

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

*Registered Charity and Company Limited by Guarantee
Company No. 182 0492*

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2001

Corporate

The company is a registered charity (No 515755) and a company limited by guarantee. It does not have share capital. The company's governing instrument is the Memorandum and Articles of Association as amended and adopted by special resolution on 28th November 1991. The governing body is a voluntary Board of Trustees, each of whom sit independently and do not represent any other agencies. The role of the Board is to ensure that the organisation adheres to its governing instrument, is run in a prudent manner, analyses and monitors risk, operates within charity and company law, other legal obligations and within its own policy and practice framework.

The Board has a strategic role in relation to the development of DISC's objectives and agrees and monitors a three year business plan. A three year business planning process has recently superseded an annual business plan as a response to the increase in size and diversity of the organisation. 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, two Development Directors and six Divisional Managers.

Members of the Board meet monthly and do not receive remuneration. Where claimed, expenses are reimbursed.

Board of Trustees

The following Trustees served during the year.

J. Black	(Chairman)
M.C. Havers	(Secretary)
M.W. Treasure	(Treasurer)
C. R.G. Matthews Maxwell	
P.N. Anderson	
R.L. Woodworth	(Appointed 19th February 2001)
G. Smellie	(Resigned 31st July 2000)

Principal Activity

The company is engaged in developing and providing innovative forms of social care with particular interests in accommodation and homelessness, work with offenders, community care, work with young people in and leaving the care systems and employment for those with special needs.



DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Review of Activities

The results for the year and the financial position of the company are set out in the following financial statements. Gross income increased by 22% in the year to £4,107,703 and produced net operating income of £143,455. This level of surplus is deemed to be necessary to strengthen reserves and provide adequate working capital to enable the organisation to continue to grow and develop its service delivery.

With continued growth the company now employs over 170 staff and supports in excess of 200 volunteers. With the opening of an office in Bradford during the year the organisation now operates from ten main offices and shares or operates from a number of other locations on an outreach basis.

The past year has been one of significant change and development. The restructuring of the organisation into three divisions at the beginning of the year is now well established. Feedback from staff is that the new structure makes for clearer lines of management and communication and creates a stronger focus on developmental issues

At the commencement of the year we revisited and revised our aims and mission, ensuring of course that they remained within our constitution. Our revised aim is that of ensuring that people maximise their potential. The mission derived from that aim is to :

- Promote social inclusion
- Maximise opportunities for the most marginalised individuals to realise their potential within their communities.
- Establish DISC as a leader in innovative services which reduce exclusion, and
- Work in partnership with others in developing joined up solutions.

We have continued to innovate service provision. New services established during the year included the Millennium Volunteer programme across Tees Valley, an employment advice service for offenders across West Yorkshire, the extension of the Youth Care Project, establishing a Connect service in Newcastle and developing a basic skills service for offenders across West and North Yorkshire. All of our existing services were sustained and developed during the year and so our growth was primarily derived through additional service agreements and contracts.

Some of our projects work with large numbers of individuals on a very specific and short term basis – such as finding them somewhere to live – whilst others provide intensive support to a small number of individuals over a long period of time, and others work with communities rather than individual service users. Nonetheless we can gain some idea of the extent of our work by the fact that we worked with over 6000 individual service users over the last year.

Future Activities

In looking forward we have set the organisation a number of objectives over the next three years.

In formulating these objectives and reviewing the activities of the company the Board and the Management Team adopted a systematic approach to critical risk management. Risks were categorised and contingency plans identified. All major risks are monitored and reviewed by the Board and systems have been put in place to mitigate potential risk areas.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

The key future objectives of the organisation are:

- In recognition of the organisation's diversity, we have decided to narrow our focus and concentrate new developments on those individuals and communities who are most disadvantaged.
- To re-affirm our commitment of developing 'joined up' models of service delivery across professional boundaries and rigorously monitoring the performance of our joined up approach.
- To place more investment into the organisation infrastructure to sustain our increased level of activity.

Trustees Responsibilities for the Accounts

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Trustees are required to: -

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statement on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

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.

The Company and its Principal Advisors

The registered office address for the company and the communication address for each of its principal advisors is: -

a) The Company:

Developing Initiatives for Support in the Community Limited
Cobblers Hall
Burn Lane
Newton Aycliffe
DL5 4SE

b) Bankers:

The Co-operative Bank plc
Business Centre
Grey Street
Newcastle upon Tyne
NE1 6BZ

c) Solicitors:

Alison Stott Solicitors
Aykley Vale Chambers
Durham Road
Aykley Heads
Durham
DH1 5NE

d) Auditors:

Ribchesters
Chartered Accountants
67 Sadler Street
Durham
DH1 3NP

Approved by the Board of Trustees on

Signed on behalf of the Board

Name (Block Capitals)

Trustee

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Report of the Auditors to the Trustees of

Developing Initiatives for Support in the Community Limited

For the Year Ended 31st March 2001

We have audited the financial statements on Pages 6 to 16 which have been prepared under the historical cost convention and the accounting policies on page 10.

Respective Responsibilities of Trustees and Auditors

As described in the Trustees' report the company's Trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts of disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the company's affairs at 31st March 2001 and of its surplus for the year ended and have been properly prepared in accordance with the provision of the Companies Act 1985.

Ribchesters
Registered Auditors
67 Sadler Street
Durham
DH1 3NP



26 October 2001

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Statement of Financial Activities For the year ended 31st March 2001

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2001 £	Total Funds 2000 £
<i>Incoming Resources</i>					
Grants and Fees		3,357,372	1,032,464	4,389,836	3,509,373
Donations		8,076	34,144	42,220	12,309
(less) Deferred Income		(144,272)	(186,697)	(330,969)	(158,958)
Investment Income		6,616	-	6,616	6,961
		-----	-----	-----	-----
<i>Total Incoming Resources</i>		3,227,792	879,911	4,107,703	3,369,685
		-----	-----	-----	-----
<i>Resources Expended</i>					
Direct Charitable Exp.	2	2,858,356	906,505	3,764,861	3,090,526
Fundraising & Publicity	3	76,738	-	76,738	66,828
Management & Admin.	4	122,649	-	122,649	106,631
		-----	-----	-----	-----
<i>Total Resources Expended</i>		3,057,743	906,505	3,964,248	3,263,985
		-----	-----	-----	-----
<i>Net Incoming/(Outgoing) Resources before Transfers</i>		170,049	(26,594)	143,455	105,700
Transfer between Funds	12	(9,202)	9,202	-	-
		-----	-----	-----	-----
<i>Net Incoming/(Outgoing) Resources for the Year</i>		160,847	(17,392)	143,455	105,700
Other recognised Gains & Losses		-	-	-	-
		-----	-----	-----	-----
<i>Net Movement of Funds</i>		160,847	(17,392)	143,455	105,700
		-----	-----	-----	-----
<i>Balances brought forward at 1st April 2000</i>		401,701	58,945	460,646	354,946
		-----	-----	-----	-----
<i>Balances carried forward at 31st March 2001</i>	13	562,548	41,553	604,101	460,646
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DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Income and Expenditure Account For the year ended 31st March 2001

	Note	2001 £	2000 £
Income			
Grants and Fees		4,058,867	3,350,415
Donations		42,220	12,309
Investment Income		6,616	6,961
Gross Income		<u>4,107,703</u>	<u>3,369,685</u>
Expenditure			
Employment and Accommodation		1,597,663	1,392,122
Substance Misuse Initiatives		432,986	309,160
Working with Young People		999,155	832,048
Community Care		413,375	252,404
Community Safety		<u>321,682</u>	<u>304,792</u>
Direct Charitable Expenditure	2	3,764,861	3,090,526
Fund Raising & Publicity	3	76,738	66,628
Management & Administration	4	<u>122,649</u>	<u>106,631</u>
Total Expenditure	5	<u>3,964,248</u>	<u>3,263,985</u>
Net Operating Income		143,455	105,700
Other recognised Gains and (Losses)		<u>-</u>	<u>-</u>
Net Income for the year		<u>143,455</u>	<u>105,700</u>

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 therefore turnover and operational income derive from continued operations.

Investment Income is Bank Interest on Current Account and Deposit Account.

An alternative analysis of expenditure is shown in Note 5

Net Operational Income reflects £160,847 net increase in unrestricted funds less £17,392 net decrease in restricted funds, as shown in the Statement of Financial Activities. The Income and Expenditure Account is derived from the Statement of Financial Activities on Page 6 which together with the notes to the accounts on pages 10 to 16 provides analysis of movements on the funds held by the company.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Balance Sheet as at 31st March 2001

	Note	2001 £	2000 £
Fixed Assets			
Tangible Fixed Assets	6	69,921	83,472
Current Assets			
Stock on hand		4,000	4,000
Debtors	7	909,623	489,416
Cash at Bank and in hand		318,248	318,572
		1,231,871	811,988
Liabilities: amounts falling due within one year	8	690,101	424,094
Net Current Assets		541,770	387,894
Total Assets less Current Liabilities		611,691	471,366
Liabilities: amounts falling due after more than one year	9	7,590	10,720
Net Assets		604,101	460,646
Funds			
Restricted	12	41,553	58,945
Unrestricted	13	562,548	401,701
		604,101	460,646

Approved by the Board of Trustees on

Signed on behalf of the Board

Trustee

Name

The notes on pages 10 to 16 form part of these accounts.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Cash Flow Statement For the year ended 31st March 2001

Reconciliation of operating income to net cash inflow from operating activities

	2001 £	2000 £
Operating income before interest received/paid (Note a)	138,019	100,807
Depreciation charges	50,398	30,806
Loss on disposal of fixed assets	1,128	-
Increase in stock	-	(700)
Increase in debtors	(420,207)	(107,877)
Increase in creditors	<u>262,877</u>	<u>45,271</u>
Net cash inflow from operating activities	<u>32,215</u>	<u>68,307</u>

Cash flow statement

Net cash inflow from operating activities	32,215	68,307
Return on investments and servicing of finance (Note a)	5,436	4,893
Capital expenditure (Note a)	<u>(37,975)</u>	<u>(58,941)</u>
(Decrease)/Increase in cash (Note b)	<u>(324)</u>	<u>14,259</u>

Note a Gross cash flows

Returns on investments and servicing of finance

Interest received	6,616	6,961
Interest paid	<u>(1,180)</u>	<u>(2,068)</u>
	<u>5,436</u>	<u>4,893</u>

Capital expenditure

Payments to acquire tangible fixed assets	<u>(37,975)</u>	<u>(58,941)</u>
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Note b Analysis of changes in cash during the year

	2001 £	2000 £	Change in Year £	Change in Year £
Cash at bank and in hand	<u>318,248</u>	<u>318,572</u>	<u>(324)</u>	<u>14,259</u>

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts For the year ended 31st March 2001

1. Accounting Policies

Basis of Preparation: Monetary values are calculated under the historical cost convention and the accounts have been prepared in accordance with the recommendations in Statement of Recommended Practice: Accounting by Charities (SORP), revised October 2000 and Accounting Standards.

Grants and Fees: current year expenditure and grants for the purchase of fixed assets are recognised in full in the Statement of Financial Activities in the period in which they are received, provided the conditions for receipt have been complied with. Where income is received in advance for expenditure in a future accounting period, it is deferred and recognised in the future period to which it relates.

Donations: are recognised in full in the Statement of Financial Activities in the period in which they are received.

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

Unrestricted funds: 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.

Fixed Assets: are for use by the charity in fulfilling its charitable objectives. 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.

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.

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.

Stocks: are valued at cost or net realisable value, whichever is the lower.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts For the year ended 31st March 2001

	Unrestricted Funds £	Restricted Funds £	Total Funds 2001 £	Total Funds 2000 £
2. Direct Charitable Expenditure				
Employment and Accommodation	1,470,887	126,776	1,597,663	1,392,122
Substance Misuse Initiatives	129,523	304,222	433,745	309,160
Work with Young People	936,979	62,176	999,155	832,048
Community Care	270,098	143,277	413,375	252,404
Community Safety	50,869	270,054	320,923	304,792
	----- 2,858,356 -----	----- 906,505 -----	----- 3,764,861 -----	----- 3,090,526 -----
3. Fundraising and Publicity				
Staff Costs	59,263	-	59,263	54,107
Advertising and Publicity	2,262	-	2,262	1,519
Equipment and Other Costs	15,213	-	15,213	11,202
	----- 76,738 -----	----- - -----	----- 76,738 -----	----- 66,828 -----
4. Management and Administration of the Charity				
Staff Costs	94,345	-	94,345	85,992
Audit Fees	4,000	-	4,000	4,000
Administration and Equipment Costs	24,304	-	24,304	16,639
	----- 122,649 -----	----- - -----	----- 122,649 -----	----- 106,631 -----

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts For the year ended 31st March 2001

5. Total Resources Expended

	Staff Costs	Depreciation	Other Costs	Total 2001	Total 2000
	£	£	£	£	£
Charitable services	2,534,352	45,887	1,184,622	3,764,861	3,090,526
Fundraising and Publicity	59,263	1,592	15,883	76,738	66,828
Management and Admin of the charity	94,345	2,919	25,385	122,649	106,631
	<u>2,687,960</u>	<u>50,398</u>	<u>1,225,890</u>	<u>3,964,248</u>	<u>3,263,985</u>

Staff Costs

Wages and salaries	2,383,500	1,946,874
Social Security Costs	194,771	162,090
Pension Costs	32,460	27,298
Support Costs	77,229	62,023
	<u>2,687,960</u>	<u>2,198,285</u>

No employee earned in excess of £50,000 per annum and none of the Trustees received any remuneration or benefit during the year or in the previous year. Included in other costs are payments to Trustees for travel expenses of £237.

Other Costs include:

	£	£
Auditors remuneration	4,000	4,000
Hire purchase interest and finance lease charges	-	741
Bank loan interest	1,180	1,327

The average number of employees, analysed by function was:

	No.	No.
Charitable Services	164	136
Fundraising and Publicity	2	2
Management and Administration of the Charity	4	4
	<u>170</u>	<u>142</u>

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts For the year ended 31st March 2001

	Freehold Property £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
6. Fixed Assets				
Cost or Valuation				
At 1st April 2000	39,835	282,636	14,525	336,996
Additions	-	37,975	-	37,975
Disposals	-	(72,779)	-	(72,779)
at 31 March 2001	39,835	247,832	14,525	302,192

Accumulated Depreciation

At 1st April 2000	23,906	215,093	14,525	253,524
Charges for year	3,984	46,414	-	50,398
Disposals	-	(71,651)	-	(71,651)
at 31st March 2001	27,890	189,856	14,525	232,271

Net Book Value

At 1st April 2000	15,929	67,543	-	83,472
At 31st March 2001	11,945	57,976	-	69,921

Net Book Value at 31st March 2001 represents use for:-

Direct Charitable Purposes

Restricted	-	14,632	-	14,632
Unrestricted	11,945	-	-	11,945

Other Purposes

Management and Administration	-	43,344	-	43,344
	11,945	57,976	-	69,921

7. Debtors

Trade Debtors	486,946	152,842
Prepayments and Accrued Income	422,677	336,574
	909,623	489,416

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts For the year ended 31st March 2001

	Total 2001 £	Total 2000 £
8. Liabilities: Amounts falling due within one year		
Trade Creditors	94,627	91,182
Accruals	62,700	30,639
Deferred Income	330,968	158,958
Other Creditors including Taxation and Social Security	198,855	140,690
Mortgage	2,951	2,625
	----- 690,101	----- 424,094
9. Liabilities: Amounts falling due after more than one year		
Mortgage	7,590	10,720
	-----	-----

10. Legal Charge over Freehold Property

The Co-operative Bank plc have a First Legal Charge, dated 29th April 1994, over a mortgaged Freehold Property which is used for accommodation of Youth Care' service users.

11. Operating Leases

	Total 2001 £	Total 2000 £
Annual Commitments are :-		
Land and Buildings which will expire		
0-1 years	-	-
2-5 years	43,971	8,500
Over 5 years	48,240	29,740

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts *For the year ended 31st March 2001*

12. Restricted Funds

	Total 2001 £	Total 2000 £
<i>Incoming Resources</i>		
Employment and Accommodation	101,879	153,001
Substance Misuse Initiatives	301,033	264,436
Work with Young People	61,461	57,672
Community Care	145,430	84,630
Community Safety	270,108	268,793
	879,911	828,532
<i>Resources Expended</i>		
Direct Charitable Expenditure	906,505	794,205
<i>Net Incoming/(Outgoing) Resources before Transfers</i>	(26,594)	34,327
Transfer from Unrestricted Funds to offset costs incurred on behalf of Restricted Funds	9,202	2,124
<i>Net Movement of Funds</i>	(17,392)	36,451
Fund Balances brought forward	58,945	22,494
<i>Fund Balances Carried Forward</i>	41,553	58,945

The balances held on Restricted Funds at 31st March 2001 are analysed in Note 13 and represent the written down value of Tangible Fixed Assets and Net Current Assets (Cash at Bank) in respect of named funds.

DEVELOPING INITIATIVES FOR SUPPORT IN THE COMMUNITY LIMITED

Notes to the Accounts For the year ended 31st March 2001

<i>13. Analysis of Net Assets Between Funds</i>	Tangible Fixed Assets £	Net Current Assets £	Total 2001 £
<i>Restricted Funds</i>			
"Out There", SRB5 Peer Education Project, Co. Durham	-	7,447	7,447
SRB5, Sedgefield Outreach Project, Co. Durham	-	7,258	7,258
Drugs Outreach Premises, Spennymoor, Co. Durham	-	773	773
SRB5, Substance Misuse Programme, Easington, Co. Durham.	9,931	-	9,931
Easington District Carers Network, Co. Durham	3,686	-	3,686
Durham & Chester le Street Carers Project, Co. Durham	553	-	553
Community Safety, Homesafe Donations, Co. Durham	-	1,205	1,205
Community Safety, Homesafe Residents Group, Easington, Co. Durham	-	2,238	2,238
South Bishop Auckland SRB, Community Development Initiative, Wear Valley District Council.	271	-	271
Community Safety, Homesafe, Social Services Prevention Grant, Easington, Co. Durham	-	1,834	1,834
Community Safety, Homesafe, Teesdale and Wear Valley	-	6,166	6,166
Sherburn Road Community Action Programme, Support and Development Worker, Co. Durham.	191	-	191
	-----	-----	-----
	14,632	26,921	41,553
<i>Unrestricted Funds</i>	55,289	507,259	562,548
	-----	-----	-----
<i>Total Funds</i>	69,921	534,180	604,101
	-----	-----	-----