

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2000



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DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Registered office

95 Sheffield Road
Stonegravels
Chesterfield
S41 7JH

Auditors

Rogers Spencer & Co
Newstead House
Pelham Road
Nottingham
NG5 1AP

Solicitors

Blakesley Rice MacDonald
Gray Court
99 Saltergate
Chesterfield
S40 1LD

Bankers

National Westminster Bank Plc
5 Market Place
Chesterfield
S40 1TJ

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

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DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2000

TRUSTEES' REPORT

The trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31st March 2000.

Principal activities

The company is limited by guarantee and has charitable status. Its principal activities, aims and objectives as stated in the memorandum and articles of association are:-

- a) to provide and manage housing and associated amenities for persons in Derbyshire who
 - i) have learning difficulties or mobility problems or who are otherwise disabled, or
 - ii) are suffering or are liable to suffer from poor housing conditions as a result of poverty or discrimination;
- b) to provide care facilities ancillary to the housing provided in accordance with the preceding object, such care facilities being related to the needs of persons experiencing learning difficulties, mobility problems or other disabilities;
- c) to educate the public concerning the provision of housing and care facilities for the benefit of persons suffering from learning difficulties, mobility problems or other disabilities or who are otherwise experiencing poor housing conditions;
- d) to undertake or facilitate research in connection with the preceding activities upon terms that such research shall be published.

Business review

This has been another successful year of operation for the company resulting in the creation of an "unrestricted" operating surplus of £63,790 which has been reserved for future projects.

A number of new projects became fully operational during the year including a joint development with Enable Housing Association of a new bungalow (The Meadows) at Buxton. Again, jointly with Enable the day care services offered at Golding House in Matlock have been extended to provide similar facilities in the Medway Centre at Bakewell.

These two projects are practical examples of the closer working relationship the Board has fostered with Enable. The Trustees believe this closer relationship places the company in a better position to meet the challenges arising from national changes in the way Health and Social Care services are to be managed and delivered over the next few years.

Further work has taken place at Castle View with the refurbishment of Morris House as part of a longer term re-development of the whole site. This includes existing residents moving to a brand new nursing home in the autumn of 2000. The 15-bed new home, under construction at Eckington, is the largest project undertaken by the Board since the completion of Meadow View Nursing Home in 1996.

Donations

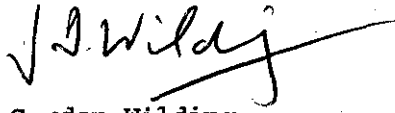
During the year the company made charitable donations to the value of £9,000 (1999: £6,582).

Trustees

The trustees of the company during the year and the organisation they represent are as follows:-

S Pearson	Independent Living Project
B Bulmer	Bakewell and Matlock Carers Group
J Kewin	North Derbyshire Health Authority
R Platts	SCOPE in Chesterfield and District
J Topham	Enable Housing Association (appointed 22nd October 1999)
J Worthington	Mentor

In accordance with the Articles of Association B Bulmer and J Kewin will retire from office by rotation. B Bulmer will offer herself for re-election but J Kewin resigned from the Board on 22nd June 2000.



Gordon Wilding
Secretary

18 Aug, 2000

95 Sheffield Road
Stonegravels
Chesterfield
S41 7JH

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to incorporated charities in England and Wales requires the trustees, who are also directors of the company, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of its financial activities during the year then ended. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS

TO THE MEMBERS OF THE DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

We have audited the financial statements on pages 5 to 15.

Respective responsibilities of trustees and auditors

As described on page 3 the trustees, who are also the directors of Derbyshire Community Housing Society Limited, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts 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 charitable 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 and information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the affairs of the charitable company as at 31st March 2000 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Rogers Spencer & Co

Rogers Spencer & Co
Chartered Certified Accountants
Registered Auditors

30 August 2000

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2000

	Note	Unrestricted funds 2000 £	Restricted funds 2000 £	Total funds 2000 £	Total funds 1999 £
INCOME AND EXPENDITURE					
INCOMING RESOURCES					
Donations and gifts		-	-	-	1,352,065
Allowances receivable from DSS		2,138,458	-	2,138,458	2,165,066
Local Authority contracts		1,527,068	-	1,527,068	1,322,017
Other income		40,325	-	40,325	26,097
Interest received		33,653	-	33,653	45,700
		<u>3,739,504</u>	<u>-</u>	<u>3,739,504</u>	<u>4,910,945</u>
RESOURCES EXPENDED					
Direct charitable expenditure	3	3,319,077	43,682	3,362,759	3,172,253
Management and administration	4	356,637	-	356,637	345,161
		<u>3,675,714</u>	<u>43,682</u>	<u>3,719,396</u>	<u>3,517,414</u>
NET INCOMING/(OUTGOING)					
RESOURCES FOR THE YEAR	5,13	<u>63,790</u>	<u>(43,682)</u>	<u>20,108</u>	<u>1,393,531</u>

The results shown above are all derived from continuing activities.

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2000

	2000 £	1999 £
Income of continuing operations	3,739,504	3,558,880
Total expenditure of continuing operations	<u>3,719,396</u>	<u>3,517,414</u>
Net income for the year	<u>20,108</u>	<u>41,466</u>
Reconciliation with the Statement of Financial Activities		
Net income for the year	20,108	41,466
Capital receipt relating to restricted reserves	<u>-</u>	<u>1,352,065</u>
	<u>20,108</u>	<u>1,393,531</u>

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 5 which, together with the notes to the Financial Statements on pages 9 to 14, provides full information on the movements during the year on all funds of the company.

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

BALANCE SHEET AS AT 31ST MARCH 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	8	2,893,296	2,906,653
Current assets			
Debtors	9	163,836	155,681
Cash at bank and in hand		<u>822,429</u>	<u>809,452</u>
		986,265	965,133
Creditors: amounts falling due within one year	10	<u>(246,973)</u>	<u>(259,306)</u>
Net current assets		<u>739,292</u>	<u>705,827</u>
Net assets		<u>3,632,588</u>	<u>3,612,480</u>
Funds			
Unrestricted		2,244,020	2,180,230
Restricted	11	<u>1,388,568</u>	<u>1,432,250</u>
	13	<u>3,632,588</u>	<u>3,612,480</u>

These accounts were approved by the board of directors on 18th. August, 2000
and were signed on its behalf by:-



R Platts
Trustee

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2000

	Note	2000 £	1999 £
Net cash inflow from operating activities	14	106,089	224,649
Returns on investment and servicing of finance:			
Interest received		<u>33,653</u>	<u>45,700</u>
Net cash inflow for returns on investment and servicing of finance		33,653	45,700
Capital expenditure and financial investment:			
Purchase of tangible fixed assets		(185,294)	(160,017)
Sale of tangible fixed assets		<u>58,529</u>	<u>-</u>
Net cash outflow from investing activities		<u>(126,765)</u>	<u>(160,017)</u>
Increase in cash in the period	15	<u>12,977</u>	<u>110,332</u>

DERBYSHIRE COMMUNITY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2000

1. CONSTITUTION

The Derbyshire Community Housing Society Limited is a company limited by guarantee. At 31st March 2000, there were 10 members each of whom on the event of a winding-up have undertaken to contribute to an amount not exceeding £1. The company is also a registered charity.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Income and expenditure

Income and expenditure are recognised on an accruals basis other than donations which are recognised when they are received.

Fixed assets

Depreciation is provided by the company so as to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their economic useful lives as follows:-

Buildings	4% - 10% straight line
Fixtures and equipment	20% straight line
Motor vehicles	33% straight line

No depreciation is provided on freehold land.

Pensions

The company participates in a defined benefit pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Reserves

The charity maintains the level of reserves required to fulfil its objectives. The board of trustees monitors reserves at regular board meetings.

	2000 £	1999 £
3. DIRECT CHARITABLE EXPENDITURE		
Residents:		
Allowances	355,534	346,205
Care costs	1,520,193	1,348,318
Housing and maintenance	336,861	282,268
Registration fees	10,478	6,018
Grants/donations/promotions	15,533	8,559
Depreciation	110,732	147,935
NDHA contract	725,000	760,000
NDHA payback	<u>244,746</u>	<u>272,950</u>
	<u>3,319,077</u>	<u>3,172,253</u>

4. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

Salaries and office costs	293,151	290,215
Professional fees	59,477	49,574
Other costs	<u>4,009</u>	<u>5,372</u>
	<u>356,637</u>	<u>345,161</u>

5. SURPLUS OF INCOME OVER EXPENDITURE

Surplus of income over expenditure is arrived at after charging:

Depreciation	110,732	147,936
Auditors' remuneration	<u>3,299</u>	<u>5,637</u>

6. STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors who are not employed) during the year, analysed by category, was as follows:

	Number of employees	
	2000	1999
Care and support services	149	129
Administrative services	14	13
Directors	<u>6</u>	<u>6</u>
	<u>169</u>	<u>148</u>

The aggregate payroll costs of these persons were as follows:-

	2000 £	1999 £
Wages and salaries	1,536,075	1,354,011
Social security costs	114,634	126,262
Pension costs	<u>13,516</u>	<u>13,365</u>
	<u>1,664,225</u>	<u>1,493,638</u>

The number of employees whose emoluments were £40,000 or more are as follows:-

	Number of employees	
	2000	1999
£40,000 - £49,000	1	1

No directors received any emoluments during the year (1999: Nil)

7. TAXATION

The company is a registered charity and has no trading activities liable to taxation.

8. FIXED ASSETS

	Freehold land and buildings £	Fixtures fittings motor vehicles and equipment £	Assets in course of construction £	Total £
Cost				
At 1st April 1999	3,254,421	454,067	2,715	3,711,203
Additions	41,799	8,255	135,240	185,294
Disposals	(64,172)	-	-	(64,172)
At 31st March 2000	3,232,048	462,322	137,955	3,832,325
Depreciation				
At 1st April 1999	375,451	429,099	-	804,550
On disposals	(17,535)	-	-	(17,535)
Charge for the year	125,176	26,838	-	152,014
At 31st March 2000	483,092	455,937	-	939,029
Net book value				
At 31st March 2000	<u>2,748,956</u>	<u>6,385</u>	<u>137,955</u>	<u>2,893,296</u>
At 31st March 1999	<u>2,878,970</u>	<u>24,968</u>	<u>2,715</u>	<u>2,906,653</u>

Freehold property includes a property which was valued on 12th May 1998, on an open market basis, by chartered surveyors at £100,000. In the opinion of the directors, the current market value of the valued property is not materially different to the values included in the financial statements.

9. DEBTORS

	2000 £	1999 £
Trade debtors	42,618	58,669
Prepayments and accrued income	<u>121,218</u>	<u>97,012</u>
	<u>163,836</u>	<u>155,681</u>

Included within prepayments and accrued income is £57,600 granted to Enable towards the cost of building new accommodation. The amounts will be released to the profit and loss account over a period of 25 years matching the estimated useful life of the building.

10. **CREDITORS:** amounts falling due within one year:

	2000 £	1999 £
Trade creditors	74,130	24,172
Other creditors including taxation and social security	43,387	43,430
Accruals and deferred income	<u>129,456</u>	<u>191,704</u>
	<u>246,973</u>	<u>259,306</u>

11. **RESTRICTED FUNDS**

The capital funds of the charity include restricted funds comprising the following balance of donations held:

	Balance at 1st April 1999 £	Outgoing resources £	Balance at 31st March 2000 £
Capital fund	<u>1,432,250</u>	<u>(43,682)</u>	<u>1,388,568</u>

The fund represents properties transferred to the ownership of the charity from North Derbyshire Health Authority.

12. **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £	Net current assets £	Total £
Restricted funds			
Capital fund	1,388,568	-	1,388,568
Unrestricted funds	<u>1,504,728</u>	<u>739,292</u>	<u>2,244,020</u>
	<u>2,893,296</u>	<u>739,292</u>	<u>3,632,588</u>

13. **FUNDS**

	£
Fund brought forward at 1st April 1999	3,612,480
Surplus for the year (unrestricted)	63,790
Deficit for the year (restricted)	<u>(43,682)</u>
Fund carried forward at 31st March 1999	<u>3,632,588</u>

14. RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Change in resources before interest	30,137	(4,234)
Depreciation	110,732	147,936
Gain on disposal of tangible fixed assets	(11,892)	-
(Increase)/decrease in debtors	(10,555)	39,557
(Decrease)/increase in creditors	<u>(12,333)</u>	<u>41,390</u>
Net cash inflow from operating activities	<u>106,089</u>	<u>224,649</u>

During 1999 the company received a donation of property from the North Derbyshire Health Authority with a valuation of £1,352,065.

This is a significant non-cash transaction.

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	2000 £	1999 £
Increase in cash in the period	12,977	110,332
Net funds at 1st April 1999	<u>809,452</u>	<u>669,120</u>
Net funds at 31st March 2000	<u>822,429</u>	<u>809,452</u>

16. ANALYSIS OF NET DEBT

	1st April 1999 £	Cashflow £	31st March 2000 £
Cash at bank and in hand	<u>809,452</u>	<u>12,977</u>	<u>822,429</u>

17. **PENSION SCHEME**

The company participates in a pension scheme providing benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 30th September 1996. The assumptions which have the most significant effect on the results of the valuation are those relating to:-

Rate of return on investments	9% per annum
Rate of salary increases	6.5% per annum
Rate of pension increases	4.5% per annum
Rate of dividend growth	4.5% per annum

The most recent actuarial valuation showed the market value of the scheme's assets was £328,390,000. The contributions of the company and employees will remain at 9.5% and 3.5% to 5% of earnings respectively.

The pension charge for the period amounted to £13,516 (1999: £13,364).

Contributions amounting to £3,146 (1999: £3,174) were payable to the fund at the end of the financial period and are included in creditors.

18. **CONTINGENT LIABILITIES**

At 31st March 1999, freehold properties worth a total of £1,432,250 were transferred by the Secretary of State for Health to the company. This value has been reflected as a donation in these financial statements. If following the transfer, the use of any of these properties ceases to be the provision of residential and nursing care support and accommodation to the local public or the company decides to sell the property, then the company would be liable to pay back to the Secretary of State for Health an amount equal to the value at which the transfer at 31st March 1999 was made. The Secretary of State for Health has first option to purchase the properties.

19. **CAPITAL COMMITMENTS**

Expenditure of £291,299 had been authorised by the board and contracted for at 31st March 2000.

20. **RELATED PARTY TRANSACTIONS**

Ron Platts is a director and Jon Greer a senior member of staff of this company and they are members of the SCOPE committee. Transactions with SCOPE during the year were as follows:-

	2000 £	1999 £
Incoming resources of this company	815	918
Resources expended by this company	<u>59,505</u>	<u>72,853</u>

20.

RELATED PARTY TRANSACTIONS (CONTINUED)

Jon Topham is a director and John Greer is a senior member of staff of this company. Both of these people are members of the Enable Housing Association's Management Committee.

Transactions with Enable during the year were as follows:-

	2000 £	1999 £
Incoming resources of this company	702,244	691,977
Resources expended by this company	39,303	48,375
Capital grants expended by this company	<u>-</u>	<u>68,200</u>