

Registered Charity Number
1105588

Registered Company Number
3851148

Canllaw Online Cyf
Report and Accounts
31 March 2008



Peachey's CA Limited
Chartered Accountants & Registered Auditors
Lanyon House
Mission Court
NEWPORT
South Wales
NP20 2DW

**CANLLAW ONLINE CYF
REPORT AND ACCOUNTS
YEAR ENDED 31 MARCH 2008
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**CANLLAW ONLINE CYF
CHARITABLE COMPANY REFERENCE INFORMATION
YEAR ENDED 31 MARCH 2008**

Directors/Trustees

J A Humphreys
W H Jones
D Allen
R Morgan
S Powell
W David

Company Secretary and Charitable Correspondent

E M Stewart

Auditors

Peachey's CA Limited
Chartered Accountants & Registered Auditors
Lanyon House
Mission Court
NEWPORT
South Wales
NP20 2DW

Bankers

HSBC Bank Plc
37 Cardiff Road
Caerphilly
CF83 1WE

Solicitors

Morgan Lewis Mayers
Waterloo House
Fitzalan Court
Newport Road
Cardiff
CF24 0BA

Registered and Principle office

Suite 5
The Octagon
Caerphilly Business Park
Van Road
Caerphilly
CF83 3ED

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The directors and trustees submit their report for the year ended 31 March 2008.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The charitable company was incorporated on 30 September 1999 and is governed by its memorandum and articles of association as amended by special resolution dated 30 May 2004.

The board meet to ensure good governance of the organisation and confirm strategy and set objectives. They appoint key employees and receive regular reports on the activities and performance of the charitable company. Strategic and day-to-day operational matters are dealt with by the company secretary and chief operating officer who reports regularly to the trustees.

The company has established a trading company, Canllaw Online Services Limited (company number 5020636), to carry out all of its trading activities. In the year ended 31 March 2008 Canllaw Online Services Limited received total income of £5,146 (2007 - £11,546). The results for the subsidiary have not been consolidated in the accounts of the charitable company on the grounds of immateriality. In due course the company will contribute to the financial position of the charitable company by means of gift aid.

Recruitment and resignation of trustees

Trustees are elected by the management board, which is made up of trustees, on an annual basis at the charity's AGM. Every year the trustees meet to consider the need to recruit new members. The board of trustees seeks to recruit new members if the charity requires a set of skills and experience which is relevant to the charity's ongoing work or would contribute to the growth of the organisation.

There has been no resignation of trustees during the financial year.

Induction and training of new trustees

The Chief Executive Officer and Chairperson provide an introduction to the organisation by making use of the organisation induction pack. A programme is prepared which meets individual needs and trustees are encouraged and supported to participate in trustees training provided by the organisation.

Risk management

The trustees have a risk management strategy which comprises:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

This work has resulted in better emergency procedures and contingency plans and has given the impetus for better planning. Particular attention has focused on financial risks relating to long term sustainable income and non financial risks such as ICT issues, health and safety and safety of beneficiaries. A key element of financial risk is the setting of a reserves policy and its regular review by trustees.

The trustees have specifically identified a need to generate sufficient unrestricted reserves so as to cover its liabilities if funding sources were to provide income later than expected.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Under its Memorandum and Articles of Association Canllaw's Online's objectives are:
"the advancement, development and support of information services for young people and those who support them; the advancement of public education in particular of young people and those who provide educational services to such young people and the provision of advice, guidance and advocacy services to young people generally; and the relief of unemployment for the public benefit in such ways as may be thought fit, in particular for young people, including assistance to find employment.

Our strategic aims are to:-

Policy & Strategic Partnership.

Canllaw Online aims to work at a policy and strategy level, shaping, supporting and developing information services for young people in Wales at a local, national and international level.

Communication & Information

Canllaw Online aims to communicate and inform young people and providers of information services for young people across Wales.

Research

Canllaw Online aims to research thoroughly the information needs of young people and providers of information services for young people across Wales.

Consultancy

Canllaw Online aims to provide consultancy services for young people and providers of information services for young people across Wales.

Training

Canllaw Online aims to provide training services for young people and providers of information services for young people across Wales.

Quality Standards

Canllaw Online aims to support and develop quality assurance measures for the provision of information services for young people.

European & International

Canllaw Online aims to support the participation and involvement of young people and providers of information services for young people within wider European and international opportunities.

New Business

Canllaw Online aims to investigate and secure new opportunities for the provision of information services for young people in Wales.

The charitable company continues to develop its online information services for young people. These can be accessed at www.canllaw-online.com.

ACHIEVEMENT AND PERFORMANCE

Targeting all young people of school leaving age, using a combination of state of the art equipment and methodology with traditional platforms, its Canllaw Online's intention to make information accessible to young people in Wales, for with knowledge comes the ability to make an informed decision.

Since 1985 Canllaw Online has been known to young people as an initiative that is based on youth work principles and methodologies and in practise delivers quality information for young people.

As we enter the early stages of 2008 young people's information needs remain as strong as they ever where, maybe even more so at a time further complicated by the rapid pace of modern living and the digital offerings available, but not necessarily accessible, to most.

**CANLLAW ONLINE CYF
TRUSTEES REPORT
YEAR ENDED 31 MARCH 2008**

ACHIEVEMENT AND PERFORMANCE Continued

1985 saw the first information offering for young people from Canllaw Online. 1999 saw the birth of the independent organisation driving forward the information services agenda for young people in Wales. In 2001 Canllaw Online secured funding through the Welsh Assembly Government's Extending Entitlement programme to deliver the Canllaw Online Entitlement Project – the first all Wales information services for young people project funded by the new Assembly.

This bid enabled Canllaw Online to establish and maintain a fully bilingual, regularly updated information website for young people, establish and deliver the basic training courses for youth information workers, offer organisations and authorities support for their information strategies for young people and, significantly, develop the quality standards around information provision for young people through the INFO outlet initiative (350+ in Wales today) which built upon work undertaken in the 1990s by the Wales Youth Agency.

Since 2001 Canllaw Online has forged a strong partnership with Fujitsu Services and in 2004 secured ERDF funding through the Wales European Funding Office to deliver the CREDU: Digital Youth Wales initiative for young people.

CREDU (www.credu.co.uk) has created an inclusive programme that utilises the latest technologies to support young people in Wales to achieve new levels of participation, leadership, skills, enterprise, innovation and sustainable employment. 112 digilabs have been established across Wales, all equipped with the latest hardware (with special needs adaptation) and all supported with the software to match. All are supported by a managed helpdesk service which allows any problems to be remedied early on. To enable the equipment to be used to its full potential training is provided to two facilitators from each digilab.

Through projects like CREDU or Being Young and... (a multi media self expression initiative for young people) Canllaw Online is enabling young people to improve their information, ICT and media literacy skills and thereby become more ready for the digital world in which we all live.

A new initiative known as GWIREDDU has started which builds on the learning from CREDDU and supports the development of young people and their information, IT and literacy skills helping and preparing them better for employment.

In the current year we have also been working alongside the Welsh Assembly Government on the Russell Commission and their work in Wales on volunteering strategies.

Canllaw Online has also extended its training remit and provides localised training to local agencies and voluntary projects.

Canllaw Online remains committed in its support for this work and looks to others to help drive the agenda forward. Canllaw Online continues to develop and is involved in a number of different initiatives including CREDU, WISE1520, Being Young and..., and support for EYCA, ERYICA and Eurodesk.

FINANCIAL REVIEW

The accounts show the financial position of the charitable company in the year under review.

Going Concern

After making inquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the Directors have considered the information regarding the Pension Scheme disclosures in note 12 to the financial statements, together with the effects of Financial Reporting Standard 17 which are further explained in note 1 to these financial statements under the Accounting policies heading "Going Concern".

The effects of the pension scheme are further explained below.

The directors are currently seeking professional advice in order to establish the level of future contributions required in order to ensure that future pension liabilities can be met as and when they fall due. The directors were unable to address these issues during the financial year ended 31 March 2008 as they were notified of the changes to the actuarial assumptions post year end.

Pension Scheme

In recent years the actuary has used an index V12. the I Boxx Sterling AA Corporate bond rate over 15 years.

Following a review of market yields as at 31 March 2008 the actuary felt that this no longer represented a rate that properly reflected the time value of pension scheme liabilities. Instead the actuary has calculated a discount rate as a weighted average of spot yields on AA Rated Corporate Bonds which he advises is a more accurate measure. This change in assumptions has meant that the pension scheme surplus of £13,000 as at April 2007 has changed to a pension scheme deficit of £95,000.

The pension scheme deficit has now been included in the financial statements for the year ended 31 March 2008.

Reserves policy

The trustee's policy on reserves is that the unrestricted reserve should be sufficient to reduce the risks associated with delays in project funding.

Plans for future periods

The company aims to develop further its existing programme and look for new projects that will further extend the stated strategic objectives.

The organisation continues to seek private sector investment and grant aid through public funds such as the Welsh Assembly Government, European Structural Funds and other European Union grant aid.

STATEMENT OF DIRECTORS' AND TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

**CANLLAW ONLINE CYF
TRUSTEES REPORT
YEAR ENDED 31 MARCH 2008**

The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the trustees are required to


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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

ON BEHALF OF THE BOARD


.....
Trustee

6.11.08
.....
Date

CANLLAW ONLINE CYF
AUDITORS REPORT
YEAR ENDED 31 MARCH 2008

We have audited the financial statements of Canllaw Online CYF for the period ended 31 March 2008 on pages 9 to 16. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page 5.

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 given a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable 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 other transactions is not disclosed.

We read the Report of the Trustees and consider the implication 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 charitable 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 considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CANLLAW ONLINE CYF - continued**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application resources including its income and expenditure for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Peachey's CA limited

Peachey's CA Limited
Chartered Accountants & Registered Auditors
Lanyon House
Mission Court
Newport
South Wales
NP20 2DW

Date *25 November 2008.*

CANLLAW ONLINE CYF
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2008

	Note	Unrestricted funds	Restricted funds	Total 2008	Total 2007 Restated
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		6,763	-	6,763	3,414
Activities for generating funds					
Investment income		189	4,000	4,189	214
Incoming resources from charitable activities	2	7,910	2,735,426	2,743,336	6,640,026
Other incoming resources		20,145	-	20,145	26,540
TOTAL INCOMING RESOURCES		35,007	2,739,426	2,774,433	6,670,194
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income		-	-	-	-
Fundraising trading costs		-	-	-	-
Investment management costs		-	-	-	-
Charitable activities	3	4,317	2,747,143	2,751,460	6,624,967
Governance costs	3	4,163	-	4,163	9,062
TOTAL RESOURCES EXPENDED		8,480	2,747,143	2,755,623	6,634,029
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
		26,527	(7,717)	18,810	36,165
GIFT AID					
		-	-	-	-
Gross transfers between funds					
		-	-	-	-
NET INCOMING/(OUTGOING) RESOURCES BEFORE OTHER RECOGNISED GAINS/(LOSSES)					
		26,527	(7,717)	18,810	36,165
Other recognised losses		-	(90,000)	(90,000)	-
NET MOVEMENT IN FUNDS		26,527	82,283	(71,190)	36,165
TOTAL FUNDS BROUGHT FORWARD	11	42,728	13,659	56,387	7,222
Prior year adjustment - Pension asset	13	-	-	-	13,000
TOTAL FUNDS CARRIED FORWARD		69,255	95,942	(14,803)	56,387

**CANLLAW ONLINE CYF
BALANCE SHEET
YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 Restated £
Fixed assets			
Tangible assets	6	9,941	12,023
Investments	7	1	1
Total fixed assets		<u>9,942</u>	<u>12,024</u>
Current assets			
Debtors	8	641,742	254,403
Cash at bank and in hand		<u>61,680</u>	<u>268,268</u>
		703,422	522,671
Creditors: amounts due within one year	9	<u>633,167</u>	<u>491,308</u>
Net current assets/(liabilities)		70,255	31,363
Creditors: amounts due after one year		-	-
Provisions for liabilities and charges		-	-
Net Assets excluding pension asset / liability		<u>80,197</u>	<u>43,387</u>
Pension asset		-	13,000
Pension liability	12	95,000	-
Net Assets excluding pension asset / liability		<u>(14,803)</u>	<u>56,387</u>
Funds of the Charity			
Unrestricted funds	10	69,255	42,728
Restricted funds	10	(84,058)	13,659
Total funds	11	<u>(14,803)</u>	<u>56,387</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Signed on behalf of the trustees

Trustee

Trustee

Date:

Date:

1 ACCOUNTING POLICIES

Basis of preparation of the accounts

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2007, and all other applicable accounting standards, as modified by the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England and Wales, effective April 2005. The accounts have been drawn up in accordance with the provisions of the Charities Act and the Companies Act.

Insofar as the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England and Wales, effective April 2005 requires compliance with specific Financial Reporting Standards other than the FRSSE then the specific Financial Reporting Standards have been followed where their requirements differ from those of the FRSSE.

Advantage has been taken of paragraph 3(3) of schedule 4 of the Companies Act 1985 to allow the format of the financial statements to be adapted to reflect the special nature of the company's operation.

The particular accounting policies adopted are set out below.

Going Concern

These financial statements have been prepared on a going concern basis.

The company operates a defined Benefits Pension Scheme as disclosed in note 12.

Following a review of market yields at 31 March 2008, Actuarial calculation show an excess of scheme liabilities over scheme assets of £95,000, (2007: Surplus £13,000). The scheme liabilities represent the net present values of the future pension entitlements of existing scheme members less expected future returns from existing scheme assets represent the market value of investment held by the scheme at the year end.

The company is contractually obliged to fund the pension scheme to meet its pension obligations as they fall due. In accordance with Financial Reporting Standard 17, a provision has been made in these financial statements for the deficit on the company pension scheme. Actuarial details of the scheme are disclosed in note 12 to these financial statements.

By their very nature, pension liabilities in respect of scheme members will generally arise on their retirement and therefore will be spread over many years. The directors are currently seeking professional advice in determining the level of future contributions required in order to fund the future pension liabilities.

It is probable that future contribution will be increased where necessary in order to rectify pension deficits to ensure pension liabilities can be met as and when they fall due.

The directors are confident that the company can contribute to provide sufficient contributions to meet liabilities as they fall due for the foreseeable future and it is therefore appropriate to prepare these financial statements on a going concern basis.

Cash Flow Statement

The charity has taken advantage of the exemption permitted for small entities by Financial Reporting Standard for Smaller Entities and has not published a cash flow statement.

Incoming resources

Incoming resources are included gross, without netting off any related expenditure.

Incoming resources are recognised in general when the charity becomes entitled to the resources, when receipt is virtually certain and when the monetary amount can be measured with sufficient reliability. Specific policies relating to the charity's particular income sources are as follows:

Grants

Grants, including capital grants, are included when the charity has unconditional entitlement to the resources. All grant income is included within incoming resources from charitable activities as shown in note 2. Contractual income and performance related grants are included once the related goods or services have been delivered.

Resources expended

Liabilities are included once the charity is under a legal or constructive obligation to transfer economic resources.

Costs of charitable activities include those costs directly attributable to activities undertaken in pursuit of the charity's objects.

Support costs include central functions and have been allocated to activity cost categories consistent with the use of these resources.

Governance costs include all costs relating to complying with legal and regulatory requirements.

Tangible fixed assets and depreciation

All tangible fixed assets are capitalised.

Depreciation is provided at the following annual rates in order to write off each asset over its useful economic life:

Fixtures, fittings and equipment 33% reducing balance basis.

Funds structure

Unrestricted funds are those funds expendable at the discretion of the Trustees in accordance with the charitable objects.

Restricted funds may only be utilised in accordance with the wishes of the donor.

Pension

The charity's employees are members of the defined benefit pension scheme operated by Torfaen County Borough Council.

The company participates in a defined benefit pension scheme operated by Torfaen County Borough Council, the assets of the scheme are held separately from those of the company.

The contributions to the scheme are charged to the Income and Expenditure Account.

So as to spread the cost of the pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining working lives of current members in the scheme.

2 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

		Unrestricted	Restricted	Total 2008	Total 2007
		£	£	£	£
Grants:					
Credul project	ERDF	-	1,236,814	1,236,814	3,273,487
	In Kind	-	1,275,154	1,275,154	3,338,671
Core funding		-	-	-	-
NVVO grant		-	37,282	37,282	27,868
Fujitsu		-	163,402	163,402	-
Other		7,910	22,774	30,684	-
Total grants		7,910	2,735,426	2,743,336	6,640,026
TOTAL INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		7,910	2,735,426	2,743,336	6,640,026

3 RESOURCES EXPENDED

	Unrestricted	Restricted	Total 2008	Total 2007
	£	£	£	£
Charitable activities:				
Provision of services	1,586	2,658,849	2,660,435	6,549,262
Support costs	2,731	88,294	91,025	75,705
	4,317	2,747,143	2,751,460	6,624,967
Governance costs				
Board Expenses			2,460	2,305
Audit fee			1,703	6,757
			4,163	9,062
TOTAL RESOURCES EXPENDED			2,755,623	6,634,029

4 ANALYSIS OF SUPPORT COSTS

	Unrestricted	Restricted	Total 2008	Total 2007
	£	£	£	£
Head office cost	1,323	42,781	44,104	43,309
Premises	992	32,079	33,071	17,900
Promotion	83	2,680	2,763	2,566
Legal costs	132	4,273	4,405	1,741
Depreciation	121	3,911	4,032	4,943
Finance	80	2,570	2,650	5,246
	2,731	88,294	91,025	75,705

5 NET MOVEMENT IN FUNDS

Net movement in funds is stated after charging:	2008	2007
	£	£
Depreciation on owned assets	4,033	4,943

CANLLAW ONLINE CYF
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2008

Total staff costs comprised:

	2008	2007
	£	£
Wages and salaries	259,652	247,671
Social security costs	18,285	23,957
Other pension costs	18,950	17,967
	<u>296,887</u>	<u>289,595</u>

No employee of the charity earned over £50,000 during the year.

The average number of full time equivalent employees in the year was 11 (2007: 12)

Neither the Trustees nor any person connected with them received any remuneration or other benefits.

Reimbursement of expenses from the charity or any connected organisation was £1,080 (2007: £1,224).

6 TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment	Total
	£	£
Cost		
1 April 2007	69,352	69,352
Additions	<u>1,951</u>	<u>1,951</u>
31 March 2008	<u>71,303</u>	<u>71,303</u>
Depreciation		
1 April 2007	57,329	57,329
Charge for the year	<u>4,033</u>	<u>4,033</u>
31 March 2008	<u>61,362</u>	<u>61,362</u>
Net book value		
31 March 2008	<u>9,941</u>	<u>9,941</u>
31 March 2007	<u>12,023</u>	<u>12,023</u>

7 FIXED ASSET INVESTMENT

The charity owns the whole of the ordinary share capital, consisting of 1 ordinary share of £1, of Canllaw Online Services Limited, a company whose activities include the provision of training services.

The trading results of Canllaw Online Services Limited for the period ending 31 March 2008, as extracted from the financial statements are as summarised below:-

	2008	2007
	£	£
Turnover	10,133	21,195
Gift Aid payment to Canllaw Online Cyf	6,763	3,414
Profit before tax	<u>-</u>	<u>-</u>
Shareholders Funds	<u>429</u>	<u>429</u>

The results of Canllaw Online Services Limited have not been consolidated on the grounds of immateriality.

8 DEBTORS

	2008 £	2007 £
Other debtors	37,456	19,077
Prepayments	8,424	12,366
Accrued income	595,862	222,960
	<u>641,742</u>	<u>254,403</u>

9 CREDITORS: amounts falling due within one year

	2008 £	2007 £
Accruals	12,818	8,483
Other taxes and social security	6,298	7,540
Other creditors	614,051	475,285
	<u>633,167</u>	<u>491,308</u>

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	-	9,942	9,942
Current assets	69,225	634,197	703,422
Current liabilities	-	(633,167)	(633,167)
Pension liability / asset	-	(95,000)	(95,000)
	<u>69,225</u>	<u>(84,028)</u>	<u>(14,803)</u>

11 MOVEMENT IN FUNDS

	1 April 2007 Restated £	Incoming £	Outgoing £	31 March 2008 £
Unrestricted funds	42,728	35,007	(8,480)	69,255
General funds	-	-	-	-
Restricted funds	13,659	2,739,426	(2,837,143)	(84,058)
	<u>56,387</u>	<u>2,774,433</u>	<u>(2,845,623)</u>	<u>(14,803)</u>

Restricted funds represent amounts that are provided by grant bodies to provide a "framework of opportunity" that will foster an energetic new digital sector within the Welsh economy.

12 PENSION COMMITMENTS

Value of scheme assets and liabilities

	2008	2007 <i>Restated</i>
	£	£
Market value of assets	303,000	284,000
Present value of scheme liabilities	(398,000)	(271,000)
Deficit in scheme	(95,000)	13,000
Net pension liability	(95,000)	13,000

Movement in deficit during the year

	2008	2007 <i>Restated</i>
	£	£
Introduction of pension surplus	-	13,000
Surplus in scheme at start of year	13,000	-
Contributions	19,000	-
Current service cost	(35,000)	-
Gains and losses on any settlements or curtailments	(6,000)	-
Other financial income	4,000	-
Actuarial loss	(90,000)	-
Surplus / (deficit) at end of year	(95,000)	13,000

13 PRIOR YEAR ADJUSTMENT

The assumptions underlying Financial Reporting Standard 17 calculations should lead to the best estimate of future cash flows that will arise under the scheme liabilities. In this regard the discount rate is reviewed every year. Any assumptions that are affected by economic conditions would normally reflect market expectations at the balance sheet date. In recent years the actuary has used an index V12.' I Boxx Sterling AA Corporate bond rate over 15 years.'

Following a review of market yields as 31 March 2008 the actuary feels this no longer represents a rate that properly reflects the time value of pension scheme liabilities. Instead the actuary has calculated a discount rate as a weighted average of spot yields on AA rated corporate bonds which he advised is a more accurate measure. This has meant that the company now has a pension scheme deficit at the year end of £95,000 which has been adjusted for in these financial statements. The prior year adjustment has been necessary in order to introduce the pension scheme surplus into the financial statements in line with the provisions of Financial Reporting Standard 17.

14 COMPANY LIMITED BY GUARANTEE

The charity is a company limited by guarantee and as such does not have any share capital. The members have each agreed to contribute £1 in the event of a winding up.