

“Regof Co's”

REGISTERED COMPANY NUMBER: 258621 (Scotland)
REGISTERED CHARITY NUMBER: SC011968

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012
FOR
THE ZONE INITIATIVE LTD**

Stewart Gilmour & Co.,
Chartered Accountants
24 Beresford Terrace
Ayr
KA7 2EG





THE ZONE INITIATIVE LTD



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FOR THE YEAR ENDED 31 MARCH 2012**

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THE ZONE INITIATIVE LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
258621 (Scotland)

Registered Charity number
SC011968

Registered office
Dalcairney Road
Bellsbank
Dalmellington
Ayrshire
KA6 7SZ

Trustees

C Murphy	- appointed 6.8.2012
L Miller	- appointed 6.8.2012
Mrs M Johnstone	
Mrs I Rowan	
L Orr	
Mrs J Orr	
Miss K Millar	- resigned 6.8.2012
Miss S Chalmers	
Miss J Phillips	- resigned 6.8.2012
Mrs J Sloan	Unemployed

The charity's trustees (directors) are referred to within the company as its executive committee.

Company Secretary
Ms M McCabe

Auditors
Stewart Gilmour & Co.,
Chartered Accountants
24 Beresford Terrace
Ayr
KA7 2EG

Solicitors
Frazer Coogans
46 Dalblair Road
Ayr
KA7 1UQ

Non voting advisors to executive committee
Mrs E Stewart
Mrs R Eccles

Project manager
Mrs E Stewart

THE ZONE INITIATIVE LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Zone Initiative (formerly known as Bellsbank Adventure Playground) was incorporated on 3rd November 2003. Its governing document is its Memorandum and Articles of Association. The company is limited by guarantee and does not have a share capital. In any winding up the liability of individual members is limited to £1. .

Recruitment and appointment of new trustees

New Executive Committee members are recruited primarily from the local community without discrimination on the grounds of age, gender, religion, disability or ethnic origin, appointment being at the discretion of the Executive Committee. They are always prepared to consider suitable individuals from the community who are sympathetic to the company's aims and objectives and who might prove to be valuable Committee members.

Induction and training of new trustees

The organisation's Executive Committee (Directors) are responsible for overseeing the charitable company's affairs and directing staff.

Most new Executive Committee members will already be familiar with the purpose of the company when they join and learn more about its workings from other Committee members and from attendance at regular meetings.

Organisational structure

To ensure the smooth running of the organisation, regular Executive Committee meetings are held involving input from the Committee members and the non voting advisors. On a day-to-day basis, the organisation's activities are run by the project manager, the youth work co-ordinator, the office administrator and other staff.

Wider network

The company liaises and interacts with other organisations and individuals where this is of general benefit to the local community.

Related parties

There were no reportable financial transactions between the company and any of the Executive Committee members, or any related parties of the Executive Committee members, during the year ended 31st March 2012. Any such transactions require to be transparent, approved by the Executive Committee and conducted on an arm's length basis.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Risks identified by the Executive Committee outwith those covered by insurance related mainly to funding being available to finance the ongoing costs of running the company's operations. During the year the Executive Committee attempted to ensure that sufficient funds were available to meet this requirement. They also have management controls in place which aim to minimise the risk of fraud or error occurring.

THE ZONE INITIATIVE LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

OBJECTIVES AND ACTIVITIES

Objectives and aims

Values, principles and objectives

The Zone Initiative employs team members with the behavioural traits that best match the organisation's values and beliefs. Following are our values, vision and mission statement together with our overall key aims and objectives.

- Vision

To improve quality of life for the young people of the Doon Valley area.

- Mission

To provide facilities for play, recreation and other leisure time occupation for young people in the Doon Valley area which will improve the conditions of life for such people by promoting their physical, spiritual and mental wellbeing.

- Values

We at The Zone Initiative believe that we should participate in all forms of community activity which can make a difference to our local community and we should strive to:-

1. Have unconditional positive regard for all service users, potential users and team members.
2. Make no discrimination with regard to nationality, race, religious beliefs, disability, or class.
3. Value and respect the service users that access our services.
4. Value and respect our volunteers.
5. Train and develop team members and volunteers so that they can provide a quality service for our service users.
6. Promote and strengthen community spirit in the Doon Valley.
7. Listen to the needs of the local community and to bridge gaps where possible.
8. Show care and compassion for the community.
9. Work to best practice procedures.

- Aims and objectives

To improve the physical, spiritual and mental well being of the young people of the Doon Valley through the provision of play and recreation facilities. In achieving these goals, the organisation aims to:-

1. Promote and develop the public appreciation of the short and long term values of children's play and towards improving the conditions of life for young people in the area.
2. Examine, co-ordinate and expand the resources devoted to the provision of children's play facilities in the area.
3. Carry on any other activities which further any of the above objects.
4. Provide a forum in the community where interested individuals, professionals, statutory bodies, commercial bodies, voluntary organisations, charitable organisations and other bodies can meet and co-operate in the development of services for achieving the above objectives.

-How our values are communicated and applied within our organisation

1. A training and development budget forms part of every funding bid to develop team members on a personal level and increase their work related skills.
2. Clear directed personnel specifications are drawn up for all team member vacancies. Key areas that we look at are soft skills, life experience and personality traits to meet the demands of the post.
3. Take up references and carry out an enhanced disclosure check on our team members and volunteers.
4. Adhere to our equal opportunities policy when recruiting team members.
5. Include team members in decision making and involvement in team meetings and goal setting.
6. Offer support and supervision to all team members.

Significant activities

The company's principal activity during the year was the provision of facilities for play and recreation and social activities for the young people of the Doon Valley in East Ayrshire funded by the additional activity of training provision together with provision of back to work placements.

Volunteers

The company is indebted to the many volunteers who help the organisation meet its objectives by carrying out various tasks and duties.

THE ZONE INITIATIVE LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Zone Initiative Ltd was established in 1985 by a local community steering group that was to establish an adventure playground in the local community due to lack of facilities at the time. The Zone Initiative's overall vision is to improve quality of life for the children, young people and the community of the East Ayrshire area. The organisation aims to improve the quality of life of East Ayrshire residents by providing a range of services from out of school care, youth work, educational, play and recreational activities to improve peoples physical, spiritual and mental well being by providing opportunities for training and employment in the area.

By providing a tailored approach to individuals needs the organisation hopes to increase people's self esteem, outlook and improve their potential for employment and training. In addition the organisation is developing intergenerational work where young people work with the elderly and/or disabled people within the community with a view to keeping them active and living in the home by providing services such as grass cutting, garden maintenance and DIY jobs within their homes.

The organisation provides the following services:

- Out of School Care
- Go 2 Play Adventure Playground
- Youth Services
- Training
- Education Services
- Home Buddies & Garden Maintenance

The Zone Initiative is a key player in delivering essential services for the communities within East Ayrshire who require support through childcare, youth work, training and education. By providing a range of services across all areas of the community, this allows for greater community cohesion and the opportunity for intergenerational activities to take place. The organisation is unique in offering the range of services in the area working across all age groups. It operates services 12 months of the year, 6 days per week. Its training arm operates hours similar to a "working week" which enables them to begin to prepare their clients for the world of work within a supportive environment.

Internal and external factors

Internally, the charitable company is dependent on a good relationship between the Executive Committee, staff and the volunteers that help to ensure that it can successfully carry out its activities.

The main external factor affecting the organisation's operations is ensuring that the young people of the Doon Valley make use of the facilities and social opportunities that are available to them.

The Executive Committee are happy to report that there are currently no adverse internal or external factors affecting the organisation's operations.

FINANCIAL REVIEW

Reserves policy

The Executive Committee have assessed the level of free reserves (i.e. those funds not tied up in fixed assets and designated and restricted funds) that the company requires to sustain its operations and are satisfied that this has been achieved.

Principal funding sources

Principal funding to meet the costs of operating the organisation came from East Ayrshire Council, the Scottish Government and Coalfields Regeneration.

The Executive Committee would like to express their thanks to all the organisations which provided funding to the company during the year.

THE ZONE INITIATIVE LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

FINANCIAL REVIEW

Review of the year's results

The financial statements for the year to 31st March 2012 reflect another difficult year of operation for The Zone Initiative Ltd. Funding for childcare is becoming increasingly difficult to obtain, as a result our fees are no longer subsidised as much as in previous years. The subsequent increase in charges has led to a reduction in children attending our facilities, in particular our facility at Patna which had to be closed during the year. The company has since been able to obtain funding from various sources which has allowed them to reduce their childcare fees and boost their attendance levels.

Total incoming resources for 2012 amounted to £479,385. (2011 - £823,123). Resources expended totalled £529,218. (2011 - £868,783). The net outgoing resources for 2012 were £49,833. (2011 £45,660).

At 31st March 2012, the organisation had total funds of £43,801. (2011 - £93,634) of which £20,364. were unrestricted and £23,437. were restricted.

The Executive Committee consider the results for the year to be satisfactory and are confident the company is in an adequate financial position for the future successful operation of its charitable activities.

FUTURE DEVELOPMENTS

Over the last year the Home Buddies and grass cutting services have taken off, resulting in the organisation moving across the Doon Valley with grass service and into Kilmarnock with the Home Buddies. Both have been successfully funded by the Reshaping care for the elderly fund.

The organisation continues to build strength within our training project and have successfully been awarded 60 modern apprenticeships from Skills Development Scotland.

The organisation is now accredited to deliver Admin SVQ level 2, Retail SVQ level 2, CSCS construction cards and various other qualifications that fit in and around schools.

The organisation as a whole has faced a number of changes in its marketplace driven by the end of particular grant funded programmes. This has required a significant drive to replace or increase other funding sources to ensure that existing services will continue and develop. The Zone Initiative has now secured:

- funding from the Re-shaping care budget (NHS) to deliver the Home Buddy service and landscaping services across 4 pilot areas.
- a youth contract with East Ayrshire Council through Working Links to work with a possible 50 young people.
- positive outcomes from the Robertson & Cattanach Trusts to continue to deliver childcare in deprived areas for children who cannot pay for this service.
- ongoing funding for the Go 2 Play scheme.
- an agreement from East Ayrshire Council for continued core funding.
- ongoing work with the schools (working with those that are hard to reach/excluded) to offer training.
- ongoing work with key partners to develop and offer suitable support in terms of training, qualifications, volunteering and increased self esteem.

THE ZONE INITIATIVE LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Zone Initiative Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

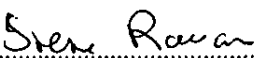
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Stewart Gilmour & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mrs I Rowan - Trustee

Date: 07.12.12

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF THE ZONE INITIATIVE LTD

We have audited the financial statements of The Zone Initiative Ltd for the year ended 31 March 2012 on pages nine to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charitable company's members and trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
THE ZONE INITIATIVE LTD**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.

Sheila L. Tannock , B.Sc., C.A. (Senior Statutory Auditor)
for and on behalf of Stewart Gilmour & Co.,
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
24 Beresford Terrace
Ayr
KA7 2EG

10 December 2012

THE ZONE INITIATIVE LTD

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Activities for generating funds	2	231	-	231	2,812
Incoming resources from charitable activities					
Charitable operations	3	198,214	280,940	479,154	820,311
Total incoming resources		198,445	280,940	479,385	823,123
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	4	65	-	65	2,038
Charitable activities					
Charitable operations	5	247,457	276,306	523,763	854,870
Governance costs	8	2,020	-	2,020	1,648
Other resources expended		3,370	-	3,370	10,227
Total resources expended		252,912	276,306	529,218	868,783
NET INCOMING/(OUTGOING) RESOURCES					
		(54,467)	4,634	(49,833)	(45,660)
RECONCILIATION OF FUNDS					
Total funds brought forward		74,831	18,803	93,634	139,294
TOTAL FUNDS CARRIED FORWARD		20,364	23,437	43,801	93,634

The notes form part of these financial statements

THE ZONE INITIATIVE LTD

**BALANCE SHEET
AT 31 MARCH 2012**

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
FIXED ASSETS					
Tangible assets	12	37,234	-	37,234	40,604
CURRENT ASSETS					
Debtors: amounts falling due within one year	13	6,540	8,798	15,338	33,100
Cash at bank and in hand		4,927	49,154	54,081	53,547
		<u>11,467</u>	<u>57,952</u>	<u>69,419</u>	<u>86,647</u>
CREDITORS					
Amounts falling due within one year	14	(28,337)	(34,515)	(62,852)	(33,617)
NET CURRENT ASSETS/(LIABILITIES)		<u>(16,870)</u>	<u>23,437</u>	<u>6,567</u>	<u>53,030</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>20,364</u>	<u>23,437</u>	<u>43,801</u>	<u>93,634</u>
NET ASSETS		<u>20,364</u>	<u>23,437</u>	<u>43,801</u>	<u>93,634</u>
FUNDS	15				
Unrestricted funds:					
General fund				18,699	74,831
Re-Employ				1,665	-
				<u>20,364</u>	<u>74,831</u>
Restricted funds:					
East Ayrshire Council - pooled budget				-	3,195
Wages and running costs				-	1,347
Ayrshire Leader - training				-	3,793
Go Play				2,011	-
Ayrshire Leader - youth on the move				8,798	8,554
Grants - working Links				-	23
EAC planning				-	1,891
Scottish Council for Voluntary Organisations				1,901	-
EB Scotland				3,303	-
Robertson Trust				7,331	-
Henry Smith Charity				93	-
				<u>23,437</u>	<u>18,803</u>
TOTAL FUNDS				<u>43,801</u>	<u>93,634</u>

The notes form part of these financial statements

THE ZONE INITIATIVE LTD

**BALANCE SHEET - CONTINUED
AT 31 MARCH 2012**

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 7 December 2012 and were signed on its behalf by:

A handwritten signature in cursive script, appearing to read 'Irene Rowan'.

Mrs I Rowan -Trustee

THE ZONE INITIATIVE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

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

Allocation and apportionment of costs

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 4% on cost
Fixtures and fittings	- 25% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities. The company is not registered for Value Added Tax.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Format of the financial statements

The financial statements have been adapted from the format prescribed in the Companies Act 2006 due to the special nature of the company's business in order to comply with the requirement to give a true and fair view, as permitted by section 396 paragraph 5 of the Companies Act 2006.

2. ACTIVITIES FOR GENERATING FUNDS

	2012	2011
	£	£
Coffee bar	<u>231</u>	<u>2,812</u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

		2012 £	2011 £
Training fees	Charitable operations	61,130	58,501
Registrations	Charitable operations	17,755	25,989
Grants - Childcare partnership strategy	Charitable operations	17,085	18,889
Grants - EAC pooled budget	Charitable operations	5,888	22,399
Grants - E.B. Scotland	Charitable operations	16,635	-
Grants - Coalfields	Charitable operations	47,989	21,200
Grants - Ayr Leader Training	Charitable operations	2,369	11,815
Grants - Fairer Scotland	Charitable operations	71,000	71,000
Grants - Skills development	Charitable operations	-	24,250
Grants - Go Play	Charitable operations	47,885	82,537
Grants - Ayr Leader youth/move	Charitable operations	8,709	8,554
Grants - Future Job Fund	Charitable operations	99,029	470,257
Grants - Working links	Charitable operations	-	3,029
Grants - EAC planning	Charitable operations	5,660	1,891
Grants - EAC - youth workers	Charitable operations	1,300	-
Grants - SCVO	Charitable operations	20,096	-
Grants - EAC - pre 5s	Charitable operations	2,531	-
Grants - Robertson Trust	Charitable operations	10,000	-
Henry Smith	Charitable operations	25,093	-
Grants - Re-Employ	Charitable operations	19,000	-
		<u>479,154</u>	<u>820,311</u>

4. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2012 £	2011 £
Purchases	<u>65</u>	<u>2,038</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6) £	Support costs (See note 7) £	Totals £
Charitable operations	<u>522,048</u>	<u>1,715</u>	<u>523,763</u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2012	2011
	£	£
Staff costs	365,279	405,858
Rent, rates and insurance	11,350	19,613
Repairs and renewals	3,580	9,328
Light and heat	7,561	5,496
Telephone	1,808	2,659
Postage, stationery & advert	3,076	6,098
Wages - back to work schemes	60,633	300,774
Training expenses	55,166	46,605
Travel expenses	10,098	25,847
Curriculum costs	840	8,325
Sundry expenses	298	2,691
Electrical resources	-	809
Hire of equipment	1,488	3,806
Protective clothing	59	11,870
Subscriptions	812	1,725
	<u>522,048</u>	<u>851,504</u>

7. SUPPORT COSTS

	Finance
	£
Charitable operations	<u>1,715</u>

8. GOVERNANCE COSTS

	2012	2011
	£	£
Auditors' remuneration	<u>2,020</u>	<u>1,648</u>

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2012	2011
	£	£
Auditors' remuneration	2,020	1,648
Depreciation - owned assets	3,370	3,905
Deficit on disposal of fixed asset	-	22
	<u></u>	<u></u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2012 nor for the year ended 31 March 2011.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2012 nor for the year ended 31 March 2011.

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

11. STAFF COSTS

	2012 £	2011 £
Wages	400,233	671,403
Social security cost	25,679	35,229
	<u>425,912</u>	<u>706,632</u>

Included in wages costs is £60,633 (2011 £300,774) which is in relation to 43 (2011 111) employees employed under the Future Job Fund, Re-employ and Scottish Council for Voluntary Organisation schemes during the year.

The company had no employees who were paid at a rate in excess of £60,000 per annum the year (2011: nil).

The average number of permanent employees during the year was as follows:-

	2012	2011
Management and administration	5	5
Program staff	19	19
	<u>24</u>	<u>24</u>

In addition to permanent staff members detailed above, there were a total of 43 people employed under the Future Job Fund, Re-employ and Scottish Council for Voluntary Organisation schemes during the year. These are government back to work schemes which provide work placements for the long term unemployed.

12. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2011 and 31 March 2012	<u>44,104</u>	<u>35,746</u>	<u>79,850</u>
DEPRECIATION			
At 1 April 2011	9,924	29,322	39,246
Charge for year	<u>1,764</u>	<u>1,606</u>	<u>3,370</u>
At 31 March 2012	<u>11,688</u>	<u>30,928</u>	<u>42,616</u>
NET BOOK VALUE			
At 31 March 2012	<u>32,416</u>	<u>4,818</u>	<u>37,234</u>
At 31 March 2011	<u>34,180</u>	<u>6,424</u>	<u>40,604</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Grants receivable	<u>15,338</u>	<u>33,100</u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	5,412	5,691
Social security and other taxes	19,170	8,522
Prepaid income	32,500	13,711
Accruals and deferred income	5,770	5,693
	<u>62,852</u>	<u>33,617</u>

15. MOVEMENT IN FUNDS

	At 1.4.11	Net movement in funds	At 31.3.12
	£	£	£
Unrestricted funds			
General fund	74,831	(56,132)	18,699
Re-Employ	-	1,665	1,665
	<u>74,831</u>	<u>(54,467)</u>	<u>20,364</u>
Restricted funds			
East Ayrshire Council - pooled budget	3,195	(3,195)	-
Wages and running costs	1,347	(1,347)	-
Ayrshire Leader - training	3,793	(3,793)	-
Go Play	-	2,011	2,011
Ayrshire Leader - youth on the move	8,554	244	8,798
Grants - working Links	23	(23)	-
EAC planning	1,891	(1,891)	-
Scottish Council for Voluntary Organisations	-	1,901	1,901
EB Scotland	-	3,303	3,303
Robertson Trust	-	7,331	7,331
Henry Smith Charity	-	93	93
	<u>18,803</u>	<u>4,634</u>	<u>23,437</u>
TOTAL FUNDS	<u>93,634</u>	<u>(49,833)</u>	<u>43,801</u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	179,445	(235,577)	(56,132)
Re-Employ	19,000	(17,335)	1,665
	<u>198,445</u>	<u>(252,912)</u>	<u>(54,467)</u>
Restricted funds			
East Ayrshire Council - pooled budget	5,888	(9,083)	(3,195)
Childcare partnership strategy	17,085	(17,085)	-
Wages and running costs	-	(1,347)	(1,347)
Coalfields Regeneration	47,989	(47,989)	-
Ayrshire Leader - training	2,369	(6,162)	(3,793)
Fairer Scotland	71,000	(71,000)	-
Go Play	47,885	(45,874)	2,011
Ayrshire Leader - youth on the move	8,709	(8,465)	244
Grants - working Links	-	(23)	(23)
EAC planning	5,660	(7,551)	(1,891)
Scottish Council for Voluntary Organisations	20,096	(18,195)	1,901
East Ayrshire Council - Pre 5s	2,531	(2,531)	-
EB Scotland	16,635	(13,332)	3,303
Robertson Trust	10,000	(2,669)	7,331
Henry Smith Charity	25,093	(25,000)	93
	<u>280,940</u>	<u>(276,306)</u>	<u>4,634</u>
TOTAL FUNDS	<u><u>479,385</u></u>	<u><u>(529,218)</u></u>	<u><u>(49,833)</u></u>

THE ZONE INITIATIVE LTD

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2012**

	2012 £	2011 £
INCOMING RESOURCES		
Activities for generating funds		
Coffee bar	231	2,812
Incoming resources from charitable activities		
Training fees	61,130	58,501
Registrations	17,755	25,989
Grants - Childcare partnership strategy	17,085	18,889
Grants - EAC pooled budget	5,888	22,399
Grants - E.B. Scotland	16,635	-
Grants - Coalfields	47,989	21,200
Grants - Ayr Leader Training	2,369	11,815
Grants - Fairer Scotland	71,000	71,000
Grants - Skills development	-	24,250
Grants - Go Play	47,885	82,537
Grants - Ayr Leader youth/move	8,709	8,554
Grants - Future Job Fund	99,029	470,257
Grants - Working links	-	3,029
Grants - EAC planning	5,660	1,891
Grants - EAC - youth workers	1,300	-
Grants - SCVO	20,096	-
Grants - EAC - pre 5s	2,531	-
Grants - Robertson Trust	10,000	-
Henry Smith	25,093	-
Grants - Re-Employ	19,000	-
	479,154	820,311
Total incoming resources	479,385	823,123
RESOURCES EXPENDED		
Fundraising trading: cost of goods sold and other costs		
Coffee bar purchases	65	2,038
Charitable activities		
Wages	365,279	405,858
Rent, rates and insurance	11,350	19,613
Repairs and renewals	3,580	9,328
Light and heat	7,561	5,496
Telephone	1,808	2,659
Postage, stationery & advert	3,076	6,098
Wages - back to work schemes	60,633	300,774
Training expenses	55,166	46,605
Travel expenses	10,098	25,847
Curriculum costs	840	8,325
Sundry expenses	298	2,691
Electrical resources	-	809
Carried forward	519,689	834,103

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THE ZONE INITIATIVE LTD**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2012**

	2012 £	2011 £
Charitable activities		
Brought forward	519,689	834,103
Hire of equipment	1,488	3,806
Protective clothing	59	11,870
Subscriptions	812	1,725
	522,048	851,504
Governance costs		
Auditors' remuneration	2,020	1,648
Other resources expended		
Motor vehicle - Future job fund	-	6,300
Improvements to property	1,764	1,764
Fixtures and fittings	1,606	2,141
Loss on sale of tangible fixed assets	-	22
	3,370	10,227
Support costs		
Finance		
Bank charges	1,715	3,366
	529,218	868,783
Total resources expended		
Net expenditure	(49,833)	(45,660)

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