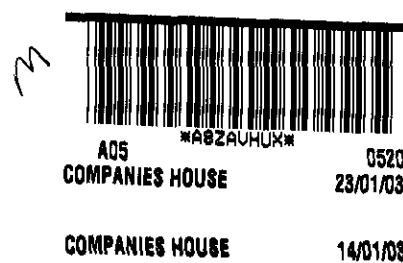


**MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED
(LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2002**



Company No. 2175886
Charity No. 519185

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

COMPANY INFORMATION

Directors	Mr M. Weights Mrs J. Coe Ms G. Moglione
Secretary	Ms P.M Kelly
Company number	2175886
Registered office	Trade Union Centre Building 24 Hardman Street Liverpool L1 9AX
Auditors	Bailey, Page & Roper Norwich House Water Street Liverpool L2 9XR
Bankers	Unity Trust Bank plc 4 The Square 111 Broad Street Birmingham B15 1AR

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

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MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2002

The directors present their report and the audited accounts for the company for the year ended 31st March 2002.

Principal activities

Constitution:

The company is a registered charity and its governing document is its Memorandum and Articles of Association. The operations of the charity are controlled by its management committee who meet on a monthly basis. Each of the directors, who also act as trustees for the company's charitable activities and form part of the management committee, are listed below.

Charitable objects:

The object of the company is the promotion of any charitable purpose for the benefit of the community in the area of Merseyside by the advancement of education, the protection of health and the relief of poverty, sickness and distress.

Principal activity:

The company's principal activity continued to be the provision of a resource centre for the supply of advice and guidance for persons having need of such by reason of their poverty, age or sickness.

Policies adopted in furtherance of charitable objects:

The company operates a resource centre, arranges legal aid through an employed solicitor, produces various benefit and welfare publications and runs training courses.

There have been no material policy changes during the year.

Business and Financial Review

Review of developments, activities and achievements in 2000/2001:

Merseyside Welfare Rights Resource Centre has been established for over twenty years. We are the largest specialist benefit advice Centre in the Northwest; we deal with all benefits and related issues. Based at 24 Hardman Street, Liverpool 1, we are located in the heart of the city and are easily accessible by public transport.

The overall aim of the Centre is to combat poverty by providing accessible, accountable, quality advice and advocacy to assist claimants to maximise their income, within a framework of equality of opportunity.

The twelve-month period covered in these accounts has been an extremely busy period. The Centre continues to grow from strength to strength; we passed a Legal Services commission audit thus ensuring quality of service and continued funding. The Centre has also applied for a further franchise in Housing Law, if successful, this will increase the range of advice given to include areas such as repossession and housing repairs.

The Centre in-house database, which was originally designed to meet Legal Aid franchise compliances, continues to develop. All staff have received training and access to the database via a main sever. Further purchases of computers are planned in the new financial year.

The Centre dealt with 10,032 enquiries in 2000/2001. Staff represented at 561 tribunals and 21 Housing Benefit review boards with a success rate of 67%, the financial outcome for clients was in excess of approx. £1,000,000.

The city outreach worker made 52 home visits and held 126 advice surgeries, represented at 4 appeals, provided 5 benefit information days and 21.

The Centre's outreach provision in Dovecot dealt with 4,2840 enquiries, 72 home visits.

The Centre's annual training programme produced 21 training courses, which were attended by 236 participants, in addition to this the centre delivered 11 in house courses that were tailored to the participants needs.

Changes in benefit legislation have had a small impact on the Centre however changes in the administration legislation have had a major impact, principally the reduction from three months to appeal to one month. The implication of this is that the Centre has to be able to respond and act three times faster than in the past. The introduction of IT is imperative if we are to continue to achieve very high standards.

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2002

The Centre has no dependency on volunteers, however the Centre is committed to training volunteers and during the period specified had 3 volunteers, two of which were successful in obtaining an NVQ level 3. This opportunity is offered to all volunteers.

The centre is completely dependent on grants but has no dependency on donation of facility or services. The Centre has no connecting charities. The financial transactions, we believe, are covered in the accounts. The financial position of the Centre is stable in that the Centre remained within the set budget and at the end of the year had a surplus. Page 6 identifies £126,603 as a designated reserve which has been set aside specifically to cover future anticipated costs.

Directors

Mr M. Weights
Mrs J. Coe
Ms G. Moglione

The appointment or election of directors is made in accordance with the company's Articles of Association.

Charitable and Taxation Status

The company is registered with the Charities Commission (number 519185) in accordance with the Charities Act 1993, and as such is not liable to taxation on its charitable activities.

Statement of directors' responsibilities

Legislation requires the directors (who also act as trustees for the company's charitable activities) to prepare accounts for each financial year which give a true and fair view of the state of the charitable company's affairs and its incoming resources and application of resources during the year, including its income and expenditure. In preparing these accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company exemptions

The report of the Directors' has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985 and was approved by the board and signed on its behalf.

By order of the Board

Ms P.M Kelly, Secretary

Date:  10.1.03

AUDITORS' REPORT TO THE

MEMBERS OF MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED (LIMITED BY GUARANTEE)

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors (who also act as trustees for the company's charitable activities) are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

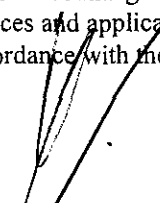
Basis of opinion

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

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the charitable company's affairs as at 31st March 2002 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.


Bailey, Page & Roper
Chartered Accountants and Registered Auditors
Norwich House
Water Street
Liverpool
L2 9XR

Date: 10.1.03

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2002

	Notes	2002 £	2001 £
Income	2	428,268	444,971
Direct charitable expenses		(336,274)	(305,089)
Administrative expenses		(109,786)	(134,913)
Operating Surplus	3	(17,792)	4,969
Interest receivable		7,468	7,853
Loss/Surplus for the Financial Year	8	<u>(10,324)</u>	<u>12,822</u>

The notes on pages 7 to 12 form part of these accounts.

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEET

AS AT 31ST MARCH 2002

	Notes	2002	2001
		£	£
Fixed assets			
Tangible assets	5	656	1,280
		656	1,280
Current assets			
Debtors	6	4,072	2,793
Cash at bank and in hand		174,539	154,503
Creditors: amounts falling due within one year	7	178,611 (37,027)	157,297 (6,013)
Net current assets		141,584	151,283
Total assets less current liabilities		142,240	152,563
Represented by			
Unrestricted funds:			
Designated Fund	8	155,985	148,065
General Fund - Income and expenditure account	8	(13,745)	4,498
Total Funds		142,240	152,563

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000)

These accounts were approved by the board on 10 January 2003 and signed on its behalf by:

Mr. M. Weights
 Director



MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED

31ST MARCH 2002

	Notes	General Fund 2002 £	Designated Fund 2002 £	Total Funds 2002 £	Total Funds 2001 £
Incoming Resources					
Grants		352,115	-	352,115	339,024
Sale of publications		2,613	-	2,613	3,492
Training courses		13,088	-	13,088	12,941
Legal aid		59,602	-	59,602	88,643
Placement fees		850	-	850	850
Bank deposit interest		7,468	-	7,468	7,853
Sundry income		-	-	0	22
Total Incoming Resources		435,736	-	435,736	452,825
Resources Expended					
Direct charitable expenditure	9	336,274	-	336,274	305,089
Management and administration of the charity	9	109,786	-	109,786	134,913
Total Resources Expended		446,060	-	446,060	440,002
Net Incoming/(Outgoing) Resources before Transfers		-10,324	-	-10,324	12,823
Transfer to other reserve		-7,920	7,920	-	-
Net Incoming/(Outgoing) Resources for the year and net movement in Funds		-18,244	7,920	-10,324	12,823
Fund balances brought forward at 1st April 2001		4,499	148,065	152,564	139,741
Fund Balances Carried Forward At 31st March 2002		-13,745	155,985	142,240	152,564

All movements relate to continuing activities.

The restricted fund represents a grant received from the John Moores Foundation.

The designated fund is made up as follows:-

	£
Winding up cost	32,065
Provision for future pension contributions	60,000
Service development	6,000
Provision for non-grant aided salary (1year)	40,000
Provisions for safety alterations and improvements to public rec	10,000
Pension fund	
	<u>148,065</u>

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2002

Accounting policies

Basis of accounting

The Accounts have been prepared under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

Equipment	20% per annum
Fixtures and fittings	20% per annum

Grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to the income and expenditure account by equal annual instalments over the expected useful lives of the relevant assets.

Grants of a revenue nature are credited to the income and expenditure account in the same period as the related expenditure.

Pension Costs

Employees of the charity are invited to join the Merseyside Superannuation Scheme. The charity contributes 6.7% of pensionable salary of the relevant employees to the scheme.

The pension costs charged to the income and expenditure account represent the amount of the contributions payable by the charity to the scheme in respect of the accounting period.

Leasing

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

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2002

Basis of Cost Allocation and Apportionment

Staff Costs

Staff costs are categorised by function as advice and resource (direct charitable) and management and administration. Payroll costs are allocated between the two functions by reference to individual employees' job titles on an actual basis.

Other Costs

Advertising, audit and accountancy, hire and maintenance of equipment and bank charges are all deemed to relate wholly to the management and administration of the charity.

Printing, postage, stationery and general expenses are apportioned 90% direct charitable expenditure and 10% management and administration.

All other expenses including depreciation are classified as direct charitable expenditure.

2 Company Status

The company is limited by guarantee and the liability of the members is limited to £1.

Turnover is attributable to the principal activity of the company.

3 Operating Deficit

<i>The operating deficit is stated after charging or crediting:</i>	2002	2001
	£	£
Depreciation of tangible fixed assets:		
-owned assets	624	624
Operating leases	66	316
Pension contributions	9,438	8,100
Auditors' remuneration	1,400	1,350

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2002

4 Staff Costs

Staff costs relating to unrestricted funds during the year were as follows:

	2002	<i>2001</i>
	£	<i>£</i>
Wages and salaries	340,679	<i>328,096</i>
Social security costs	25,341	<i>27,430</i>
Superannuation	9,438	<i>8,100</i>
Total staff costs	<u>375,458</u>	<i><u>363,627</u></i>

No employee earned £40,000 p. a. or more and no employee received any benefits in kind.

All directors (who are also trustees) give their services without financial reward and received no reimbursements of expenses.

No connected persons received any remuneration.

The average monthly number of employees, excluding directors, during the year analysed by function was as follows:

	2002	<i>2001</i>
	Number	<i>Number</i>
Management & administration	6	<i>7</i>
Advice & resource	15	<i>16</i>
	<u>21</u>	<i><u>23</u></i>

5 Tangible fixed assets

	Equipment	Fixtures and fittings	Total
Cost	£	£	£
At 1st April 2001	17,423	15,147	32,570
At 31st March 2002	<u>17,423</u>	<u>15,147</u>	<u>32,570</u>
Depreciation			
At 1st April 2001	16,143	15,147	31,290
Charge for the year	624	-	624
At 31st March 2002	<u>16,767</u>	<u>15,147</u>	<u>31,914</u>
Net book value			
At 31st March 2002	<u>656</u>	<u>-</u>	<u>656</u>
At 31st March 2001	<i><u>1,280</u></i>	<i><u>-</u></i>	<i><u>1,280</u></i>

All of the fixed assets above were used for direct charitable purposes.

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2002

6	Debtors	2002	2001
		£	£
	Trade debtors	202	1,860
	Other debtors	3,870	933
		<u>4,072</u>	<u>2,793</u>

7	Creditors: amounts falling due within one year	2002	2001
		£	£
	Other creditors	37,027	6,013
		<u>37,027</u>	<u>6,013</u>

'Other creditors' include £1,887 (2001: £3,939) in respect of taxation and social security.

8	Total Funds	Designated Fund	Income and Expenditure Account
		£	£
	At 1st April 2001	148,065	4,499
	Surplus for the year	-	(10,324)
	Transfers between reserves	7,920	(7,920)
	At 31st March 2002	<u>155,985</u>	<u>(13,745)</u>

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2002

9 Total Resources Expended

	Staff Costs £	Depreciation £	Other Costs £	2,002 Total £	2,001 Total £
Direct charitable expenditure: Welfare advice, legal aid and training	282,548	624	53,102	336,274	305,089
Management and administration of the charity	92,910	-	16,876	109,786	134,913
	<u>375,458</u>	<u>624</u>	<u>69,978</u>	<u>446,060</u>	<u>440,002</u>

Other costs:

	£	£
Replacement of equipment	10,139	19,480
Premises	32,434	29,286
Administration	18,609	17,723
Professional	4,765	2,865
Legal aid	3,736	6,160
Miscellaneous	295	237
	<u>69,978</u>	<u>75,751</u>

10 Grants Received

	2,002 Total £	2,001 Total £
Liverpool City Council	349,600	340,412
Riverside	6,000	-
CDS Housing Association	-	2,262
Volunteer NVQ	(3,485)	(3,650)
	<u>352,115</u>	<u>339,024</u>

11 Related Parties

Control lies with the Council of Management, no-one individual or group having ultimate control.

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2002

12 Analysis of Net Assets between Funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Unrestricted funds:			
Designated fund	-	155,985	155,985
Income and Expenditure account	656	-14,401	-13,745
	<u>656</u>	<u>141,584</u>	<u>142,240</u>

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

MANAGEMENT INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2002

	2002	2001
£	£	£
Operating income		
Grants - Liverpool City Council (including Dovecot)	349,600	340,412
- Riverside	6,000	-
- CDS Housing Association	-	2,262
- Volunteer NVQ	(3,485)	(3,649)
Sale of publications	2,613	3,491
Training courses	13,088	12,941
Placement fees	850	850
Legal aid	59,602	88,642
Sundry income	-	21
	<u>428,268</u>	<u>444,971</u>
Direct charitable expenditure		
Legal aid professional fees	3,736	6,160
Wages & salaries	282,548	254,467
Printing, postage & stationery	9,287	8,297
Telephone	4,642	4,943
Insurance	3,013	1,560
Travel costs	636	868
Subscriptions & affiliation	930	772
Publications	2,119	1,677
Training expenses	3,067	2,556
Dovecot expenses	5,282	4,581
General expenses	1,106	798
Room hire	66	316
Rent	19,218	17,462
Depreciation	624	624
	<u>(336,274)</u>	<u>(305,089)</u>
Management and administration of the charity	<u>109,786</u>	<u>134,913</u>
	<u>(109,786)</u>	<u>(134,913)</u>
Deficit/Surplus Before Interest	<u>(17,792)</u>	<u>4,969</u>
Interest receivable		
Bank deposit interest	<u>7,468</u>	<u>7,853</u>
	<u>7,468</u>	<u>7,853</u>
Loss/Surplus for the Year	<u><u>(10,324)</u></u>	<u><u>12,822</u></u>

MERSEYSIDE WELFARE RIGHTS RESOURCE CENTRE LIMITED

MANAGEMENT INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2002

	2002	2001
	£	£
Analysis of expenses		
Wages and salaries	92,910	<i>109,160</i>
Printing, postage and stationery	1,032	<i>922</i>
Advertising	432	<i>1,828</i>
Legal and professional fees	350	<i>380</i>
Auditors' remuneration	1,400	<i>1,350</i>
Accountancy	915	<i>1,135</i>
Bank charges	172	<i>132</i>
Equipment maintenance	213	<i>420</i>
Agency development	2,100	<i>-</i>
Replacement of equipment	10,139	<i>19,480</i>
General expenses	123	<i>104</i>
	<hr/> 109,786 <hr/>	<hr/> <i>134,913</i> <hr/>