

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Registered Charity and Company Limited by Guarantee

Report and Financial Statements

Year Ended: 31 March 2005

Charity No: 515755

Company No: 1820492



DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

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DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Legal and administrative information

Status

The organisation is a charitable company limited by guarantee, incorporated on 30 May 1984 and registered as a charity on 30 May 1984.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the Trustees are elected at the AGM. Rotation of Trustees requires that the longest serving one-third or nearest one-third of their number shall retire from office at each AGM but shall be eligible for re-election.

Board of Trustees

J Black, Chair

MW Treasure, Treasurer

CRG Matthews-Maxwell

PN Anderson - Resigned 24th January, 2005

RL Woodworth

KE Hall

Secretary

L Cavender

Chief Executive

S Johnson

Registered Office & Principle Office

Merrington House, Merrington Lane Industrial Estate, Spennymoor, Co. Durham,
DL16 7UT

Auditors

Ribchesters, 67 Saddler Street, Durham, DH1 3NP

Bankers

The Co-operative Bank Plc, 4th Floor, 9 Prescott Street, London, E1 8BE
NE1 6BZ

Solicitors

Cooper Stott Solicitors, Aykley Vale Chambers, Durham Road, Aykley Heads, Durham,
DH1 5NE

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Trustees' Report

For the Year Ended 31 March 2005

The Board of Trustees presents its report and the audited financial statements for the year ended 31 March 2005.

Governance and Objectives

DISC's governing body is a voluntary Board of Trustees, each of whom sits independently and do not represent other agencies. Members of the Board meet monthly and do not receive any remuneration. Where claimed, expenses are reimbursed. Travel expenses of £353 were claimed this financial year (2004 - £360).

The main role of the Trustees is to ensure that the organisation is properly run in line with its charitable objectives and to set the direction of the organisation.

DISC is an independent charity which has been committed to tackling deprivation and exclusion for 21 years, acting as a specialist agency focusing on those who fall through the net of statutory provision and who other agencies find hardest to help. The primary objective is to enable disadvantaged people with multiple and often complex problems to achieve their potential. This is achieved through the provision of specialist services focused around four key themes:

- Employment and training, including basic education
- Substance misuse, particularly illicit drug abuse
- Homelessness and independent living
- Offending and community safety

Trustees have a strategic role in relation to the development of DISC's objectives and agree and monitor a three year rolling business plan. This is reviewed at least quarterly and amended, as required, annually. The Board pays particular attention to ensuring the accountability of the Senior Officers of the organisation in relation to the implementation of the business plan, policy and practice framework. Operational management is vested in the Management Team consisting of the Chief Executive, Finance Director, Executive Directors and Operational Directors.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Trustees' Report

For the Year Ended 31 March 2005

Trustees' Responsibilities in relation to the Financial Statements

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

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Review of Activities

DISC has continued to develop its range of services to those who face the greatest levels of social exclusion. The services that we offer aim to give maximum support to people working toward personal and social integration within their community and the broader employment arena.

DISC has eight Service Delivery Units responsible for the development and delivery of our key services, as usual the last year has seen interesting and significant changes in our work.

In Gateshead we were awarded the first of the new Progress 2 Work Linkup projects, which are an extended version of the Progress 2 Work programmes. These provide support to drug users in treatment looking to move into employment or education as part of their rehabilitation. We are now able to work with both offenders and those who are homeless as part of this work. The Connect specialist support projects have increasingly become involved with those on Incapacity Benefit as well as Job Seekers Allowance' claimants through helping individuals to overcome their barriers to participation in employment programmes.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Trustees' Report

For the Year Ended 31 March 2005

Review of Activities (continued)

As a Housing Support provider we have continued to consolidate the Floating Support Schemes and have been highly rated as a provider in the Supporting People quality audits. In Durham we were graded all B's in the QAF audit which gives us one of the highest ratings in the area. We have developed a new support scheme for homeless people in Stockton and have been awarded a contract to provide tenancy support for people at risk of being made subject to an Anti Social Behaviour Order in Sunderland.

Leeds saw the establishment of our first Drugs Intervention Programme project providing Throughcare and Aftercare. This has been a significant development in our work with drug users. The staff team has grown to 20 over the course of the year. This has been followed by successes in Hartlepool and Sunderland making the criminal justice system a significant part of our work. We continue to consolidate our work with young people who misuse drugs, now providing outreach support in Durham and Peer Education in Hartlepool.

DISC's work with young carers has been extended by successful bids to trusts and we now offer a dedicated activities worker supporting children caught up in domestic violence.

The Teen Parent Support Project has successfully established itself in Bishop Auckland and we are providing a new 'B-Smart' programme to young people at risk of becoming involved in offending.

DISC's activities in the provision of training and employment' support have further developed during the course of the year.

In the middle of the previous year we were awarded a contract to manage and provide an Entry to Employment (e2e) programme, the Government's major new programme for 16-18 year olds, across York and North Yorkshire working in partnership with Barnardos. By the end of April 2004, we had completed the establishment of the service with the opening of fully branded e2e centres in York, Scarborough, Northallerton, Ripon, Skipton, Harrogate and Selby. We also established similar centres in Carlisle and Kendal to develop an e2e service in East Cumbria as well as consolidating our e2e provision in County Durham.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Trustees' Report

For the Year Ended 31 March 2005

Review of Activities (continued)

As well as e2e, DISC employment support services for offenders in both North and West Yorkshire have made major strides forward. In West Yorkshire we obtained funding through the Learning and Skills Council to run a basic skills programme alongside our existing employment support programme for offenders.

The West Yorkshire Probation Board funded this latter programme, they also utilised DISC's services to develop mentoring support for young adult offenders on the newly introduced order.

In North Yorkshire we were able to sustain a combined employment and basic skills support service for offenders with support from the North Yorkshire Probation Board, LSC and York College of Further Education.

Our work based training provision within New Deal provides work placements to participants with a wide range of voluntary organisations and continues to thrive with over 40% of participants entering employment. The service also broadened its intake to work with an increasing number of single parents and other individuals outside its initial 18-24 age remit.

The Millennium Volunteers' projects we support across the Tees Valley also continued to develop with responsibility for funding and management transferring from a central Millennium Volunteers Agency to the local Connexions Partnership.

In County Durham we act as hosts for the Voluntary Sector Academy (VSA), which promotes, coordinates and procures training and development opportunities for staff working in the voluntary sector.

The Academy had a very positive year supporting large numbers of voluntary sector managers in achieving the NVQ 4 in Management. Towards the end of the year VSA undertook a regional role on behalf of the Learning and Skills Council, to promote workforce development within the voluntary sector.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Trustees' Report

For the Year Ended 31 March 2005

Review of Activities (continued)

We have written further of our activities this year in our Annual Review for 2004/05. However, the examples above give a flavour of the diversity and energy that is so abundant within DISC. The desire to develop our work runs right across the organisation at all levels and provides the impetus for change and growth. It is thanks to our staff, partners and service users that these opportunities and many other unmentioned, have come to fruition.

Volunteers

A number of DISC's projects, including Out There, GOAL and Millennium Volunteers are based around volunteers and we also have volunteer mentors working with Connect and Basic Skills services for offenders. Volunteers add their own distinctive contribution to our services which we highly value.

Positive about Disabled People

DISC holds the Positive about Disabled People symbol and recognises, and intends to meet, its statutory obligations under the Disability Discrimination Act 1995. DISC will not discriminate against an employee, potential employee, volunteer, service user or visitor because of their disability. We shall also make reasonable adjustments in seeking to overcome any practical difficulties that may prevent anyone with a disability from taking up employment with us or using our services.

Results

DISC had total incoming resources of £8,904,714 for the year, an increase of 7% on 2003/04 but resources expended totalled £8,992,563 an increase of 19% on 2003/04. This resulted in a reduction in funds of £87,849 comprising a reduction in restricted funds of £254,125 partially offset by an increase in unrestricted funds of £166,276.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Trustees' Report

For the Year Ended 31 March 2005

Reserves Policy

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets (free reserves) held by DISC should, ideally, represent at least 3 months of total resources expended. It is felt that this level of reserves would provide a sufficient buffer to enable the organisation to make provision for the loss of a major service whilst maintaining effective management and administration of the charity. These reserves also provide working capital to enable development of service provision.

Based on the above, the target reserves would have been £2,248,140. The actual free reserves of £1,534,710 representing 68% of target equate to 2 months of total resources expended and fall short of our baseline. We therefore continue to work to key targets in our business plan in relation to increasing free reserves.

Risk Review

The Trustees have reviewed the major risks to which DISC are exposed and systems to monitor those risks have been established. Significant external risks to funding have led to our Business Plan providing flexibility to respond to change. Internal systems of control are subject to constant review and improvement, particularly with the assistance of improved information technology.

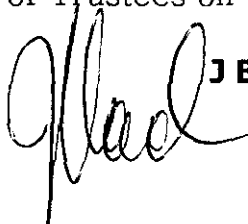
Conclusion

This is DISC's 21st year and, as this review of activities demonstrates, it has been another year of significant achievement. We take this opportunity to thank DISC's staff, volunteers and Trustees for their hard work and commitment over the past twelve months. Most of all we want to extend thanks to all our services users. We work with a wide range of people, many of who are at a critical stage in their lives, and we hope that DISC's efforts have helped them make positive changes in their lives.

Auditors

Messrs. Ribchesters, Chartered Accountants, have expressed their willingness to continue as auditors and the Trustees recommend that they are re - appointed under Section 385 of the Companies Act, 1985.

Approved by the Board of Trustees on 12 December 2005 and signed on its behalf by:

 **J Black, Chair**

***Independent Auditors' Report to the Trustees of
Developing Initiatives for Support in the Community Limited***

We have audited the financial statements of Developing Initiatives for Support in the Community Limited for the year ended 31 March 2005 on pages 10 to 24, which comprise the Statement of Financial Activities (including the Income and Expenditure Account), 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 on pages 14 and 15.

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

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees (who are also the directors of Developing Initiatives for Support in the Community Limited for the purposes of company law) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees Annual Report and consider whether it is consistent with the audited financial statements. 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.

***Independent Auditors' Report to the Trustees of
Developing Initiatives for Support in the Community Limited***

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 charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2005 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 Companies Act 1985.



Registered Auditors

Ribchesters

Address

67 Saddler Street
Durham
DH1 3NP

Date 16 December 2005

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Statement of Financial Activities (including Income & Expenditure Account)

For the Year Ended 31 March 2005

	Note	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Incoming resources					
Donations	2	2,636	19,817	22,453	33,275
Activities to further the charities objects: grants & fees under contracts for advice and information, outreach work, training and other services	3	7,353,602	1,497,145	8,850,747	8,303,870
Interest receivable		31,514	-	31,514	21,923
Total incoming resources		<u>7,387,752</u>	<u>1,516,962</u>	<u>8,904,714</u>	<u>8,359,068</u>
Resources expended					
Costs of generating funds					
Fundraising and publicity		120,017	-	120,017	98,144
Charitable expenditure					
Employment & accommodation		4,798,766	636,437	5,435,203	4,548,844
Substance misuse initiatives		829,509	720,653	1,550,162	1,103,875
Working with young people		976,081	85,462	1,061,543	818,171
Community support		303,976	340,741	644,717	810,538
Management & administration		180,921	-	180,921	147,789
Total resources expended	4	<u>7,209,270</u>	<u>1,783,293</u>	<u>8,992,563</u>	<u>7,527,361</u>
Net incoming/(outgoing) resources before transfers	6	178,482	(266,331)	(87,849)	831,707
Transfers between funds		(12,206)	12,206	-	-
Net movement in funds		<u>166,276</u>	<u>(254,125)</u>	<u>(87,849)</u>	<u>831,707</u>
Total funds brought forward at 1 April 2004		1,515,683	519,257	2,034,940	1,203,233
Total funds carried forward at 31 March 2005	18	<u>1,681,959</u>	<u>265,132</u>	<u>1,947,091</u>	<u>2,034,940</u>


The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Balance Sheet as at 31 March 2005

	Note	£	2005 £	2004 £
Fixed assets				
Tangible fixed assets	8		324,637	469,861
Current assets				
Stock on hand	1(j)	1,967		-
Debtors	9	1,535,888		1,671,611
Cash at bank and in hand		1,456,783		1,345,498
		<u>2,994,638</u>		<u>3,017,109</u>
Creditors: amounts falling due within one year	10	<u>1,368,112</u>		<u>1,445,631</u>
Net current assets			<u>1,626,526</u>	<u>1,571,478</u>
Total assets less current liabilities			1,951,163	2,041,339
Creditors: amounts falling due after more than one year	11		4,072	6,399
Net assets			<u>1,947,091</u>	<u>2,034,940</u>
Funds				
Restricted	17		265,132	519,257
Unrestricted	18		<u>1,681,959</u>	<u>1,515,683</u>
			<u>1,947,091</u>	<u>2,034,940</u>

Approved by the Board of Trustees on 12 December 2005 and signed on its behalf by:


J Black, Chair

The notes on pages 14 to 24 form part of these accounts.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Cash Flow Statement

For the Year Ended 31 March 2005

Reconciliation of operating income to net cash inflow from operating activities

	Note	2005 £	2004 £
Operating income/(outgoing)		(118,534)	811,028
Depreciation		306,781	152,410
Increase in stock		(1,967)	-
(Surplus) on disposal of fixed assets		(25)	(178)
Decrease/(increase) in debtors		135,723	(314,003)
(Decrease)/increase in creditors		(77,519)	347,717
Net cash inflow from operating activities		244,459	996,974

Cash flow statement

Net cash inflow from operating activities		244,459	996,974
Return on investments & servicing of finance	1	30,685	20,679
Taxation		-	-
Capital expenditure	1	(161,532)	(446,717)
Management of liquid resources		113,612	570,936
Financing		-	-
Increase/(decrease) in cash		113,612	570,936

Reconciliation of net cash flow to movement in net debt

Increase in cash in the year		113,612	570,936
Repayment of mortgage		-	-
Change in net debt	2	113,612	570,936
Net debt at 1 st April 2004	2	1,336,772	765,836
Net debt at 31 March 2005	2	1,450,384	1,336,772

NOTES TO THE CASH FLOW STATEMENT

Note 1 - Gross Cash Flows

Returns on investments & servicing of finance

Interest received	31,514	21,923
Interest paid	(829)	(1,244)
	30,685	20,679

Capital expenditure

Payments to acquire tangible fixed assets	(161,557)	(446,912)
Receipts from sales of tangible fixed assets	25	195
	(161,532)	(446,717)

Note 2 - Analysis of changes in net debt

	At 01/04/04	Cash Flows	At 31/03/05
Cash at bank and in hand	1,345,498	111,285	1,456,783
Debt due within one year	(2,327)	-	(2,327)
Debt due after one year	(6,399)	2,327	(4,072)
Net debt	1,336,772	113,612	1,450,384

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Statement of changes in resources applied for fixed assets for charity use

For the Year Ended 31 March 2005

	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Net movement in funds for the year	166,276	(254,125)	(87,849)	831,707
Resources (used) or released through the change in net values of tangible fixed assets	<u>(24,037)</u>	<u>169,261</u>	<u>145,224</u>	<u>(294,485)</u>
Net movement in funds available for future activities	<u>142,239</u>	<u>(84,864)</u>	<u>57,375</u>	<u>537,222</u>

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2005

1. Accounting policies

(a) **Basis of accounting.** The accounts have been prepared under the historical cost convention and are in accordance with applicable accounting standards, the Companies Act 1985 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) issued in October 2000.

(b) **Grants and fees.** Grants receivable and fees are credited to the Statement of Financial Activities (SOFA) in the year for which they are received. Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

(c) **Donations.** These are recognised in full in the Statement of Financial Activities in the period in which they are received.

(d) **Restricted funds.** These represent income provided by the donor for specific purposes where expenditure of that income, otherwise than in furtherance of that purpose, is restricted.

(e) **Unrestricted funds.** These represent income expendable at the discretion of the trustees in furtherance of the objects of the charity notwithstanding that part of an unrestricted fund may be earmarked for a particular project.

(f) Resources expended.

- (i) These are included on an accruals basis and recognised in the period in which they are incurred. Expenditure is net of recoverable VAT where conditions for recovery have been met.
- (ii) Resources expended are allocated to activities in furtherance of the charity's objectives where such expenditure relates directly to those activities. However, the total cost of those activities will include an apportionment, based on staff time, of the cost of overall direction and administration comprising the salaries and overhead costs of central function. Such apportionment normally corresponds with that included in the contract or service level agreement.
- (iii) Expenditures included in the costs of generating funds (fundraising and publicity) are an apportionment, based on staff time, of those

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2005

salaries and overhead costs from central function which are considered to be incurred in marketing and publicising the services that the charity can provide. This activity is not of an 'appeals' nature.

- (iv) Expenditures included in the costs of management and administration comprise an apportionment, based on staff time, of those salaries and overhead costs from central function which are considered to be incurred in managing and administering the charity and compliance with statutory requirements to enable furtherance of the charity's objectives.

(g) **Pension costs.** The charity operates a defined contribution pension scheme. The charity has no liability under the scheme other than for payment of those contributions to an independently administered fund.

(h) **Tangible fixed assets and depreciation.** Assets are for use by the charity in fulfilling its charitable objectives and are valued at cost. The value below which assets are not capitalised is £1000. Annual depreciation rates are 25% on cost for Motor Vehicles and from 15% on cost to 100% on cost for Equipment. When the Equipment is acquired for use by a specific project then the depreciation rate reflects the anticipated duration of that project. Leasehold Premises are depreciated over the full period of the lease or, where applicable, up to the date of the first 'break' clause.

(i) **Leasing and hire purchase.** Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term or their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. All other leases are regarded as operating leases and the payments made are charged to the profit and loss account on a straight line basis over the terms of the lease.

(j) **Stock.** Stock is valued at the lower of cost or net realisable value. Stock represented 3 Computer Workstations held for use by impending new employees.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2005

2. Donations

Donations totalling £22,453 included £15,197 to help young people in need, furnish and decorate their accommodation. Donations for this purpose included those received from The Barbour Trust, Greggs Trust, Christ's Hospital in Sherburn and the Teesside Emergency Relief' Clothing Fund. Support for Substance Misuse Initiatives included £5,000 from a donor who wishes to remain anonymous whilst donors toward Community Support included District of Easington, County Durham Foundation and several private donors. The Princes Trust provided a one-off donation toward our work with young people in Yorkshire.

	Unrestricted £	Restricted £	2005 Total £	2004 Total £
Employment & accommodation	451	13,297	13,748	28,953
Substance misuse initiatives	-	5,175	5,175	1,855
Working with young people	1,800	100	1,900	1,300
Community support	385	1,245	1,630	1,167
Totals	<u>2,636</u>	<u>19,817</u>	<u>22,453</u>	<u>33,275</u>

3. Incoming resources for activities to further the charity's objectives

Incoming resources are directly allocated to each charitable activity as agreed in the contract or service level agreement with the funder. For the purpose of financial control and direction of the charity's resources, the charity collates activities under the following classifications:

	Unrestricted £	Restricted £	2005 Total £	2004 Total £
Employment & accommodation	4,961,355	429,823	5,391,178	5,510,433
Substance misuse initiatives	944,869	642,593	1,587,462	1,078,188
Working with young people	1,122,131	83,571	1,205,702	877,058
Community support	325,247	341,158	666,405	838,191
Totals	<u>7,353,602</u>	<u>1,497,145</u>	<u>8,850,747</u>	<u>8,303,870</u>

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2005

4. Resources expended

These are analysed by activity in the Statement of Financial Activities on page 10.
Expenditure by appropriate cost classification is:

	Fundraising and Publicity £	Charitable Activities £	Management and Administration £	2005 Total £	2004 Total £
Staff costs (note 7)	93,678	5,217,962	138,972	5,450,612	4,406,934
Transport	1,637	469,698	3,942	475,277	382,799
Premises	2,189	524,523	3,228	529,940	308,690
Maintenance, equipment and computers	5,594	236,184	10,463	252,241	458,333
Communications	4,214	198,480	5,633	208,327	163,019
Legal and audit fees	405	29,330	611	30,346	19,491
Insurance	245	47,975	550	48,770	37,995
Depreciation	2,043	301,528	3,210	306,781	152,411
Bank charges	126	9,173	191	9,490	7,941
Service user costs	-	1,390,433	-	1,390,433	1,025,684
Community safety and development equipment	-	86,417	-	86,417	337,933
Others	9,886	179,922	14,121	203,929	226,131
Totals	120,017	8,691,625	180,921	8,992,563	7,527,361

5. Interest payable and similar charges

	£	£
Interest payable being interest incurred on Finance Lease agreement.	829	1,244

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2005

	2005 £	2004 £
6. Net incoming/(outgoing) resources for the year		
This is stated after charging/(crediting):		
Depreciation re owned assets	304,949	151,760
Depreciation re financed leased assets	1,832	651
Auditors remuneration for audit services	6,500	6,250
Bank loan interest	-	-
Finance lease interest	829	1,244
Property rentals	358,518	208,777
(Surplus) on sale of tangible fixed assets	(25)	(178)

Travel costs amounting to £353 were reimbursed to two members of the Board of Trustees (previous year £360 was reimbursed to two members)

7. Staff costs and numbers	£	£
Staff costs were as follows:		
Salaries and wages	4,733,998	3,821,925
Social security costs	435,598	323,282
Pension costs	79,381	61,363
Training	120,972	106,011
Recruitment	80,663	94,353
	<u>5,450,612</u>	<u>4,406,934</u>

The number of employees receiving emoluments exceeding £50,000 were:	No.	No.
Band £50,000 - £60,000	1	1
Exceeding £60,000	0	0
	£	£
Company contribution to 'Money Purchase Pension Scheme' re the above higher paid employee	5,524	4,930

Trustees neither received or waived any emoluments during the year (2004:Nil)

The average number of employees, analysed by function was:	No.	No.
Charitable services	275	228
Fundraising and publicity	2	2
Management and administration	4	4
	<u>281</u>	<u>234</u>

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2005

	Leasehold Property Improvement £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
8. Fixed assets				
Cost or valuation				
At 1 April 2004	134,296	557,850	55,298	747,444
Additions	42,144	119,413	-	161,557
Disposals	-	(25,008)	(12,600)	(37,608)
At 31 March 2005	<u>176,440</u>	<u>652,255</u>	<u>42,698</u>	<u>871,393</u>
Accumulated depreciation				
At 1 April 2004	39,238	231,648	6,697	277,583
Charges for year	47,734	235,772	23,275	306,781
Disposals	-	(25,008)	(12,600)	(37,608)
At 31 March 2005	<u>86,972</u>	<u>442,412</u>	<u>17,372</u>	<u>546,756</u>
Net book value				
At 1 April 2004	95,058	326,202	48,601	469,861
At 31 March 2005	89,468	209,843	25,326	324,637
Net book value at 31 March 2005 represents use for:				
Direct charitable purposes				
Restricted	75,141	102,247	-	177,388
Unrestricted	14,327	48,398	19,128	81,853
Other purposes				
Management & Admin	-	59,198	6,198	65,396
	<u>89,468</u>	<u>209,843</u>	<u>25,326</u>	<u>324,637</u>

The Fixed Assets classification 'Fixtures, Fittings & Equipment' (shown above) includes assets held under Finance Lease agreements as follows:

	Cost £	Accumulated Depreciation £	Net Book Value £
At 1 April 2004	12,216	651	11,565
Additions/Charges	-	1,832	1,832
At 31 March 2005	<u>12,216</u>	<u>2,483</u>	<u>9,733</u>

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2005

	2005	2004
	£	£
9. Debtors		
Trade debtors	1,004,156	906,325
Prepayments and accrued income	523,282	762,086
Other debtors	8,450	3,200
	<u>1,535,888</u>	<u>1,671,611</u>

10. Creditors: amounts falling due within one year

Trade creditors	136,813	469,443
Accruals	191,030	242,928
Deferred income (note 10a)	685,463	527,970
Other creditors including taxation and social security	352,479	202,963
Finance lease creditor	2,327	2,327
	<u>1,368,112</u>	<u>1,445,631</u>

	Unrestricted	Restricted	Total
	£	£	£
10(a). Deferred income			
Balance at 1 April 2004	166,895	361,075	527,970
Amount released to incoming resources	(152,645)	(224,564)	(377,209)
Amount deferred in the year	244,883	289,819	534,702
Balance at 31 March 2005	<u>259,133</u>	<u>426,330</u>	<u>685,463</u>

Deferred income comprises amounts received for use in future accounting periods under the following classifications:

	Unrestricted	Restricted	Total
	£	£	£
Employment and accommodation	81,888	146,016	227,904
Substance misuse initiatives	149,783	266,373	416,156
Working with young people	25,962	-	25,962
Community support	1,500	13,941	15,441
	<u>259,133</u>	<u>426,330</u>	<u>685,463</u>

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2005

	2005	2004
	£	£
11. Creditors: amounts falling due after one year		
Finance Lease creditor	4,072	6,399
12. Obligations under Finance Lease agreement		
Gross Obligations: repayable in one year	3,156	3,156
: repayable in one to five years	5,523	8,679
	<u>8,679</u>	<u>11,835</u>
Finance Charges : repayable in one year	829	829
: repayable in one to five years	1,451	2,280
	<u>2,280</u>	<u>3,109</u>
Net obligations: repayable in one year	2,327	2,327
: repayable in one to five years	4,072	6,399
	<u>6,399</u>	<u>8,726</u>

13. Operating leases

Annual commitments are:

Land & buildings which will expire	0 -1 years	20,520	13,800
	2 -5 years	156,571	122,418
	Over 5 years	216,647	135,605

14. Secured debts

The following secured debts are included within Creditors :

Finance Lease creditor	6,399	8,726
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15. Pensions

The charitable company operates a defined contribution scheme and the assets of this scheme are held independently of the charitable company. Contributions to the scheme are charged to the SOFA so as to spread the cost of pensions over the employees' working lives with the charitable company.

The pensions charge for the year is £79,381 (2004: £61,363) and the amount outstanding included in creditors at the end of the year was £8,661 (2004: £Nil)

16. Ultimate controlling party

The charitable company is controlled by the Board of Trustees.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED***Notes to the Accounts******For the Year Ended 31 March 2005*****17. Restricted funds**

	2005 £	2004 £
Incoming resources		
Employment and accommodation	443,120	1,064,840
Substance misuse initiatives	647,768	772,110
Working with young people	83,671	171,081
Community support	342,403	505,162
	<hr/>	<hr/>
	1,516,962	2,513,193
Resources expended		
Direct charitable expenditure	<hr/> 1,783,293	<hr/> 2,344,446
Net incoming/(outgoing) resources before transfers	(266,331)	168,747
Transfer from unrestricted funds to offset costs incurred on behalf of restricted funds	<hr/> 12,206	<hr/> 32,583
Net movement in funds	(254,125)	201,330
Fund balances brought forward	519,257	317,927
	<hr/>	<hr/>
Fund balances carried forward	<hr/> 265,132	<hr/> 519,257

The balances held on restricted funds at 31 March 2005 are analysed in Note 18 and represent the written down value of Tangible Fixed Assets and Net Current Assets in respect of named funds.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2005

18. Analysis of net assets between funds	Tangible Fixed Assets £	Net Current Assets £	Total 2005 £
Restricted funds			
Drug Education Exchange Visits: UK & Russia	-	2,143	2,143
Millennium Volunteers in Teesside, funded by Department for Education and Employment	-	2,402	2,402
Voluntary Sector Academy SRB	-	18,738	18,738
Aim High Easington. Basic Skills support in the Easington District through Neighbourhood Renewal Funding	4,331	-	4,331
'E2E' North Yorkshire. Assets acquired through Set-up and Marketing' Grants from Learning Skills Council	132,399	-	132,399
'Out There' Peer Led Education Programme to reduce substance misuse in the Easington District, funded through Durham DAT	-	6,500	6,500
Easington Substance Misuse Initiative, (ESMI) funded through Durham DAT	21,291	2,461	23,752
Wear Valley Drugs Outreach and Community Addictions' Rehabilitation Centre, Bishop Auckland, County Durham	16,493	86	16,579
Healthy Living Centre, Wear Valley, Passport to Health Project support from Durham Dales PCT	886	7,836	8,722
Research into drugs use in Hartlepool funded by Community Safety Unit, Hartlepool Borough Council	386	-	386
Research re 'Sure Start' Ferryhill and Chilton, funded by Sedgfield Borough Council	-	2,406	2,406
Spennymoor Drugs Outreach, High Street, Spennymoor, County Durham, funded by Durham DAT	484	35,679	36,163

**DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY
LIMITED**

Notes to the Accounts

For the Year Ended 31 March 2005

Restricted Funds (continued)	Tangible Fixed Assets £	Net Current Assets £	Total 2005 £
GOAL – Peer Befriending Scheme, support from Chester le Street Social Services	-	985	985
Young Carers Activities supported by Durham County Council	-	55	55
Young Carers Activities Coordinator funded by BBC Children in Need Appeal	-	1,596	1,596
Young Carers Domestic Violence Specialist Worker funded by the Northern Rock Foundation	-	697	697
Coordination of Social Inclusion Projects (COSIP) various funders	-	1,761	1,761
'B Smart' Supporting Young People and restoring reassurance, funded by Easington District Council	-	1,760	1,760
Community Safety Homesafe, Social Services Prevention Grant, County Durham	-	2,639	2,639
Community Safety, Supporting Young People and restoring reassurance, funded by Neighbourhood Renewal Funding through Easington District Council	1,118	-	1,118
Restricted funds	<u>177,388</u>	<u>87,744</u>	<u>265,132</u>
Unrestricted funds	<u>147,249</u>	<u>1,534,710</u>	<u>1,681,959</u>
Total funds	<u>324,637</u>	<u>1,622,454</u>	<u>1,947,091</u>

Note. Tangible Fixed Asset balance of £177,388 will fund future depreciation of assets (office equipment including telephone and security systems) purchased using restricted funds and retained at the discretion of the donor.