research, particularly around the School's Project to ensure our plans fit with current educational priorities. This is essential in principle as we develop new products for our market.

SMALL COMPANY RULES

These accounts have been prepared in accordance with Part VII of the Companies Act 1985 as applicable to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

AUDITORS

Harvey Guinan have indicated their willingness to remain in office and a resolution will be proposed for their re-appointment at the forthcoming Annual General Meeting in accordance with section 384 of the Companies Act 1985.

ON BEHALF OF THE TRUSTEES AND THE DIRECTORS

Trustee/Director
Date: 16 January 2007

ARIEL TRUST LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARIEL TRUST LIMITED
YEAR ENDED 31 MARCH 2006

We have audited the financial statements of Ariel Trust Limited for the year ended 31 March 2006 on pages 9 to 16. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described in the 'Trustees Responsibilities in Relation to the Financial Statements' on Page 3 the company's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Trustees' 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 in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2006 and of its incoming resources and resources expended for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Harvey Guinan
Chartered Certified Accountants
Registered Auditors
310/311 Vanilla Factory
39 Fleet Street
Liverpool L1 4AR
Date: 16 January 2007

ARIEL TRUST LIMITED**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2006**

	UN RESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 31/3/2006	TOTAL FUNDS 31/3/2005
Incoming Resources (note 4)				
Incoming Resources from generated funds:				
Voluntary Income	400	-	400	5,024
Investment Income	234	-	234	67
Incoming Resources from Charitable Activities:				
Post 16 Training and Services	-	40,878	40,878	116,563
Schools Training and Services	32,627	41,406	74,033	53,959
Development Project	891	60,915	61,806	57,165
Mersey Broadband	-	29,857	29,857	-
Core Activity-Inter Active Radio	19,539	-	19,539	-
Total Incoming Resources	53,691	173,056	226,747	232,778
Resources Expended				
Charitable Activities: (note 5)				
Post 16 Training and Services	-	64,564	64,564	105,470
Schools Training and Services	21,270	31,406	52,676	26,868
Development Project	891	60,915	61,806	57,165
Mersey Broadband	-	18,862	18,862	-
Core Activity -Inter Active Radio	14,180	1,234	15,414	
	36,341	176,981	213,322	189,503
Governance Costs	2,500	-	2,500	3,727
Total Resources Expended	38,841	176,981	215,822	193,230
Net movement in funds	14,850	(3,925)	10,925	39,548
Balances B/F 1 April 2005	48,159	26,154	74,313	34,765
Balances C/F 31 March 2006 (note 10/11)	63,009	22,229	85,238	74,313
	=====	=====	=====	=====

The notes on pages 11 to 16 form part of these financial statements.

ARIEL TRUST LIMITED**BALANCE SHEET**
AS AT 31 MARCH 2006

NOTE		2006	2005
	<u>FIXED ASSETS</u>		
7	Tangible Assets	15,693	6,006
	<u>CURRENT ASSETS</u>		
8	Debtors	52,752	28,946
	Cash at Bank and in Hand	91,318	50,181
		-----	-----
		144,070	79,127
9	<u>CREDITORS - AMOUNTS</u>		
	<u>FALLING DUE WITHIN ONE YEAR</u>	(14,525)	(10,820)
		-----	-----
	<u>NET CURRENT ASSETS</u>	129,545	68,307
9	<u>CREDITORS- AMOUNTS</u>		
	<u>FALLING DUE AFTER ONE YEAR</u>	(60,000)	-
		-----	-----
	<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	85,238	74,313
		=====	=====
	<u>FUNDS</u>		
10	Unrestricted funds	63,009	48,159
11	Restricted Funds Invested in Fixed Assets	12,229	2,468
11	Restricted Revenue Funds	10,000	23,686
		-----	-----
		85,238	74,313
		=====	=====

The notes on pages 11 to 16 form part of these accounts.

The accounts have been drawn up in accordance with the provisions of part VII of the Companies Act 1985 and in accordance with the Financial Reporting Standard for smaller entities.

These accounts were approved by the Board of Directors on 16 January 2007 and were signed on their behalf by:

Trustee/Director

ARIEL TRUST LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006

1 ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention and include the results of the charity's operations which are described in the Directors' and Trustees' report, all of which are continuing. The accounts have been drawn up where appropriate in accordance with the Statement of Recommended Practice "Accounting by Charities".

DEPRECIATION

Depreciation is provided on fixed assets at rates calculated to write off costs evenly over their anticipated 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 to deliver education and training and organisational development, 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.

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.

ARIEL TRUST LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006
(Continued)
ACCOUNTING POLICIES CONTINUED

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.

CASHFLOW STATEMENT

The company has taken advantage of the exemption available in sections 246 to 249 Companies Act 1985 not to prepare a cash flow statement in accordance with Financial Reporting Standard No. 1.

2 NET MOVEMENT ON FUNDS

	2006	2005
This is stated after charging/(crediting):		
- Auditors' Remuneration	2,500	2,950
- Accountancy and Training	-	776
- Depreciation of Tangible Fixed Assets	9,131	13,128
- Release of Capital Grant for Depreciation	(6,730)	(11,659)
	=====	=====

3 STAFF COSTS

- Wages and Salaries	117,252	106,862
- Social Security Costs	11,530	10,331
- Pension	5,050	4,525
	-----	-----
	133,832	121,718
	=====	=====

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	2
Development	1	1
Project Officer - Schools	1	1
	----	----
	5	5
	===	===

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

4 INCOMING RESOURCES FROM DELIVERY OF TRAINING AND EDUCATION

	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005
Voluntary Income				
BIA Award	-	-	-	500
Sundry Donations	400	-	400	824
Community Learning Chest	-	-	-	3,700
	-----	-----	-----	-----
	400	-	400	5,024
Investment Income				
Bank Interest receivable	234	-	234	67

ARIEL TRUST LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006

4 INCOMING RESOURCES FROM DELIVERY OF TRAINING AND EDUCATION (cont'd)

	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005
Charitable Activities				
Post 16				
Public authority service agreements:				
ESF	-	29,160	29,160	35,696
Liverpool City Council Arts unit	-	-	-	10,000
New Deal	-	1,718	1,718	38,870
Employers Coalition	-	-	-	9,000
Other	-	-	-	7,997
Lloyds TSB Foundation	-	-	-	15,000
Charitable Trust	-	10,000	10,000	-
	-----	-----	-----	-----
	-	40,878	40,878	116,563
Schools Training and Services				
Learning Skills Council	1,208	-	1,208	41,612
Project Education Services	31,419	-	31,419	8,235
LCC release deferred income	-	-	-	4,112
Awards for All	-	4,810	4,810	-
ESF	-	2,596	2,596	-
Future Builders	-	29,000	29,000	-
Liverpool Culture Company Project	-	5,000	5,000	-
	-----	-----	-----	-----
	32,627	41,406	74,033	53,959
Development Project				
Esmee Fairbairn Foundation	-	29,367	29,367	27,972
ERDF	-	31,548	31,548	29,193
Project Services	891	-	891	-
	-----	-----	-----	-----
	891	60,915	61,806	57,165
Mersey Broadband Fund				
Mersey Broadband	-	29,857	29,857	-
	-----	-----	-----	-----
	-	29,857	29,857	-
Core Activity Income				
Local Authority SLA	19,539	-	19,539	-
	-----	-----	-----	-----
	19,539	-	19,539	-
Total Charitable Activities	53,057	173,056	226,113	227,687
	-----	-----	-----	-----
TOTAL INCOMING RESOURCES	53,691	173,056	226,747	232,778
	=====	=====	=====	=====

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.

Activity	Direct Activity Costs	Support Costs	Total 2006	Total 2005
Post 16	32,486	34,312	66,798	105,470
Schools	30,430	21,246	51,676	26,868
Development	29,253	32,553	61,806	57,165
Core Inter active radio		14,180	14,180	-
Broadband	16,167	2,695	18,862	-
Total	108,336	104,986	213,322	189,503

ARIEL TRUST LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006
(Continued)

6 SUPPORT COSTS

Support costs	Post 16	Schools	Development	Core inter active radio	Broad band	Total 2006	
Management, Finance and Administration Staff costs		27,792	17,209	26,368	11,095	2,695	85,159
Finance		344	212	326	331		1,213
Premises		2,402	1,487	2,279	708		6,876
Organisational costs		3,774	2,338	3,580	2,046		11,738
		34,312	21,246	32,553	14,180	2,695	104,986

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

7 TANGIBLE FIXED ASSETS	Computers	Equipment	Fixtures and Fittings	Total
At 1 April 2005	46,452	37,636	1,996	86,084
Additions	16,492	2,008	318	18,818
	-----	-----	-----	-----
At 31 March 2006	62,944	39,644	2,314	104,902
	=====	=====	=====	=====
Depreciation:				
At 1 April 2005	41,708	37,038	1,332	80,078
Charge for Year	8,266	663	202	9,131
	-----	-----	-----	-----
At 31 March 2006	49,974	37,701	1,534	89,209
	=====	=====	=====	=====
Net Book Value:				
At 31 March 2006	12,970	1,943	780	15,693
	=====	=====	=====	=====
At 31 March 2005	4,744	598	664	6,006
	=====	=====	=====	=====

8 DEBTORS	2006	2005
Amounts falling due within one year:		
Trade Debtors	2,736	1,718
Other Debtors - Grants	47,985	25,670
Prepayments	2,031	1,558
	-----	-----
	52,752	28,946
	=====	=====

ARIEL TRUST LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006

9 CREDITORS	2006	2005
Amounts falling due within one year:		
Trade Creditors	3,553	2,373
Taxation and Social Security Costs	91	3,170
Accruals and Deferred Income	10,881	5,277
	-----	-----
	14,525	10,820
	=====	=====
Amounts falling due after more than one year		
Loan - Future Builders	60,000	=

The loan is unsecured and repayable within 10 years from the initial draw down date 9 March 2006. There is a capital and interest repayment holiday for the first 24 months after which interest is payable at 6% per annum with repayments initially at £1,550 per month.

10 UNRESTRICTED FUNDS

	General Fund £	Designated Fund £	Total 2006
Balance 1.4.05	11,159	37,000	48,159
Movement in funds for the year	16,396	(1,546)	14,850
Transfer to designated Post 16 Fund	(10,546)	10,546	-
Transfer to designated Relocation fund	(5,000)	5,000	-
Balance at 31.3.06	12,009	51,000	63,009

The funds are designated for relocation in Summer 2006 (£5,000) and 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 (£30,000 Post 16 and £16,000 Schools) .

11 RESTRICTED FUNDS

	01/04/05	Incoming Resources	Resources Expended	31/3/06
Post 16 Radio Training Development Project	23,686	40,878	(64,564)	-
Schools	-	60,915	(60,915)	-
Broadband	-	41,406	(31,406)	10,000
Community Learning chest	2,468	-	(1,234)	1,234
	-----	-----	-----	-----
Restricted Revenue Funds	26,154	173,056	(176,981)	22,229
	=====	=====	=====	=====
Unspent for Projects				10,000
				=====
Spent and Invested in Fixed Assets				12,229
				=====

ARIEL TRUST LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006 (Continued)**11 **RESTRICTED FUNDS** - continued

Post 16 Radio Training Fund - Project monies used as matching funds for a European Social Fund Project with an overall Project end date of 30 September 2005.

Development Project - Funds the post of a development officer and capacity building.

Schools Project - Delivering innovative radio training within education in schools

The Community Learning Chest Funds were used to purchase 5 mini disk recorders, microphones and cables.

12 **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds	Restricted Funds	2006 Total
Tangible fixed assets	3,464	12,229	15,693
Net current assets	59,545	10,000	69,545
	-----	-----	-----
	63,009	22,229	85,238
	=====	=====	=====

13 **CAPITAL AND FINANCIAL COMMITMENTS**

There were no capital commitments as at 31 March 2006 (2005 £nil).

The charity has a commitment under a rental lease on its offices for a period of 12 months from 1 July 2006 to 30 June 2007 at the rate of £21,385 per annum after which period the rent is reviewed.

