

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2001



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 2001

TRUSTEES' REPORT

The trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31st March 2001.

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

Once again the Society has been able to conduct its business successfully creating an "unrestricted" operating surplus of £52,119, slightly lower than last year.

The year started with a celebration of the 10th anniversary of the Company's formation – the event attended by many past and present personnel who have links with the Society in many varying capacities.

Two major projects came to fruition during the last year:

- The completion of refurbishment of Morris House at Castle View and the construction of a new 15 bed nursing home at Amberley.

Morris House is now fully operational with 3 tenants in residence. Amberley Nursing Home was completed late autumn with the residents from Castle View transferring to Amberley late in November. The move went according to plan and all residents have settled in well to their new surroundings. The old Castle View Nursing Home was demolished in February and the site prepared for future development including the provision of up to 4 individuals premises as part of an expanding Intensive Support Service.

In June the Board approved the formation of a new company, ISSWORK Ltd, to take on the lease of a timber reclamation yard at Whittington Moor. The yard provides training and experience of work situations for service users from the ISS.

The close working relationship with Enable Housing Association has continued throughout the year at all levels. A new Referral System has been implemented and is working well whilst a joint Board level meeting was held in February to consider issues arising from SORP 2000 particularly in relation to Risk Management.

Developments and refinements of our extensive training and personal development activities have continued with particular emphasis being placed on arranging NVQ take up.

The Board of Directors has changed significantly during the year with the standing down of Ron Platts who has been the Society's Chairman for the last six years. The Society's survival and generally healthy financial position is due in no small measure to Ron's Chairmanship. Ron remains as Deputy Chairman with Jon Topham taking the role of Chairman. Joe Kewin resigned from the Board as he took up a new role within Derbyshire County Council. Paul Lunn (representing Ability) joined the Board in January.

Many of the organisations involved in Learning Disability Services are likely to undergo major changes over the next 2/3 years as a result of changes in legislation. These will have a profound effect on the Society but the Board believes it is now well placed to meet the challenges and opportunities these changes will create. The provision of the highest quality of service meeting Best Value criteria for people with learning disability remains the top priority for the Society.

Donations

During the year the company made charitable donations to the value of £6,000 (2000: £15,329).

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 (Resigned July 2000)
R Platts	SCOPE in Chesterfield and District
J Topham	Enable Housing Association (appointed 22nd October 1999)
J Worthington	Mentor
P Lunn	Ability (appointed January 2001)

In accordance with the Articles of Association, J. Worthington and S. Pearson will retire from office by rotation and, being eligible, offer themselves for re-election.

P. Lunn was appointed after the last Annual General Meeting and as a result offers himself for election at the forthcoming Annual General Meeting.



Gordon Wilding
Secretary

20th July 2001

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 6 to 16.

Respective responsibilities of trustees and auditors

As described on page 4 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 2001 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
Chartered Certified Accountants
Registered Auditors

20th July 2001

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2001

	Note	Unrestricted Funds 2001 £	Restricted Funds 2001 £	Total Funds 2001 £	Total Funds 2000 £
Incoming Resources					
Allowances receivable from DSS		2,006,207	-	2,006,207	2,138,458
Local Authority contracts		2,211,673	-	2,211,673	1,737,340
Other income		31,614	-	31,614	40,325
Interest		37,008	-	37,008	33,653
Total incoming resources		4,286,502	-	4,286,502	3,949,776
Resources expended					
Direct charitable expenditure	3	3,850,016	155,321	4,005,337	3,573,031
Management and administration	4	384,367	-	384,367	356,637
Total resources expended		4,234,383	155,321	4,389,704	3,929,668
Net (outgoings)/incoming resources for the year	5, 13	52,119	(155,321)	(103,202)	20,108
Funds at 1 April 2000		2,244,020	1,388,568	3,632,588	3,612,480
Funds at 31 March 2001		2,296,139	1,233,247	3,529,386	3,632,588

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 2001

	2001	2000
	£	£
Income of continuing operations	4,286,502	3,949,776
Total expenditure of continuing operations	<u>4,389,704</u>	<u>3,929,668</u>
Net deficit/income for the year	<u>(103,202)</u>	<u>20,108</u>
Reconciliation with the Statement of Financial Activities		
Net deficit/income for the year	<u>(103,202)</u>	<u>20,108</u>

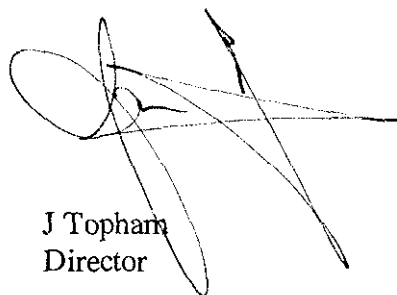
The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 6 which, together with the notes to the Financial Statements on pages 10 to 16, provides full information on the movements during the year on all funds of the company.

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

BALANCE SHEET AS AT 31ST MARCH 2001

	Note	2001		2000	
		£	£	£	£
Fixed assets					
Tangible assets	8		3,071,027		2,893,296
Current assets					
Debtors	9	195,001		163,836	
Cash at bank and in hand		<u>777,252</u>		<u>822,429</u>	
		972,253		986,265	
Creditors: amounts falling due within one year	10	<u>(513,894)</u>		<u>(246,973)</u>	
Net current assets			<u>458,359</u>		<u>739,292</u>
Net assets			<u>3,529,386</u>		<u>3,632,588</u>
Funds					
Unrestricted			2,296,139		2,244,020
Restricted	11		<u>1,233,247</u>		<u>1,388,568</u>
	13		<u>3,529,386</u>		<u>3,632,588</u>

These accounts were approved by the board of directors on 20th July 2001 and were signed on its behalf by:-



J Topham
Director

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2001

	Note	2001		2000	
		£	£	£	£
Net cash inflow from operating activities	14	306,048		106,089	
Returns on investment and servicing of finance:					
Interest received		<u>37,008</u>		<u>33,653</u>	
Net cash inflow for returns on investment and servicing of finance		37,008		33,653	
Capital expenditure and financial investment:					
Purchase of tangible fixed assets		(388,233)		(185,294)	
Sale of tangible fixed assets		<u> -</u>		<u>58,529</u>	
Net cash outflow from investing activities		(388,233)		(126,765)	
Decrease/increase in cash in the period	15	<u>(45,177)</u>		<u>12,977</u>	

DERBYSHIRE COMMUNITY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001

1. CONSTITUTION

The Derbyshire Community Housing Society Limited is a company limited by guarantee. At 31st March 2001, 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	2% straight line
Fixtures and equipment	20% - 33% 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.

	2001 £	2000 £
3. DIRECT CHARITABLE EXPENDITURE		
Unrestricted funds.		
Residents:		
Allowances	354,439	355,534
Care costs	2,074,937	1,730,465
Housing and maintenance	394,978	336,861
Registration fees	7,628	10,478
Grants/donations/promotions	16,571	15,533
Write off of Issworks Ltd loan	13,400	-
Depreciation	57,581	110,732
NDHA contract	725,000	725,000
NDHA payback	<u>205,482</u>	<u>244,746</u>
	<u>3,850,016</u>	<u>3,529,349</u>
Restricted funds.		
Loss on disposal	136,320	-
Depreciation	<u>19,001</u>	<u>43,682</u>
	<u>155,321</u>	<u>43,682</u>
4. MANAGEMENT AND ADMINISTRATION OF THE CHARITY		
Salaries and office costs	324,155	293,151
Professional fees	55,651	59,477
Other costs	<u>4,561</u>	<u>4,009</u>
	<u>384,367</u>	<u>356,637</u>
5. SURPLUS OF INCOME OVER EXPENDITURE		
Surplus of income over expenditure is arrived at after charging:		
Depreciation	57,581	110,732
Auditors' remuneration	<u>3,300</u>	<u>3,299</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	
	2001	2000
Care and support services	187	149
Administrative services	16	14
Directors	<u>6</u>	<u>6</u>
	<u>209</u>	<u>169</u>

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

	2001	2000
	£	£
Wages and salaries	2,034,949	1,725,397
Social security costs	152,318	127,694
Pension costs	<u>21,725</u>	<u>20,689</u>
	<u>2,208,992</u>	<u>1,873,780</u>

	Number of employees	
	2001	2000
£40,000 - £49,000	<u>1</u>	<u>1</u>

No directors received any emoluments during the year (2000: 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 2000	3,232,048	462,322	137,955	3,832,325
Additions	340,705	45,510	2,018	388,233
Transfer	137,955		(137,955)	-
Disposals	(142,000)	-	-	(142,000)
At 31st March 2001	3,568,708	507,832	2,018	4,078,558
Depreciation				
At 1 st April 2000	483,092	455,937	-	939,029
On disposals	(5,680)	-	-	(5,680)
Charge for the year	63,071	11,111	-	74,182
At 31st March 2001	540,483	467,048	-	1,007,531
Net book value				
At 31 st March 2001	3,028,225	40,784	2,018	3,071,027
At 31 st March 2000	2,748,956	6,385	137,955	2,893,296

Freehold property includes a property which was valued on 12th May 1998, on an open market basis, by chartered surveyors at £100,000. In 2000 the company has adopted the transitional provisions of FRS15 Tangible Fixed Assets. Whilst previous valuations have been retained they have not been updated. From 1st April 1999 it is a policy not to revalue fixed assets. The last valuation was in 1998.

	2001 £	2000 £
9. DEBTORS		
Trade debtors	95,391	42,618
Prepayments and accrued income	99,610	121,218
Other debtors	-	-
	<u>195,001</u>	<u>163,836</u>

Included within prepayments and accrued income is £55,200 out of £60,000 granted originally to Enable towards the cost of building new accommodation. The £60,000 is being 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:	2001	2000
	£	£
Trade creditors	11,342	74,130
Other creditors including taxation and social security	53,230	43,387
Accruals and deferred income	<u>449,322</u>	<u>129,456</u>
	<u>513,894</u>	<u>246,973</u>

11. RESTRICTED FUNDS

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

	Balance at 1st April 2000	Outgoing resources	Balance at 31st March 2001
	£	£	£
Capital fund	<u>1,388,568</u>	<u>(155,321)</u>	<u>1,233,247</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	1,233,247	-	1,233,247
Unrestricted funds	<u>1,837,780</u>	<u>458,359</u>	<u>2,296,139</u>
	<u>3,071,027</u>	<u>458,359</u>	<u>3,529,386</u>

13. FUNDS	£
Fund brought forward at 1st April 2000	3,632,588
Surplus for the year (unrestricted)	52,119
Deficit for the year (restricted)	<u>(155,321)</u>
Fund carried forward at 31st March 2001	<u>3,529,386</u>

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

	2001 £	2000 £
Change in resources before interest	15,111	30,137
Depreciation	57,581	110,732
Gain on disposal of tangible fixed assets	-	(11,892)
Decrease in debtors	(33,565)	(10,555)
Increase/decrease in creditors	266,921	(12,333)
Net cash inflow from operating activities	<u>306,048</u>	<u>106,089</u>

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

Decrease/increase in cash in the period	(45,177)	12,977
Net funds at 1st April 2000	<u>822,429</u>	<u>809,452</u>
Net funds at 31st March 2001	<u>777,252</u>	<u>822,429</u>

16. ANALYSIS OF NET DEBT

	1 st April 2000 £	Cashflow £	31 st March 2001 £
Cash at bank and in hand	<u>822,429</u>	<u>(45,177)</u>	<u>777,252</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 1999. The assumptions which have the most significant effect on the results of the valuation are those relating to:-

Rate of return on investments	6.6% per annum
Rate of salary increases	4.5% per annum
Rate of pension increases	2.5% per annum
Rate of dividend growth	3.0% per annum

The most recent actuarial valuation showed the market value of the scheme's assets was £595m. The valuation used the "projected unit credit" method.

The pension charge for the period amounted to £21,725 (2000: £20,689).

Contributions amounting to £Nil (2000: £3,146) were payable to the fund at the end of the financial period and are included in creditors.

The valuation revealed a deficit of £19m. Therefore the contribution rate paid by the employees was increased from 9.3% to 10.6% of pensionable salaries from April 2000. It was estimated that the past deficit will be removed over a period of 13 years.

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 £30,000 had been authorised by the board and contracted for at 31st March 2001 (2000: £291,299)

20. RELATED PARTY TRANSACTIONS

Ron Platts is a director and John 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:-

	2001 £	2000 £
Incoming resources of this company	10	815
Resources expended by this company	<u>64,750</u>	<u>59,505</u>

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:-

	2001 £	2000 £
Incoming resources of this company	377,069	702,244
Resources expended by this company	<u>43,673</u>	<u>39,303</u>

Jon Topham and Ron Platts are directors and John Greer and Gordon Wilding are senior members of staff of this company. All of these act as directors of Isswork Ltd (Valley Reclaimed Timber).

Transactions with Isswork during the year were as follows:

	2001 £	2000 £
Incoming resources of this company	1,224	-
Resources expended by this company	<u>20,405</u>	<u>-</u>

A debt of £5,781 in respect of wages paid on Isswork's behalf is included in trade debtors