

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Registered Charity and Company Limited by Guarantee

Report and Financial Statements

Year Ended: 31 March 2003

**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
RL Woodworth
KE Hall (appointed 17th June 2002)

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 Sadler Street, Durham, DH1 3NP

Bankers

The Co-operative Bank plc, Norfolk House, 90 Grey Street, Newcastle upon Tyne,
NE1 6BZ

Solicitors

Alison 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 2003

The Board of Trustees presents its report and the audited financial statements for the year ended 31st March 2003.

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 £262 were claimed this financial year (2002 - £258).

As well as the Trustees responsibilities for the accounts they also 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 and other decisions of the Board. Operational management is vested in the Management Team consisting of the Chief Executive, Finance Director, Executive Director and Operations Directors.

The organisations four key objectives within our current Business Plan are:

- To focus on the development of services around the three prioritised themes of unemployment, drug misuse, independent living, together with integrated services joining together the three specialist themes.
- To ensure the continued development and delivery of high quality services to socially excluded people.
- To continue to improve staff retention and the quality of services delivered by implementing best practice in staff recruitment, management and training.
- To increase DISC's capacity to support further growth by strengthening infrastructure support.

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

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Trustees' Report (continued)

For the Year Ended 31 March 2003

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

We have seen a great deal of service development again this year. After a difficult year in 2001/02 we have opened a range of new projects which are discussed below.

The positive Adult Learning Inspectorate inspection of last year is continuing to bring interest to our work. At the end of the period considerable activity is taking place around the successor programme to Lifeskills, Entry 2 Employment. We are one of only two organisations nationally which have scored a 1 for this programme for 16 – 19 year olds marginalised from education and work. We are currently negotiating to operate this programme in North Yorkshire, Cumbria, Tees Valley and Co. Durham and are optimistic about the outcome.

We have successfully established Progress2Work projects in Co. Durham, Tees Valley and Leeds after national tendering. These projects are designed to help people completing treatment for serious drug misuse to access employment, training or education.

We have successfully developed a community mediation scheme in Easington. Designed to reduce local conflict and the need for the police to intervene in local 'incidents', it is already having a dramatic effect. Easington has seen a rapid growth in our work with the Aim High basic skills development project working alongside our drugs and housing support services.

Our services for drug misusers are continuing to consolidate and expand their work in Co. Durham and Hartlepool. The formation of the National Treatment Agency and a national framework for services, Models of Care, is producing much needed change in the sector. Our Community Support services delivering through and after care are now firmly lodged in multi – agency premises, a goal for which we have long worked.

Our work in Yorkshire has been expanding; in particular we now have a range of staff providing basic skills support to offenders, in addition to the employment guidance work we offer across the region. We have outgrown our base in Bradford and recently moved office to Leeds.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Trustees' Report (continued)

For the Year Ended 31 March 2003

Review of Activities (continued)

Support for those marginalised in the community remains a strong theme in our work through support for young carers, people with disabilities and those who are victims of crime and domestic violence.

The Supporting People initiative is a major opportunity for us to develop our work with the homeless, which we have done for many years with limited resources. A year struggling to develop programmes under the transitional housing benefit scheme saw us finally contracted to provide 125 floating support places for young people aged 16 – 25 in Co. Durham and Stockton.

The Government's agenda for the future of voluntary organisations continues to intrigue and concern in equal measures. At a local level the continuing unplanned growth of partnership exhaust both resources and patience whilst national plans to pull us into large scale Private Finance Initiative style tendering and service delivery require resourcing on a scale undreamt of in this sector a decade ago. At DISC we are working to combine an increasingly business like approach to managing our affairs whilst retaining the best features of a caring personalised service. It is no accident that we have borrowed from business models adopted by the likes of Virgin, as we develop small scale units from which we intend to manage our growth.

Discussions during the year led to increasing certainty that we needed to change and adapt our structures. We made the final decisions in January after some careful trialling of our ideas.

We have decided to develop a series of Service Delivery Units, each with their own specialism and area of expertise. These units will develop an internal management team and will have increasing responsibility to develop and sustain their own area of work. Staff will have a greater ability to influence the direction of the work in which they are intimately involved and a better idea of how they fit in the organisation.

Some of the SDU's are already in place and ready to pick up their role and run, for others it is early days. We have set ourselves a 3 year target to really get them working effectively and to devolve autonomy to them.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Trustees' Report (continued)

For the Year Ended 31 March 2003

Results

DISC had total incoming resources of £5,043,023 for the year, an increase of 7% on 2001/02. This has resulted in an increase in funds of £405,757 of which £171,753 were restricted funds. This gives general reserves of £885,306.

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 the 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.

This would equate to approximately £1,159,316 for this financial year. The current free reserves total £885,306 – three quarters of this target. This is an improvement of 25% on last year but we are still falling 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.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Trustees' Report (continued)

For the Year Ended 31 March 2003

Conclusion

To all our staff, volunteers and students we send our congratulations for so many successful and positive interventions and thanks for your hard work and commitment. The commitment of so many staff to supporting people to live independent lives is still a defining feature of working within DISC. It is refreshing to see some Quality systems starting to move away from dependence on paper based assurance of minimum standards to actually spending time with service users and staff in order to test the quality of the work we undertake.

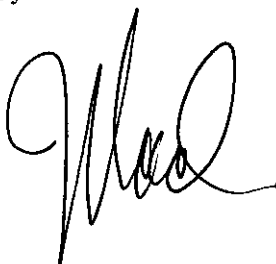
We would also like to thank all those who entrusted us with the task of delivering services on behalf of their organisation. These relationships and partnerships are at the heart of what we do and we place a great deal of importance on them. The time commitments are often substantial but the tangible results can also be of great value to both parties.

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 **15 DECEMBER**
its behalf by:

2003 and signed on



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 2003 on pages 9 to 22, 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 12 and 13.

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***

(continued)

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 2003 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 Sadler Street
Durham
DH1 3NP

Date 6/1/04.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Statement of Financial Activities (including Income & Expenditure Account)

For the Year Ended 31 March 2003

	Note	Unrestricted Funds £	Restricted Funds £	Total 2003 £	Total 2002 £
Incoming resources					
Donations	2	6,513	1,190	7,703	35,143
Activities to further the charities objects: grants & fees under contracts for advice and information, outreach work, training and other services	3	3,236,966	1,784,638	5,021,604	4,625,118
Interest receivable		13,716	-	13,716	10,104
Total incoming resources		<u>3,257,195</u>	<u>1,785,828</u>	<u>5,043,023</u>	<u>4,670,365</u>
Resources expended					
<i>Costs of generating funds</i>					
Fundraising and publicity		90,262	-	90,262	88,113
<i>Charitable expenditure</i>					
Employment & accommodation		1,786,728	331,624	2,118,352	1,654,946
Substance misuse initiatives		237,193	601,796	838,989	571,336
Working with young people		446,038	384,589	830,627	1,205,673
Community care		243,073	7,881	250,954	491,300
Community development		85,063	292,376	377,439	335,429
Management & administration		130,643	-	130,643	130,193
Total resources expended	4	<u>3,019,000</u>	<u>1,618,266</u>	<u>4,637,266</u>	<u>4,476,990</u>
Net incoming resources before transfers	5	238,195	167,562	405,757	193,375
Transfers between funds		(4,191)	4,191	-	-
Net movement in funds		<u>234,004</u>	<u>171,753</u>	<u>405,757</u>	<u>193,375</u>
Total funds brought forward at 1 April 2002		<u>651,302</u>	<u>146,174</u>	<u>797,476</u>	<u>604,101</u>
Total funds carried forward at 31 March 2003	16	<u>885,306</u>	<u>317,927</u>	<u>1,203,233</u>	<u>797,476</u>

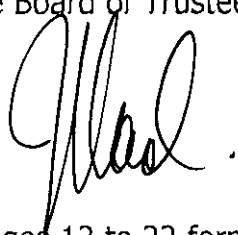
The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Balance Sheet as at 31 March 2003

	Note	2003 £	2002 £
Fixed assets			
Tangible fixed assets	7	175,376	109,741
Current assets			
Stock on hand	13	-	4,000
Debtors	8	1,357,608	793,375
Cash at bank and in hand		765,836	759,148
		<u>2,123,444</u>	<u>1,556,523</u>
Creditors: amounts falling due within one year	9	<u>1,095,587</u>	<u>864,050</u>
Net current assets		<u>1,027,857</u>	<u>692,473</u>
Total assets less current liabilities		1,203,233	802,214
Creditors: amounts falling due after more than one year	10	<u>-</u>	<u>4,738</u>
Net assets		<u>1,203,233</u>	<u>797,476</u>
Funds			
Restricted	16	317,927	146,174
Unrestricted	17	<u>885,306</u>	<u>651,302</u>
		<u>1,203,233</u>	<u>797,476</u>

Approved by the Board of Trustees on 15 DECEMBER 2003 and signed on its behalf by:



J Black, Chair

The notes on pages 12 to 22 form part of these accounts.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Cash Flow Statement

For the Year Ended 31 March 2003

Reconciliation of operating income to net cash inflow from operating activities

	Note	2003	2002
Operating income		392,492	184,056
Depreciation		87,675	34,284
Decrease in stock		4,000	-
Surplus on disposal of fixed assets		(18,889)	-
Decrease/(increase) in debtors		(564,233)	116,248
Increase in creditors		226,799	171,097
Net cash inflow from operating activities		<u>127,844</u>	<u>505,685</u>

Cash flow statement

Net cash inflow from operating activities		127,844	505,685
Return on investments & servicing of finance	1	13,265	9,319
Taxation		-	-
Capital expenditure	1	(134,421)	(74,104)
Management of liquid resources		6,688	440,900
Financing		-	-
Increase/(decrease) in cash		<u>6,688</u>	<u>440,900</u>

Reconciliation of net cash flow to movement in net debt

Increase in cash in the year	6,688	440,900	
Repayment of mortgage	<u>7,688</u>	<u>2,853</u>	
Change in net debt		14,376	443,753
Net debt at April 2002		<u>751,460</u>	<u>307,707</u>
Net funds at 31 March 2003		<u>765,836</u>	<u>751,460</u>

NOTES TO THE CASH FLOW STATEMENT

Note 1 - Gross Cash Flows

Returns on investments & servicing of finance

		10,104	
Interest received	13,716	(785)	
Interest paid	(451)		9,319
	<u>13,265</u>		

Capital expenditure

Payments to acquire tangible fixed assets	157,913	74,104	
Receipts from sales of tangible fixed assets	(23,492)	-	
	<u>134,421</u>	<u>74,104</u>	

Note 2 - Analysis of changes in net debt

	At 01/04/02	Cash Flows	At 31/03/03
Cash in hand, at bank	759,148	6,688	765,836
Debt due within one year	(2,950)	2,950	-
Debt due after one year	(4,738)	4,738	-
	<u>751,460</u>	<u>14,376</u>	<u>765,836</u>

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2003

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 (continued)

For the Year ended 31 March 2003

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 10% on cost for Freehold Property, 25% on cost for Motor Vehicles and from 15% on written down value 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.

(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.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts (continued)

For the Year Ended 31 March 2003

2. Donations

Donations totalling £7,703 included £6,413 to help homeless young people in need, furnish and decorate their accommodation. Donations for these purposes include those received from The Barbour Trust, Gregg's Trust and Christ's Hospital in Sherburn. Support for Community Development was received from the Freemasons of Co. Durham and the Police and Fire Brigades of Co. Durham.

	Unrestricted	Restricted	2003 Total	2002 Total
	£	£	£	£
Employment and accommodation	6,413	-	6,413	553
Substance misuse initiatives	100	-	100	30,500
Community care	-	-	-	2,540
Community development	-	1,190	1,190	1,550
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	6,513	1,190	7,703	35,143

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	2003 Total	2002 Total
	£	£	£	£
Employment and accommodation	2,150,813	434,783	2,585,596	1,859,594
Substance misuse initiatives	278,617	675,005	953,622	684,447
Working with young people	459,294	376,654	835,948	1,259,918
Community care	262,229	7,769	269,998	512,180
Community development	86,013	290,427	376,440	308,979
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Totals	3,236,966	1,784,638	5,021,604	4,625,118

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2003

4. Resources expended

These are analysed by activity in the Statement of Financial Activities on page 9.

Expenditure by appropriate cost classification is:

	Fundraising		Management		2003	2002
	and	Charitable	and		Total	Total
	Publicity	Activities	Administration			
	£	£	£	£	£	£
Staff costs (note 6)	66,274	2,790,027	92,561	2,948,862	3,040,516	
Transport	3,287	258,596	4,597	266,480	238,258	
Premises	6,462	231,098	9,035	246,595	287,917	
Maintenance, equipment						
and computers	4,231	135,673	5,916	145,820	95,370	
Communications	2,961	100,954	4,589	108,504	90,957	
Legal and audit fees	283	9,094	397	9,774	10,010	
Insurance	248	27,072	463	27,783	25,899	
Depreciation	3,963	77,848	5,864	87,675	34,284	
Bank charges	187	5,995	261	6,443	5,324	
Service user costs	-	479,423	-	479,423	408,140	
Community						
development equipment	-	192,522	-	192,522	120,955	
Others	2,366	108,059	6,960	117,385	119,360	
Totals	<u>90,262</u>	<u>4,416,361</u>	<u>130,643</u>	<u>4,637,266</u>	<u>4,476,990</u>	

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2003

	2003	2002
	£	£

5. Net incoming resources for the year

This is stated after charging/(crediting):

Depreciation	87,675	34,284
Auditors remuneration for audit services	4,975	5,150
Bank loan interest	451	785
Surplus on sale of tangible fixed assets	(18,889)	-

Travel costs amounting to £262 were reimbursed to one member of the Board of Trustees (previous year £258 were reimbursed to one member)

	2003	2002
	£	£

6. Staff costs and numbers

Staff costs were as follows:

Salaries and wages	2,576,277	2,690,790
Social security costs	207,026	214,824
Pension costs	44,450	48,125
Training	67,903	43,818
Recruitment	53,206	42,959
	<hr/>	<hr/>
	2,948,862	3,040,516

No employee received emoluments of more than £50,000 (same last year). The trustees neither received or waived any emoluments during the year (2002:Nil)

The average number of employees, analysed by function was:

	2003	2002
		No
Charitable services	163	174
Fundraising and publicity	2	2
Management and administration	4	4
	<hr/>	<hr/>
	169	180

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2003

	Freehold Property £	Leasehold Property Improvement £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
7. Fixed assets					
Cost or valuation					
At 1 April 2002	39,835	-	312,714	6,734	359,283
Additions	-	62,965	94,948	-	157,913
Disposals	(39,835)	-	(156,941)	-	(196,776)
At 31 March 2003	-	62,965	250,721	6,734	320,420
Accumulated depreciation					
At 1 April 2002	31,874	-	216,686	982	249,542
Charges for year	3,358	13,903	68,730	1,684	87,675
Disposals	(35,232)	-	(156,941)	-	(192,173)
At 31 March 2003	-	13,903	128,475	2,666	145,044
Net book value					
At 1 April 2002	7,961	-	96,028	5,752	109,741
At 31 March 2003	-	49,062	122,246	4,068	175,376
Net book value at 31 March 2003 represents use for:					
Direct charitable purposes					
Restricted	-	45,207	62,680	-	107,887
Unrestricted	-	3,855	24,027	-	27,882
Other purposes					
Management & administration	-	-	35,539	4,068	39,607
	-	49,062	122,246	4,068	175,376

7(a). Capital Commitments

	2003 £	2002 £
Amount contracted for but not provided in the accounts	20,377	98,308

The commitments are in respect of installation of computer facilities for the 'Wear Valley Drugs Outreach and Community Addiction Rehabilitation Project' at Bishop Auckland, Co. Durham.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2003

	2003 £	2002 £
8. Debtors		
Trade debtors	708,045	518,886
Prepayments and accrued income	649,563	274,489
	<u>1,357,608</u>	<u>793,375</u>

9. Creditors: amounts falling due within one year

Trade creditors	275,118	128,553
Accruals	74,477	81,775
Deferred income (note 9a)	553,520	462,374
Other creditors including taxation and social security	192,472	188,398
Mortgage	-	2,950
	<u>1,095,587</u>	<u>864,050</u>

	Unrestricted £	Restricted £	Total £
9(a). Deferred income			
Balance at 1 April 2002	131,005	331,369	462,374
Amount released to incoming resources	(88,301)	(163,361)	(251,662)
Amount deferred in the year	<u>244,675</u>	<u>98,133</u>	<u>342,808</u>
Balance at 31 March 2003	<u>287,379</u>	<u>266,141</u>	<u>553,520</u>

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

	Unrestricted £	Restricted £	Total £
Employment and accommodation	109,344	-	109,344
Substance misuse initiatives	61,169	251,141	312,310
Community care	108,316	-	108,316
Community development	<u>8,550</u>	<u>15,000</u>	<u>23,550</u>
	<u>287,379</u>	<u>266,141</u>	<u>553,520</u>

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts

For the Year Ended 31 March 2003

	2003 £	2002 £
10. Creditors: amounts falling due after one year		
Mortgage : due 1 - 2 years	-	3,212
Mortgage : due 2 - 5 years	-	1,526
	<hr/>	<hr/>
	-	4,738

11. Legal charge over freehold property

There were no legal charges over freehold property at 31 March, 2003. During the year, the charitable company sold a mortgaged freehold property which had been used in prior years for the accommodation of youth care service users before closure of that project. Sale of the property released the company from the first legal charge dated 29 April, 1994 held by The Cooperative Bank plc.

	2003 £	2002 £
12. Operating leases		
Annual commitments are:		
Land & buildings which will expire		
0 - 1 years	30,310	-
2 - 5 years	82,910	77,925
Over 5 years	27,500	44,240

13. Stock

Stock of stationery	<hr/>	<hr/>
	-	4,000

Decision taken to charge all stationery purchases to revenue. Valuation of stock is not material in the reporting of Current Asset values.

14. 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 £44,450 (2002:£48,125) and the amount outstanding included in creditors at the end of the year was £Nil (2002:£4,306)

15. 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 2003

16. Restricted funds

	2003 £	2002 £
Incoming resources		
Employment and accommodation	434,783	199,943
Substance misuse initiatives	675,005	526,721
Work with young people	376,654	280,511
Community care	7,769	236,060
Community development	291,617	251,592
	<hr/> 1,785,828	<hr/> 1,494,827
Resources expended		
Direct charitable expenditure	<hr/> 1,618,266	<hr/> 1,390,486
Net incoming/(outgoing) resources before transfers	167,562	104,341
Transfer from unrestricted funds to offset costs incurred on behalf of restricted funds	<hr/> 4,191	<hr/> 280
Net movement of funds	171,753	104,621
Fund balances brought forward	<hr/> 146,174	<hr/> 41,553
Fund balances carried forward	<hr/> 317,927	<hr/> 146,174

The balances held on restricted funds at 31 March 2003 are analysed in Note 17 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

Balance Sheet as at 31 March 2003

17. Analysis of net assets between funds	Tangible Fixed Assets	Net Current Assets	Total 2003
	£	£	£
Restricted funds			
Drugs Education exchange visits: UK and Russia	-	3,278	3,278
Voluntary Sector Academy for Co. Durham managed on behalf of One Voice Network	-	5,280	5,280
Aim High Easington. Basic skills support in the Easington District funded by Neighbourhood Renewal Funding	3,425	43,419	46,844
ISSP Consortium, Tees Valley. Service enhancement re provision of training and educational support for young offenders	-	25,994	25,994
'Out There' Peer Led Education Programme to reduce substance misuse, Co. Durham	-	10,000	10,000
Easington Substance Misuse Initiative, Easington, Co. Durham	5,980	4,927	10,907
Wear Valley Drugs Outreach and Community Addictions Rehabilitation Centre, Bishop Auckland, Co. Durham	76,561	5,784	82,345
Healthy Living Centre, Sedgfield. Passport to Health project funded by New Opportunities Fund	-	9,183	9,183
Healthy Living Centre, Wear Valley. Passport to Health project funded by New Opportunities Fund	-	22,943	22,943
Hartlepool New Deal for Communities, Anti - Drugs Initiative	-	2,277	2,277
Youth Justice Board (York based). Mentoring help with numeracy and literacy for young people	861	7,980	8,841
Community Safety Homesafe, installation of security equipment, Co. Durham	-	1,587	1,587
Community Safety Homesafe, Social Services Prevention Grant, Easington, Co. Durham	-	2,639	2,639

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

Notes to the Accounts

Balance Sheet as at 31 March 2003 (continued)

Restricted Funds (continued)	Tangible Fixed Assets £	Net Current Assets £	Total 2003 £
Hartlepool New Deal for Communities, Residential Target Hardening Programme	–	645	645
Wear Valley Target Hardening Programme	–	240	240
Drugs Outreach Premises, High St, Spennymoor, Co. Durham	4,548	63,864	68,412
Millennium Volunteers in Teesside, Department for Education & Employment	12	–	12
Wireless Outreach Network. Grant from LSC for capital purchases re wireless laptop networks	16,500	–	16,500
Restricted funds	107,887	210,040	317,927
Unrestricted funds	67,489	817,817	885,306
Total funds	175,376	1,027,857	1,203,233

Note. Tangible Fixed Asset balance of £107,887 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.