

Company Number 2488821
Charity Number 1001704

ENABLE CARE & HOME SUPPORT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2007



ENABLE CARE & HOME SUPPORT LIMITED

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ENABLE CARE & HOME SUPPORT LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Registration numbers	Company - 2488821 Charity - 1001704
Charity name	The charity changed its name on 27 September 2006 from Derbyshire Care and Home Support to Enable Care and Home Support (ECHS Limited)
Chief executive officer	Jackie King-Owen
Registered office	95 Sheffield Road Stonegravels Chesterfield S41 7JH
Auditors	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP
Solicitors	Taylor and Emmet Solicitors 890 – 892 Ecclesall Road Sheffield S11 8TP
Bankers	National Westminster Bank Plc 5 Market Place Chesterfield S40 1TJ

ENABLE CARE & HOME SUPPORT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

TRUSTEES' REPORT

The trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31 March 2007

Accounting Reference Date

The company's accounts have been prepared to the last Friday in the month i.e. 30 March 2007. This policy is consistent with previous years.

Principal activities

The company was incorporated on 4th April 1990 and 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

During the year 2006/2007 ECHS Limited continued to operate within its aims and objectives as outlined in the principal activities.

Two new properties have been commissioned in the Alfreton area.

The training centre at Morns House has had two inspections by City & Guilds. The first inspection was a "C" grade and the second resulted in an A/B grade.

Inspections by CSCi of registered care settings have resulted in 3* ratings. The overall rating for Domiciliary Care (Supported Living) was also 3*.

The charity has had to face the challenge of major increases in utility bills and has incurred significant expenditure on specialised equipment for the disabled including bed and hoists.

No major capital expenditure was incurred during the year as it was a year of consolidation in order to increase the reserve position.

Once again the charity has been able to conduct its affairs successfully creating an unrestricted surplus of £123,785 and due to the low level of capital expenditure has increased the level of reserves as agreed by the trustees.

These reserves (measured by net current assets) increased from £888,000 to £1,083,000.

ENABLE CARE & HOME SUPPORT LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

TRUSTEES' REPORT

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.

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 the diversification of funding and activities. Internal risks are minimised by the implementation of procedure for authorisation of all transactions and projects 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.

Grants and Donations

During the year the company made charitable donations to the value of £8,087 (2006 £18,400)

The donations can be summarised as follows

	2007 £	2006 £
Ability	8,000	8,000
Peaks and Dales Advocacy Group	-	10,000
Other	<u>87</u>	<u>400</u>
	<u>8,087</u>	<u>18,400</u>

The charity has no specific grant making policies, however, all grants are considered independently by the board. During the year the charity gave no grants (2006 nil)

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, service users 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 cash flow 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.

ENABLE CARE & HOME SUPPORT LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

TRUSTEES' REPORT

Reserves policy (continued)

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>

At 31 March 2007 free reserves amounted to £1,083,000 indicating that the target has been achieved

Trustee Induction & Training

Before becoming a trustee, prospective trustees are invited to attend a Committee Meeting. New trustees also spend some time with the Chief Executive Officer and the Company Secretary, and are introduced to the Heads of Service.

New trustees receive printed information about the organisation and its activities, and policies and procedures, as well as details of meeting dates and the structure of sub-committees of the organisation.

In order to gain a better understanding of the organisation's activities, new trustees are also taken on a tour of a number of properties and projects, to give them the opportunity to meet with service users and staff.

Relationship with related parties

The charity has the following related parties

- Enable Housing Association Limited
- ECHS Mobility Project
- Derbyshire First Investments Limited
- Pro-fresh

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.

ENABLE CARE & HOME SUPPORT LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

TRUSTEES' REPORT

Statement of disclosure of information to auditors

We, the trustees of the company who held office at the date of approval of these financial statements, each confirm so far as we are aware, that

- there is no relevant audit information of which the company's auditors are unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Trustees

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

D Templeman	Chair of ECHS Limited and Committee member of Enable Housing Association Limited
S Pearson	Vice Chair of ECHS Limited
J Halstead	Committee member of Enable Housing Association Limited
N Appleyard	
J Keogh OBE	
E Rasey	
M Russell Higgins	
L Styring	

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

Members

Enable Housing Association Limited became the sole member of ECHS Limited on 27 October 2003

This report was approved by the trustees on 20/09/07 and signed on their behalf by



Andrew Roper
Secretary

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

We have audited the financial statements of Enable Care & Home Support Limited for the year ended 31 March 2007 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 Enable 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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions with the charity is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

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

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2007, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the Trustees' Annual Report is consistent with the financial statements



Rogers Spencer
Chartered Certified Accountants
Registered Auditors

20 September 2007

ENABLE CARE & HOME SUPPORT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2007

	Note	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Incoming resources from charitable activities:					
Activities in furtherance of the charity's objective					
Allowances receivable from DSS/DCC		2,553,266	-	2,553,266	2,510,524
Local Authority contracts		5,285,743	-	5,285,743	5,030,867
Other income	3	1,015,960	-	1,015,960	585,479
Incoming resources from generating funds					
Activities for generating funds					
Interest receivable		31,796	-	31,796	34,270
Total incoming resources		8,886,765	-	8,886,765	8,161,140
Resources expended					
Charitable expenditure:					
Charitable activities					
Costs of operation of housing support and care	4	8,647,754	19,925	8,667,679	7,914,576
Governance costs	5	115,226	-	115,226	108,509
Total resources expended		8,762,980	19,925	8,782,905	8,023,085
Net incoming/(outgoings) resources for the year		123,785	(19,925)	103,860	138,055
Funds brought forward at 1 April 2006		2,871,961	1,083,364	3,955,325	3,817,270
Funds carried forward at 31 March 2007		2,995,746	1,063,439	4,059,185	3,955,325

The results shown above are all derived from continuing activities

ENABLE CARE & HOME SUPPORT LIMITED

BALANCE SHEET AS AT 31 MARCH 2007

	Note	2007		2006	
		£	£	£	£
Fixed assets					
Tangible assets	9		2,976,295		3,067,220
Current assets					
Debtors	10	499,447		483,569	
Cash at bank and in hand		<u>868,043</u>		<u>641,631</u>	
		1,367,490		1,125,200	
Creditors amounts falling due within one year	11	<u>(284,600)</u>		<u>(237,095)</u>	
Net current assets			<u>1,082,890</u>		<u>888,105</u>
Net assets			<u>4,059,185</u>		<u>3,955,325</u>
Funds					
Unrestricted	13		2,995,746		2,871,961
Restricted	12/13		<u>1,063,439</u>		<u>1,083,364</u>
			<u>4,059,185</u>		<u>3,955,325</u>

These accounts were approved by the board of directors on 20/6/07 and were signed on its behalf by -



D Templeman
Chair

ENABLE CARE & HOME SUPPORT LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

	Note	2007		2006	
		£	£	£	£
Net cash inflow/outflow from operating activities	14		209,154		(306,871)
Returns on investment and servicing of finance					
Interest received		<u>31,796</u>		<u>34,270</u>	
Net cash inflow for returns on investment and servicing of finance			31,796		34,270
Capital expenditure and financial investment					
Purchase of tangible fixed assets		<u>(14,538)</u>		<u>(294,722)</u>	
Net cash outflow from investing activities			<u>(14,538)</u>		<u>(294,722)</u>
Increase/(decrease) in cash in the period	15		<u>226,412</u>		<u>(567,323)</u>

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

1. CONSTITUTION

Enable Care & Home Support Limited is a company limited by guarantee. At 31 March 2007, 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 2005) issued in March 2005, 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.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

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.

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

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.

	2007 £	2006 £
3 OTHER INCOME		
Recharged salaries	878,907	529,142
Sundry income	132,193	51,363
Fuel contributions from service users	<u>4,860</u>	<u>4,974</u>
	<u>1,015,960</u>	<u>585,479</u>

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

4	COSTS OF OPERATION OF HOUSING SUPPORT AND CARE	2007	2006
		£	£
	<u>Unrestricted funds</u>		
	Service Users		
	Allowances	644,740	657,100
	Care staff costs, including training	5,611,621	5,111,854
	Housing and maintenance	602,922	579,798
	Salaries and support costs	443,880	455,009
	Registration fees	15,292	12,862
	Grants, donations and promotions	8,503	19,470
	Professional fees	24,253	26,337
	Other costs	116,522	88,317
	Depreciation and amortisation	85,538	90,256
	DCPCT contract	856,800	840,000
	DCPCT payback	<u>237,683</u>	<u>13,648</u>
		<u>8,647,754</u>	<u>7,894,651</u>
	<u>Restricted funds</u>		
	Repairs and refurbishment	-	-
	Depreciation	<u>19,925</u>	<u>19,925</u>
		<u>19,925</u>	<u>19,925</u>
5.	GOVERNANCE COSTS		
	Salary costs	109,101	103,896
	Professional fees	<u>6,125</u>	<u>4,613</u>
		<u>115,226</u>	<u>108,509</u>
6	NET INCOMING RESOURCES		
	Surplus of income over expenditure is arrived at after charging		
	Depreciation	105,463	110,181
	Auditors' remuneration	<u>4,832</u>	<u>4,613</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 to the policy for indemnity insurance.

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

7. STAFF NUMBERS AND COSTS

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

	Number of employees	
	2007	2006
Care and support services	371	355
Administrative services	20	21
Directors	<u>8</u>	<u>8</u>
	<u>399</u>	<u>384</u>

The aggregate payroll costs of these persons were as follows -

	2007	2006
	£	£
Wages and salaries	5,502,778	5,046,989
Social security costs	469,593	431,692
Pension costs	<u>34,981</u>	<u>30,183</u>
	<u>6,007,352</u>	<u>5,508,864</u>

The number of employees whose emoluments were £60,000 pa or more are as follows -

	Number of employees	
	2007	2006
£60,000 - £69,999	<u>1</u>	<u>1</u>

Pension costs relating to the high paid staff amounted to £10,083 (2006 £9,837)

The directors and trustees did not receive any emoluments during the year (2006 £Nil) Furthermore, no remuneration was paid to any connected persons of trustees

Travelling expenses were reimbursed during the year to two trustees for the amount of £126 No expenses were reimbursed during 2006

8 TAXATION

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

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

9 FIXED ASSETS

	Freehold Land and buildings £	Fixtures, Fittings, Motor vehicles and equipment £	Assets in the course of construction £	Total £
Cost				
At 1 April 2006	3,797,984	664,696	-	4,462,680
Additions	-	14,538	-	14,538
Disposals	-	-	-	-
At 31 March 2007	3,797,984	679,234	-	4,477,218
Depreciation				
At 1 April 2006	806,998	588,462	-	1,395,460
Charge for the year	77,187	28,276	-	105,463
Eliminated on disposals	-	-	-	-
At 31 March 2007	884,185	616,738	-	1,500,923
Net book value				
At 31 March 2007	2,913,799	62,496	-	2,976,295
At 31 March 2006	2,990,986	76,234	-	3,067,220

Freehold property includes a property which was valued on 12 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 1 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 31 March 2007 was £3,457,785.

	2007 £	2006 £
10. DEBTORS		
Trade debtors	406,839	391,256
Prepayments and accrued income	<u>92,608</u>	<u>92,313</u>
	<u>499,447</u>	<u>483,569</u>
11 CREDITORS amounts falling due within one year		
Trade creditors	14,127	25,157
Other creditors	5,633	5,112
Taxation and social security	133,646	128,898
Accruals and deferred income	<u>131,194</u>	<u>77,928</u>
	<u>284,600</u>	<u>237,095</u>

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

12 RESTRICTED FUNDS

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

	Balance at 1 April 2006 £	Incoming resources £	Outgoing resources £	Balance at 31 March 2007 £
Property fund - NHS	1,080,242	-	19,001	1,061,241
Payback fund - Sutton Court and Amberley Fund	<u>3,122</u>	-	<u>924</u>	<u>2,198</u>
	<u>1,083,364</u>	-	<u>19,925</u>	<u>1,063,439</u>

The property fund represents properties transferred to the ownership of the charity from the NHS

The payback fund represents amounts awarded by the NHS in respect of Sutton Court and Amberley for works to be carried out to bring the nursing homes to care standard requirements. The grant is in respect of both revenue and capital expenditure.

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Restricted funds	1,063,439	-	1,063,439
Unrestricted funds	<u>1,912,856</u>	<u>1,082,890</u>	<u>2,995,746</u>
	<u>2,976,295</u>	<u>1,082,890</u>	<u>4,059,185</u>

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

	2007 £	2006 £
Change in resources before interest	91,989	123,709
Depreciation & amortisation charges	85,538	90,256
(Increase)/Decrease in debtors	5,388	(234,098)
Increase/(Decrease) in creditors	<u>26,239</u>	<u>(286,738)</u>
Net cash inflow from operating activities	<u>209,154</u>	<u>(306,871)</u>

15 RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	2007 £	2006 £
Increase/(Decrease) in cash in the period	226,412	(567,323)
Net funds at 1 April 2006	<u>641,631</u>	<u>1,208,954</u>
Net funds at 31 March 2007	<u>868,043</u>	<u>641,631</u>

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

16 PENSION SCHEME

SHPS Scheme

Enable Care & Home Support Limited participates in the Social Housing Pension Scheme (SHPS). The Scheme is funded and is contracted out of the state scheme.

SHPS is a multi-employer defined benefit scheme. Employer participation in the Scheme is subject to adherence with the employer responsibilities and obligations as set out in the "SHPS House Policies and Rules Employer Guide".

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate, to March 2007. From April 2007 there are three benefit structures available, namely:

- 1.1 Final salary with a 1/60th accrual rate
- 1.2 Final salary with a 1/70th accrual rate
- 1.3 Career average revalued earnings with a 1/60th accrual rate

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Enable Care & Home Support Limited has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members as at 1 April 2007.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Enable Care & Home Support Limited paid contributions at the rate of 14.7%. Member contributions varied between 3.1% and 6.1% depending on their age.

As at the balance sheet date there were nine active members of the Scheme employed by Enable Care & Home Support Limited. Enable Care & Home Support Limited has closed the Scheme to new entrants.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2005 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £1,278 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £283 million, equivalent to a past service funding level of 82%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2006. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £1,515 million and indicated a decrease in the shortfall of assets compared to liabilities to approximately £235 million, equivalent to a past service funding level of 87%. Annual funding updates of the SHPS Scheme are carried out using approximate actuarial techniques rather than member by member calculations, and will therefore not produce the same results as a full actuarial valuation. However they will provide a good indication of the financial progress of the scheme since the last full valuation.

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

16 PENSION SCHEME (continued)

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 30 September 2005

The financial assumptions underlying the valuation as at 30 September 2005 were as follows

	% pa
Investment return pre retirement	7.2
Investment return post retirement	4.8
Rate of salary increases to 30 September 2010	5.0
Rate of salary increases from 1 October 2010	4.0
Rate of pension increases	2.5
Rate of price inflation	2.5

The valuation was carried out using the PA92C2025 mortality table for non-pensioners and PA92C2013 mortality table for pensioners. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions

	Males	Females
	Assumed life expectancy in years at age 65	Assumed life expectancy in years at age 65
Non-pensioners	20.4	23.3
Pensioners	19.4	22.4

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed at

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary with a 1/60 th accrual rate	17.6
Final salary with a 1/70 th accrual rate	15.3
Career average revalued earnings with a 1/60 th accrual rate	14.1

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall

Following consideration of the results of the actuarial valuation it was agreed that the shortfall of £283 million would be dealt with by the payment of deficit contributions of 4.4% of pensionable salaries with effect from 1 April 2007. These deficit contributions are in addition to the long-term joint contribution rates set out in the table above

With effect from 1 April 2007 the employer and employee contribution rates for Enable Care & Home Support Limited will be 17.1% and 7.4% to 8.4% of pensionable salaries respectively

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate)

Employers that have closed the Scheme to new entrants, including Enable Care & Home Support Limited, are required to pay an additional employer contribution loading of 3.0% to reflect the higher costs of a closed arrangement

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

16 PENSION SCHEME (continued)

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into the SHPS Scheme

Employers joining the Scheme after 1 October 2002 that do not transfer any past service liabilities to the Scheme pay contributions at the ongoing future service contribution rate. This rate is reviewed at each valuation and applies until the second valuation after the date of joining the Scheme, at which point the standard employer contribution rate is payable. Contribution rates are changed on the 1 April that falls 18 months after the valuation date.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit by 30 September 2020.

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). The Regulator has reviewed the recovery plan for the SHPS Scheme and confirmed that, in respect of the September 2005 actuarial valuation, it does not propose to issue any scheme funding directions under Part 3 of the Pensions Act 2004.

The next full actuarial valuation will be carried out as at 30 September 2008. An Actuarial Report will be prepared as at 30 September 2007 in line with statutory regulations.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Enable Care & Home Support Limited has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme as at 31 March 2007. As of this date the estimated employer debt for Enable Care & Home Support Limited was £957,000.

Growth Plan

Enable Care & Home Support Limited participates in the Pensions Trust's Growth Plan. The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension Plan.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

16 PENSION SCHEME (continued)

The rules of the Growth Plan allow for the declaration of bonuses and / or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses / investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Growth Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the Employer to pay part of such contributions and may provide that the Employer shall pay the whole of them.

Enable Care & Home Support Limited did not pay contributions during the accounting period. Members paid contributions at the rate of 8.9% during the accounting period.

As at the balance sheet date there was one active member of the Plan employed by Enable Care & Home Support Limited. Enable Care & Home Support Limited has closed the Plan to new entrants.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2005 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £675 million and the Plan's Technical Provisions (i.e. past service liabilities) were £704 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Plan as at 30 September 2006. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £747 million and indicated a surplus of assets compared to liabilities of approximately £2 million, equivalent to a funding level of 100.2%. Annual funding updates of the Growth Plan are carried out using approximate actuarial techniques rather than member by member calculations, and will therefore not produce the same results as a full actuarial valuation. However they will provide a good indication of the financial progress of the Plan since the last full valuation.

Since the contribution rates payable to the Plan have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 30 September 2005.

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

16 PENSION SCHEME (continued)

The financial assumptions underlying the valuation as at 30 September 2005 were as follows

	% per annum
Investment return pre retirement	6.6
Investment return post retirement	4.5
Bonuses on accrued benefits	0.0
Rate of price inflation	2.5

The valuation was carried out using the PA92C2025 mortality table for non-pensioners and PA92C2015 mortality table for pensioners. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions

	Males	Females
	Assumed life expectancy in years at age 65	Assumed life expectancy in years at age 65
Non- pensioners	20.4	23.3
Pensioners	19.5	22.5

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions, such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million will be cleared within 5 years if the investment returns from assets are in line with the "best estimate" assumptions. "Best estimate" means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 7.6% per annum pre retirement and 4.8% per annum post retirement.

A copy of the recovery plan must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). The Regulator has reviewed the recovery plan for the Growth Plan and confirmed that, in respect of the September 2005 actuarial valuation, it does not propose to issue any scheme funding directions under Part 3 of the Pensions Act 2004.

The next full actuarial valuation will be carried out as at 30 September 2008. An Actuarial Report will be prepared as at 30 September 2007 in line with statutory regulations.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

16. PENSION SCHEME (continued)

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Enable Care & Home Support Limited has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2005. As of this date the estimated employer debt for Enable Care & Home Support Limited was £11,719.

17. CONTINGENT LIABILITIES

At 31 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 £nil (2006: £nil).

19. RELATED PARTY TRANSACTIONS

Enable Housing Association Limited is the sole member of ECHS Limited. ECHS Limited is therefore a subsidiary of Enable Housing Association Limited.

	2007	2006
	£	£
Transactions with Enable Housing Association Limited during the year were as follows:		
Incoming resources of this company	1,889,124	1,955,409
Resources expended by this company	128,941	204,647
Balances between the two charities at the year end were as follows:		
Receivable from Enable Housing Association Limited	<u>29,206</u>	<u>13,656</u>
Payable to Enable Housing Association Limited	<u>1,729</u>	<u>10,182</u>

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

19 RELATED PARTY TRANSACTIONS (continued)

Jackie King-Owen is the Chief Executive of ECHS Limited and was also on the board of Derbyshire First Investments Limited. Transactions with Derbyshire First Investments Limited were as follows

	2007	2006
	£	£
Incoming resources of this company	498	-
Resources expended by this company	<u>14,559</u>	<u>25,643</u>

Mobility Project

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

	2007	2006
	£	£
Income	<u>257,022</u>	<u>242,781</u>
Surplus/(Deficit) for the year	<u>4,175</u>	<u>(16,612)</u>
Capital and reserves	<u>122,674</u>	<u>118,499</u>

Note that all surpluses of ECHS Mobility are reinvested in replacement vehicles

ECHS Limited is an appointee for the service users and does not own the vehicles therefore the assets and liabilities are not included in the financial statements

Transactions with ECHS Mobility during the year were as follows

ECHS Limited and ECHS Mobility Project operate a current account which deals with all the transactions between the two. At the year end the mobility project owed ECHS Limited £20,225 (2006 ECHS Limited owed the mobility project £6,678)

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

	2007	2006
	£	£
Mobility assistants salaries	<u>7,699</u>	<u>17,362</u>
Motor insurance	<u>12,974</u>	<u>12,341</u>

The charity changed its policy regarding disabled aids during the financial year ending 31 March 2004. Prior to this change 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 ECHS Limited

ENABLE CARE & HOME SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

19 RELATED PARTY TRANSACTIONS (continued)

Other Related Transactions

Mr S Pearson's son runs a company called Pro-fresh which provides a carpet cleaning service to ECHS Limited. Mr S Pearson is the Vice Chairman of ECHS Limited. Transactions with Pro-fresh during the year were as follows:

	2007	2006
	£	£
Resources expended by this company	<u>8,712</u>	<u>10,670</u>

20 Ultimate control

Ultimate control of the charity lies with the trustees who are responsible for the charity's affairs.

ENABLE CARE & HOME SUPPORT LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2007

	Unrestricted funds 2007 £	Unrestricted funds 2006 £
Income		
Activities in furtherance of the charity's objectives		
Income support / registered care funding	2,553,266	2,510,524
Care and support income	5,285,743	5,030,867
Other income		
Rechargeable salaries	878,907	529,142
Miscellaneous income	137,053	56,337
Interest receivable	<u>31,796</u>	<u>34,270</u>
Total income	8,886,765	8,161,140
Expenditure		
Service user allowances	644,740	657,100
Salaries and related expenditure	6,007,352	5,508,864
Other staff costs	48,592	56,903
Training	30,494	43,392
Power, heat and light	105,633	79,676
Rent and rates	87,776	80,517
Repairs and maintenance	165,763	184,639
Telephone	37,776	38,602
Furniture and equipment	31,600	44,268
Printing, postage and subscriptions	50,500	38,328
Other care and housing costs	165,607	142,565
Computer equipment and maintenance	9,014	4,520
Transport and vehicle expenses	27,284	28,438
Insurance and bank charges	46,024	43,542
Legal fees, professional fees and research	30,378	31,494
Care and support charges	81,952	53,040
DCPCT contract and payback	1,094,483	853,648
Depreciation	85,538	90,256
Grants, donations and promotions	<u>12,474</u>	<u>23,368</u>
Total expenditure	(8,762,980)	(8,003,160)
Surplus of income over expenditure	<u>123,785</u>	<u>157,980</u>