

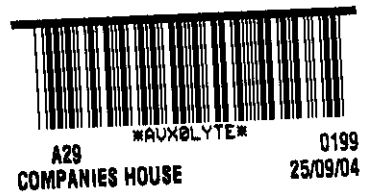
Company Number 2488821
Charity Number 1001704

DERBYSHIRE CARE & HOME SUPPORT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2004



DERBYSHIRE CARE & HOME SUPPORT LIMITED

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DERBYSHIRE CARE & HOME SUPPORT LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Registration numbers	Company - 2488821 Charity - 1001704
Charity name	The charity changed its name from "Derbyshire Community Housing Society Limited" to "Derbyshire Care & Home Support Limited" on 3 rd November 2003. This was done by a special resolution. The charity still makes itself known as DCHS.
Registered office	95 Sheffield Road Stonegravels Chesterfield S41 7JH
Auditors	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP
Solicitors	BRM Solicitors Gray Court 99 Saltergate Chesterfield S40 1LD Taylor and Emmet Solicitors 890 – 892 Ecclesall Road Sheffield S11 8TP
Bankers	National Westminster Bank Plc 5 Market Place Chesterfield S40 1TJ

DERBYSHIRE CARE & HOME SUPPORT LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2004

TRUSTEES' REPORT

The trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31st March 2004.

Accounting Reference Date

The company's accounts have been prepared to the last Friday in the month ie 26th March 2004. This policy is consistent with previous years.

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 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.

Annual review of the charity

The year 2003/2004 has been a year of transition for the charity which has also seen a change its name to Derbyshire Care & Home Support Limited. The charity is still known as DCHS but the change gives a much clearer emphasis about our focus on care. During the year DCHS continued to operate within its aims and objectives as outlined in the principal activities.

The year under review saw significant changes in the method of funding with full implementation of supporting people contracts.

New projects during the year under review include Sunnybank and Danby Avenue.

The relationship between DCHS Limited and Enable Housing Association Limited has been further strengthened and both companies continue to work closely in the provision of day care which has seen the transfer of service users to a new resource centre at Tibshelf. We have also established a much needed training centre at Morris House which will provide all training and conference facilities for both DCHS Limited and Enable Housing Association Limited.

Once again the charity has been able to conduct its affairs successfully creating an unrestricted surplus of £205,637. As a result the available reserves of the charity have increased to over £850,000 which is in line with the reserves policy agreed by the trustees and further strengthens the financial stability of the charity.

Employment of Disabled People

The company's policy is to give full and fair consideration to applications for employment made by disabled people, having regard to their particular aptitudes and abilities. Disabled people receive appropriate training to promote their career development within the company. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

DERBYSHIRE CARE & HOME SUPPORT LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2004

TRUSTEES' REPORT

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 £8,000 (2003: £146,231).

The donations were higher in 2003 due to the transfer of three properties to Enable Housing Association Limited amounting to £136,956. The donations can be summarised as follows:

	2004	2003
	£	£
Mencap – Ability	8,000	8,000
Enable Housing Association Limited	-	138,206
Other	-	25
	<u>8,000</u>	<u>146,231</u>

Structure and decision making

The charity is organised so that the trustees (together forming a board of trustees) meet regularly to manage the charity's affairs. There is a full time chief executive who manages (assisted by a team of staff) the day to day running of the charity.

Reserves policy

The board consider it prudent to hold in reserve a minimum of one months committed expenditure to cover payments to staff, residents and major contracts.

The board also accept that there is always an inherent risk that the company could lose a significant contract(s) and consider it prudent to hold in reserve sufficient amounts to cover any redundancy costs that would occur as a result.

The board also consider it prudent to hold amounts in reserve that will enable the company to cover longer term cashflow fluctuations. This should be sufficient to allow for staffing and set up costs for up to six months on new projects prior to receiving the relevant income stream and fluctuations caused by policy changes in respect of funding.

Overall, the following amounts of reserves are proposed:

Monthly working capital	£600,000
Protection against loss of contracts	£100,000
Development and funding contingency	<u>£100,000</u>
	<u>£800,000</u>

Grants

The charity has no specific grant making policies, however, all grants are considered independently by the board. During the year the charity gave grants of £10,000 (2003: £6,269).

DERBYSHIRE CARE & HOME SUPPORT LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2004

TRUSTEES' REPORT

Relationship with related parties

The charity has the following related parties:

- Enable Housing Association Limited
- DCHS Mobility Project
- Isswork Limited (ceased trading in 2002/03)

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.

Trustees

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

D Templeman	Chairman of DCHS Limited and Board member of Enable Housing Association Limited
S Pearson	Vice Chairman of DCHS Limited
J Topham	Chairman of Enable Housing Association Limited
P Lunn	Ability
E Rasey	Retired (appointed on 25/09/2003)
M Russell Higgins	Retired (appointed on 25/09/2003)
L Styring	Nurse Consultant – Respite (appointed on 25/09/2003)
A Weightman	Carer (appointed on 25/09/2003 and resigned on 19/05/2004)
N Appleyard	Northern General Hospital (appointed on 21/05/2004)

The above trustees are also directors of the company for the purposes of Company Law.

Members

Enable Housing Association became a member of DCHS Limited on 27th October 2003.

This report was approved by the trustees on 23/9/04 and signed on their behalf by

Andrew Roper
Secretary



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE DERBYSHIRE CARE & HOME SUPPORT LIMITED**

We have audited the financial statements of Derbyshire Care & Home Support Limited for the year ended 31st March 2004 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees who are also the directors of Derbyshire Care & Home Support Limited for the purposes of company law are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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.

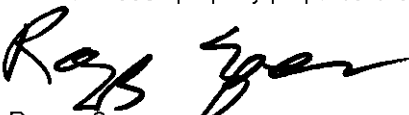
Basis of audit opinion

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 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 charity's affairs as at 31st March 2004, 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
Chartered Certified Accountants
Registered Auditors

23 September 2004

DERBYSHIRE CARE & HOME SUPPORT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2004

	Note	Unrestricted Funds 2004 £	Restricted Funds 2004 £	Total Funds 2004 £	Total Funds 2003 £
Incoming resources from operating activities:					
Activities in furtherance of the charity's objective:					
Allowances receivable from DSS		2,310,750	-	2,310,750	2,145,497
Local Authority contracts		4,626,533	-	4,626,533	3,668,097
Other incoming resources:					
Other income	3	398,702	-	398,702	293,195
Health Authority grants	3	-	30,000	30,000	-
Interest		21,094	-	21,094	10,028
Total incoming resources		7,357,079	30,000	7,387,079	6,116,817
Resources expended					
Charitable expenditure					
Costs of activities in furtherance of the charity's objects:					
Costs of operation of housing and care	4	6,713,353	36,479	6,749,832	5,644,016
Management and administration	5	438,090	-	438,090	477,269
Total resources expended		7,151,443	36,479	7,187,922	6,121,285
Net incoming/(outgoings) resources for the year		205,636	(6,479)	199,157	(4,468)
Funds brought forward at 1 April 2003		2,390,356	1,137,245	3,527,601	3,532,069
Funds at 31 March 2004		2,595,992	1,130,766	3,726,758	3,527,601

The results shown above are all derived from continuing activities.

DERBYSHIRE CARE & HOME SUPPORT LIMITED

BALANCE SHEET AS AT 31ST MARCH 2004

	Note	2004		2003	
		£	£	£	£
Fixed assets					
Tangible assets	9		2,856,249		2,867,072
Current assets					
Debtors	10	419,977		325,983	
Cash at bank and in hand		<u>1,124,503</u>		<u>662,637</u>	
		1,544,480		988,620	
Creditors: amounts falling due within one year	11	<u>(673,971)</u>		<u>(328,091)</u>	
Net current assets			<u>870,509</u>		<u>660,529</u>
Net assets			<u>3,726,758</u>		<u>3,527,601</u>
Funds					
Unrestricted	13		2,595,992		2,390,356
Restricted	12/13		<u>1,130,766</u>		<u>1,137,245</u>
			<u>3,726,758</u>		<u>3,527,601</u>

These accounts were approved by the board of directors on 23,904 and were signed on its behalf by:-



D Templeman
Chairman

DERBYSHIRE CARE & HOME SUPPORT LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2004

	Note	2004		2003	
		£	£	£	£
Net cash inflow from operating activities	14		521,585		387,800
Returns on investment and servicing of finance:					
Interest received			<u>21,094</u>		<u>10,028</u>
Net cash inflow for returns on investment and servicing of finance			21,094		10,028
Capital expenditure and financial investment:					
Receipts from disposal of tangible fixed assets			-		50,715
Purchase of tangible fixed assets			<u>(80,813)</u>		<u>(19,332)</u>
Net cash outflow from investing activities			<u>(80,813)</u>		<u>31,383</u>
(Decrease)/increase in cash in the period	15		<u>461,866</u>		<u>429,211</u>

DERBYSHIRE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004

1. CONSTITUTION

The Derbyshire Care & Home Support Limited is a company limited by guarantee. At 31st March 2004, there was 1 member whom on the event of a winding-up has undertaken to contribute to an amount not exceeding £1. The company is also a registered charity.

2. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Grants are recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt. Grants in respect of capital expenditure are released to the Statement of Financial Activities over the expected useful lives of the relevant assets.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

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.

DERBYSHIRE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004

2. ACCOUNTING POLICIES continued...

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.

The scheme is now closed to new members.

Reserves

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

Funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

	2004 £	2003 £
3. OTHER INCOME		
Recharged salaries	328,407	217,397
Sundry income	65,405	70,806
Fuel contributions from residents	<u>4,890</u>	<u>4,992</u>
	<u>398,702</u>	<u>293,195</u>

Other incoming resources include a grant of £30,000 received from the Health Authority in respect of Sutton Court and Amberley Nursing Home for works to be carried out to bring the nursing homes to care standards requirements.

DERBYSHIRE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004

4. COSTS OF OPERATION OF HOUSING AND CARE	2004 £	2003 £
<u>Unrestricted funds</u>		
Residents:		
Allowances	621,675	415,048
Care costs	4,506,240	3,631,974
Housing and maintenance	478,522	417,313
Registration fees	9,900	9,619
Grants, donations and promotions	18,717	156,494
Depreciation and amortisation	123,035	62,398
NDHA contract	798,480	779,000
NDHA payback	<u>156,784</u>	<u>160,436</u>
	<u>6,713,353</u>	<u>5,632,282</u>
<u>Restricted funds</u>		
(Profit) / Loss on disposal of fixed assets	-	(7,267)
Repairs and refurbishment	17,478	-
Depreciation	<u>19,001</u>	<u>19,001</u>
	<u>36,479</u>	<u>11,734</u>
5. MANAGEMENT AND ADMINISTRATION OF THE CHARITY		
Salaries and office costs	392,120	393,706
Professional fees	40,589	78,491
Other costs	<u>5,381</u>	<u>5,072</u>
	<u>438,090</u>	<u>477,269</u>
6. NET INCOMING RESOURCES		
Surplus of income over expenditure is arrived at after charging:		
Donation of three properties	-	136,956
Depreciation	123,035	62,398
Auditors' remuneration	<u>3,972</u>	<u>3,508</u>

The charity has a block policy which covers indemnity guarantee and fidelity guarantee in respect of the trustees. The charity purchases all its insurance in one policy so it is not possible to attribute a monetary value or the policy for indemnity insurance.

DERBYSHIRE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004

7. 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	
	2004	2003
Care and support services	339	287
Administrative services	18	17
Directors	<u>8</u>	<u>4</u>
	<u>365</u>	<u>308</u>

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

	2004	2003
	£	£
Wages and salaries	4,281,640	3,503,721
Social security costs	361,002	261,446
Pension costs	<u>25,842</u>	<u>20,209</u>
	<u>4,668,484</u>	<u>3,785,376</u>

The number of employees whose emoluments were £50,000 pa or more are as follows:-

	Number of employees	
	2004	2003
£50,000 - £59,999	-	1
£60,000 - £69,999	<u>1</u>	<u>-</u>

Pension costs relating to the high paid staff amounted to £3,122.

The directors and trustees did not receive any emoluments during the year (2003: £Nil) nor were any expenses reimbursed to them (2003: £Nil). Furthermore, no remuneration was paid to any connected persons of trustees.

8. TAXATION

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

DERBYSHIRE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004

9. FIXED ASSETS

	Freehold Land and buildings £	Fixtures, Fittings, Motor vehicles and equipment £	Assets in the course of construction £	Total £
Cost				
At 1 st April 2003	3,421,154	531,887	11,750	3,964,791
Additions	-	45,891	34,922	80,813
Transfers	41,307	-	(41,307)	-
At 31 st March 2004	3,462,461	577,778	5,365	4,045,604
Depreciation				
At 1 st April 2003	600,182	497,537	-	1,097,719
Charge for the year	64,923	26,713	-	91,636
Eliminated on disposals	-	-	-	-
At 31 st March 2004	665,105	524,250	-	1,189,355
Net book value				
At 31 st March 2004	2,797,356	53,528	5,365	2,856,249
At 31 st March 2003	2,820,972	34,350	11,750	2,867,072

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.

The cost of depreciable assets included in land and buildings at 31st March 2004 was £3,106,350.

	2004 £	2003 £
10. DEBTORS		
Trade debtors	346,670	227,803
Prepayments and accrued income	<u>73,307</u>	<u>98,180</u>
	419,977	325,983
11. CREDITORS: amounts falling due within one year:		
Trade creditors	199,620	234,997
Other creditors	100	4,833
Taxation and social security	101,727	-
Accruals and deferred income	<u>372,524</u>	<u>88,261</u>
	673,971	328,091

DERBYSHIRE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004

12. RESTRICTED FUNDS

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

	Balance at 1 st April 2003 £	Incoming resources £	Outgoing resources £	Balance at 31 st March 2004 £
Property fund - North Derbyshire Health Authority	1,137,245	-	(19,001)	1,118,244
Payback fund – Sutton Court and Amberley Fund	-	30,000	(17,478)	12,522
	<u>1,137,245</u>	<u>30,000</u>	<u>(36,479)</u>	<u>1,130,766</u>

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

The payback fund represents amounts awarded by the Health Authority in respect of Sutton Court and Amberley for works to be carried out to bring the nursing homes to care standard requirements.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Restricted funds	1,130,766	-	1,130,766
Unrestricted funds	<u>1,725,483</u>	<u>870,509</u>	<u>2,595,992</u>
	<u>2,856,249</u>	<u>870,509</u>	<u>3,726,758</u>

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

	2004 £	2003 £
Change in resources before interest	184,542	62,504
Depreciation	123,035	62,398
Gain on disposal of tangible fixed assets	-	(65,267)
Decrease in debtors	(144,394)	(20,298)
Increase in creditors	345,880	211,507
Non cash charitable donations and grants received	<u>12,522</u>	<u>136,956</u>
Net cash (outflow)/inflow from operating activities	<u>521,585</u>	<u>387,800</u>

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

	2004 £	2003 £
(Decrease)/increase in cash in the period	461,866	429,211
Net funds at 1 st April 2003	<u>662,637</u>	<u>233,426</u>
Net funds at 31 st March 2004	<u>1,124,503</u>	<u>662,637</u>

DERBYSHIRE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004

16. 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 2002. The financial assumptions underlying the valuation were as follows:

- The rate of return on future contributions was 6.6% per annum, the rate of salary increases 4.5% per annum, the rate of pension increases 2.5% per annum, the rate of price inflation 2.5% per annum and the rate of return on accumulated assets 7.2% 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-pensioner liabilities and 25% UK equities / 75% Gilts for pensioner liabilities.

Valuation results

- At the date of the last valuation, the market value of the scheme's assets was £650 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 £117m (equivalent to a past service funding level of 85%).
- The long term joint contribution rate required from employers and members to meet the cost of future benefit accrual was assessed as 15% of pensionable salaries.
- Following consideration of the results of the actuarial valuation it has been agreed that, with effect from 1 April 2004 the standard employer contribution rate will be increased from 10.6% to 11.7% of pensionable salaries and that members contributions will also be increased by 1.1% from 2.0%-5.0% to 3.1%-6.1% of pensionable salaries depending on age.
- Employers that participate in the scheme on a non-contributory basis pay a joint contribution rate. This rate will increase from 15.0% to 17.3% of pensionable salaries with effect from 1 April 2004.
- Employers that have closed the scheme to new members are required to pay an additional employer contribution loading of 3.0% to reflect the higher costs of a closed arrangement.
- If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit by 31 March 2017.

Due to the nature of the scheme, the SOFA charge for the period under both SSAP 24 and FRS 17 represents the employer contribution payable. The charge for the year was £ 25,842 (2003: £20,209). Contributions amounting to £ Nil (2003: £2,972) were payable to the fund at the end of the financial year and are included in creditors. DCHS Limited paid contributions at the rate of 13.6% during the accounting period. Member contributions varied between 2.0% and 5.0% depending on their age.

The scheme was closed to new members with effect from 1st April 2003.

DERBYSHIRE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004

17. 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.

18. CAPITAL COMMITMENTS

There were capital commitments at the end of the financial year of £ 44,699 (2003: £28,000).

19. RELATED PARTY TRANSACTIONS

Jackie King-Owen is Chief Executive of DCHS Limited and was also a member of the Scope committee, resigning in September 2003. Transactions with Scope during the year were as follows:-

	2004	2003
	£	£
Incoming resources of this company	-	61
Resources expended by this company	18,659	87,122

Jackie King-Owen is Chief Executive for both DCHS Limited and Enable Housing Association Limited. John Topham is a director and trustee of DCHS Limited and is also the Chairman of Enable Housing Association Limited, whilst Don Templeman is the Chairman for DCHS Limited and a member of Enable Housing Association's Management Committee. Furthermore, Enable Housing Association Limited became a member of DCHS Limited on 27 October 2003.

	2004	2003
	£	£
Transactions with Enable Housing Association Limited during the year were as follows:		
Incoming resources of this company	1,869,831	834,803
Resources expended by this company	183,501	73,465
Transfer of three properties	-	136,936

Balances between the two charities at the year end were as follows:

Receivable from Enable Housing Association Limited	<u>41,700</u>	<u>33,022</u>
Payable to Enable Housing Association Limited	<u>3,038</u>	<u>11,750</u>

Jon Topham is a director and Jackie King-Owen is Chief Executive of DCHS Limited. Both were directors of Isswork Limited which ceased trading in 2002/2003.

Transactions with isswork during the year were as follows:

	2004	2003
	£	£
Incoming resources of this company	-	-
Resources expended by this company	-	9,541

DERBYSHIRE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2004

19. Related Party Transactions continued...

Mobility Project

DCHS Limited also operates a mobility project, which is independently administered, and provides the use of motor vehicles to residents. The key financial facts extracted from the audited financial statements of DCHS Mobility are as follows:

	2004 £
Income	<u>223,370</u>
Surplus for the year	<u>48,923</u>
Capital and reserves	<u>119,761</u>

Note that all surpluses of DCHS Mobility are reinvested in replacement vehicles.

DCHS is an appointee for the residents and does not own the vehicles therefore the assets and liabilities are not included in the financial statements.

Transactions with DCHS Mobility during the year were as follows:

DCHS Limited gave a grant of £10,000 (2003: £Nil) during the year towards the purchase of motor vehicles for the Project. Also, two vehicles were purchased by DCHS Limited for the mobility project amounting to £16,150 (2003: Nil). These vehicles will be solely used for the mobility project but remain in the balance sheet of DCHS Limited at a net book value of £10,767.

DCHS Limited and DCHS Mobility Project operate a current account which deals with all the transactions between the two. The balance at the year end on this account was £216 (2003: £-4,486).

In addition to the above the following costs were also paid by DCHS Limited on behalf of the Mobility Project:

	2004 £	2003 £
Mobility assistants salaries	20,106	-
Motor insurance	<u>9,971</u>	-

The charity changed its policy regarding disabled aids during the year. In the past all disabled aids were paid for by the Mobility Project, however, these are deemed to be care and support items and will be paid for by DCHS Limited from the current year.

DERBYSHIRE CARE & HOME SUPPORT LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2004

	Unrestricted funds 2004 £	Unrestricted funds 2003 £
Income		
Activities in furtherance of the charity's objectives:		
Allowances from DSS	2,310,750	2,145,497
Care and support income	4,626,533	3,668,097
Other income:		
Rechargeable salaries	328,407	217,397
Miscellaneous income	70,295	75,798
Interest	21,094	10,028
Surplus on disposal of fixed assets	-	65,267
Total income	7,357,079	6,182,084
Expenditure		
Residents allowances	621,675	415,048
Rent and rates	92,888	105,869
Fuel	60,761	51,116
Other housing costs	67,605	80,767
Care costs	4,461,396	3,593,149
Utilities rental	28,236	30,616
Repairs and maintenance	202,019	131,605
Staff training	44,844	38,825
Depreciation	123,035	62,398
Registration fees	9,900	9,619
Insurance	27,013	17,340
Grants/donations/promotion	18,717	156,494
	(5,758,089)	(4,692,846)
NDHA contract	(798,480)	(779,000)
NDHA payback	(156,784)	(160,436)
Central administration:		
Salaries	321,500	311,339
Other staff costs	14,898	27,854
Office running costs	55,722	54,513
Professional fees	40,589	78,491
Property	5,381	5,072
	(438,090)	(477,269)
Total expenditure	(7,151,443)	(6,109,551)
Surplus of income over expenditure	205,636	72,533