

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

**Registered Charity and Company Limited by Guarantee**

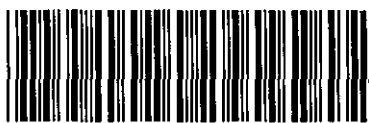
**Charity No: 515755  
Company No: 1820492**

**Report and Financial Statements**

**Year Ended: 31 March 2006**

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## DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

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

### ***Reference and administrative information***

#### **Board of Trustees**

J Black, Chair  
MW Treasure, Treasurer  
CRG Matthews-Maxwell  
RL Woodworth  
KE Hall  
JT Spencer (appointed 7 August, 2006)  
VJ Holmes (appointed 7 August, 2006)

#### **Secretary**

L Cavender

#### **Senior Management Team**

S Johnson, Chief Executive  
M Weeding, Executive Director  
L Cavender, Finance Director  
A Tully, Operations Director  
S Ryland, Operations Director  
A Hutchinson, Operations Director  
J MacPherson, Operations Director  
S Riley, Operations Director

#### **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, 4<sup>th</sup> Floor, 9 Prescot Street, London, E1 8BE

#### **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 2006***

The trustees present their report together with the financial statements of the charity for the year ended 31 March 2006.

### **Structure, Governance and Management**

#### **Governing Document**

Developing Initiatives for Support in the Community Limited - DISC- is a charity and 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.

#### **Recruitment, Training and Appointment of Trustees**

DISC's governing body is a voluntary Board of Trustees, each of whom sits independently and do not represent other agencies. The Trustees who held office during this financial year and at the date of this report are set out on page 1. Members of the Board meet monthly and do not receive any remuneration. Where claimed, expenses are reimbursed. Travel expenses of £851 were reimbursed in this financial year. (2005 - £353).

Trustees are recruited using advertisements and inviting potential trustees to complete an application form. We recruit trustees with wide ranging experience and expertise that they can offer for the benefit of the organisation, from business, marketing, education etc. A panel of Trustees, together with the Chief Executive, meet with prospective Trustees to discuss DISC's aims and objectives, their responsibilities as Trustees, ensure that there are no conflicting interests and answer any questions. Interested applicants are invited to join the Board as lay members for a period of three to six months. During this time they also visit projects, view presentations and discuss key issues with other Board Members and employees of DISC. Once this induction process is complete applicants are invited to join the Board as Trustees.

Trustees' training is an on-going process via courses, presentations, events and awaydays. We are also currently investigating the use of e-learning for Trustees.

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

## ***Trustees' Report***

***For the Year Ended 31 March 2006***

### **Management Structure**

The Board of Trustees are responsible for the strategic direction and policies of the organisation and are actively involved in the business planning of the company. The trustees monitor compliance with the business plan by monitoring key performance indicators set out in the plan. They review management accounts monthly against financial projections that are produced at least annually to reflect the activities in the business plan. The Board run a policy review group that monitors and approves all of the companies policies.

The Chair of Trustees provides supervision and support for the Chief Executive. Responsibility for the day to day running of the company lies with the Chief Executive along with the Executive Director and Finance Director. The Executive meet monthly with the Operational Directors who are responsible for the service delivery units which deliver DISC's services.

### **Risk Strategy**

A risk management strategy is in place to review, evaluate and minimise any risks facing the organisation. The strategy covers insurance plans, financial risks, media planning, health and safety, IT, archiving and reconstruction of records, staff and service user safety and disaster recovery plans. This strategy is reviewed at least annually. Quality systems and audit checks are embedded in our service delivery and we comply with various audit frameworks including ALI (employment), QUADS (drugs), QUAF (housing) and best value.

### **Objectives and Activities**

#### **Objectives**

DISC is committed to reducing deprivation and exclusion. We work with disadvantaged people and communities through specialist services which help people maximise their potential however difficult or unpromising their circumstances.

Many people whose lives are in crisis face a number of problems at the same time. Where possible DISC seeks to provide joined up services meeting complex needs which cross over the boundaries between separate statutory agency responsibilities.

DISC works in a variety of settings. Whilst a major part of our work focuses on one to one support for people whose lives are in crisis, we also work with particularly vulnerable groups and communities.

# DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

## *Trustees' Report*

*For the Year Ended 31 March 2006*

### Objectives continued

DISC provides specialist services focusing on four main themes:

- Housing Support Initiatives - helping people to access and retain good quality accommodation.
- Drug Misuse Initiatives - helping people to stop using drugs and reducing the harm to themselves and others caused by drug use.
- Employment Initiatives - helping people at disadvantage in the labour market to get and keep a job.
- Initiatives supporting vulnerable children, young people and families - helping vulnerable groups to live safely in the community.

### Review of Activities

Despite almost continuous change in policy and funding DISC has continued to enhance its services for those most disadvantaged in society.

DISC services for people misusing drugs have continued to develop during the year. We have consolidated and added to our services in Leeds and Sunderland and established additional services in Hartlepool as well as continuing to run a range of programmes in County Durham and Stockton.

Our Housing Support activities also continued to develop. We established a new 'floating support' service for young offenders in Stockton, expanded services in Hartlepool and are also establishing a new service in Darlington which is likely to include purchasing and managing a number of houses.

Despite issues around funding we also made progress with our labour market focused programmes. In West Yorkshire we signed a new two and a half year contract with the National Probation Service which included the secondment of Probation Service staff to work in a new joint team. In Gateshead and Durham we developed new services for people on incapacity benefit embracing people both in and out of work as well as continuing our established programmes such as Entry to Employment and the New Deal.

DISC also supports the Voluntary Sector Academy, a voluntary sector workforce development project which we operate on behalf of One Voice, the representative network of the voluntary sector in County Durham. This year, in addition to a substantial expansion of its work in Durham the Voluntary Sector Academy also continued to undertake regional work on behalf of the sector and established new ESF workforce development initiatives in both County Durham and the Tees Valley.

During the year our Community Support Delivery Unit, made substantial strides in developing its work, encompassing young carers, people with learning disabilities, peer drugs education, family mediation and support, young people at risk, young parents and community safety.

## DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

### *Trustees' Report*

*For the Year Ended 31 March 2006*

#### **Review of Activities continued**

A very significant event in October was our inspection by the Adult Learning Inspectorate. This encompassed all of our employment focused work including Entry to Employment, New Deal, Progress to Work and our programmes for offenders. A team of 8 inspectors looked at our services over the period of a week. We came out of the inspection with very high scores which indicated the quality of our services and reflected the high commitment of our staff despite the uncertainties they were operating under. We also achieved high scores in QAF (housing quality framework) and QUADS (drugs quality framework) and a successful Inspectors in People re-inspection. We have also appointed a specialist Quality Improvement Manager to ensure continuing focus on quality improvement within the organisation.

*This year has been one of change, development and achievement which reflects DISC's continuing aspiration to develop vibrant and effective services which, thanks to the staff, volunteers and service users, go that extra mile in seeking the best outcome for all who use our services.*

#### **Financial Review**

The majority of our funding is obtained by tendering for the delivery of our specialist services. Our funders include Job Centre Plus, The Learning & Skills Council, National Probation Service, Supporting People, Local Authorities, Drug Action Teams and European Social Funding. Total income for the year was £10,031,586, an increase of 12.7% on 2004/05, with a surplus of funds of £130,038. Total funds carried forward of £2,077,129 comprise unrestricted funds totalling £1,941,328 and restricted funds totalling £135,801. Restricted funds relate to unspent elements of designated funding.

#### **Reserves Policy**

The Trustees have established a policy whereby the unrestricted funds not committed or invested in fixed assets (free reserves) held by DISC should, ideally, represent at least three months of total resources expended. Such a level of reserves would provide a 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.

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

### ***Trustees' Report***

***For the Year Ended 31 March 2006***

#### **Reserves Policy continued**

Based on the above the target reserves would have been £2,475,387. The actual free reserves of £1,862,684 represents 75% of that target and equate to just over two months of total resources expended and as such fall short of our baseline. We therefore continue to work to this key target in our business plan to try and increase our reserves, but this is extremely difficult with such tight funding regimes and many projects running on defrayed expenditure basis.

#### **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 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.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information



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

***Trustees' Report***

***For the Year Ended 31 March 2006***

**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 18 December 2006 and signed on its behalf by:

**J Black, Chair**

A handwritten signature in black ink, appearing to be 'J Black', written in a cursive style.

## ***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 2006 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 International Standards on Auditing (U.K. and Ireland).

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 International Standards on Auditing (U.K. 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 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 2006 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** 20 December 2006.

# DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

## Statement of Financial Activities (including Income & Expenditure Account)

For the Year Ended 31 March 2006

	Note	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
<b>Incoming resources</b>					
<b>Income resources from generated funds</b>					
<b>Voluntary income:</b>					
Donations	2	4,480	10,049	14,529	22,453
<b>Investment income:</b>					
Bank interest receivable		39,440	-	39,440	31,514
<b>Incoming resources from charitable activities</b>					
Grants and fees under contracts	3	8,308,151	1,669,466	9,977,617	8,850,747
<b>Total incoming resources</b>		<u>8,352,071</u>	<u>1,679,515</u>	<u>10,031,586</u>	<u>8,904,714</u>
<b>Charitable activities</b>					
Employment & accommodation		4,428,618	511,887	4,940,505	5,586,334
Substance misuse initiatives		2,030,129	564,596	2,594,725	1,576,287
Working with young people		1,036,540	-	1,036,540	1,092,284
Community support		485,644	748,143	1,233,787	654,289
<b>Governance Costs</b>		<u>95,991</u>	<u>-</u>	<u>95,991</u>	<u>83,369</u>
<b>Total resources expended</b>	4	<u>8,076,922</u>	<u>1,824,626</u>	<u>9,901,548</u>	<u>8,992,563</u>
<b>Net incoming/(outgoing) resources before transfers</b>	6	275,149	(145,111)	130,038	(87,849)
Transfers between funds		(15,780)	15,780	-	-
<b>Net movement in funds</b>		<u>259,369</u>	<u>(129,331)</u>	<u>130,038</u>	<u>(87,849)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>1,681,959</u>	<u>265,132</u>	<u>1,947,091</u>	<u>2,034,940</u>
<b>Total funds carried forward</b>		<u>1,941,328</u>	<u>135,801</u>	<u>2,077,129</u>	<u>1,947,091</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 2006

	Note	£	2006 £	2005 £
<b>Fixed assets</b>				
Tangible fixed assets	8		115,178	324,637
<b>Current assets</b>				
Stock on hand	9	18,168		1,967
Debtors	10	1,694,698		1,535,888
Cash at bank and in hand		1,464,362		1,456,783
		<u>3,177,228</u>		<u>2,994,638</u>
Creditors: amounts falling due within one year	11	<u>1,213,532</u>		<u>1,368,112</u>
<b>Net current assets</b>			<u>1,963,696</u>	<u>1,626,526</u>
Total assets less current liabilities			2,078,874	1,951,163
Creditors: amounts falling due after more than one year	12		1,745	4,072
<b>Net assets</b>			<u>2,077,129</u>	<u>1,947,091</u>
<b>Funds</b>				
Restricted	19		135,801	265,132
Unrestricted	20		<u>1,941,328</u>	<u>1,681,959</u>
			<u>2,077,129</u>	<u>1,947,091</u>

Approved by the Board of Trustees on 18 December 2006 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 2006

### Reconciliation of operating income to net cash inflow from operating activities

	Note	2006 £	2005 £
Operating income/(outgoing)		91,427	(118,534)
Depreciation		254,530	306,781
Increase in stock		(16,201)	(1,967)
(Surplus) on disposal of fixed assets		(140)	(25)
Decrease/(increase) in debtors		(158,810)	135,723
(Decrease)/increase in creditors		(154,580)	(77,519)
<b>Net cash inflow from operating activities</b>		<b>16,226</b>	<b>244,459</b>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		16,226	244,459
Return on investments & servicing of finance	1	38,611	30,685
Taxation		-	-
Capital expenditure	1	(44,931)	(161,532)
Management of liquid resources		9,906	113,612
Financing		-	-
<b>Increase/(decrease) in cash</b>		<b>9,906</b>	<b>113,612</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
Increase in cash in the year		9,906	113,612
Repayment of mortgage		-	-
Change in net debt	2	9,906	113,612
Net debt at 1 <sup>st</sup> April 2005	2	1,450,384	1,336,772
<b>Net debt at 31 March 2006</b>	<b>2</b>	<b>1,460,290</b>	<b>1,450,384</b>

### NOTES TO THE CASH FLOW STATEMENT

#### Note 1 - Gross Cash Flows

##### Returns on investments & servicing of finance

Interest received	39,440	31,514
Interest paid	(829)	(829)
	<b>38,611</b>	<b>30,685</b>

##### Capital expenditure

Payments to acquire tangible fixed assets	(45,071)	(161,557)
Receipts from sales of tangible fixed assets	140	25
	<b>44,931</b>	<b>(161,532)</b>

#### Note 2 - Analysis of changes in net debt

	At 01/04/05	Cash Flows	At 31/03/06
Cash at bank and in hand	1,456,783	7,579	1,464,362
Debt due within one year	(2,327)	-	(2,327)
Debt due after one year	(4,072)	2,327	(1,745)
<b>Net debt</b>	<b>1,450,384</b>	<b>9,906</b>	<b>1,460,290</b>

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 2006*

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Net movement in funds for the year	259,369	(129,331)	130,038	(87,849)
Resources (used) or released through the change in net values of tangible fixed assets	68,605	140,854	209,459	145,224
Net movement in funds available for future activities	327,974	11,523	339,497	57,375

## DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

### *Notes to the Accounts*

*For the Year Ended 31 March 2006*

#### 1. Accounting policies

- (a) **Basis of accounting.** The accounts have been prepared under the historical cost convention and are in accordance with applicable UK accounting standards, the Companies Act 1985 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005) issued in March 2005.
- (b) **Incoming Resources**
- Voluntary income is received by way of donations and is included in full in the Statement of Financial Activities when received.
  - Income from charitable activities includes income recognised as earned where the related services are provided under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
  - Income is deferred where grants have been received for a future period and is released to incoming resources in the period for which it has been received.
  - Grants received for the purchase of fixed assets are recognised in full when received in the Statement of Financial Activities.
  - Investment income is recognised on a receivable basis.
- (c) **Resources expended**
- Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure is net of recoverable VAT where conditions for recovery are met. All other expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
  - Costs of generating funds comprise the support costs from central function associated with attracting voluntary income.
  - Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
  - Governance costs include those incurred in the governance of its assets and are primarily associated with constitutional and statutory requirements.



## DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

### *Notes to the Accounts*

*For the Year Ended 31 March 2006*

#### 1. Accounting policies

##### (c) Resources expended (continued)

- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. These comprise an apportionment, based on the number of staff and percentage of staff time spent of those salaries and overheads which are considered to be incurred in supporting the activities of the charity.

##### (c) Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity notwithstanding that part of an unrestricted fund may be earmarked for a particular project.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor.
- Where a deficit arises on restricted funds, a transfer from unrestricted funds will be made to offset the deficit.

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

- (e) **Tangible fixed assets and depreciation.** Assets are for use by the charity in fulfilling its charitable objects and are valued at cost. The value below which assets are not capitalised is £1,000. Annual depreciation rates are 25% on cost for Motor Vehicles and from 15% on cost to 100% on cost for Equipment. When Equipment is acquired for use by a specific project then the depreciation rate reflects the anticipated duration of that project. Leasehold premises are depreciated in full over the full period of the lease or, where applicable up to the date of the first 'break' clause.

- (f) **Leasing and hire purchase.** Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and are depreciated over the shorter of the lease term or their useful life. 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 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.

- (g) **Stock.** Stock is valued at the lower of cost and net realisable value. Stock comprises I.T. Equipment held for future use.

# DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

## Notes to the Accounts

For the Year Ended 31 March 2006

### 2. Voluntary Income - Donations

Donations totalling £14,529 were received from The Barbour Trust, Gregg's Trust, Christ's Hospital in Sherburn, The Shakespeare Temperance Trust, Hartlepool College of Further Education and Grenham Solutions Limited. All of these donations were directed toward support of young people in need and in particular the furnishing, decoration and maintenance of their accommodation. The young people in need who have benefited and DISC are pleased to acknowledge the donors.

	Unrestricted £	Restricted £	2006 Total £	2005 Total £
Employment & accommodation	500	9,799	10,299	13,748
Substance misuse initiatives	-	-	-	5,175
Working with young people	3,980		3,980	1,900
Community support	-	250	250	1,630
Totals	<u>4,480</u>	<u>10,049</u>	<u>14,529</u>	<u>22,453</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 £	2006 Total £	2005 Total £
Employment & accommodation	4,427,503	391,128	4,818,631	5,391,178
Substance misuse initiatives	2,246,744	537,623	2,784,367	1,587,462
Working with young people	1,096,783	0	1,096,783	1,205,702
Community support	537,121	740,715	1,277,836	666,405
Totals	<u>8,308,151</u>	<u>1,669,466</u>	<u>9,977,617</u>	<u>8,850,747</u>

# DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

## Notes to the Accounts

For the Year Ended 31 March 2006

### 4. Resources expended

Total resources expended are analysed as follows :-

	Staff Costs	Service Users	Premises	Office, Finance and IT	Depre- ciation	2006	2005
	£	£	£	£	£	Total £	Total £
<b>Costs directly Charged to Charitable Activities:</b>							
Employment & Accommodation	2,698,977	1,054,959	392,833	130,859	157,340	4,434,968	4,980,350
Substance Misuse Initiatives	1,720,504	11,948	325,181	107,748	50,694	2,216,075	1,411,295
Working with Young People	815,896	22,522	51,183	41,029	3,102	933,372	978,130
Community Support	760,061	231,460	41,706	50,503	6,513	1,090,243	629,639
	<u>5,995,438</u>	<u>1,320,889</u>	<u>810,903</u>	<u>330,139</u>	<u>217,649</u>	<u>8,675,018</u>	<u>7,999,414</u>
<b>Support Costs</b>	765,090	-	142,703	188,201	34,545	1,130,539	909,780
<b>Total Charitable expenditure (i)</b>	<u>6,760,528</u>	<u>1,320,889</u>	<u>953,606</u>	<u>518,340</u>	<u>252,194</u>	<u>9,805,557</u>	<u>8,909,194</u>
<b>Governance (ii)</b>	65,485	-	5,266	22,903	2,337	95,991	83,369
<b>Total Expenditures</b>	<u>6,826,013</u>	<u>1,320,889</u>	<u>958,872</u>	<u>541,243</u>	<u>254,531</u>	<u>9,901,548</u>	<u>8,992,563</u>

(i) Includes direct charitable expenditure and those costs of an indirect nature referred to as 'support costs' which are those incurred by the charity's Central Support Unit comprising management and administration, finance, information technology, human resources and health and safety services. Support costs have been apportioned across charitable activities on a basis consistent with use of resources as disclosed in note (1c).

(ii) Governance costs are those incurred by the charity's Central Support Unit for the purpose of compliance with constitutional and statutory requirements.

### 5. Interest payable and similar charges

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

# DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

## Notes to the Accounts

For the Year Ended 31 March 2006

	2006 £	2005 £
<b>6. Net incoming/(outgoing) resources for the year</b>		
<b>This is stated after charging/(crediting):</b>		
Depreciation re owned assets	252,697	304,949
Depreciation re financed leased assets	1,833	1,832
Auditors remuneration for audit services	7,000	6,500
Bank loan interest	-	-
Finance lease interest	829	829
Property rentals	418,554	358,518
(Surplus) on sale of tangible fixed assets	(140)	(25)
<b>7. Staff costs and numbers</b>	<b>£</b>	<b>£</b>
<b>Staff costs were as follows:</b>		
Salaries and wages	5,312,414	4,627,622
Social security costs	494,402	435,598
Pension costs	103,186	79,381
Training	128,974	120,972
Recruitment	47,159	80,663
Agency Staff and Consultants	189,938	106,376
	<u>6,276,073</u>	<u>5,450,612</u>
 The number of employees receiving emoluments exceeding £60,000 were:	 No.	 No.
£60,000 - £69,999	2	1
£70,000 - £79,999	1	-
 During the year pension contributions on behalf of these staff amounted to £15,646 (2005 : £7,951)		
 The average number of employees, analysed by function was:		
Charitable Activities	277	260
Governance	1	1
Support Activities	23	20
	<u>301</u>	<u>281</u>

### 7(a). Trustees' remuneration and expenses

Trustees neither received or waived any remuneration during the year (2005 : Nil)

Travel expenses, directly related to their duties as trustee, were reimbursed to two members of the board at a cost of £851 (2005 : £353 to two members)

# DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

## Notes to the Accounts

### For the Year Ended 31 March 2006

	Leasehold Property Improvement £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
<b>8. Fixed assets</b>				
<b>Cost or valuation</b>				
At 1 April 2005	176,440	652,255	42,698	871,393
Additions	2,225	42,846	-	45,071
Disposals	-	(53,047)	-	(53,047)
At 31 March 2006	<u>178,665</u>	<u>642,054</u>	<u>42,698</u>	<u>863,417</u>
<b>Accumulated depreciation</b>				
At 1 April 2005	86,972	442,412	17,372	546,756
Charges for year	51,421	190,672	12,437	254,530
Disposals	-	(53,047)	-	(53,047)
At 31 March 2006	<u>138,393</u>	<u>580,037</u>	<u>29,809</u>	<u>748,239</u>
<b>Net book value</b>				
At 1 April 2005	89,468	209,843	25,326	324,637
At 31 March 2006	40,272	62,017	12,889	115,178
<b>Net book value at 31 March 2006 represents use for:</b>				
<b>Direct charitable purposes</b>				
Restricted	32,595	3,939	-	36,534
Unrestricted	7,677	12,379	9,520	29,576
<b>Other purposes</b>				
Management & Admin	-	45,699	3,369	49,068
	<u>40,272</u>	<u>62,017</u>	<u>12,889</u>	<u>115,178</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 2005	12,216	2,483	9,733
Additions/Charges	-	1,833	1,833
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2006	<u>12,216</u>	<u>4,316</u>	<u>7,900</u>

## 9. Stock on hand

Stock at a value of £18,168 (2005 : £1,967) comprises IT Equipment held by the Charity for future use.

# DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

## Notes to the Accounts

For the Year Ended 31 March 2006

	2006	2005
	£	£
<b>10. Debtors</b>		
Trade debtors	961,315	1,004,156
Prepayments	119,984	95,456
Accrued income	604,949	427,826
Other debtors	8,450	8,450
	<u>1,694,698</u>	<u>1,535,888</u>

### 11. Creditors: amounts falling due within one year

Trade creditors	218,864	136,813
Accruals	143,189	191,030
Deferred income (note 11a)	470,081	685,463
Other creditors including taxation and social security	379,071	352,479
Finance lease creditor	2,327	2,327
	<u>1,213,532</u>	<u>1,368,112</u>

	Unrestricted	Restricted	Total
	£	£	£
<b>11(a). Deferred income</b>			
Balance at 1 April 2005	259,133	426,330	685,463
Amount released to incoming resources	(244,883)	(387,914)	(632,797)
Amount deferred in the year	301,824	115,591	417,415
Balance at 31 March 2006	<u>316,074</u>	<u>154,007</u>	<u>470,081</u>

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

	Unrestricted	Restricted	Total
	£	£	£
Employment and accommodation	98,190	1,620	99,810
Substance misuse initiatives	160,634	93,796	254,430
Working with young people	12,600	-	12,600
Community support	44,650	58,591	103,241
	<u>316,074</u>	<u>154,007</u>	<u>470,081</u>

# DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

## Notes to the Accounts

For the Year Ended 31 March 2006

	2006	2005
	£	£
<b>12. Creditors: amounts falling due after one year</b>		
Finance Lease creditor	1,745	4,072
<b>13. Obligations under Finance Lease agreement</b>		
Gross Obligations: repayable in one year	3,156	3,156
: repayable in one to five years	2,367	5,523
	<u>5,523</u>	<u>8,679</u>
Finance Charges : repayable in one year	829	829
: repayable in one to five years	622	1,451
	<u>1,451</u>	<u>2,280</u>
Net obligations: repayable in one year	2,327	2,327
: repayable in one to five years	1,745	4,072
	<u>4,072</u>	<u>6,399</u>
<b>14. Operating leases</b>		
Annual commitments are:		
Land & buildings which will expire		
0 -1 years	51,350	20,520
2 -5 years	205,721	156,571
Over 5 years	142,867	216,647
<b>15. Secured debts</b>		
The following secured debts are included within Creditors :		
Finance Lease creditor	4,072	6,399

## 16. 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 £103,186(2005: £79,381) and the amount outstanding included in creditors at the end of the year was £10,377(2005: £8,661)

## 17. Taxation

The Charitable Company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

## 18. 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 2006

### 19. Restricted funds

	2006 £	2005 £
<b>Incoming resources</b>		
Employment and accommodation	400,927	443,120
Substance misuse initiatives	537,623	647,768
Working with young people	-	83,671
Community support	740,965	342,403
	<hr/>	<hr/>
	1,679,515	1,516,962
<b>Resources expended</b>		
Direct charitable expenditure	<hr/> 1,824,626	<hr/> 1,783,293
<b>Net incoming/(outgoing) resources before transfers</b>	(145,111)	(266,331)
Transfer from unrestricted funds to offset costs incurred on behalf of restricted funds	<hr/> 15,780	<hr/> 12,206
<b>Net movement in funds</b>	(129,331)	(254,125)
<b>Fund balances brought forward</b>	265,132	519,257
	<hr/>	<hr/>
<b>Fund balances carried forward</b>	<hr/> 135,801	<hr/> 265,132

The balances held on restricted funds at 31 March 2006 are analysed in Note 20 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 2006*

20. Analysis of net assets between funds	Tangible Fixed Assets £	Net Current Assets £	Total 2006 £
<b>Restricted funds</b>			
Drugs Education Exchange Visits: UK & Russia	-	4,016	4,016
Assistance for young people in need, funded by Christ's Hospital in Sherburn	-	3,000	3,000
Voluntary Sector Academy SRB	-	16,491	16,491
Voluntary Sector Academy, funded by Community Foundation	-	5,211	5,211
e2e North Yorkshire - Assets acquired through set-up and Marketing' Grants from Learning Skills Council	19,817	-	19,817
Easington Substance Misuse Initiative, funded by Durham DAT	14,984	10,837	25,821
Wear Valley Drugs Outreach and Community Addictions' Rehabilitation Centre, Bishop Auckland, County Durham - funded by Durham Dales PCT	-	10,210	10,210
Young Persons' Outreach Centre - Ridgemount House, Peterlee, funded by Durham DAT	-	11,931	11,931
Healthy Living Centre, Wear Valley, Passport to Health Project, support from Durham Dales PCT	-	1,078	1,078
Young Persons' Substance Misuse Initiative, Stockton on Tees, funded by Stockton Drugs Action Team	-	10,115	10,115
GOAL - Peer Befriending Scheme, Support from Durham Social Services	-	1,406	1,406

# DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

## *Notes to the Accounts For the Year Ended 31 March 2006*

Restricted Funds (continued)	Tangible Fixed Assets £	Net Current Assets £	Total 2006 £
'Young Mums to be' Programme, funded by Middlesbrough Teenage Pregnancy Strategy	-	1,985	1,985
Young Carers Together - action area Easington, funded by Easington District Council	-	2,267	2,267
Young Persons' Community Support, funded by Durham County Council, Education in the Community	-	906	906
COSIP - Coordination of Social Inclusion Projects, various funders	-	2,062	2,062
'Young Mums to be', Redar, funded by Connexions Tees Valley	-	7,178	7,178
Wear Valley Target Hardening, funded by Wear Valley District Council	-	315	315
Dales & Wear Valley 'Homesafe', Healthy Living Choice Programme, funded by Durham Dales PCT	-	10,259	10,259
Supporting Young People (Intervention and Prevention Service), funded by Easington District Council NRF	479	-	479
Equipment purchased for Community Support Programmes, various funders	1,254	-	1,254
<b>Restricted funds</b>	<b>36,534</b>	<b>99,267</b>	<b>135,801</b>
<b>Unrestricted funds</b>	<b>78,644</b>	<b>1,862,684</b>	<b>1,941,328</b>
<b>Total funds</b>	<b>115,178</b>	<b>1,961,951</b>	<b>2,077,129</b>

**Note.** Tangible Fixed Asset balance of £36,534 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.