

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2003**

2011021



ASPECTS AND MILESTONES TRUST

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ASPECTS AND MILESTONES TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

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ASPECTS AND MILESTONES TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Legal status: The Trust is a company limited by guarantee (number 2011021) and a registered charity (number 294377). It is governed by the terms of its Principal Trust Deed and its Memorandum and Articles of Association. It was incorporated on 16 April 1986.

Registered office and principal address: Unit 10, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL

Trustees and directors:	J Lewis (Chair)	M Dando
	R A Clarke (resigned 30 September 2002)	B J Davis
	K G Forrister (appointed 27 May 2002)	D G Knapp
	D Large	W G Lewton
	E J Thomas	R M Slinn
	M Shovelton	E R Weaver

Secretary: P R Butler (appointed 23 October 2002)
R D A Jones (resigned 23 October 2002)

Chief executive: M Akers

Auditors: Warren & Co
Meadhaven, Church Lane, Flax Bourton
Bristol BS48 3QF

Solicitors: Lyons Davidson & Co
48-52 Baldwin Street, Bristol BS1 1QD

Bankers: National Westminster Bank
4th Floor, Castlegate House
Tower Hill, Bristol BS2 0JA

Allied Irish Bank
31-33 Newport Road, Cardiff CF24 0AB

The Co-operative Bank
37 The Hayes
Cardiff CF1 3BB

Investment advisers: Gerrards
40-42 Queen Square,
Bristol BS1 4QP

ASPECTS AND MILESTONES TRUST

ANNUAL REPORT

The Trustees have pleasure in presenting their annual report and the financial statements for the year ended 31 March 2003.

This Annual Report forms the Trustees' report for the purposes of Section 45 of the Charities Act 1993 and the Directors' report for the purposes of Section 234 of the Companies Act 1985.

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 1985, the Charities Act 1993 and the Statement of Recommended Practice SORP2000 - Accounting and Reporting by Charities.

Objectives

The Trust was established to promote the personal development of people with learning disabilities, mental health needs and physical disabilities with a view to enabling them to lead a fulfilling life in the community.

The Trust's mission is *"To enable people to live in the community"*

To enable people with learning disabilities, mental health needs and physical disabilities to develop a fulfilling life in the community.

To continually seek to improve and be responsive to the changing needs and wishes of the people we support.

The Trust has the following service aims, the first five of which reflect O'Brien's Five Accomplishments and are recognised nationally as principles or aims for community care (as opposed to institutional care):

To ensure service users have the opportunity to live within ordinary communities and use the facilities available there.

To ensure users are given the opportunity to develop personal, practical and social activities with whatever support is required.

To ensure users are offered choices and are supported in making both day-to-day and major life decisions.

To ensure users are treated with respect and dignity.

To ensure users become part of a community with a network of valued relationships.

The three remaining aims reflect the desire of the Trust to be a good employer, to grow and develop and to meet contractual obligations.

To ensure the Trust's reputation is built on being a good employer.

To invest in services that can improve the quality of life of service users.

To deliver the best quality services that commissioners can afford.

Organisational structure

The Trustees are the Directors and Members of the company. They, and a smaller Executive Committee, both meet approximately six times a year to ensure that the Trust is achieving its objectives. Responsibility for the day to day running of the company is delegated to the Chief Executive and a Management Team through a Scheme of Delegation.

Any person wishing to become a Trustee must make a formal application to the Trustees, who will agree to approve or reject their application.

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Review of activities

The core of the Trust's activities is the provision of nursing and residential care in 61 homes serving approximately 520 people. The homes range from small domestic properties accommodating four or five people to a purpose built dementia care home for 30 people. The Trust owns 42 homes and the remainder are leased from housing associations or local councils. The Trust is widening the range of services it offers for the reasons stated below (see future plans). The year has seen significant growth in supported living services provided in peoples' own homes and day services that offer a range of activities. The Trust directly employs over 1,200 staff.

The Trust, through its officers, is active in local planning networks, working with other charities and statutory services to improve services. Of particular concern is the current state of dementia care services. The Trust made a submission to the Nuffield Institute who were commissioned to provide a report on dementia care services by ex-Avon local authorities. Whilst the statutory services attempt to improve services guided by the Nuffield report, the Trust commissioned a feasibility study on the potential of a capital fundraising appeal for a Bristol Dementia Care Centre. The report was positive about the potential for an appeal that will be launched in 2003/04.

The Trust also took the opportunity to access new funding streams from the governments supporting people initiative. This meant that three residential homes were able to offer tenancies to service users by de-registering the homes. Promoting independence has always been one of the aims of the Trust and it was good news for the service users concerned who gain increased rights (and responsibilities) by becoming tenants.

Finally, the Trust decided to change its name. The old name of Frenchay & Southmead Care Trust was confusing for the public with the names associated with two hospitals in its title as well as Care Trust which was similar to primary care trusts, a new health organisation. Consultation with service users revealed a desire for two names – one for learning disabilities (Aspects) and one for mental health services (Milestones) – so the new name is Aspects and Milestones Trust.

The Trustees have issued an Annual Review document for 2002/03 that gives further information regarding the development, activities and achievements of the Charity during the year. It also contains a review of the Business Plan for that year and the future strategy of the organisation.

Developing the Trust – future plans.

Aspects and Milestones' mission and values remain unchanged, but the way we put those values into practice will alter in response to the lifestyle requirements of service users and the financial constraints of commissioners.

We will always seek to provide 'the best service commissioners can afford' and recognise that we are part of a competitive health and social care market. We have to compete on quality and cost with other organisations providing the same or similar services.

The range of services we now provide continue to expand, matching the diversity of needs of the people we support. The Trust has always provided individual support and somewhere safe to live. We intend to improve the effectiveness of our response to the lifestyle requirements of people in terms of opportunities for working, developing skills and socialising. This objective applies to the whole range of projects from employment schemes to lunch clubs.

No matter how diverse we grow to be or how service patterns change, we remain committed to our values of responding to individual needs, with the watchwords of respect and dignity characterising all that we do.

ASPECTS AND MILESTONES TRUST

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The Trust is also achieving its mission by becoming more active as a campaigning organisation. We will continue to be active in various local forums and partnership boards joining with other like-minded voluntary organisations to lobby and campaign on local issues.

We will also expand our efforts to support national campaigns to ensure the rights of and choices available to people with learning disabilities and enduring mental health needs are expanded.

We also want to develop more innovative projects that further our mission and values, not only through our small development fund, but also by further exploring new funding streams and partnerships. The Trust is committing itself to expand its capacity in areas identified as important by service commissioners and other partners.

Relationships with other organisations

The Trust is a health and social care charity. Part of our income comes from state benefits received by service users with the majority coming from contracts negotiated with Primary Care Trusts and local authorities. The decisions made about individuals or services by these authorities have the main impact on the way we work and develop in the future. Both the Health Service and local government are undergoing a period of rapid change as a result of central government initiatives. Best Value, social inclusion, national standards, partnership and modernisation are all words that recur in much of the new legislation and regulations decided by central government.

The important themes that will impact on the Trust are:

- **Best Value.** Commissioners have a duty to purchase services that are the highest quality at optimum scale for the lowest possible cost. This continues to be a key driver for change, especially in the light of ever tighter commissioning budgets.
- **Partnership.** Health, local authorities and other agencies will work together in geographical patches based on the four unitary authorities of the old Avon area. Joint commissioning structures will emerge with new organisations like Primary Care Trusts working hard to establish themselves and their own style of operating.
- **National Standards.** The Trust has always strived for high standards of care. The National Care Standards Commission will gradually raise the standards of nursing, residential and domiciliary care. Standards for homes won't simply relate to room size but also the qualifications held by staff.
- **Promoting independence.** The prevention of 'unnecessary' admission to hospital or nursing/residential homes is a cornerstone of community care development.
- **'Supporting People'** is the Government's new policy for supported accommodation and is linked to the provision of housing related support.

Financial review

The majority of the Trust's income consists of contract income from Social Services and five local Primary Care Trusts (PCTs), which have replaced Health Authorities.

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All income for the year ended 31 March 2003 represented unrestricted funds and is therefore disclosed in both the Statement of Financial Activities and the Income and Expenditure Account.

Aided by lower interest rates, the Trust has increased the rate at which loans are being repaid and has reviewed the proportion of debt that it holds on fixed rates.

2002/03 was the first full financial year for which harmonised terms and conditions applied across the workforce and this has enhanced the financial management and operational budgeting of the Trust. The strong financial position of the Trust will further improve as the pay protection costs payable fall out over the next few years.

The year's financial performance has underwritten a number of the Trust's key financial targets. Net Current Assets exceed £1,000,000 at 31st March 2003, and Available Funds stood at £1.7 million.

Employment policies

Aspects and Milestones Trust promotes equal opportunities within all areas of its work. The aim is to ensure that all procedures and practices do not discriminate on the grounds of race, disability, religion, age, nationality, sex, sexual orientation and marital status.

Where an employee or prospective employee is identified as disabled the provisions of the Disability Discrimination Act are followed. This states that reasonable adjustments to the workplace and working practices should be considered to ensure that a disabled employee is not disadvantaged. Discussions are held with the affected employee, Southmead Occupational Health Services Departments and, where appropriate, the employee's GP. Most Trust properties have good disabled access and facilities.

The Trust has policies in place to ensure that employees are consulted and provided with appropriate information in order that they be fully involved in the performance of the Trust and are aware of factors affecting the organisation. Community Managers hold monthly homes managers' meetings and a regular Staff Bulletin is circulated which includes information on the Trust's strategy and staff opportunities. External and internal training is provided when implementing new policies.

The Trust operates an open culture and the Chief Executive encourages staff to open channels of communication with him. Staff are encouraged to join Trade Unions and consultation takes place with those Unions regarding matters relating to pay and conditions of employment.

Investment Policy

Until last financial year the Trust's investment policy has been limited to the investment of temporary cash surpluses. This was revised following receipt of stocks and shares as part of the bequest at the end of that year to enable them to be held in the expectation of benefiting from a future market recovery. It also assisted the balance of the Trust's short term risk management in the context of a strong cash flow position.

The fund managers were given an investment objective to maintain a balance between capital appreciation and income. In the year that the funds have been held their value has fallen by £74,000 in line with the general trend in the equity market. Nevertheless, the income generation of the fund has justified the maintenance of the approach, and the book losses have been mitigated since the end of the financial year.

ASPECTS AND MILESTONES TRUST

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Risk management strategy and reserves policy

The major risks to which the charity is exposed, as identified by Trustees, have been reviewed and systems have been established to mitigate those risks. These risks and systems are reviewed regularly by Trustees. Some risks can be mitigated by insurance and the observance of policies and procedures. Others require the establishment of a level of reserves.

In consideration of the risks to which the charity is exposed, Trustees plan to establish a level of reserves equivalent to one month's operating costs (approximately £2 million on current budgets) by 31 March 2006. Reserves are here defined as those Unrestricted Income Funds not invested in land and buildings and other fixed assets. The performance of the year has put the Trust well on course to achieve this target, although in order to achieve this while repaying capital loans and investing in capital improvements, the charity must continue to achieve modest income and expenditure surpluses for the next four years.

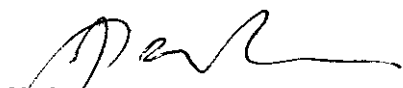
Statement of Trustees' responsibilities

Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of its financial activities during the year and of its financial position at the end of the year. In preparing those financial statements the trustees are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985 and the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 4 August 2003 and signed on its behalf by


Chair

Trustee


Trustee

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ASPECTS AND MILESTONES TRUST

We have audited the financial statements of Aspects and Milestones Trust for the year ended 31 March 2003 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, the Income and Expenditure Account and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

The trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

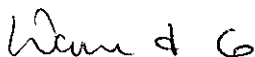
Basis of audit opinion

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 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 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 charitable company's affairs as at 31 March 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



WARREN & CO
Registered Auditors and
Chartered Accountants
Bristol

4 August 2003

ASPECTS AND MILESTONES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2003

	Notes	Unrestricted funds 2003 £	Restricted capital fund 2003 £	Total 2003 £	Total 2002 £
INCOMING RESOURCES					
Donations and legacies		84,077	-	84,077	786,889
Operating activities:					
Learning Disability Services		17,373,232	-	17,373,232	16,876,320
Mental Health Services		6,883,672	-	6,883,672	6,598,854
Interest receivable and similar income		68,350	-	68,350	39,401
Net surplus on disposal of fixed assets		103,050	-	103,050	13,313
Capital grant		-	-	-	620,000
Other income		159,078	-	159,078	120,467
TOTAL INCOMING RESOURCES		24,671,459	-	24,671,459	25,055,244
RESOURCES EXPENDED					
Costs of generating funds	1	58,344	-	58,344	58,022
Charitable expenditure:					
Learning Disability Services	2	15,682,000	-	15,682,000	15,805,251
Mental Health Services	2	6,235,197	-	6,235,197	6,031,214
Support costs	3	1,194,872	-	1,194,872	1,149,014
Management and administration	4	107,756	-	107,756	91,924
		23,219,825	-	23,219,825	23,077,403
TOTAL RESOURCES EXPENDED		23,278,169	-	23,278,169	23,135,425
NET INCOMING RESOURCES BEFORE TRANSFERS		1,393,290	-	1,393,290	1,919,819
GROSS TRANSFERS BETWEEN FUNDS		50,208	(50,208)	-	-
Net incoming resources before revaluations and investment asset disposals		1,443,498	(50,208)	1,393,290	1,919,819
Gains and losses on revaluations and disposals of investment assets	11	(74,075)	-	(74,075)	-
NET MOVEMENT IN FUNDS		1,369,423	(50,208)	1,319,215	1,919,819
TOTAL FUNDS AT 1 APRIL 2002		4,114,403	2,998,344	7,112,747	5,192,928
TOTAL FUNDS AT 31 MARCH 2003		5,483,826	2,948,136	8,431,962	7,112,747

The Statement of Financial Activities incorporates the Statement of Total Recognised Gains and Losses required by FRS 3.

The accounting policies and notes on pages 12 to 21 form part of these financial statements.

ASPECTS AND MILESTONES TRUST

BALANCE SHEET AS AT 31 MARCH 2003

	Notes	Unrestricted Income Fund 2003 £	Restricted Capital Fund 2003 £	Total 2003 £	Unrestricted Income Fund 2002 £	Restricted Capital Fund 2002 £	Total 2002 £
TANGIBLE FIXED ASSETS	9	12,151,038	2,948,136	15,099,174	12,336,681	2,998,344	15,335,025
CURRENT ASSETS							
Debtors	10	1,240,731	-	1,240,731	1,731,946	-	1,731,946
Investments	11	212,814	-	212,814	286,889	-	286,889
Cash at bank and in hand	12	2,605,425	-	2,605,425	855,483	-	855,483
		4,058,970	-	4,058,970	2,874,318	-	2,874,318
CREDITORS: Amounts falling due within one year	13	(2,989,197)	-	(2,989,197)	(2,741,017)	-	(2,741,017)
Net current assets		1,069,773	-	1,069,773	133,301	-	133,301
TOTAL ASSETS LESS CURRENT LIABILITIES		13,220,811	2,948,136	16,168,947	12,469,982	2,998,344	15,468,326
CREDITORS: Amounts falling due in over one year	14	(7,736,985)	-	(7,736,985)	(8,355,579)	-	(8,355,579)
NET ASSETS		5,483,826	2,948,136	8,431,962	4,114,403	2,998,344	7,112,747
FUNDS EMPLOYED							
Funds invested in fixed assets		3,774,054	-	3,774,054	3,351,102	-	3,351,102
Funds available for use		1,709,772	-	1,709,772	763,301	-	763,301
Unrestricted Income Funds	15	5,483,826	-	5,483,826	4,114,403	-	4,114,403
Restricted Capital Fund	16	-	2,948,136	2,948,136	-	2,998,344	2,998,344
TOTAL FUNDS		5,483,826	2,948,136	8,431,962	4,114,403	2,998,344	7,112,747

Approved by the Board on 4 August 2003 and signed on its behalf by

Chair



Trustee

Chie J. Thomas

The accounting policies and notes on pages 12 to 21 form part of these financial statements.

ASPECTS AND MILESTONES TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	2,289,554	1,358,702
CASH BEQUESTS RECEIVED		584,077	-
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		68,350	39,401
Interest paid		(503,599)	(479,553)
		(435,249)	(440,152)
CAPITAL EXPENDITURE			
Receipts from sale of tangible fixed assets		224,000	275,490
Payments to acquire tangible fixed assets		(303,845)	(814,856)
		(79,845)	(539,366)
FINANCING			
Capital grant received		-	620,000
Decrease in loan debt		(608,595)	(664,464)
		(608,595)	(44,464)
Increase in cash	18	1,749,942	334,720

The accounting policies and notes on pages 12 to 21 form part of these financial statements.

ASPECTS AND MILESTONES TRUST

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003	2002
		£	£
INCOME			
Donations and legacies		84,077	786,889
Learning Disability services		17,373,232	16,876,320
Mental Health services		6,883,672	6,598,854
Interest receivable and similar income		68,350	39,401
Net surplus on disposal of fixed assets		103,050	13,313
Other income		159,078	120,467
INCOMING RESOURCES BEFORE TRANSFERS		24,671,459	24,435,244
Release of capital grant	16	50,208	45,819
TOTAL INCOME		24,721,667	24,481,063
EXPENDITURE			
Costs of generating funds	1	58,344	58,022
Charitable expenditure	2 - 4	23,219,825	23,077,403
Net losses on disposal of investment assets	11	16,642	-
TOTAL EXPENDITURE		23,294,811	23,135,425
NET INCOME FOR THE YEAR	7	1,426,856	1,345,638

There were no acquisitions or discontinued operations during the year.

The accounting policies and notes on pages 12 to 21 form part of these financial statements.

ASPECTS AND MILESTONES TRUST

STATEMENT OF ACCOUNTING POLICIES

Convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards, the Companies Act 1985, the Charities act 1993, and the Statement of Recommended Practice - Accounting and Reporting by Charities 2000. The trustees have, in accordance with s.226 of the Companies Act 1985, departed from the standard format of the income and expenditure account in order to give a true and fair view and comply with the Statement of Recommended Practice.

Incoming resources

All incoming resources are included in the Statement of Financial Activities for the period in which they are receivable. Legacies are recognised once it becomes reasonably certain that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

Capital grants are received in the form of land and buildings to be used for the provision of accommodation for residents with learning disabilities or mental health needs and which cannot be sold without repayment of the related capital value. These grants are therefore accounted for as Restricted Capital Funds. The relevant assets are depreciated in according with the depreciation policy and the value of the Restricted Capital Fund is reduced accordingly.

Resources expended

All resources expended are included in the Statement of Financial Activities during the period in which they are incurred, on an accruals basis and inclusive of any VAT which cannot be recovered since the Trust is not registered for VAT.

The Costs of Generating Funds are calculated on the basis of an estimate of the proportion of specific staff and other resources utilised. All other costs incurred by the Trust relate directly to the provision and running of its services, and therefore fall under the heading of Direct Charitable Expenditure. Included within this heading are Support Costs which consist mainly of head office salaries and overheads. A percentage of these, on the basis of an estimate of the proportion of resources utilised, is apportioned to Management and Administrative Costs which, together with other specifically allocated costs, represent the costs of meeting the charity's statutory responsibilities.

Pension costs

The Trust participates in two types of pension scheme.

Contributions payable to defined contribution pension schemes are charged to the income and expenditure account in the period to which they relate.

Contributions payable to the National Health Service defined benefit pension scheme are calculated using actuarial valuation methods, and are charged to the income and expenditure account in the period in which they arise. The NHS pension scheme is a multi-employer scheme in which it is not possible for the Trust to identify its share of the underlying assets and liabilities, and the Trust is therefore exempted from some of the disclosure requirements of FRS17.

Tangible fixed assets

Individual fixed assets costing more than £1,000 are capitalised at cost and depreciated over their expected useful lives as follows:

Freehold properties	2% straight line
Furniture, fittings and equipment	20% straight line
Motor vehicles	20% straight line

No depreciation is charged on freehold land. All fully depreciated fixed assets are treated as disposed of.

Investments

Listed investments are valued at their mid-market value at the balance sheet date. Realised gains and losses and unrealised gains and losses on revaluation are included as a single line within the Statement of Financial Activities, although the Summary Income and Expenditure Account includes only realised gains and losses, in order to comply with the requirements of the Companies Act 1985

Charitable commitments

Charitable commitments relate to the provision of continuing care for existing residents. All future charitable commitments will be met from future funding, via contract income from Social Services and Health Service commissioners, and residents' contributions. Future expenditure in respect of charitable commitments is therefore not recognised in the financial statements.

ASPECTS AND MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1. COSTS OF GENERATING FUNDS

	2003	2002
	£	£
Staff costs	52,626	52,388
Head office property costs	3,463	3,210
Head office expenses	2,255	2,424
	<u>58,344</u>	<u>58,022</u>

2. DIRECT CHARITABLE EXPENDITURE ON OPERATIONS

	Learning Disability Services 2003	Mental Health Services 2003	Total 2003	Total 2002
	£	£	£	£
Staff costs				
Employee costs	12,436,459	4,775,651	17,212,110	17,135,152
Agency staff costs	550,076	442,679	992,755	1,117,787
	<u>12,986,535</u>	<u>5,218,330</u>	<u>18,204,865</u>	<u>18,252,939</u>
Non-Pay costs				
Food and household	476,096	275,241	751,337	769,562
Residents amenities	127,093	49,105	176,198	172,114
Travel costs	247,978	26,005	273,983	268,408
Telephone	33,457	20,794	54,251	55,529
Stationery and office expenses	16,990	11,272	28,262	31,454
Hygiene and medical	114,072	88,016	202,088	194,745
Bad debts	28,745	24,095	52,840	22,176
	<u>1,044,431</u>	<u>494,528</u>	<u>1,538,959</u>	<u>1,513,988</u>
Property costs				
Utilities	214,169	104,659	318,828	281,534
Registration fees	22,518	9,150	31,668	28,178
Mortgage	404,783	43,817	448,600	425,402
Rent	252,652	20,965	273,617	288,697
Fixtures, repairs and maintenance	509,839	211,025	720,864	624,213
Depreciation	213,132	115,145	328,277	370,451
Council tax	33,941	17,578	51,519	51,063
	<u>1,651,034</u>	<u>522,339</u>	<u>2,173,373</u>	<u>2,069,538</u>
TOTAL EXPENDITURE	<u>15,682,000</u>	<u>6,235,197</u>	<u>21,917,197</u>	<u>21,836,465</u>

ASPECTS AND MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

3. SUPPORT COSTS

	2003 £	2002 £
Head office property costs	169,674	157,276
Head office staff costs	519,418	518,085
Head office agency costs	9,766	7,257
Staff training and development	146,958	130,561
Staff recruitment	98,531	75,519
Staff and payroll support costs	57,724	56,115
Internal audit and computer consultancy	30,104	29,047
Insurance	88,569	42,783
Legal and professional fees	12,276	47,331
Bank charges	14,227	26,753
Other head office expenses	84,409	84,522
Depreciation of head office equipment	26,104	34,240
	-----	-----
	1,257,760	1,209,489
Less 5% recharge to management and administration costs	(62,888)	(60,475)
	-----	-----
	1,194,872	1,149,014
	=====	=====

4. MANAGEMENT AND ADMINISTRATION COSTS

	2003 £	2002 £
Reimbursement of trustees' expenses	976	517
External auditors' fees	13,064	13,458
Company Secretary's salary (including retirement costs)	30,828	17,474
Recharge 5% of support costs	62,888	60,475
	-----	-----
	107,756	91,924
	=====	=====

No remuneration has been paid to any Trustee.

5. STAFF COSTS

	2003 £	2002 £
Wages and salaries	16,148,299	15,985,107
Social security costs	1,145,719	1,160,770
Other pension costs	520,964	571,521
	-----	-----
	17,814,982	17,717,398
	=====	=====

ASPECTS AND MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

6. EMPLOYEES

The average number of employees during the year was as follows:

	Average number	
	2003	2002
Management and administration	28	29
Care staff	1,207	1,188
	<u>1,235</u>	<u>1,217</u>

There was one employee whose emoluments for the year and previous year were in the range from £60,000 to £70,000. This employee is accruing benefits under a money purchase pension scheme, to which contributions of £4,715 were made during the year (2002 £4,952).

7. NET INCOME FOR THE YEAR

	2003 £	2002 £
This is stated after charging:		
Loan interest payable	503,599	479,553
Depreciation of owned assets	385,490	433,976
Operating leases - property rental	270,618	330,681
- motor vehicles	62,846	63,244
Auditors' remuneration		
Audit fees	9,000	9,000
Non audit fees	4,064	4,458
	<u> </u>	<u> </u>

8. INDEMNITY INSURANCE

The Trust has an indemnity insurance policy to cover the liability of Trustees in respect of negligence, default, breach of trust or breach of duty, providing that the claim does not relate to any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by one or more Trustees in reckless disregard to whether it was a breach of trust or breach of duty. The annual premium payable during the year amounted to £1,627 (2002 £1,344).

ASPECTS AND MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

9. TANGIBLE FIXED ASSETS

	Freehold properties	Fixtures & equipment	Motor vehicles	Total
	£	£	£	£
COST				
At 1 April 2002	16,261,079	407,884	11,458	16,680,421
Additions	145,229	47,341	78,018	270,588
Disposals	(142,634)	-	-	(142,634)
At 31 March 2003	16,263,674	455,225	89,476	16,808,375
DEPRECIATION				
At 1 April 2002	1,098,851	237,474	9,071	1,345,396
Charge for the year	276,326	91,174	17,990	385,490
Disposals	(21,685)	-	-	(21,685)
At 31 March 2003	1,353,492	328,648	27,061	1,709,201
NET BOOK VALUE				
At 31 March 2002	15,162,228	170,410	2,387	15,335,025
At 31 March 2003	14,910,182	126,577	62,415	15,099,174

The net book value of freehold properties includes £2,328,877 (2002 £2,361,877) in respect of non-depreciable land.

10. DEBTORS

	2003 £	2002 £
Operational debtors	1,110,465	1,150,479
Bequest	-	500,000
Other debtors	12,263	13,961
Prepayments and accrued income	118,003	67,506
	1,240,731	1,731,946

Other debtors include £2,879 (2002 £7,307) in respect of staff car loans, repayable by instalments at rates of interest similar to those received on monies invested. Included within this amount is £242 (2002 £3,100) falling due in more than one year. All other debtors are receivable within one year.

ASPECTS AND MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

11. INVESTMENTS

	£
Valuation at 1 April 2002	286,889
Realised losses on disposal	(16,642)
Unrealised losses on revaluation	(57,433)

Valuation at 31 March 2003	212,814
	=====

Current asset investments consist of a portfolio of listed equities and unit trusts, bequeathed to the Trust. Investment managers have been appointed to manage the portfolio, which consists of 82% direct and 18% indirect investments. Individual investments accounting for more than 5% in value of the portfolio are as follows:

GlaxoSmithkline	8%
7.75% Treasury stock	7%
BP	6%

It is not the Trustees' intention to retain the investments in the long term, but for the investments to be sold and the proceeds used to develop and deliver services beyond those that the Trust would normally be able to provide.

12. CASH AT BANK AND IN HAND

Bank balances include £508,216 (2002 £618,583) in respect of accounts held as nominee on behalf of service users who are unable to hold their own bank accounts. Monies within these accounts belong to the relevant service users, and are therefore included within Residents' funds in creditors falling due within one year (note 13).

13. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Loans (note 14)	640,000	630,000
Trade creditors	849,444	812,327
Tax and social security	349,249	329,145
Residents' funds (note 12)	509,970	619,250
Other creditors	221,837	112,736
Accruals	418,697	237,559
	-----	-----
	2,989,197	2,741,017
	=====	=====

ASPECTS AND MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

14. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

All long-term creditors are loans with banks and building societies. They are secured on properties with a net book value of £13,635,140 (2002 £13,427,314) and are repayable by instalments, with interest charged at normal commercial rates.

	2003 £	2002 £
Amounts falling due:		
Within one year (note 13)	640,000	630,000
Within 1 to 2 years	675,000	665,000
Within 2 to 5 years	2,250,000	2,220,000
In more than 5 years	4,811,985	5,470,579
	-----	-----
	8,376,985	8,985,579
Less: amounts falling due within one year (note 13)	(640,000)	(630,000)
	-----	-----
	7,736,985	8,355,579
	=====	=====

15. UNRESTRICTED INCOME FUNDS

Unrestricted Income Funds consist of:

- (a) Funds invested in fixed assets – being the value of fixed assets (note 9) less the value of loans secured thereon (note 14), less restricted capital funds (note 16).
- (b) Funds available for use – being the balance of unrestricted funds.

Movements in unrestricted income funds are analysed below:

	1.4.02 £	Movement £	31.3.03 £
Funds invested in fixed assets	3,351,102	422,952	3,774,054
Funds available for use	763,301	946,471	1,709,772
	-----	-----	-----
Total unrestricted income funds	4,114,403	1,369,423	5,483,826
	=====	=====	=====

ASPECTS AND MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

16. RESTRICTED CAPITAL FUNDS

Restricted capital funds represent grants received by the Trust for specific capital purposes, less amounts released annually to Unrestricted Income Funds to offset related depreciation charges.

It is a condition of these grants that the properties purchased are used for specified charitable purposes and the grants are secured by legal charges in favour of the Secretary of State for Health. If the properties cease to be used for these purposes or are sold without authorised reinvestment, then the market value of the property is repayable to the Health Authority. Since there is no intention, in the foreseeable future, to cease to use the properties for the specified charitable purposes, nor to sell them without reinvestment, it is considered that no provision should be made for grants potentially repayable to the Secretary of State for Health.

Movement in restricted capital funds:

	£
At 1 April 2002	2,998,344
Release of depreciation to unrestricted income funds (note 15)	(50,208)

At 31 March 2003	2,948,136
	=====

17. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
NET INCOMING RESOURCES BEFORE TRANSFERS	1,393,290	1,299,819
Less bequest	(84,077)	(786,889)
Less interest receivable and similar income	(68,350)	(39,401)
Plus interest payable	503,599	479,553
Plus depreciation	385,490	433,976
Less profit on disposal of fixed assets	(103,050)	(13,313)
Less increase in debtors	(8,785)	71,398
Add increase in creditors	271,437	(86,441)
	-----	-----
	2,289,554	1,358,702
	=====	=====

ASPECTS AND MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

18. ANALYSIS OF CHANGE IN NET DEBT

	At 1 April 2002	Cash flows	Other changes	At 31 March 2003
	£	£	£	£
Cash at bank and in hand	855,483	1,749,942	-	2,605,425
Loans due within one year	(630,000)	-	(10,000)	(640,000)
Loans due in more than one year	(8,355,579)	608,595	10,000	(7,736,984)
	<u>(8,130,096)</u>	<u>2,358,537</u>	<u>-</u>	<u>(5,771,559)</u>

19. OPERATING LEASE COMMITMENTS

At 31 March 2003 the Trust had the following annual commitments under non-cancellable operating leases:

	2003		2002	
	Land and Buildings £	Motor Vehicles £	Land and Buildings £	Motor Vehicles £
Expiring within one year	87,764	9,573	33,907	15,360
Expiring in one to two years	160,958	9,472	210,842	24,512
Expiring in two to five years	30,808	31,041	24,851	9,065
	<u>279,530</u>	<u>50,086</u>	<u>269,600</u>	<u>48,937</u>

20. CAPITAL COMMITMENTS

At 31 March 2003 there were contracted for capital commitments amounting to nil (2002 nil) and capital commitments authorised but not contracted for amounting to £1,058,000 (2002 £130,000). Of this figure, £750,000 relates to the intended development of a property in the grounds of one of the Trust's existing properties, and the balance relates to other schemes for extending and improving existing properties.

21. ADJUSTMENTS TO COMPARATIVE FIGURES

A small number of adjustments have been made to the figures for the year ended 31 March 2002 within the Statement of Financial Activities, the Summary Income and Expenditure Account and notes 1 to 4 of the accounts. Certain costs have been reclassified following clarification of the cost allocation requirements of SORP2000, and these adjustments have been made to ensure that the figures for the prior year are comparable.

ASPECTS AND MILESTONES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

22. PENSION COSTS

The Trust operates three defined contribution pension schemes and one pension scheme providing benefits based on final pensionable pay. The assets of all pension schemes are held separately from those of the company in independently administered funds.

Contributions payable by the Trust to the defined contributions schemes, in respect of 109 employees (2002 101), amounted to £66,316 (2002 £53,608). Contributions totalling £15,046 (2002 £20,468) were payable to these funds at the balance sheet date and are included in creditors.

Some employees of the Trust are eligible for membership of the NHS Pension Scheme. This is a multi-employer defined benefits scheme for the National Health Service and other approved organisations. Due to the nature of the scheme, the Trust is unable to identify its share of the underlying assets and liabilities and, in accordance with FRS17, the Trust is therefore exempted from providing details of these. The cost of pensions are met by a level percentage contribution called the Normal Contribution rate, calculated by the Government Actuary on the basis of quinquennial valuations using the prospective benefits valuation method. The most recent valuation, published in 1998, was for the five years from 1989 to 1994. This is a public document available from HM Stationery Office and for a more complete understanding it should be reviewed in its entirety.

The most recent actuarial valuation showed that the value placed on notional investments amounted to £35,299 million and that the present value of benefits accrued to members amounted to £51,616 million. After allowing for the present value of future contributions by members of £8,764 million there was a balance of liabilities amounting to £7,553 million. In order to meet these liabilities and to take account of new entrants to the scheme and the effect of pension increases in the future, it was concluded that the rate of employer's contributions should increase from 4 to 5 per cent from 1 April 2000 and to 7 per cent from 1 April 2001. It was also concluded that the rate of contributions could remain at 7 per cent until the results of the next valuation were available.

Contributions payable by the Trust to the NHS Pension Fund during the year, in respect of 413 employees (2002 477), amounted to £454,995 (2002 £521,952). Employers' and employees' contributions totalling £144,500 (2002 £78,279) were payable to this funds at the balance sheet date and are included within creditors.

23. LIMITED LIABILITY STATUS

The Trust is a company limited by guarantee with no share capital.