

The National Institute of Adult Continuing Education (England and Wales)
Company Number: 2603322

Report and Financial Statements

Year Ended 31 March 2002



Annual report and financial statements for the year ended 31 March 2002

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Legal and administrative details for the year ended 31 March 2002

Trustees who have served during the year

Professor Christine King (President) (appointed 1 November 2001)
Professor Hywel Francis MP (Vice President)
Elizabeth Fullick (Vice President)
Cllr. Graham Lane (Vice President)
Robert Lochrie (Vice President)
Nick Stuart (Vice President) (appointed 1 November 2001)
Dan Taubman (appointed 4 October 2001)
Richard Ely
Christine Roberts
Richard Smethurst (resigned 1 November 2001)
Ruth Silver
Professor Richard Taylor

Company Secretary

Alan Tuckett

Registered office

21 De Montfort Street, Leicester LE1 7GE

Auditor

Blueprint Audit Limited, Foxhall Lodge, Gregory Boulevard, Nottingham, NG7 6LH

Accountants and Business Advisers

Tenon Limited, Foxhall Lodge, Gregory Boulevard, Nottingham, NG7 6LH

Bankers

Bank of Scotland, 14 Friar Lane, Leicester LE1 5RA

Registered Company number

2603322

Registered Charity number

1002775

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Report of the trustees for the year ended 31 March 2002

The Company Board present their report together with the audited financial statements for the year ended 31 March 2002. The Company Board have adopted the provisions of the Statement of Recommended Practice ("SORP 2000") "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statement of the charity.

Results

The statement of financial activities is set out on page 8 and shows the net incoming resources for the year.

Constitution

The company is incorporated under the Companies Act 1985 (Registered No. 2603322) and is limited by guarantee. It is governed according to the provisions contained in the Memorandum and Articles of Association. The liability of the trustees in the event of a winding up is limited to £1.

Tax status

The Company is a registered charity, number 1002775, and is exempt from corporation tax and income tax.

Principal activity

The company was established for the promotion, study and general advancement of adult continuing education.

Restricted funds

The trustees confirm that, on a fund by fund basis, the assets are available and are adequate to fulfil the obligation of the charity.

Capacity

All members of the Board of Trustees exercise their authority in their capacity as trustees under the relevant companies legislation and as trustees of the charity. Given the company's charitable status the term 'trustee' rather than 'director' is used throughout.

Election of trustees

Voting members are entitled to nominate individuals to stand for election to the Board of Trustees. Nominees are elected by ballot at the Annual General Meeting on a triennial basis.

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Report of the trustees for the year ended 31 March 2002 (*Continued*)

Committees

NIACE has established a number of committees, the members of which during the relevant period are as follows:

Internal Audit Committee

Elizabeth Fullick (Chairman)
Tim Sweeney (Independent, non trustee)
Ann Risman
David Gibson

Finance and General Purposes Committee

Margaret Davey
Richard Ely (Treasurer and Chair)
Professor Hywel Francis MP
Professor Christine King (appointed 1 November 2001)
Cllr. Graham Lane
Robert Lochrie
Christine Roberts
Rod Sawyer
Ruth Silver
Richard Smethurst (resigned 1 November 2001)
Cllr Saxon Spence
Nick Stuart (appointed 1 November 2001)
Don Taubman
Prof Richard Taylor

Executive Committee

Les August (appointed ex-officio from 28 June 2001)	Cllr Graham Lane
Judy Alloway	Robert Lochrie
Marcus Bell (resigned 28 June 2001)	Kenneth Meeson (appointed 4 October 2001)
Tony Belmega (appointed 4 October 2001)	Helen Milner
Maureen Banbury	Donna Mulholland
David Browning (resigned 28 June 2001)	Donald Rae (appointed 13 December 2001)
Deborah Cooper	Christine Roberts
Dick Corbridge (resigned 13 December 2001)	Prof Naomi Sargent
Cllr. Val Cox	Rod Sawyer
Margaret Davey	Ruth Silver (resigned 4 October 2001)
Jay Derrick	Richard Smethurst (resigned 1 November 2001)
Richard Ely	Nick Stuart (appointed 1 November 2001)
Sohail Faruqui (appointed 25 January 2002)	Judith Summers
Colin Flint	Dan Taubman (appointed Vice Chair 4 October 2001)
Liam Flynn (appointed 28 June 2001)	Prof Richard Taylor (Chair)
Professor Hywel Francis MP	Neil Thomas
Elizabeth Fullick	Alan Wells
Brian Helsdon (appointed 28 June 2001)	Maggie Woodrow (deceased 8 October 2001)
Ursula Howard	
Professor Christine King (appointed 1 November 2001)	

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Report of the trustees for the year ended 31 March 2002 (*Continued*)

Review of activities, transactions and developments

NIACE expanded rapidly in 2001-02, in response to the increased importance lifelong learning assumed, following the passage of the Learning and Skills Act and the adoption of a national strategy for basic skills. NIACE actively supported the new Learning and Skills Council in taking over responsibility for adult and community learning, and seconded Sue Cara, Director of Policy and Programmes to the DfES and the LSC to ensure that new regulations affecting community based adult learning were drafted in the light of practical experience. Two major training initiatives in support of the basic skills strategy were started, notably affecting provision for adults with learning difficulties, and adults learning English for Speakers of Other Languages. The Institute continued to manage the Adult and Community Learning Fund jointly with the Basic Skills Agency. It was responsible for a cluster of national initiatives in information and communications technologies, and around neighbourhood renewal strategies. Its work with older adults, young adult learners, family learning, learning and health, and on valuing learning outcomes all continued to develop healthily.

NIACE's work in stimulating demand for adult learning continued to strengthen, with the development of Sign Up Now campaigns in January and September complementing Adult Learners' Week.

NIACE continued its seven year programme of work to support the European programme, GRUNDTVIG, and contributed actively to debates around EU initiatives on lifelong learning. New arrangements for the Institute's work in Wales led to new and creative relationships with the National Assembly for Wales and with ELWa, the Welsh funding body.

The growth in work during the year was accompanied by an increase in staff. As a result the Board agreed to take on additional accommodation in Leicester. Overall, a surplus was achieved after a successful year's work.

Results for the year ended 31 March 2002

In addition to this report and accounts NIACE publishes an Annual Report which gives a full account of the activities and achievements of the agency during the year, copies are available from NIACE.

NIACE has had another successful year, generating a surplus of £425,149, compared to £211,818 in 2000/01. Total incoming resources were £12,056,858, and expenditure was £11,624,945. Income increased by 38%, and actual expenditure increased by 37%. There was a small loss in the value of investments, reducing the overall surplus to £425,149.

NIACE receives income from a range of activities. All sectors showed substantial increases in income, reflecting the continuing growth of the organisation. The two major training initiatives in basic skills contributed the largest growth in income. The production of publications for basic skills programmes accounted for the significant increase in publications income. Other research projects and consultancy work also increased. The recurrent grants from the DfES, and Local Authorities increased in line with inflation, but there was a significant increase in the grant from the National Assembly for Wales. NIACE Dysgu Cymru obtained significant funding from the European Social Fund for Adult Learners Week.

The largest item of expenditure apart from grant payments is salaries and associated costs. This has increased by 30% this year. There was also significant expenditure on consultants and temporary staff. Staff numbers have increased from an average of 83 through 2001, to 116 in 2001-2002, with 139 staff at the year end. Other costs have increased in line with activity. Additional accommodation was rented in June, with significant associated set up costs.

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Report of the trustees for the year ended 31 March 2002 (*Continued*)

Reserves

This successful year has meant that the Institute's Reserves could be further strengthened. A Reserves policy has been set up by the Trustees as stated below. Reserves are required for particular purposes and the level of reserves required is reviewed annually.

Required levels of reserves

NIACE requires reserves for the following purposes:

- To cover statutory obligations and to wind up its own affairs in an orderly way;
- To cover fixed expenditure commitments in the event of loss of income on a temporary basis, and to provide the charity with time to plan its future strategy;
- To provide working capital for projects with late payment dates and to fund initiatives of importance to adult learning which do not meet their costs;
- To meet the costs of planned major capital expenditure.

All these calls on reserves are interrelated, so that reserves ultimately held to cover statutory obligations may be used as working capital in the short term, where it is known that funding will eventually be received. The long term objective is that separate sums should be designated to meet statutory obligations and for working capital needs.

Reserves Policy

The reserves policy is currently as follows:

- There is a medium term policy to secure cash reserves sufficient to meet statutory wind up costs;
- The target for readily realisable reserves is three months of working capital, after the core grants are considered;
- There is a commitment to the continued use of reserves as working capital to enable Adult Learners Week and European funded projects to be run efficiently.

Investment policy

The Trustees approved an investment policy in 1998. It was agreed that funds not required as working capital should be invested to increase the level of reserves, as is required by the NIACE Reserves policy. The strategy specifies that investments should be made in Common Investment Funds, which are specialised investments for charities. The policy is to alternate investments between fixed interest funds and equity based funds to give a balance of risk.

Risk management

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks.

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Report of the trustees for the year ended 31 March 2002 (*Continued*)

Trustees' responsibilities statement (*continued*)

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ascertain the financial position of the charity and to ensure that the financial statements comply with applicable law. 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.

Trustees' liability insurance

NIACE has maintained insurance during the year for trustees against liabilities in relation to their duties as trustees.

Auditor

The auditor, BDO Stoy Hayward, Nottingham office, has transferred its audit business to Blueprint Audit Limited. In accordance with section 26 of the Companies Act 1989, Blueprint Audit Limited has been appointed as auditors to succeed BDO Stoy Hayward, Nottingham office, and will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

On behalf of the Board

Alan Tuckett
Company Secretary

04 July 2002

Independent auditors' report to the members of The National Institute of Adult Continuing Education (England and Wales)

We have audited the financial statements of The National Institute of Adult Continuing Education (England and Wales) for the year ended 31 March 2002 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider 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 company's affairs as at 31 March 2002 and of its net incoming resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Blueprint Audit Limited
Chartered Accountants and Registered Auditor
Nottingham
26 July 2002

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Statement of Financial Activities for the year ended 31 March 2002

	Note	Unrestricted funds £	Restricted funds £	2002 Total £	2001 Total £
Incoming resources					
<i>Activities in furtherance of the charity's objects</i>					
Recurrent grants received	4	594,413	560,200	1,154,613	1,082,363
Members contributions	5	79,419	-	79,419	94,496
NIACE Dysgu Cymru sundry income		19,645	295,909	315,554	176,664
Conference income		377,185	-	377,185	332,427
Income from publications		310,205	595,101	905,306	299,367
Income from research, projects and consultancy		192,425	2,610,601	2,803,046	2,125,277
Income from campaigns and promotions		226,080	824,666	1,050,746	820,677
Miscellaneous income		45,483	-	45,483	21,790
Adult and community learning fund					
- management		-	523,553	523,553	316,955
- grants		-	2,026,754	2,026,754	2,879,379
Grants management programme		-	120,445	120,445	513,810
Basic skills training programmes		-	2,602,637	2,602,637	-
<i>Activities for generating funds</i>					
Investment income		52,117	-	52,117	51,024
Total incoming resources		1,896,992	10,159,866	12,056,858	8,714,229
Resources expended					
Costs of generating funds					
Fund raising costs	6	90,334	-	90,334	101,806
Charitable expenditure					
Costs of activities in furtherance of the charity's objects	7	963,134	9,148,909	10,112,043	7,357,102
Support costs	8	33,959	1,254,015	1,287,974	846,557
Management and administration	9	134,594	-	134,594	161,297
		1,131,687	10,402,924	11,534,611	8,364,956
Total resources expended		1,222,021	10,402,924	11,624,945	8,466,762
Net incoming/(outgoing) resources for the year					
Transfer between funds		674,971	(243,058)	431,913	247,467
		(295,455)	295,455	-	-
		379,516	52,397	431,913	247,467
Other recognised gains and losses					
Unrealised gain on revaluation of investments	11	(6,764)	-	(6,764)	(35,649)
Net movement in funds		372,752	52,397	425,149	211,818
Balances brought forward		869,244	-	869,244	657,426
Balances carried forward	15	1,241,996	52,397	1,294,393	869,244

All amounts relate to continuing operations.

The notes on page 11 to 21 form part of these financial statements.

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Balance sheet at 31 March 2002

	Note	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	11	208,531		97,167	
Investments	11	677,030		658,862	
		<u> </u>	885,561	<u> </u>	756,029
Current assets					
Stocks		122,802		88,076	
Debtors	12	3,364,109		634,363	
Cash at bank and in hand		1,772,981		1,645,490	
		<u>5,259,892</u>		<u>2,367,929</u>	
Creditors: amounts falling due within one year	13	<u>4,851,060</u>		<u>2,254,714</u>	
Net current assets			408,832		113,215
Net assets			<u>1,294,393</u>		<u>869,244</u>
Capital and reserves					
Unrestricted funds			1,241,996		864,287
Restricted funds	15		52,397		4,957
Total funds			<u>1,294,393</u>		<u>869,244</u>

The financial statements were approved by the Board on .

Professor Christine King
Trustee

Richard Ely
Trustee

4 July 2002

The notes on pages 11 to 21 form part of these financial statements.

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Cash flow statement for the year ended 31 March 2002

	2002		2001	
	£	£	£	£
Net cash inflow from operating activities		313,742		763,719
Returns on investment and servicing finance				
Interest and dividends received	52,117		51,024	
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets	(213,436)		(78,041)	
Payments to acquire investments	(124,932)		(175,000)	
Receipts from sale of investments	100,000		-	
		(186,251)		(253,041)
Increase in cash		127,491		561,702
Reconciliation of operating surplus to net cash inflow from operating activities:				
		2002	2001	
		£	£	
Net incoming resources		431,913	247,467	
Less Investment income		(52,117)	(51,024)	
Operating surplus		379,796	196,443	
Increase in stocks		(34,726)	(2,109)	
Increase in debtors		(2,729,746)	(120,271)	
Increase in creditors		2,596,346	640,495	
Depreciation		102,072	49,161	
		313,742	763,719	
Analysis of changes in net funds				
Cash at bank and in hand				
At 1 April 2001		1,645,490	1,083,788	
Decrease in cash		127,491	561,702	
At 31 March 2002		1,772,981	1,645,490	

The notes on pages 11 to 21 form part of these financial statements.

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Notes forming part of the financial statements for the year ended 31 March 2002

1 Accounting policies

(a) *Basis of accounting*

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

(b) *Income and expenditure account*

The Statement of Financial Activities on page 8 discloses the identical information as that of the Income and Expenditure account and as such no Income and Expenditure account has been prepared.

(c) *Incoming resources*

All income is accounted for on a receivable basis.

Donations and grants are brought to the credit of the Statement of Financial Activities as they become due.

(d) *Resources expended*

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the financial statements.

Costs of activities in furtherance of the charity's objectives comprise direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with use of the resource. Fundraising costs include the salaries, direct expenditure and overhead costs of the staff in the UK who promote fund raising. Support costs of charitable activities comprise costs incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those incurred in connection with the management of the charity's assets, organisation, administration and compliance with constitutional and statutory requirements.

(e) *Investments*

Investments are valued at the market rate prevailing at the balance sheet date.

(f) *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Computer equipment	-	33 $\frac{1}{3}$ % straight line
Office equipment	-	20% straight line
Buildings maintenance	-	6-20% straight line

(g) *Stocks*

Stocks, which consist of publications, are valued at the lower of cost and net realisable value.

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

1 Accounting policies (*Continued*)

(h) Operating leases

Rentals payable under operating leases are charged as an expense on a straight line basis over the term of the lease.

(i) Grants

Revenue grants whether attributable to unrestricted or restricted funds are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

(j) Pension costs

The company contributes to separately administered defined benefit pension funds on behalf of certain employees. Contributions are charged in the Statement of Financial Activities as they become due.

2 Surplus on operating activities

	2002	2001
	£	£
This has been arrived at after charging:		
Auditors' remuneration - audit services	6,900	6,700
Trustees' indemnity insurance cover	1,575	1,575
<i>Operating leases</i>		
Land and buildings	128,021	82,000
Other	22,644	15,396
	<u> </u>	<u> </u>

3 Employees and Trustees

Staff costs of NIACE consist of:

Wages and salaries	2,489,275	1,888,329
Social security costs	189,979	142,192
Other pension costs	205,361	157,240
	<u>2,884,615</u>	<u>2,187,761</u>

The number of employees where emoluments exceeded £50,000 were:

	Number	Number
£50,001 - £60,000	1	2
£60,001 - £70,000	2	-
£70,001 - £80,000	1	1
	<u> </u>	<u> </u>

The average monthly number of employees, employed by NIACE, during the year was as follows:

Employees	<u>116</u>	<u>83</u>
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THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

3 Employees and Trustees (Continued)

No trustees received any remuneration for their services. 5 trustees were reimbursed expenses for travel and subsistence of £5,766.

4 Recurrent grants received

	2002	2001
	£	£
Local authorities (78.1 grant)	594,413	580,013
DfEE/DfES	460,200	422,350
National Assembly for Wales	100,000	80,000
Total grants received	<u>1,154,613</u>	<u>1,082,363</u>

5 Members Contributions

Corporate members	73,407	87,837
Individual members	6,012	6,659
	<u>79,419</u>	<u>94,496</u>

6 Fund-raising costs

	Unrestricted	Restricted	2002	2001
	funds	funds	Total	Total
	£	£	£	£
Publicity materials	29,210	-	29,210	27,403
Promotional activities	2,539	-	2,539	10,636
Salaries	41,992	-	41,992	41,834
Accommodation costs	4,546	-	4,546	3,523
Administration expenses	9,888	-	9,888	16,388
Depreciation	2,159	-	2,159	2,022
	<u>90,334</u>	<u>-</u>	<u>90,334</u>	<u>101,806</u>

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

7	Costs of activities in furtherance of the charity's objectives	Unrestricted funds £	Restricted funds £	2002 Total £	2001 Total £
	Salaries and associated costs	391,494	1,226,339	1,617,833	1,297,691
	Travel and subsistence	88,557	-	88,557	48,316
	Policy work	78,610	-	78,610	66,741
	NIACE Dysgu Cymru expenditure	7,870	422,149	430,019	306,146
	Conference expenditure	132,668	21,158	153,826	122,655
	Publications expenditure	109,508	577,337	686,845	147,511
	Expenditure on research projects	151,865	1,425,219	1,577,084	1,252,232
	Campaigns and promotions	2,562	821,963	824,525	807,491
	Adult and community learning fund				
	- management programmes	-	163,146	163,146	93,815
	- grants	-	2,090,871	2,090,871	2,884,120
	Grant management programme	-	106,252	106,252	330,384
	Basic skills training programme	-	2,294,475	2,294,475	-
		<u>963,134</u>	<u>9,148,909</u>	<u>10,112,043</u>	<u>7,357,102</u>
		<u><u>963,134</u></u>	<u><u>9,148,909</u></u>	<u><u>10,112,043</u></u>	<u><u>7,357,102</u></u>
	8 Support costs				
	Salaries and associated costs	14,295	527,887	542,182	345,306
	Accommodation costs	4,713	174,022	178,735	100,400
	Administrative expenses	9,910	364,163	374,073	273,692
	Library information and computing	2,538	93,750	96,288	84,391
	Depreciation	2,503	94,193	96,696	42,768
		<u>33,959</u>	<u>1,254,015</u>	<u>1,287,974</u>	<u>846,557</u>
		<u><u>33,959</u></u>	<u><u>1,254,015</u></u>	<u><u>1,287,974</u></u>	<u><u>846,557</u></u>
	9 Management and administration				
	Meeting expenses	14,626	-	14,626	11,229
	Legal and professional	20,534	-	20,534	24,785
	Salaries	68,863	-	68,863	67,530
	Annual report	5,849	-	5,849	5,956
	Accommodation costs	6,772	-	6,772	7,617
	Administration expenses	14,733	-	14,733	39,809
	Depreciation	3,217	-	3,217	4,371
		<u>134,594</u>	<u>-</u>	<u>134,594</u>	<u>161,297</u>
		<u><u>134,594</u></u>	<u><u>-</u></u>	<u><u>134,594</u></u>	<u><u>161,297</u></u>

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Notes forming part of the financial statements for the year ended 31 March 2002 (*Continued*)

10 Total resources expended

	Staff costs £	Depreciation £	Other costs £	2002 Total £	2001 Total £
Fund raising costs	41,992	2,159	46,183	90,334	101,806
Costs of activities in furtherance of the charity's objects	2,231,578	-	7,880,465	10,112,043	7,357,102
Support costs	542,182	96,696	649,096	1,287,974	846,557
Management and administration	68,863	3,217	62,514	134,594	161,297
	<u>2,884,615</u>	<u>102,072</u>	<u>8,638,258</u>	<u>11,624,945</u>	<u>8,466,762</u>

11 Tangible assets

Tangible fixed assets

	Computer equipment £	Office Equipment £	Buildings maintenance £	Total £
<i>Cost</i>				
At 1 April 2001	111,363	34,319	45,245	190,927
Additions	164,891	22,764	25,781	213,436
Disposals	(35,288)	-	-	(35,288)
At 31 March 2002	<u>240,966</u>	<u>57,083</u>	<u>71,026</u>	<u>369,075</u>
<i>Depreciation</i>				
At 1 April 2001	73,667	13,609	6,484	93,760
Charge for the year	80,322	11,417	10,333	102,072
Disposals	(35,288)	-	-	(35,288)
At 31 March 2002	<u>118,701</u>	<u>25,026</u>	<u>16,817</u>	<u>160,544</u>
<i>Net book value</i>				
At 31 March 2002	<u>122,265</u>	<u>32,057</u>	<u>54,209</u>	<u>208,531</u>
At 31 March 2001	<u>37,696</u>	<u>20,710</u>	<u>38,761</u>	<u>97,167</u>

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Notes forming part of the financial statements for the year ended 31 March 2002 (*Continued*)

11 Tangible assets (*continued*)

The net book value at 31 March 2002 represents fixed assets used for:

	Computer equipment £	Office equipment £	Buildings maintenance £	Total £
Support costs	115,712	30,339	51,303	197,354
Fund raising costs	2,632	690	1,167	4,489
Management and administration	3,921	1,028	1,739	6,688
	<u>122,265</u>	<u>32,057</u>	<u>54,209</u>	<u>208,531</u>

Investments

	1 April 2001 £	Purchases £	Sales £	Revaluation £	31 March 2002 £
Fixed interest					
Barclays Investment Bond	100,000	-	(100,000)	-	-
COIF Charities Fixed Interest	251,201	75,000	-	8,809	335,010
Equity based					
Cazenove Growth Trust	173,113	-	-	(16,328)	156,785
CAF Balanced Growth fund	134,548	-	-	(4,263)	130,285
M&G Equities Investment Trust – Charifund	-	49,932	-	5,018	54,950
	<u>658,862</u>	<u>124,932</u>	<u>(100,000)</u>	<u>(6,764)</u>	<u>677,030</u>

All investment assets are held and managed in the UK.

12 Debtors

	2002 £	2001 £
Trade debtors	2,562,292	350,569
Other debtors	801,817	283,794
	<u>3,364,109</u>	<u>634,363</u>

Included in the above is an amount of £2,935 (2001: £1,697) due after more than one year. All other amounts are due within one year.

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)

Notes forming part of the financial statements for the year ended 31 March 2002 (*Continued*)

13 Creditors : amounts falling due within one year

	2002	2001
	£	£
Trade creditors	528,542	352,092
Other creditors	832,173	877,419
Tax and social security	90,608	10,451
Accruals	2,664,787	307,597
Deferred income (see note 14)	734,950	707,155
	<u>4,851,060</u>	<u>2,254,714</u>

14 Deferred income

	Balance at	Movement	Balance at
	1 April	in year	31 March
	2001		2002
	£	£	£
<i>Restricted funds</i>			
Income from research, projects and consultancy	551,000	(234,709)	316,291
Income from campaigns and promotions	80,000	135,750	215,750
Adult and community learning fund	-	69,000	69,000
NIACE Dysgu Cymru	9,121	7,879	17,000
Basic Skills and Voluntary/ Community Sector Programme	18,054	(18,054)	-
Basic Skills Training Programmes	-	83,079	83,079
	<u>658,175</u>	<u>42,945</u>	<u>701,120</u>
<i>Unrestricted funds</i>			
Conference fees	48,980	(33,150)	15,830
Research	-	18,000	18,000
	<u>707,155</u>	<u>27,795</u>	<u>734,950</u>

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)
Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

15 Restricted funds

NIACE acknowledge the following grant income received and receivable.

Funder and project details	Deferred income at 1 April 2001	Incoming resources	Deferred income at 31 March 2002	Net incoming resources	Expenditure	Surplus/ (deficit)
<u>Dept for Education and Skills</u>						
Core funding	-	203,250	-	203,250	279,177	(75,927)
Neighbourhood Learning Centres programme	60,000	520,428	-	580,428	587,184	(6,756)
Basic Skills Training Programme	-	1,274,427	83,079	1,191,348	1,195,540	(4,192)
ESOL Training Programme	-	1,411,289	-	1,411,289	1,411,662	(373)
Learning Fund and Grant programmes	18,054	2,721,698	69,000	2,670,752	2,634,191	36,561
Other research work	370,000	1,610,976	95,050	1,885,926	1,947,654	(61,728)
<u>Learning and Skills Council</u>						
Consultancy, support and research	-	279,599	15,000	264,599	271,483	(6,884)
<u>National Assembly for Wales</u>						
Funding NIACE Dysgu Cymru	-	100,000	-	100,000	114,474	(14,474)
<u>European Social Fund</u>						
Adult Learners Week Wales	-	265,345	10,000	255,345	257,798	(2,453)
<i>Campaigns and promotions</i>						
<u>European Social Fund</u>						
Adult Learners Week England	-	559,412	-	559,412	559,412	-
<u>DfES</u>						
Adult Learners Week/Sign up now	-	209,450	-	209,450	209,450	-
<u>Various sponsors</u>						
Adult Learners Week/Sign up now	<u>80,000</u>	<u>401,004</u>	<u>215,750</u>	<u>265,254</u>	<u>249,417</u>	<u>15,835</u>
Total Campaigns and promotions	80,000	1,169,866	215,750	1,034,116	1,018,279	15,835

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)
Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

	Deferred income at 1 April 2001	Incoming resources	Deferred income at 31 March 2002	Net incoming resources	Expenditure	Surplus/ (deficit)
Europe						
<u>Equal</u>						
Asylum Seekers and Refugees	-	100,209	85,000	15,209	22,012	(6,803)
<u>Socrates Programme</u>						
Grundtvig Programme Management	-	56,670	-	56,670	57,742	(1,072)
Community Fund						
<u>Community Fund Wales</u>						
Older Adults Mentor Training Project	9,121	28,450	-	37,571	39,275	(1,704)
<u>Community Fund England</u>						
Getting Connected	13,000	127,806	24,200	116,606	123,558	(6,952)
Facilitating Older Learners	-	60,471	16,520	43,951	79,591	(35,640)
Other consultancy/research						
<u>Department of Health</u>						
Carry on Learning in Care Settings	-	50,000	5,000	45,000	48,674	(3,674)
Making the Jump	-	65,000	6,800	58,200	58,319	(119)
<u>Halifax plc</u>						
It doesnt add up	40,000	-	3,000	37,000	48,317	(11,317)
<u>Various Sponsors</u>						
Prescriptions for learning	40,000	16,624	3,000	53,624	63,079	(9,455)
<u>Other consultancy/research</u>						
Various	28,000	165,703	69,721	123,982	169,915	(45,931)
Net total funds	<u>658,175</u>	<u>10,227,811</u>	<u>701,120</u>	<u>10,184,866</u>	<u>10,427,924</u>	<u>(243,058)</u>
Transfer from unrestricted funds						295,455
Total funds carried forward						<u>52,397</u>

THE NATIONAL INSTITUTE OF ADULT CONTINUING EDUCATION (ENGLAND AND WALES)
Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

15 Restricted funds (Continued)

Income from grant providers and other funders is classified as a restricted fund when it is given for a specific purpose.

Income is carried forward as deferred income, if it has not been fully expended in the year, or has been partly received in advance. Income is only carried forward to cover the costs of work outstanding on the projects.

Where funds are showing a deficit this is generally because the restricted funding has been given towards the total cost of carrying out a particular activity, but may not completely pay for it. In addition, most European Commission funded projects have as a condition of contract that any funds they provide must be matched from other sources. This funding may come from NIACE reserves, and therefore there is a deficit. The balance of expenditure incurred on these projects is covered by income generated from unrestricted sources. This is shown as the transfer between funds in the Statement of Financial Activities.

16 Pension costs

The charity contributes to two defined benefit pension schemes, The London Authority Pension Fund and the Teachers Pension Scheme on behalf of its employees. The assets of these schemes are held in independently administrated funds. Contributions are paid based on the recommendations of the qualified actuaries. The charge for the year was £205,361 (2001: £157,240).

The information that the trustees are required to disclose under the transitional arrangements of Financial Reporting Standard 17 was not available within the prescribed timeframe.

17 Commitments

At the year end the charity had the following commitments:

	2002		2001	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire in:				
Less than one year	22,750	6,029	-	-
One to two years	-	2,475	22,750	7,936
Two to five years	48,158	1,170	-	6,214
After five years	61,000	14,340	61,000	-
	<u>131,908</u>	<u>24,014</u>	<u>83,750</u>	<u>14,150</u>

18 Connected charities

The Haldane Trust is a separate registered Charity (Registered number 314222) with objects similar to NIACE. The Trustees of The Haldane Trust are also Trustees of NIACE.

The income of the Trust, insofar as it appertains to NIACE, has been included in the financial statements.

19 Restatement of comparative statement of financial activities

The presentation of the comparative information in the statement of financial activities has been amended to reflect the adoption of SORP 2000. These amendments do not impact on the overall net incoming resources figure as previously reported.

20 Contingent liabilities

Grants amounting to approximately £2,311,061 received by NIACE may be required to be repaid if the grantors' conditions are not complied with.

