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DERBYSHIRE COMMUNITY HOUSING
SOCIETY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2002



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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 2002

TRUSTEES' REPORT

The trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31st March 2002.

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

The Society has again managed to produce a surplus for the year on its business activities of £21,684 (last year £52,199).

As part of its on going commitment to developing the skills and experience of staff the Society (jointly with Enable HA) was re-accredited as an Investor in People at the start of the year. Accreditation lasts for a further three years and the Society will continue to explore all avenues to further individual's personal development. An increasing number of staff are now undertaking NVQ training and we are working hard to ensure the Society meets all the National Minimum Standards in the Care Standards Act.

Several new projects have been undertaken during the year. The largest of these was the completion by Enable HA of two four-bedroom bungalows at The Beeches with the Society providing a comprehensive care package. The new build project was completed on schedule with the first service users moving in January.

Business review (continued)

Following the demolition of the former Castle View Nursing Home, the site has been partly redeveloped with the provision of two wood construction 'chalet' style bungalows together with the creation of a day resource centre for people with complex needs.

The Society's first home for young people was commissioned during the year and registered under the Children's Act 1989.

Major changes in the organisation of the NHS culminated at the end of the year with all Health seconded staff being transferred to Chesterfield PCT and then seconded to DCHS under a newly signed contract.

Further organisational changes and the modernisation agenda including Supporting People, Best Value, Valuing People and changes arising from the Care Standards Act will have a continuing impact on the Society. The Society has therefore continued to work ever closer with Enable Housing Association and has plans to formulate the joint working with Enable HA. As part of that process four properties were transferred to Enable HA during the year.

The Society learned, with regret, of the death of George Bratt one of the two original founder subscribers of the Society. George was a real friend to the cause of the Not For Profit Sector and his commitment was much appreciated.

Ron Platts, Chairman for 6 years resigned from the board during the year and the Society would like to place on record its thanks for Ron's valued service, time and energy over the years.

The next 12-24 months will see more changes but the Board is confident that the Society is well placed to effectively deliver the high quality care for which it is well known and respected. Further structural re-organisation is under consideration to ensure long term financial, management and operational success as well as the further development of new projects to meet identified needs in accordance with our People First approach.

Risk Review

The Board has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Donations

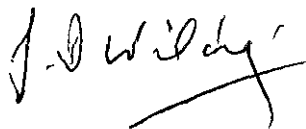
During the year the company made charitable donations to the value of £6,328 (2001: £6,000).

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
R Platts	SCOPE in Chesterfield and District (resigned February 2002)
J Topham	Enable Housing Association
J Worthington	Mentor (resigned September 2001)
P Lunn	Ability
R Latham	(formerly R Padden, appointed September 2001, resigned March 2002)

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



Gordon Wilding
Secretary

21 June 2002

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

We have audited the financial statements of Derbyshire Community Housing Society Limited for the year ended 31 March 2002 on pages 6 to 17.

Respective responsibilities of trustees and auditors

The trustees (who are also the directors of Derbyshire Community Housing Society Limited for the purposes of company law) responsibilities for preparing the Trustees' Annual 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' Annual Report is not consistent with the financial statements, if the charity 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 trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Annual report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

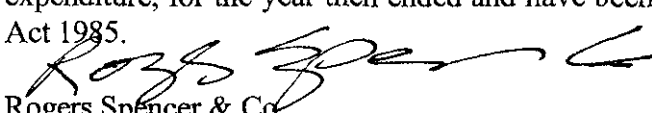
Basis of audit opinion

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 charity'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 charity's affairs as at 31st March 2002 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.


Rogers Spencer & Co
Chartered Certified Accountants
Registered Auditors

5 July 2002

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2002

	Note	Unrestricted Funds 2002 £	Restricted Funds 2002 £	Total Funds 2002 £	Total Funds 2001 £
Incoming Resources					
Allowances receivable from DSS		1,984,652	-	1,984,652	2,006,207
Local Authority contracts		2,882,575	-	2,882,575	2,211,673
Other income		111,405	-	111,405	31,614
Interest		18,832	-	18,832	37,008
Total incoming resources		4,997,464	-	4,997,464	4,286,502
Resources expended					
Charitable expenditure					
Costs of operation of housing and care	3	4,554,767	19,001	4,573,768	4,005,337
Management and administration	4	421,013	-	421,013	384,367
Total resources expended		4,975,780	19,001	4,994,781	4,389,704
Net incoming/(outgoings) resources for the year	5, 13	21,684	(19,001)	2,683	(103,202)
Funds at 1 April 2001		<u>2,296,139</u>	<u>1,233,247</u>	<u>3,529,386</u>	<u>3,632,588</u>
Funds at 31 March 2002		<u>2,317,823</u>	<u>1,214,246</u>	<u>3,532,069</u>	<u>3,529,386</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 2002

	2002	2001
	£	£
Income of continuing operations	4,997,464	4,286,502
Total expenditure of continuing operations	<u>4,994,781</u>	<u>4,389,704</u>
Net income/deficit for the year	<u>2,683</u>	<u>(103,202)</u>
Reconciliation with the Statement of Financial Activities		
Net income/deficit for the year	<u>2,683</u>	<u>(103,202)</u>

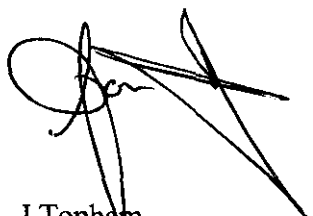
The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 6 which, together with the notes to the Financial Statements on pages 10 to 17, provides full information on the movements during the year on all funds of the company.

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

BALANCE SHEET AS AT 31ST MARCH 2002

	Note	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	8		3,107,142		3,071,027
Current assets					
Debtors	9	308,085		195,001	
Cash at bank and in hand		<u>233,426</u>		<u>777,252</u>	
		541,511		972,253	
Creditors: amounts falling due within one year	10	<u>(116,584)</u>		<u>(513,894)</u>	
Net current assets			<u>424,927</u>		<u>458,359</u>
Net assets			<u>3,532,069</u>		<u>3,529,386</u>
Funds					
Unrestricted			2,317,823		2,296,139
Restricted	11		<u>1,214,246</u>		<u>1,233,247</u>
	13		<u>3,532,069</u>		<u>3,529,386</u>

These accounts were approved by the board of directors on *21 June 2002* and were signed on its behalf by:-


J Topham
Director

DERBYSHIRE COMMUNITY HOUSING SOCIETY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2002

	Note	2002		2001	
		£	£	£	£
Net cash outflow/inflow from operating activities	14	(444,651)		306,048	
Returns on investment and servicing of finance:					
Interest received		<u>18,832</u>		<u>37,008</u>	
Net cash inflow for returns on investment and servicing of finance		18,832		37,008	
Capital expenditure and financial investment:					
Purchase of tangible fixed assets		<u>(118,007)</u>		<u>(388,233)</u>	
Net cash outflow from investing activities		<u>(118,007)</u>		<u>(388,233)</u>	
Decrease/increase in cash in the period	15	<u>(543,826)</u>		<u>(45,177)</u>	

DERBYSHIRE COMMUNITY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

1. CONSTITUTION

The Derbyshire Community Housing Society Limited is a company limited by guarantee. At 31st March 2002, 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% and 4% 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.

DERBYSHIRE COMMUNITY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

	2002 £	2001 £
3. COSTS OF OPERATION OF HOUSING AND CARE		
Unrestricted funds.		
Residents:		
Allowances	378,559	354,439
Care costs	2,766,224	2,074,937
Housing and maintenance	369,153	394,978
Registration fees	7,411	7,628
Grants/donations/promotions	11,003	16,571
Write off of Issworks Ltd loan	15,412	13,400
Bad debts	3,525	-
Depreciation	65,292	57,581
NDHA contract	760,000	725,000
NDHA payback	<u>178,188</u>	<u>205,482</u>
	<u>4,554,767</u>	<u>3,850,016</u>
Restricted funds.		
Loss on disposal	-	136,320
Depreciation	<u>19,001</u>	<u>19,001</u>
	<u>19,001</u>	<u>155,321</u>
4. MANAGEMENT AND ADMINISTRATION OF THE CHARITY		
Salaries and office costs	354,717	324,155
Professional fees	61,695	55,651
Other costs	<u>4,601</u>	<u>4,561</u>
	<u>421,013</u>	<u>384,367</u>
5. SURPLUS OF INCOME OVER EXPENDITURE		
Surplus of income over expenditure is arrived at after charging:		
Depreciation	65,292	57,581
Auditors' remuneration	<u>3,449</u>	<u>3,300</u>

DERBYSHIRE COMMUNITY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

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	
	2002	2001
Care and support services	233	187
Administrative services	18	16
Directors	<u>5</u>	<u>6</u>
	<u>256</u>	<u>209</u>

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

	2002	2001
	£	£
Wages and salaries	2,692,292	2,034,949
Social security costs	200,007	152,318
Pension costs	<u>20,460</u>	<u>21,725</u>
	<u>2,912,759</u>	<u>2,208,992</u>

No employee earned more than £50,000 per annum (2001: Nil)

No directors received any emoluments during the year (2001: Nil)

7. TAXATION

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

DERBYSHIRE COMMUNITY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

8. FIXED ASSETS

	Freehold Land and buildings £	Fixtures Fittings Motor vehicles and equipment £	Assets in course of construction £	Total £
Cost				
At 1 st April 2001	3,568,708	507,832	2,018	4,078,558
Additions	101,535	16,473	-	118,008
Transfer	2,018	-	(2,018)	-
At 31 st March 2002	3,672,261	524,305	-	4,196,566
Depreciation				
At 1 st April 2001	540,483	467,049	-	1,007,532
Charge for the year	67,132	14,760	-	81,892
At 31 st March 2002	607,615	481,808	-	1,089,424
Net book value				
At 31 st March 2002	3,064,646	42,497	-	3,107,142
At 31 st March 2001	3,028,225	40,784	2,018	3,071,027

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 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.

	2002 £	2001 £
9. DEBTORS		
Trade debtors	190,470	95,391
Prepayments and accrued income	<u>117,615</u>	<u>99,610</u>
	<u>308,085</u>	<u>195,001</u>

Included within prepayments and accrued income is £52,800 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.

DERBYSHIRE COMMUNITY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

10. CREDITORS: amounts falling due within one year:	2002	2001
	£	£
Trade creditors	15,149	11,342
Other creditors including taxation and social security	3,412	53,230
Accruals and deferred income	<u>98,023</u>	<u>449,322</u>
	<u>116,584</u>	<u>513,894</u>

11. RESTRICTED FUNDS

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

	Balance at 1 st April 2001 £	Outgoing resources £	Balance at 31 st March 2002 £
Capital fund	<u>1,233,247</u>	<u>(19,001)</u>	<u>1,214,246</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	1,214,246	-	1,214,246
Unrestricted funds	<u>1,892,896</u>	<u>424,927</u>	<u>2,317,823</u>
	<u>3,107,142</u>	<u>424,927</u>	<u>3,532,069</u>

13. FUNDS	£
Fund brought forward at 1 st April 2001	3,529,386
Surplus for the year (unrestricted)	21,684
Deficit for the year (restricted)	<u>(19,001)</u>
Fund carried forward at 31 st March 2002	<u>3,532,069</u>

DERBYSHIRE COMMUNITY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

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

	2002	2001
	£	£
Change in resources before interest	2,851	15,111
Depreciation	65,292	57,581
Gain on disposal of tangible fixed assets	-	-
Increase in debtors	(115,484)	(33,565)
Decrease/increase in creditors	<u>(397,310)</u>	<u>266,921</u>
Net cash outflow/inflow from operating activities	<u>(444,651)</u>	<u>306,048</u>

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

Decrease/increase in cash in the period	(543,826)	(45,177)
Net funds at 1 st April 2001	<u>777,252</u>	<u>822,429</u>
Net funds at 31 st March 2002	<u>233,426</u>	<u>777,252</u>

16. ANALYSIS OF NET DEBT

	1st April	Cashflow	31st March
	2001		2002
	£	£	£
Cash at bank and in hand	<u>777,252</u>	<u>(543,826)</u>	<u>233,426</u>

17. PENSION SCHEME

The Charity operates a defined benefit scheme for salaried staff, the assets of which are held in a separate Trustee administered fund. It is a multi employer scheme and it is not possible to identify the scheme assets and liabilities which relate to this Charity.

The latest full valuation of that scheme was at 30 September 1999. The financial assumptions underlying the valuation were as follows:

- The rate of return on investments was 4% per annum, the rate of salary increases 2% per annum, the rate of pension increases 0% per annum and the rate of dividend growth 0.5% per annum.
- The accumulated assets of the scheme were assumed to earn the same return as if they had been invested in a portfolio comprising 100% UK equities for non-pensionable liabilities and 50% UK equities/50% Indexed Linked Gilts for pensionable liabilities.

DERBYSHIRE COMMUNITY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

17. PENSION SCHEME (continued)

- At the date of the last valuation, the market value of the scheme's assets was £595 million. The valuation used the projected unit credit method.
- The valuation has revealed a shortfall of assets compared with the value of liabilities of some £19m (equivalent to a past service funding level of 97%). The employers' ongoing future service contribution rate, after allowing for changes in benefits, was 9.3% of pensionable salaries. In view of the past service shortfall all employers are required to contribute at a rate of 10.6% of pensionable salaries in order to bring the value of assets and liabilities into balance.
- The charge for the year was £20,460 (2001: £21,725). Contributions amounting to £3,412 (2001: £Nil) were payable to the fund at the end of the financial year 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

There were no capital commitments at the end of the financial year (2001: £30,000).

20. RELATED PARTY TRANSACTIONS

Ron Platts was 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:-

	2002	2001
	£	£
Incoming resources of this company	62	10
Resources expended by this company	<u>49,874</u>	<u>64,750</u>

John 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.

DERBYSHIRE COMMUNITY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

21. RELATED PARTY TRANSACTIONS (continued)

Transactions with Enable during the year were as follows:-

	2002	2001
	£	£
Incoming resources of this company	435,468	377,069
Resources expended by this company	<u>49,553</u>	<u>43,673</u>

Jon Topham is a director of this company. John Greer, Gordon Wilding and Jackie King-Owen 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:

	2002	2001
	£	£
Incoming resources of this company	-	1,224
Resources expended by this company	<u>9,631</u>	<u>20,405</u>

Amounts expended in the year ending 31st March 2002 are in respect of wages paid on Issworks behalf and are the subject of a write off as bad debt.