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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013
FOR
THE ZONE INITIATIVE LTD**

WEDNESDAY



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13/11/2013

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COMPANIES HOUSE

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 2013**

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THE ZONE INITIATIVE LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2013

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 2013. 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

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	
C Murphy	- appointed 6.8.2012
L Miller	- appointed 6.8.2012
Miss M Lees	- appointed 26.11.2012
Miss L Toner	- appointed 26.11.2012
Miss S Bunyan	- appointed 26.11.2012

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 2013

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 2013. 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 2013

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 2013

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
- SVQ Training
- Education Services
- Home Buddies & Garden Maintenance
- Employability services for young people

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, Robertson Trust, Henry Smith Trust, Big Lottery and Inspiring Scotland.

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 2013

FINANCIAL REVIEW

Review of the year's results

The financial statements for the year to 31st March 2013 reflect a good year of operation for The Zone Initiative Ltd. The Organisation has been able to obtain funding to allow them to reduce their childcare fees, this has had a significant impact on their attendance levels with numbers increasing substantially on last year.

Total incoming resources for 2013 amounted to £606,260. (2012 - £479,385). Resources expended totalled £605,627. (2012 - £529,218). The net incoming resources for 2013 were £633. (2012 outgoing £49,833).

At 31st March 2013, the organisation had total funds of £44,434. (2012 - £43,801) of which £18,392. were unrestricted and £26,042. were restricted.

The Executive Committee consider the results for the year to be satisfactory. The Committee are aware they are dependant on the ongoing successful award of grants for the continued 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 100 modern apprenticeships from Skills Development Scotland.

The organisation is now accredited to deliver Health and social care level 4, Admin SVQ level 2, Retail SVQ level 2, CSCS construction cards, John Muir Awards and various other qualifications that fit in and around school life and young people.

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 & Cattnach 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.
- PSP early intervention fund which works with the most deprived children and families within the Dalmellington area
- a food bank for the Doon Valley area
- an allotment area and community open market.

THE ZONE INITIATIVE LTD

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2013**

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.

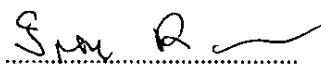
In so far as the trustees are aware:

- 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.

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: 6.11.13

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 2013 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 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 set out on page six, 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 2013 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

Date: 8th Nov 2013

THE ZONE INITIATIVE LTD

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2013**

	Notes	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Activities for generating funds	2	-	-	-	231
Incoming resources from charitable activities					
Charitable operations	3	<u>148,049</u>	<u>458,211</u>	<u>606,260</u>	<u>479,154</u>
Total incoming resources		148,049	458,211	606,260	479,385
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	4	-	-	-	65
Charitable activities					
Charitable operations	5	145,054	455,606	600,660	523,763
Governance costs	8	1,998	-	1,998	2,020
Other resources expended		<u>2,969</u>	<u>-</u>	<u>2,969</u>	<u>3,370</u>
Total resources expended		150,021	455,606	605,627	529,218
NET INCOMING/(OUTGOING) RESOURCES					
		(1,972)	2,605	633	(49,833)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>20,364</u>	<u>23,437</u>	<u>43,801</u>	<u>93,634</u>
TOTAL FUNDS CARRIED FORWARD		<u>18,392</u>	<u>26,042</u>	<u>44,434</u>	<u>43,801</u>

The notes form part of these financial statements

THE ZONE INITIATIVE LTD

**BALANCE SHEET
AT 31 MARCH 2013**

	Notes	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
FIXED ASSETS					
Tangible assets	12	34,265	-	34,265	37,234
CURRENT ASSETS					
Debtors	13	11,010	9,248	20,258	15,338
Cash at bank and in hand		<u>12,250</u>	<u>62,889</u>	<u>75,139</u>	<u>54,081</u>
		23,260	72,137	95,397	69,419
CREDITORS					
Amounts falling due within one year	14	(39,133)	(46,095)	(85,228)	(62,852)
NET CURRENT ASSETS/(LIABILITIES)		<u>(15,873)</u>	<u>26,042</u>	<u>10,169</u>	<u>6,567</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,392</u>	<u>26,042</u>	<u>44,434</u>	<u>43,801</u>
NET ASSETS		<u>18,392</u>	<u>26,042</u>	<u>44,434</u>	<u>43,801</u>
FUNDS	15				
Unrestricted funds:					
General fund				18,392	18,699
Re-Employ				-	<u>1,665</u>
				18,392	20,364
Restricted funds:					
Big Lottery				4,648	-
East Ayrshire Council - pooled budget				913	-
Fairer Scotland				2,052	-
Go Play				1,997	2,011
Ayrshire Leader - youth on the move				-	8,798
Scottish Council for Voluntary Organisations				2,455	1,901
East Ayrshire Council - Pre 5s				11,518	-
EB Scotland				-	3,303
Robertson Trust				-	7,331
Henry Smith Charity				-	93
Reshaping Communities				560	-
People & Communities				<u>1,899</u>	-
				<u>26,042</u>	<u>23,437</u>
TOTAL FUNDS		<u>18,392</u>	<u>26,042</u>	<u>44,434</u>	<u>43,801</u>

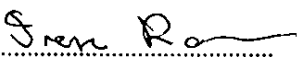
The notes form part of these financial statements

THE ZONE INITIATIVE LTD

**BALANCE SHEET - CONTINUED
AT 31 MARCH 2013**

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 ^{6th} ~~NOVEMBER~~ 2013 and were signed on its behalf by:


.....

Mrs I Rowan -Trustee

THE ZONE INITIATIVE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

	2013	2012
	£	£
Coffee bar	-	231

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2013 £	2012 £
Training fees	Charitable operations	106,038	61,130
Registrations	Charitable operations	13,898	17,755
Grass Cutting	Charitable operations	5,385	-
Local charity donation	Charitable operations	100	-
Grants - Big lottery fund	Charitable operations	31,302	-
Grants - Childcare partnership strategy	Charitable operations	-	17,085
Grants - EAC pooled budget	Charitable operations	7,913	5,888
Grants - E.B. Scotland	Charitable operations	992	16,635
Grants - Coalfields	Charitable operations	-	47,989
Grants - Ayr Leader Training	Charitable operations	-	2,369
Grants - Fairer Scotland	Charitable operations	71,000	71,000
Grants - Go Play	Charitable operations	70,200	47,885
Grants - Ayr Leader youth/move	Charitable operations	-	8,709
Grants - Future Job Fund	Charitable operations	-	99,029
Grants - Working links	Charitable operations	6,565	-
Grants - EAC planning	Charitable operations	-	5,660
Grants - EAC - youth workers	Charitable operations	-	1,300
Grants - SCVO	Charitable operations	34,892	20,096
Grants - EAC - pre 5s	Charitable operations	52,248	2,531
Grants - Robertson Trust	Charitable operations	10,000	10,000
Grants - Henry Smith	Charitable operations	25,000	25,093
Grants - Re-Employ	Charitable operations	15,000	19,000
Grants - EAC after school care	Charitable operations	7,628	-
Grants - Cattanauch Trust	Charitable operations	7,500	-
Grants - Reshaping Communities	Charitable operations	67,327	-
Grants - Peoples Postcode	Charitable operations	9,557	-
Grants - Com Energy	Charitable operations	10,370	-
Grants - People & Communities	Charitable operations	46,667	-
Grants - EAC young apprentices	Charitable operations	6,678	-
		<u>606,260</u>	<u>479,154</u>

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

	2013 £	2012 £
Purchases	<u>-</u>	<u>65</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6) £	Support costs (See note 7) £	Totals £
Charitable operations	<u>598,349</u>	<u>2,311</u>	<u>600,660</u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2013	2012
	£	£
Staff costs	400,415	365,279
Rent, rates and insurance	16,137	11,350
Repairs and renewals	8,178	3,580
Light and heat	6,299	7,561
Telephone	1,623	1,808
Postage, stationery & advert	2,344	3,076
Wages - back to work schemes	36,567	60,633
Sundries	361	-
Training expenses	76,040	55,166
Travel expenses	18,680	10,098
Curriculum costs	17,600	840
Sundry expenses	-	298
Hire of equipment	1,227	1,488
Protective clothing	1,099	59
Subscriptions	432	812
Purchase of equipment	977	-
Purchase of solar panels	10,370	-
	<u>598,349</u>	<u>522,048</u>

7. SUPPORT COSTS

	Finance
	£
Charitable operations	<u>2,311</u>

8. GOVERNANCE COSTS

	2013	2012
	£	£
Auditors' remuneration	<u>1,998</u>	<u>2,020</u>

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2013	2012
	£	£
Auditors' remuneration	1,998	2,020
Depreciation - owned assets	<u>2,969</u>	<u>3,370</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2013 nor for the year ended 31 March 2012.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2013 nor for the year ended 31 March 2012.

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

11. STAFF COSTS

	2013 £	2012 £
Wages	415,520	400,233
Social security cost	21,466	25,679
	<u>436,986</u>	<u>425,912</u>

Included in wages costs is £36,567 (2012 £60,633) which is in relation to 23 (2012 - 43) employees employed under the Re-employ and Scottish Council for Voluntary Organisation schemes during the year. Also included in the above is £14,488 (2012 - nil) which is in relation to young apprentices.

The company had no employees who were paid at a rate in excess of £60,000 per annum the year (2012: nil).

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

	2013	2012
Management and administration	4	5
Program staff	26	19
	<u>30</u>	<u>24</u>

In addition to permanent staff members detailed above, there were a total of 23 people employed under the 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. There were also 10 people paid under the young apprentice scheme.

12. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2012 and 31 March 2013	<u>44,104</u>	<u>35,746</u>	<u>79,850</u>
DEPRECIATION			
At 1 April 2012	11,688	30,928	42,616
Charge for year	<u>1,764</u>	<u>1,205</u>	<u>2,969</u>
At 31 March 2013	<u>13,452</u>	<u>32,133</u>	<u>45,585</u>
NET BOOK VALUE			
At 31 March 2013	<u>30,652</u>	<u>3,613</u>	<u>34,265</u>
At 31 March 2012	<u>32,416</u>	<u>4,818</u>	<u>37,234</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Grants receivable	<u>20,258</u>	<u>15,338</u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	6,197	5,412
Social security and other taxes	12,003	19,170
Accruals	22,095	-
Prepaid income	44,933	32,500
Accruals and deferred income	-	5,770
	<u>85,228</u>	<u>62,852</u>

15. MOVEMENT IN FUNDS

	At 1.4.12 £	Net movement in funds £	At 31.3.13 £
Unrestricted funds			
General fund	18,699	(307)	18,392
Re-Employ	<u>1,665</u>	<u>(1,665)</u>	<u>-</u>
	20,364	(1,972)	18,392
Restricted funds			
Big Lottery	-	4,648	4,648
East Ayrshire Council - pooled budget	-	913	913
Fairer Scotland	-	2,052	2,052
Go Play	2,011	(14)	1,997
Ayrshire Leader - youth on the move	8,798	(8,798)	-
Scottish Council for Voluntary Organisations	1,901	554	2,455
East Ayrshire Council - Pre 5s	-	11,518	11,518
EB Scotland	3,303	(3,303)	-
Robertson Trust	7,331	(7,331)	-
Henry Smith Charity	93	(93)	-
Reshaping Communities	-	560	560
People & Communities	<u>-</u>	<u>1,899</u>	<u>1,899</u>
	23,437	2,605	26,042
TOTAL FUNDS	<u>43,801</u>	<u>633</u>	<u>44,434</u>

THE ZONE INITIATIVE LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2013**

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	133,049	(133,356)	(307)
Re-Employ	<u>15,000</u>	<u>(16,665)</u>	<u>(1,665)</u>
	148,049	(150,021)	(1,972)
Restricted funds			
Big Lottery	31,302	(26,654)	4,648
East Ayrshire Council - pooled budget	7,913	(7,000)	913
Fairer Scotland	71,000	(68,948)	2,052
Go Play	70,200	(70,214)	(14)
Ayrshire Leader - youth on the move	-	(8,798)	(8,798)
Grants - working Links	6,565	(6,565)	-
Scottish Council for Voluntary Organisations	34,892	(34,338)	554
East Ayrshire Council - Pre 5s	52,248	(40,730)	11,518
EB Scotland	992	(4,295)	(3,303)
Robertson Trust	10,000	(17,331)	(7,331)
Henry Smith Charity	25,000	(25,093)	(93)
Cattanauch Trust	7,500	(7,500)	-
Reshaping Communities	67,327	(66,767)	560
Peoples Postcode Lottery	9,557	(9,557)	-
Com Energy Scotland	10,370	(10,370)	-
People & Communities	46,667	(44,768)	1,899
EAC - young apprentices	<u>6,678</u>	<u>(6,678)</u>	<u>-</u>
	458,211	(455,606)	2,605
TOTAL FUNDS	<u>606,260</u>	<u>(605,627)</u>	<u>633</u>

THE ZONE INITIATIVE LTD

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2013**

	2013 £	2012 £
INCOMING RESOURCES		
Activities for generating funds		
Coffee bar	-	231
Incoming resources from charitable activities		
Training fees	106,038	61,130
Registrations	13,898	17,755
Grass Cutting	5,385	-
Local charity donation	100	-
Grants - Big lottery fund	31,302	-
Grants - Childcare partnership strategy	-	17,085
Grants - EAC pooled budget	7,913	5,888
Grants - E.B. Scotland	992	16,635
Grants - Coalfields	-	47,989
Grants - Ayr Leader Training	-	2,369
Grants - Fairer Scotland	71,000	71,000
Grants - Go Play	70,200	47,885
Grants - Ayr Leader youth/move	-	8,709
Grants - Future Job Fund	-	99,029
Grants - Working links	6,565	-
Grants - EAC planning	-	5,660
Grants - EAC - youth workers	-	1,300
Grants - SCVO	34,892	20,096
Grants - EAC - pre 5s	52,248	2,531
Grants - Robertson Trust	10,000	10,000
Grants - Henry Smith	25,000	25,093
Grants - Re-Employ	15,000	19,000
Grants - EAC after school care	7,628	-
Grants - Cattanauch Trust	7,500	-
Grants - Reshaping Communities	67,327	-
Grants - Peoples Postcode	9,557	-
Grants - Com Energy	10,370	-
Grants - People & Communities	46,667	-
Grants - EAC young apprentices	6,678	-
	<u>606,260</u>	<u>479,154</u>
Total incoming resources	606,260	479,385

RESOURCES EXPENDED

Fundraising trading: cost of goods sold and other costs

Coffee bar purchases	-	65
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Charitable activities

Wages	400,415	365,279
Rent, rates and insurance	16,137	11,350
Repairs and renewals	8,178	3,580
Light and heat	6,299	7,561
Carried forward	431,029	387,770

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THE ZONE INITIATIVE LTD

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2013**

	2013	2012
	£	£
Charitable activities		
Brought forward	431,029	387,770
Telephone	1,623	1,808
Postage, stationery & advert	2,344	3,076
Wages - back to work schemes	36,567	60,633
Sundries	361	-
Training expenses	76,040	55,166
Travel expenses	18,680	10,098
Curriculum costs	17,600	840
Sundry expenses	-	298
Hire of equipment	1,227	1,488
Protective clothing	1,099	59
Subscriptions	432	812
Purchase of equipment	977	-
Purchase of solar panels	<u>10,370</u>	<u>-</u>
	598,349	522,048
 Governance costs		
Auditors' remuneration	1,998	2,020
 Other resources expended		
Improvements to property	1,205	1,764
Fixtures and fittings	<u>1,764</u>	<u>1,606</u>
	2,969	3,370
 Support costs		
Finance		
Bank charges	<u>2,311</u>	<u>1,715</u>
 Total resources expended	605,627	529,218
	<u> </u>	<u> </u>
 Net income/(expenditure)	<u><u>633</u></u>	<u><u>(49,833)</u></u>

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