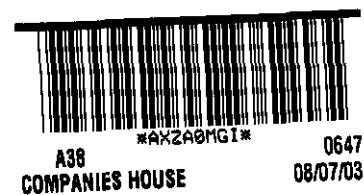


Company Number: 2788160
Charity Registration Number: 1017372

**ROAD HAULAGE AND
DISTRIBUTION TRAINING
COUNCIL**
(A Company Limited by Guarantee)

**Financial Statements
for the year ended 31st March 2003**



ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Legal and Administration information

for the year ended 31st March 2003

Company Number:

2788160

Charity Registration Number:

1017372

Chief executive officer:

Mr I Hetherington

Trustees:

Mr A M Callaghan

Mr J E Hill

Mr J Hookham

Mrs R J Jenkins

Mr C F Lomas

Mr R Monks

Mr D Orrell (Appointed 22 April 2002, resigned 24 December 2002)

Mr M D Price

Mr G R Westcott

Mr C L Wright (Appointed 3 May 2001, resigned 22 April 2002)

Mr K Rogers

Mr L A Boyles (Appointed 24 December 2002)

Registered Office:

14 Warren Yard
Warren Farm Office Village
Stratford Road
Milton Keynes
MK12 5NW

Auditors:

Keens Shay Keens
- Milton Keynes -
Sovereign Court
230 Upper 5th Street
Central Milton Keynes
MK9 2HR

Bankers:

Barclays Bank Plc

ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

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for the year ended 31st March 2003

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| 3 | Auditors' Report |
| 4 | Statement of Financial Activities |
| 5 | Balance Sheet |
| 6 to 12 | Notes to the Financial Statements |

ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Trustees' Report

for the year ended 31st March 2003

Road Haulage and Distribution Training Council is a company limited by guarantee, incorporated on 9 February 1993, and a registered charity, governed by its memorandum and articles of association.

The trustees, who are also the directors of the company for the purpose of the Companies Acts, submit their report together with the audited financial statements for the year ended 31st March 2003.

Trustees' Statement

Charity and Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus for that period. In preparing these financial statements the trustees are required to:

Select suitable accounting policies and then apply them consistently;

Make judgments 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 financial statements;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 Charity and to enable them to ensure the financial statements comply with the Companies Act 1985, Financial Reporting Standards in so far as they are appropriate to the company, and with the Statement of Recommended Practice issued by the Charity Commission.

Objects of the Charity

The objects of the Charity are to provide, advance and assist in the training in Great Britain of persons employed or intending to be employed in the road freight and distribution industry.

Development Activities and Achievement

The company has embarked on a wide range of existing and new endeavours during the year.

The most significant of these has been the development and launch of the three high profile "Modernisation Fund Projects" supported by the Department for Transport in England. A team of four regional coordinators led by a Skills Development Manager has been appointed to implement this major programme of work.

The Council's presence in Scotland has been greatly strengthened with the launch of three major programmes of work supported by the Scottish Executive. This has enabled us to appoint a Skills Development Manager for Scotland.

Last year we referred to the end of the NTO recognition and the Government's plans for the creation of a network of Sector Skills Councils. The Trustees have been actively supporting plans to develop a Sector Skills Council for the "Logistics" sector. To this end, they agreed to provide staff time and resources for the development of a new organisation that will be supported financially by the Council through the provision of long term loan finance.

ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Trustees' Report

for the year ended 31st March 2003

Development Activities and Achievement continued

After the new organisation is established, the RHDTC's on-going activities and commitments will be transferred to that new Body. Along with the staff, RHDTC's role will therefore change radically during 2003/2004.

Reserves Policy

It is the Council's policy generally to maintain reserves at a level of at least one year of operating costs and to maximise contributions from those reserves. The Council also has a policy of maintaining reserves with consideration of future general and project expenditure.

Risk Policy

The Council is currently considering the implementation of a formal risk management process to assess business risks and implement risk management strategies.

Investment Policy and Performance

In accordance with the trust deed, the trustees have the power to invest in such stocks, shares, investments and property in the UK as they see fit. The trustees engaged Barclays Plc as investment managers. The policy is to adopt a medium risk investment strategy based on maximising income and maintaining the value of funds held.

Trustees

A full list of the trustees who served during the period is shown in the legal information.

The Trustees are appointed by each of the company's members, and other designated organisations, within the numbers specified in the Articles of Association.

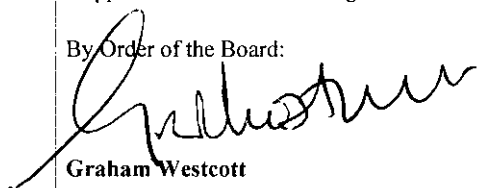
Cashflow Statement

In the opinion of the directors the company qualifies as a small company and as such no cashflow statement has been prepared.

Auditors

The Auditors, Keens Shay Keens, Milton Keynes, Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:



Graham Westcott
Trustee

11 June 2003

ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Auditors' Report to the Members

on the Accounts for the year ended 31st March 2003

We have audited the financial statements on pages 4 to 12, which have been prepared under the historical cost convention and the accounting policies set out on pages 6 - 7.

This report is made solely to the trustees, 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 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 company and the trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The trustees' responsibility 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 Governance and Internal Control in the Trustees Report.

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' 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. Our responsibilities do not extend to any other information.

Basis of Auditors' Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes an independent 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 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Auditors' Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31st March 2003 and of the charity's income resources and resources expended, including its income and expenditure, for the year ended and have been properly prepared in accordance with the Companies Act 1985.



Keens Shay Keens
- Milton Keynes -
Chartered Accountants
and Registered Auditors

4/7/03

Sovereign Court
230 Upper 5th Street
Central Milton Keynes
MK9 2HR

ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Statement of Financial Activities (including Income and Expenditure Account)
for the year ended 31 March 2003

| | | Total | Total |
|--|------|-----------------|----------------|
| | | 2003 | 2002 |
| | | £ | £ |
| Incoming Resources | Note | | |
| Activities to further the charity's objects: | | | |
| Project income | | 657,455 | 481,285 |
| Investment income | 2 | 11,400 | 10,821 |
| Other incoming resources | 3 | 70,378 | 366,750 |
| Total incoming resources | | <u>739,233</u> | <u>858,856</u> |
| Outgoing Resources | | | |
| Expenditure to further the charity's objects | | 351,243 | 229,847 |
| Support costs | | 356,353 | 223,138 |
| Management & administration | | 22,154 | 20,174 |
| Total outgoing resources | 4 | <u>729,750</u> | <u>473,159</u> |
| Net incoming (outgoing) resources | 5 | 9,483 | 385,697 |
| Net (loss)/gain on investment assets | | (93,733) | 20,543 |
| Net movement in funds | | <u>(84,250)</u> | <u>406,240</u> |
| Fund balances brought forward | | 765,890 | 359,650 |
| Fund balances carried forward | | <u>681,640</u> | <u>765,890</u> |

All amounts relate to continuing activities.

*All gains and losses recognised in the year are included above. The deficit for the year for Companies Act purposes comprises the net incoming resources for the year less realised losses on investments and was £19,651.
(2002: Gain £384,491)*

The notes on pages 6 to 12 form part of these financial statements.

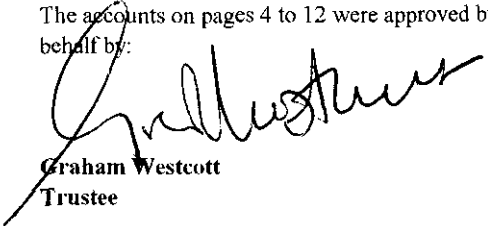
ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Balance Sheet as at 31 March 2003

| | Note | 2003 £ | 2003 £ | 2002 £ | 2002 £ |
|-------------------------------------|------|------------------|----------------|-----------------|----------------|
| Fixed Assets | | | | | |
| Tangible fixed assets | 8 | | 58,350 | | 28,400 |
| Investments | 9 | | 267,260 | | 355,259 |
| | | | <u>325,610</u> | | <u>383,659</u> |
| Current Assets | | | | | |
| Debtors | 10 | 243,158 | | 223,471 | |
| Cash at bank and in hand | | 216,417 | | 248,882 | |
| | | <u>459,575</u> | | <u>472,353</u> | |
| Creditors | | | | | |
| Amounts falling due within one year | 11 | <u>(103,545)</u> | | <u>(90,122)</u> | |
| Net Current Assets | | | 356,030 | | 382,231 |
| Total Net Assets | | | <u>681,640</u> | | <u>765,890</u> |
| Income Reserves | | | | | |
| Unrestricted | 14 | | 356,030 | | 382,231 |
| Designated | 15 | | 325,610 | | 383,659 |
| Total Reserves | | | <u>681,640</u> | | <u>765,890</u> |

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The accounts on pages 4 to 12 were approved by the Board on 11 June 2003 and were signed on its behalf by:


Graham Westcott
Trustee

ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31st March 2003

1. Principal Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the "Statement of Recommended Practice (SORP), Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with use of resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out on the premises.

Management and administration costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Tangible fixed assets and depreciation

All tangible fixed assets are capitalised at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows:

| | |
|-------------------------|----------------------|
| Motor vehicles | 25% reducing balance |
| Furniture and equipment | 25% straight line |

Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31st March 2003

Contribution to Pension Funds

The pension costs charged against profits represent the amount of the contribution payable to the scheme in respect of the accounting period.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the SOFA over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the SOFA on a straight-line basis over the lease term.

2. Investment income

| | 2003 £ | 2002 £ |
|---|---------------|---------------|
| Bank interest received | 2,193 | 8,105 |
| Dividends received on fixed asset investments | 6,624 | 1,174 |
| Interest received on fixed asset investments | 2,583 | 1,542 |
| | <u>11,400</u> | <u>10,821</u> |

3. Other incoming resources

| | 2003 £ | 2002 £ |
|--------------------------------------|---------------|----------------|
| RTITB Services Limited (see note 20) | 65,200 | 366,750 |
| Miscellaneous income | 5,178 | - |
| | <u>70,378</u> | <u>366,750</u> |

ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31st March 2003

4. Total outgoing resources

| | Direct Costs | Support Costs | Admin Costs | Total | Total |
|-----------------------------------|-----------------|------------------|----------------|----------------|----------------|
| | 2003 £ | 2003 £ | 2003 £ | 2003 £ | 2002 £ |
| Project expenditure | 351,243 | - | - | 351,243 | 229,848 |
| Staff costs & expenses | - | 240,584 | 3,680 | 244,264 | 143,220 |
| Premises and office costs | - | 76,389 | - | 76,389 | 57,807 |
| Travelling and motor expenses | - | 23,097 | 3,366 | 26,463 | 9,298 |
| Audit fees | - | - | 2,350 | 2,350 | 2,350 |
| Accountancy and professional fees | - | - | 12,758 | 12,758 | 8,342 |
| Depreciation | - | 14,729 | - | 14,729 | 15,300 |
| Loss on disposal of fixed assets | - | 1,411 | - | 1,411 | 5,404 |
| Miscellaneous | - | 143 | - | 143 | 1,590 |
| | <u>351,243</u> | <u>356,353</u> | <u>22,154</u> | <u>729,750</u> | <u>473,159</u> |

5. Net incoming (outgoing) resources for the year

This is stated after charging

| | 2003 £ | 2002 £ |
|--|-----------|--------------|
| Amounts payable to the auditors in respect of audit services | 2,350 | 2,350 |
| Amounts payable to the auditors in respect of non-audit services | 7,142 | 3,411 |
| Depreciation - owned assets | 14,729 | 13,717 |
| Depreciation - leased assets | - | 1,582 |
| | <u>-</u> | <u>1,582</u> |

The trustees neither received nor waived emoluments during the year (2002 : nil). Travel and subsistence expenses amounting to £999 were reimbursed to 1 Trustee (2002 : £1,158 : one)

6. Interest Payable

| | 2003 £ | 2002 £ |
|---------------------------|------------|--------------|
| Bank loans and overdrafts | - | 56 |
| Hire purchase interest | 238 | 1,148 |
| | <u>238</u> | <u>1,204</u> |

ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31st March 2003

7. Staff costs and numbers

Staff costs were as follows:

| | 2003 | 2002 |
|--|----------------|----------------|
| | £ | £ |
| Wages and salaries (including social security costs) | 233,396 | 138,490 |
| Other pension costs | - | - |
| | <u>233,396</u> | <u>138,490</u> |

The average monthly number of employees during the year were categorised as follows:

| | 2003 | 2002 |
|--------------------------|----------|----------|
| Administration | 6 | 3 |
| Technical and Management | 3 | 3 |
| | <u>9</u> | <u>6</u> |

The number of employees whose emoluments exceeded £50,000 for the year were as follows:

| | 2003 | 2002 |
|-------------------|----------|----------|
| £50,001 - £60,000 | <u>1</u> | <u>-</u> |

All directors are non-executive and none of them has received remuneration in the year.

8. Tangible Fixed Assets

| | Motor vehicles £ | Furniture & equipment £ | Total £ |
|-----------------------|------------------------|-------------------------------|----------------|
| Cost | | | |
| At 1st April 2002 | 44,284 | 46,297 | 90,581 |
| Additions | 38,161 | 10,629 | 48,790 |
| Disposals | (15,000) | - | (15,000) |
| At 31st March 2003 | <u>67,445</u> | <u>56,926</u> | <u>124,371</u> |
| Depreciation | | | |
| At 1st April 2002 | 17,574 | 44,607 | 62,181 |
| Charge for the year | 11,804 | 2,925 | 14,729 |
| Disposals | (10,889) | - | (10,889) |
| At 31st March 2003 | <u>18,489</u> | <u>47,532</u> | <u>66,021</u> |
| Net Book Value | | | |
| At 31st March 2003 | <u>48,956</u> | <u>9,394</u> | <u>58,350</u> |
| At 31st March 2002 | <u>26,710</u> | <u>1,690</u> | <u>28,400</u> |

Motor vehicles includes assets with a net book value of £nil (2002: £4,747) held under finance leases.

ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31st March 2003

| 9. Investments | 2003 | 2002 |
|---|----------------|----------------|
| | £ | £ |
| Market value as at 1 April 2002 | 355,259 | - |
| Additions | 69,290 | 353,660 |
| Disposals | (60,093) | (40,438) |
| Net investment (loss)/gain (including movement in investment cash balances) | (97,196) | 42,037 |
| Market value at 31 March 2003 | <u>267,260</u> | <u>355,259</u> |
| Historical cost at 31 March 2003 | <u>316,306</u> | <u>312,016</u> |
| Listed investments are represented by: | | |
| Fixed interest funds | 49,271 | 26,793 |
| UK Equity shares | 154,362 | 256,625 |
| Managed funds - all overseas | 58,127 | 47,641 |
| Cash | 5,500 | 24,200 |
| | <u>267,260</u> | <u>355,259</u> |

Investments in individual entities held at 31st March 2003 which are over 5% of portfolio by value are:

| | | |
|---------------------------|---|----------------------|
| Treasury 7.25% Stock 2007 | - | Market value £18,148 |
| BGI | - | Market value £14,840 |
| DWS Investment Funds | - | Market value £14,001 |

| 10. Debtors | 2003 | 2002 |
|--------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 102,640 | 160,682 |
| Other debtors | 3,081 | 6,028 |
| Prepayments | 124,889 | 46,751 |
| Accrued income | 12,548 | 10,010 |
| | <u>243,158</u> | <u>223,471</u> |

ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31st March 2003

| 11. Creditors: Amounts falling due within one year | 2003 | 2002 |
|---|----------------|---------------|
| | £ | £ |
| Trade creditors | 85,893 | 70,440 |
| Taxation and social security costs | 7,696 | 4,092 |
| Other creditors | 781 | 277 |
| Obligations under finance leases (see notes 13) | - | 4,335 |
| Accruals | 2,350 | 2,350 |
| Deferred income (see note 12) | 6,825 | 8,628 |
| | <u>103,545</u> | <u>90,122</u> |

| 12. Deferred income | 2003 | 2002 |
|---------------------------------------|--------------|--------------|
| | £ | £ |
| Balance at 1 April 2002 | 8,628 | 7,475 |
| Amount released to incoming resources | (8,628) | (7,475) |
| Amount deferred in the year | 6,825 | 8,628 |
| Balance at 31 March 2003 | <u>6,825</u> | <u>8,628</u> |

| 13. Obligations under Hire Purchase and Finance Leases | 2003 | 2002 |
|---|-------------|--------------|
| | £ | £ |
| Obligations under finance leases and hire purchase contracts are analysed as follows: | | |
| Within one year | - | 4,335 |
| | <u>-</u> | <u>4,335</u> |

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

| 14. Unrestricted Funds | 2003 | 2002 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Balance at beginning of year | 382,231 | 359,650 |
| Net movement of funds | (84,250) | 406,240 |
| Transfer from/(to) designated funds | 58,049 | (383,659) |
| Balance at end of year | <u>356,030</u> | <u>382,231</u> |

| 15. Designated Funds | 2003 | 2002 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Balance at beginning of year | 383,659 | - |
| Transfer (to)/from unrestricted funds | (58,049) | 383,659 |
| Balance at end of year | <u>325,610</u> | <u>383,659</u> |

Unrestricted funds have been designated to cover any possibility of a significant drop in project income.

ROAD HAULAGE AND DISTRIBUTION TRAINING COUNCIL
(A Company Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31st March 2003

16. Capital Commitments

There were no capital commitments as at 31st March 2003.

17. Contingent Liabilities

There were no contingent liabilities as at 31st March 2003.

18. Guarantees

The liability of each member is limited.

Every member of the company undertakes to contribute £1 to the assets of the company, in the event of it being wound up while he is a member, or within one year after he ceases to be a member.

As at 31 March 2003, there were 3 Members (2002: 3) of the Company. These were the Road Haulage Association, the Freight Transport Association and the British Association of Removers.

19. Pensions - Defined Benefit Scheme

The company operates a defined benefit pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

In each of the years ended 31 March 2003 and 31 March 2002, due to the central ITB Pension Fund having accumulated excess actuarial reserves, employer contributions to the Scheme have been met from those reserves. The financial statements reflect the full amount of contributions from the reserves.

20. Unsecured debtor

The Council has a five year contract (commencing 1 April 1998) with RTITB Services Limited ("RTITB") whereby RTITB provides an annual grant of £160,000 to assist the Council in setting, monitoring and maintaining occupational standards within the road transport industry.

On 22 April 1998 RTITB Services Limited was placed in administration by the High Court, and contractual payments to the Council were suspended.

The Council is listed among the unsecured creditors of RTITB Services Limited (in administration). A payment representing 80p in the pound had been received to 31 March 2002 and a further payment representing 8p in the pound was received in the current year.