2011021

Aspects and Milestones Trust

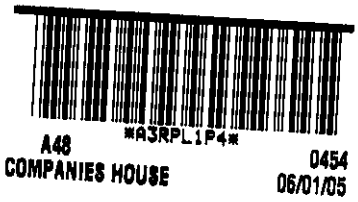
ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2004



Aspects and Milestones Trust

Unit 10, Eclipse Office Park, High Street, Staple Hill, Bristol BS16 5EL

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ASPECTS AND MILESTONES TRUST

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004

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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) K G Forrister (resigned 5 August 2003) D Large E J Thomas P N Garrard (appointed 3 November 2003) E McDonald (appointed 1 March 2004) R H Nash (appointed 1 March 2004) M Dando B J Davis D G Knapp W G Lewton M Shovelton R M Slinn E R Weaver
Secretary:	P R Butler
Chief executive:	M Akers
Auditors:	Warren & Co, Chartered Accountants 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 2004.

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 SORP 2000 - 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.

ASPECTS AND MILESTONES TRUST

ANNUAL REPORT

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.

Review of activities

The core of the Aspects and Milestones Trust activities is the provision of nursing and residential care in 60 homes serving approximately 500 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). Aspects and Milestones 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 and transition services for young people with disabilities leaving full time education.

The year has seen continuing growth in supported living services provided in peoples' own homes and day services that offer a range of activities. Promoting independence has always been one of the aims of the Trust and it is good news for the service users who are able to gain increased rights (and responsibilities) by becoming tenants. One tangible outcome from this aim has been the creation of the Milestones Outreach Dementia Service, a specialist service which will enable people to live in their own homes rather than within a residential setting.

Aspects and Milestones has earned an enviable reputation for its training of staff, and this has been reflected in the level of external interest in the training we provide. This has particularly been the case in the areas of Person Centred Planning and NVQ. The Trust has underwritten its commitment to promoting high quality training by creating a dedicated Learning and Development Department from April 2004.

During the year work continued on research into the use of psychotropic drugs for people with learning disabilities. This important research was commissioned from the Norah Fry institute, and was aided by a grant from the Community Fund.

The Trustees have issued an Annual Review document for 2003/04 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.

Our reputation is based on the ability to deliver responsive, reliable, high quality person-centred services. 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. Whilst residential services will remain our core business, we will continue to respond to the lifestyle requirements of service users by offering more variety and choice of services. Support at home, intermediate care, short breaks, employment schemes are all examples of this growing diversity. Working with service users to achieve social inclusion is a top priority. 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.

We will continue to remain active at a local and national level campaigning with service users for better services and better access to services used by everyone.

For the first time the Trust has launched a significant fundraising campaign in order to assist with the building of a state-of-the-art dementia centre that will include residential, day care, respite and out-reach facilities. The centre will utilise technology to enable people to live with maximum independence and least intrusive support, whilst maintaining levels of care and safety.

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. Although the speed of development is affected by the rise in local land and property prices, and the restrictions inherent within local authority planning frameworks, several new building-based developments are likely to proceed in 2004/2005. At the same time, our range of community based services will continue their steady growth. The Trust, like other charities, has the ability to work across boundaries, in our case health and social care. We are close to the user and have a passion for good quality services. This is why the Trust believes it will continue to play a key role in delivering publicly funded services.

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.

Changes were made to the Benefits system during the year that had the effect of increasing the proportion of income that comes from local authorities, and correspondingly reducing the income that comes from service user contributions.

Except for the Community Fund grant, all income for the year ended 31 March 2004 represented unrestricted funds and is therefore disclosed in both the Statement of Financial Activities and the Income and Expenditure Account.

2003/2004 was another year of sound financial performance, generating a balance sheet position which will enable the Trust to commit to further service developments, and to have confidence in its ability to respond to the changing demands of service users and commissioners. At 31st March 2004 Net Current Assets stood at £1.8 million, and Available Funds were £2.47 million. The Net Current Assets position appears more favourable due to the delays in capital schemes arising from the drawn out nature of the local authority planning processes. This has resulted in cash that would otherwise have been spent on capital projects remaining in the bank pending planning approvals.

The ongoing low level of interest rates has allowed the Trust to maintain the increased rate at which loans are being repaid.

The year was again characterised by cost increases by statutory bodies which were substantially above inflation, and over which the Trust has no control – National Insurance contributions rose by 10%, council tax between 9% and 18%, and there were similar increases in Criminal Records Bureau charges, and Registration fees. For the second year there were large increases in insurance premiums. This underlines the importance of achieving a sound financial position that enables a volatile cost and commissioning environment to be addressed in a measured and rational way.

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, 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. Area/Community Managers hold monthly homes managers' meetings and a regular Staff Bulletin is circulated to all homes which includes information on the Trust's strategy and staff opportunities. Appropriate external and internal training is provided when implementing 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.

Relationships with other organisations

The Trust is a health and social care charity. About a tenth of our income comes directly from service users, most of whom claim state benefits. The balance of our income comes from contracts negotiated with primary care trusts and local authorities. The decisions made about individuals or services by these trusts/authorities have a major impact on the way we work and develop in the future. The important themes that will impact on Aspects and Milestones Trust are:

- **Best Value.** Commissioners have a duty to purchase services that are the highest quality at optimum scale for the lowest possible cost.

- **Local Service Partnerships.** Health and Social Services are developing joint commissioning structures and the Trust plays an active role with other providers in helping to shape local agendas.

- **Regulations.** The Commission for Social Care Inspection, has replaced the National Care Standards Commission as the lead inspection body for social care. Domiciliary Care agencies are now regulated in addition to residential homes. Police and other checks are now required for all staff.

- **Promoting Independence.** The prevention of 'unnecessary' admission to hospital or nursing/residential homes is a cornerstone of community care development. The government is funding various initiatives like intermediate care, supporting people and extra care housing in order to maximise the number of people that can continue to live at home.

- **Fair Access to Care Services.** All services are rationed and it is only people whose needs are judged "critical" or "substantial" that receive state-funded services. This, combined with a means-tested payment system has led to a growing market for private payers.

- **Direct Payments.** Over the next 3 years, more service users will receive direct payments to buy their own services.

Investment Policy

Historically the Trust's investment policy was limited to the investment of temporary cash surpluses. This was revised following receipt of stocks and shares as part of the bequest towards the end of 2001/2002. These were retained in the expectation of benefiting from a future market recovery, although in the short term further market losses were experienced. In the first year that the funds were held their value fell by £74,000 in line with the general trend in the equity market. During 2003/2004 the value of the fund recovered by £35,000.

The investment approach is regularly reviewed by Trustees, although on a day-to-day basis the fund is managed by professional fund managers who have an investment objective to maintain a balance between capital appreciation and income. During the year the capital and dividend performance of the fund has significantly exceeded the return that would have been achieved from normal cash investments.

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, whilst others require the establishment of a level of reserves. Some of these risks have already been referred to, such as high imposed cost increases, or commissioning strategy changes. Other risks are newly developing, such as those that might arise out of European or other legislation.

The Trust has continued to review and respond to developing risks. Insurances have been upgraded to include cover against Terrorism, reflecting the industry's wider exclusions under conventional policies, and ensuring compliance with the requirements of mortgage holders. During the year emergency plans were reviewed and updated, and resources were directed towards recruitment to meet the challenges of recruiting and retaining skilled staff.

In consideration of the risks to which the charity is exposed, Trustees plan to establish a level of reserves equivalent to six weeks operating costs (approximately £3 million on current budgets) by 31 March 2008. Reserves are here defined as those Unrestricted Income Funds not invested in land and buildings and other fixed assets. Current financial performance puts the Trust 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 9 August 2004 and signed on its behalf by

J Lewis
Chair

E J Thomas
Vice-Chair

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 2004, 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 2004 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

WARREN & CO
Registered Auditors and
Chartered Accountants
Bristol

9 August 2004

ASPECTS AND MILESTONES TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2004

	Notes	Unrestricted Income Fund 2004	Restricted Funds 2004	Total 2004	Total 2003
		£	£	£	£
INCOMING RESOURCES					
Donations and legacies		65,137	-	65,137	84,077
Operating activities:					
Learning Disability Services		18,062,373	-	18,062,373	17,373,232
Mental Health Services		7,126,029	-	7,126,029	6,883,672
Interest receivable and similar income		119,694	-	119,694	68,350
Net surplus on disposal of fixed assets		-	-	-	103,050
Community Fund grant		-	84,242	84,242	47,536
Other income		209,225	-	209,225	159,078
TOTAL INCOMING RESOURCES		25,582,458	84,242	25,666,700	24,718,995
RESOURCES EXPENDED					
Costs of generating funds	1	94,755	-	94,755	58,344
Charitable expenditure:					
Learning Disability Services	2	16,255,646	-	16,255,646	15,682,000
Mental Health Services	2	6,231,393	-	6,231,393	6,235,197
Support costs	3	1,449,225	84,242	1,533,467	1,242,408
Management and administration	4	95,566	-	95,566	107,756
		24,031,830	84,242	24,116,072	23,267,361
TOTAL RESOURCES EXPENDED		24,126,585	84,242	24,210,827	23,325,705
NET INCOMING RESOURCES BEFORE TRANSFERS		1,455,873	-	1,455,873	1,393,290
GROSS TRANSFERS BETWEEN FUNDS		50,208	(50,208)	-	-
Net incoming resources before revaluations and investment asset disposals		1,506,081	(50,208)	1,455,873	1,393,290
Gains and losses on revaluations and disposals of investment assets	11	35,160	-	35,160	(74,075)
NET MOVEMENT IN FUNDS		1,541,241	(50,208)	1,491,033	1,319,215
TOTAL FUNDS AT 1 APRIL 2003		5,483,826	2,948,136	8,431,962	7,112,747
TOTAL FUNDS AT 31 MARCH 2004		7,025,067	2,897,928	9,922,995	8,431,962

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 13 to 23 form part of these financial statements.

ASPECTS AND MILESTONES TRUST

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	Unrestricted Income Fund 2004	Restricted Funds 2004	Total 2004	Unrestricted Income Fund 2003	Restricted Funds 2003	Total 2003
		£	£	£	£	£	£
TANGIBLE FIXED ASSETS	9	12,241,044	2,897,928	15,138,972	12,151,038	2,948,136	15,099,174
CURRENT ASSETS							
Debtors	10	1,458,706	-	1,458,706	1,240,731	-	1,240,731
Investments	11	247,974	-	247,974	212,814	-	212,814
Cash at bank and in hand	12	3,946,258	17,167	3,963,425	2,594,831	10,594	2,605,425
		5,652,938	17,167	5,670,105	4,048,376	10,594	4,058,970
CREDITORS: Amounts falling due within one year	13	(3,846,669)	(17,167)	(3,863,836)	(2,978,603)	(10,594)	(2,989,197)
Net current assets		1,806,269	-	1,806,269	1,069,773	-	1,069,773
TOTAL ASSETS LESS CURRENT LIABILITIES		14,047,313	2,897,928	16,945,241	13,220,811	2,948,136	16,168,947
CREDITORS: Amounts falling due in over one year	14	(7,022,246)	-	(7,022,246)	(7,736,985)	-	(7,736,985)
NET ASSETS		7,025,067	2,897,928	9,922,995	5,483,826	2,948,136	8,431,962
FUNDS EMPLOYED							
Funds invested in fixed assets		4,558,798	-	4,558,798	3,774,054	-	3,774,054
Funds available for use		2,466,269	-	2,466,269	1,709,772	-	1,709,772
Unrestricted income fund	15	7,025,067	-	7,025,067	5,483,826	-	5,483,826
Restricted capital fund	16	-	2,897,928	2,897,928	-	2,948,136	2,948,136
TOTAL FUNDS		7,025,067	2,897,928	9,922,995	5,483,826	2,948,136	8,431,962

Approved by the Board on 9 August 2004 and signed on its behalf by

J Lewis
Chair

E J Thomas
Vice-Chair

The accounting policies and notes on pages 13 to 23 form part of these financial statements.

ASPECTS AND MILESTONES TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004	2003
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	2,749,981	2,289,554
CASH BEQUESTS RECEIVED		-	584,077
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		119,694	68,350
Interest paid		(443,062)	(503,599)
		(323,368)	(435,249)
CAPITAL EXPENDITURE			
Receipts from sale of tangible fixed assets		-	224,000
Payments to acquire tangible fixed assets		(373,875)	(303,845)
		(373,875)	(79,845)
FINANCING			
Decrease in loan debt		(694,738)	(608,595)
Increase in cash	18	1,358,000	1,749,942

The accounting policies and notes on pages 13 to 23 form part of these financial statements.

ASPECTS AND MILESTONES TRUST

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004	2003
		£	£
INCOME			
Donations and legacies		65,137	84,077
Learning Disability services		18,062,373	17,373,232
Mental Health services		7,126,029	6,883,672
Interest receivable and similar income		119,694	68,350
Net surplus on disposal of fixed assets		-	103,050
Community Fund grant		84,242	47,536
Other income		209,225	159,078
INCOMING RESOURCES BEFORE TRANSFERS		25,666,700	24,718,995
Release of capital grant	16	50,208	50,208
TOTAL INCOME		25,716,908	24,769,203
EXPENDITURE			
Costs of generating funds	1	94,755	58,344
Charitable expenditure	2 - 4	24,031,830	23,267,361
Net losses on disposal of investment assets	11	1,811	16,642
TOTAL EXPENDITURE		24,128,396	23,342,347
NET INCOME FOR THE YEAR	7	1,588,512	1,426,856

There were no acquisitions or discontinued operations during the year.

The accounting policies and notes on pages 13 to 23 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. Contract income received in advance of the period to which it relates is deferred. 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.

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.

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.

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.

1. COSTS OF GENERATING FUNDS

	2004 £	2003 £
Staff costs	54,946	52,626
Dementia care fundraising	33,815	-
Head office property costs	3,392	3,463
Head office expenses	2,602	2,255
	94,755	58,344

2. DIRECT CHARITABLE EXPENDITURE ON OPERATIONS

	Learning Disability Services 2004 £	Mental Health Services 2004 £	Total 2004 £	Total 2003 £
Staff costs				
Employee costs	12,838,026	4,768,142	17,606,168	17,212,110
Agency staff costs	703,366	451,776	1,155,142	992,755
	13,541,392	5,219,918	18,761,310	18,204,865
Non-Pay costs				
Food and household	488,005	269,193	757,198	751,337
Residents amenities	130,018	46,440	176,458	176,198
Travel costs	297,563	42,325	339,888	273,983
Telephone	39,712	21,431	61,143	54,251
Stationery and office expenses	22,943	22,815	45,758	28,262
Hygiene and medical	124,690	81,847	206,537	202,088
Bad debts	6,314	-	6,314	52,840
	1,109,245	484,051	1,593,296	1,538,959
Property costs				
Utilities	189,602	80,952	270,554	318,828
Registration fees	26,012	13,320	39,332	31,668
Mortgage	352,923	37,280	390,203	448,600
Rent	277,389	20,508	297,897	273,617
Fixtures, repairs and maintenance	525,416	238,451	763,867	720,864
Depreciation	199,428	116,921	316,349	328,277
Council tax	34,239	19,992	54,231	51,519
	1,605,009	527,424	2,132,433	2,173,373
TOTAL EXPENDITURE	16,255,646	6,231,393	22,487,039	21,917,197

3. SUPPORT COSTS

	2004 £	2003 £
Head office property costs	166,199	169,674
Head office staff costs	601,385	519,418
Head office agency costs	33,111	9,766
Staff training and development	194,285	146,958
Staff recruitment	89,981	98,531
Staff and payroll support costs	77,117	57,724
Research expenditure (restricted fund)	84,242	47,536
Internal audit and computer consultancy	52,196	30,104
Insurance	150,750	88,569
Legal and professional fees	20,249	12,276
Bank charges	17,195	14,227
Other head office expenses	111,796	84,409
Depreciation of head office equipment	15,670	26,104
	1,614,176	1,305,296
Less 5% recharge to management and administration costs	(80,709)	(62,888)
	1,533,467	1,242,408

4. MANAGEMENT AND ADMINISTRATION COSTS

	2004 £	2003 £
Reimbursement of trustees' expenses (including training)	1,932	976
External auditors' fees	12,925	13,064
Company Secretary's salary (including retirement costs)	-	30,828
Recharge 5% of support costs	80,709	62,888
	95,566	107,756

No remuneration has been paid to any Trustee.

5. STAFF COSTS

	2004 £	2003 £
Wages and salaries	16,462,529	16,148,299
Social security costs	1,319,233	1,145,719
Other pension costs	480,737	520,964
	18,262,499	17,814,982

6. EMPLOYEES

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

	Average number	
	2004	**2003**
Management and administration	30	28
Care staff	1,174	1,207
	1,204	1,235

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 £4,762 were made during the year (2003 £4,715).

7. NET INCOME FOR THE YEAR

	2004	**2003**
	£	**£**
This is stated after charging:		
Loan interest payable	443,062	503,599
Depreciation of owned assets	379,107	385,490
Operating leases - property rental	362,548	270,618
- motor vehicles	95,719	62,846
Auditors' remuneration		
Audit fees	9,000	9,000
Non audit fees	3,925	4,064

8. INDEMNITY INSURANCE

The Trust has an indemnity insurance policy to indemnify the Trustees in respect of negligence, default, breach of trust or breach of duty of the trustees, 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 £2,625 (2003 £1,627).

9. TANGIBLE FIXED ASSETS

	Freehold properties £	Fixtures & equipment £	Motor vehicles £	Total £
COST				
At 1 April 2003	16,263,674	455,225	89,476	16,808,375
Additions	307,218	80,078	31,609	418,905
Disposals	-	-	-	-
At 31 March 2004	16,570,892	535,303	121,085	17,227,280
DEPRECIATION				
At 1 April 2003	1,353,492	328,648	27,061	1,709,201
Charge for the year	283,187	31,619	64,301	379,107
Disposals	-	-	-	-
At 31 March 2004	1,636,679	360,267	91,362	2,088,308
NET BOOK VALUE				
At 31 March 2003	14,910,182	126,577	62,415	15,099,174
At 31 March 2004	14,934,213	175,036	29,723	15,138,972

The net book value of freehold properties includes £2,328,877 (2003 £2,328,877) in respect of non-depreciable land.

10. DEBTORS

	2004 £	2003 £
Operational debtors	1,272,559	1,110,465
Other debtors	47,125	12,263
Prepayments and accrued income	139,022	118,003
	1,458,706	1,240,731

Other debtors include £ 92 (2003 £2,879) 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 nil (2003 £242) falling due in more than one year. All other debtors are receivable within one year.

11. INVESTMENTS

	2004 £	2003 £
Valuation at 1 April 2003	212,814	286,889
Realised gains/(losses) on disposal	(1,811)	(16,642)
Unrealised gains/(losses) on revaluation	36,971	(57,433)
Valuation at 31 March 2004	247,974	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 84% direct and 16% indirect investments. Individual investments accounting for more than 5% in value of the portfolio are as follows:

GlaxoSmithkline	6%
7.75% Treasury stock	6%
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 £1,018,688 (2003 £508,216) 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

	2004 £	2003 £
Loans (note 14)	660,000	640,000
Trade creditors	874,025	854,134
Tax and social security	390,322	349,249
Residents' funds (note 12)	1,020,109	509,970
Other creditors	101,123	176,379
Accruals	351,165	418,697
Deferred income	467,092	40,768
	3,863,836	2,989,197

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 £12,808,479 (2003 £13,635,140) and are repayable by instalments, with interest charged at normal commercial rates.

	2004 £	2003 £
Amounts falling due:		
Within one year (note 13)	660,000	640,000
Within 1 to 2 years	700,000	675,000
Within 2 to 5 years	2,340,000	2,250,000
In more than 5 years	3,982,246	4,811,985
	7,682,246	8,376,985
Less: amounts falling due within one year (note 13)	(660,000)	(640,000)
	7,022,246	7,736,985

15. UNRESTRICTED INCOME FUND

The unrestricted income fund consists 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 the unrestricted income fund are analysed below:

	1.4.03 £	Movement £	31.3.04 £
Funds invested in fixed assets	3,774,054	784,744	4,558,798
Funds available for use	1,709,772	756,497	2,466,269
Total unrestricted income fund	5,483,826	1,541,241	7,025,067

16. RESTRICTED FUNDS

Restricted capital fund

The restricted capital fund represents grants received by the Trust for specific capital purposes, less amounts released annually to the unrestricted income fund 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 the restricted capital fund:

	£
At 1 April 2003	2,948,136
Release of depreciation to the unrestricted income fund (note 15)	(50,208)
At 31 March 2004	2,897,928

Restricted Income Fund

The restricted income fund represents lottery monies received for the purpose of conducting research into the use of psychotropic drugs for people with learning disabilities. A total of £84,242 was received during the year (2003 £47,536), bringing the total amount received to date to £131,778 (2003 £47,536). Of this amount, £114,611 (2003 £36,942) had been expended at the balance sheet date, and the balance of £17,167 (2003 £10,594) has been carried forward within creditors falling due within one year (note 13) in respect of future research expenditure.

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

	2004 £	2003 £
NET INCOMING RESOURCES BEFORE TRANSFERS	1,455,873	1,393,290
Less donations and legacies	(65,137)	(84,077)
Less interest receivable and similar income	(119,694)	(68,350)
Plus interest payable	443,062	503,599
Plus depreciation	379,106	385,490
Less profit on disposal of fixed assets	-	(103,050)
Less increase in debtors	(175,543)	(8,785)
Add increase in creditors	832,314	271,437
	2,749,981	2,289,554

18. ANALYSIS OF CHANGE IN NET DEBT

	At 1 April 2003	Cash flows	Other changes	At 31 March 2004
	£	£	£	£
Cash at bank and in hand	2,605,425	1,358,000	-	3,963,425
Loans due within one year	(640,000)	-	(20,000)	(660,000)
Loans due in more than one year	(7,736,984)	694,738	20,000	(7,022,246)
	(5,771,559)	2,052,738	-	(3,718,821)

19. OPERATING LEASE COMMITMENTS

At 31 March 2004 the Trust had the following annual commitments under non-cancellable operating leases:

	2004		2003	
	Land and Buildings	Motor Vehicles	Land and Buildings	Motor Vehicles
	£	£	£	£
Expiring within one year	42,520	3,012	87,764	9,573
Expiring in one to two years	213,766	29,603	160,958	9,472
Expiring in two to five years	42,929	53,332	30,808	31,041
	299,215	85,947	279,530	50,086

20. CAPITAL COMMITMENTS

At 31 March 2004 there were contracted for capital commitments amounting to £25,000 (2003 nil) and capital commitments authorised but not contracted for amounting to £3,273,000 (2003 £1,058,000). Of this figure, £1,894,000 relates to the intended development of a new dementia care centre and £700,000 relates to the development of a further property, both within the grounds of the Trust's existing properties. 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 2003 within the Statement of Financial Activities, the Summary Income and Expenditure Account and note 3 of the accounts, in order to reclassify the receipt of income from a Community Fund Grant as restricted income, and to gross up that receipt in the accounts.

22. PENSION COSTS

The Trust operates two 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 119 employees (2003 109), amounted to £78,721 (2003 £66,316). Contributions totalling £17,152 (2003 £15,046) 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 2003, was for the five years from 1994 to 1999. 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 £46.4 billion and that the present value of benefits accrued to members amounted to £71.3 billion. After allowing for the present value of future contributions by members of £11.1 billion there was a balance of liabilities amounting to £13.8 billion. 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 7 to 14 per cent with effect from 1 April 2003. The Government agreed that the additional contributions for 2003/04 would be met centrally by the Department of Health, and that the contributions payable by employers would therefore increase to 14 per cent with effect from 1 April 2004. It was also concluded that the rate of contributions would be reviewed at the time of the next quinquennial valuation.

Contributions payable by the Trust to the NHS Pension Fund during the year, in respect of 365 employees (2003 413), amounted to £397,233 (2003 £454,995). Employers' and employees' contributions totalling £59,230 (2003 £144,500) were payable to these 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.