

# Financial Statements

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For the year ended  
31 March 2001

## LIFELINE PROJECT LIMITED

(A company limited by  
guarantee and not having  
share capital)

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**LIFELINE PROJECT LIMITED (A company limited by guarantee)**

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**COMPANY INFORMATION**

|                          |   |
|--------------------------|---|
| <b>Directors</b>         | Reverend Paul Flowers<br>Mr Charles Irvine<br>Ms Sheila Lee<br>Mr John Wilbraham<br>Mr John Pierce<br>Ms Yasmin Saloojee<br>Dr John Bayne<br>Mr Kamlesh Patel |
| <b>Secretary</b>         | I Wardle  |
| <b>Company number</b>    | 1842240   |
| <b>Charity number</b>    | 515691  |
| <b>Registered office</b> | 101-103 Oldham Street<br>Manchester<br>M4 1LW   |
| <b>Auditors</b>          | Mazars Neville Russell<br>Regent House<br>Heaton Lane<br>Stockport<br>Cheshire<br>SK4 1BS   |

**REPORT OF THE COUNCIL**

**For the year ended 31 March 2001**

The Council presents herewith their report together with the audited accounts of the company for the year ended 31 March 2001.

**Directors' responsibilities**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Status**

The company is a registered charity and is limited by guarantee, not having share capital.

**Results**

The year saw Lifeline's income grow considerably. In fact, our growth over the past three years is significant. In 1998/99 Lifeline's total annual income was £1,199,459. The following year, 1999/2000, the figure had risen to £2,254,262. In 2000/2001 our income had risen again to £2,938,531.

The company's growth has been extremely well managed by our finance department. The complexities of our ever expanding payroll and the extra work involved in managing our growing income have been considerable. To this end we have expanded our finance department and will consider further expansion as the need arises.

During the course of the past year perhaps the single largest area of growth has been in the criminal justice sector. We now have nearly thirty full time workers occupied in working with drug using offenders, both in the community and in custody. Nearly all this growth has been financed by monies that have become available over the past two years and are a clear indication of Government priorities as expressed in the ten year national drug strategy and the Crime and Disorder Act of 1998.

Our growth has been closely monitored by the Board of Directors and great importance has been attached to securing growth which is part of a clear regional and thematic strategy and which will be sustainable in the medium and the long term.

The net incoming resources for the year ended 31 March 2001 were £20,073 (2000 - £90,411).

The retained accumulated surplus funds available to Lifeline at 31 March 2001 amount to £374,173, of which £37,531 were restricted funds.

**REPORT OF THE COUNCIL**  
**For the year ended 31 March 2001**

continued ...

**Principal activities and review of developments**

The principal activities of the company are to assist persons and their families and dependants affected by the misuse of drugs and to provide a training and advisory service to persons and organisations who deal with the misuse of drugs and with sexually transmitted disease.

**Councillors**

The persons listed below have served as members of the Council of Management, which constitutes the Board of Directors for the purposes of the Companies Act 1985.

Reverend Paul Flowers  
Mr Charles Irvine  
Ms Sheila Lee  
Mr John Wilbraham  
Mr K Woodward (resigned 29/8/2000)  
Mr John Pierce  
Mr P Willan (resigned 5/4/2000)  
Ms Yasmin Saloojee  
Dr John Bayne  
Ms Brenda Whelan (resigned 4/4/2001)  
Mr Jonathan Purkiss (resigned 3/7/2001)  
Mr Kamlesh Patel (appointed 15/12/2000)

**Charitable donations**

During the year the company made total UK charitable donations of £514 (2000 - £2,500).

**Auditors**

A resolution to re-appoint Mazars Neville Russell as auditors will be proposed at the forthcoming annual general meeting.

On behalf of the Council,

*I Wardle*

**I Wardle**  
Secretary

*26 September 2001*

**AUDITORS' REPORT**

**To the Council of Lifeline Project Limited**

We have audited the financial statements of Lifeline Project Limited on pages 5 to 13 for the year ended 31 March 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

**Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors, who also act as trustees for the charitable activities of the company, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the report of the council is not consistent with the financial statements, if the charity has not kept proper accounting records and if we have not received all the information and explanations we require for our audit.

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

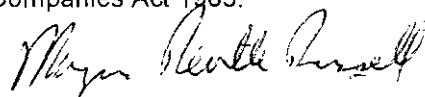
**Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the financial statements give a true and fair view of the company's state of affairs at 31 March 2001 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**MAZARS NEVILLE RUSSELL**

**Chartered Accountants and Registered Auditors**

Regent House

Heaton Lane

Stockport SK4 1BS

1 October 2001

**LIFELINE PROJECT LIMITED (A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES  
INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2001**

|  | Notes | Restricted<br>Funds<br>2001<br>£ | Unrestricted<br>Funds<br>2001<br>£ | Total<br>2001<br>£    | Total<br>2000<br>£    |
|--|-------|----------------------------------|------------------------------------|-----------------------|-----------------------|
| <b>Incoming resources</b>                      |       |                                  |                                    |                       |                       |
| Fees receivable                                | 2     | -                                | 2,338,642                          | 2,338,642             | 1,915,814             |
| Sales income                                   |       | -                                | 303,650                            | 303,650               | 253,905               |
| Sundry income                                  |       | -                                | 33,895                             | 33,895                | 24,648                |
| Grants and Donations                           |       | 215,657                          | 38,224                             | 253,881               | 51,077                |
| Investment income                              |       | -                                | 8,463                              | 8,463                 | 8,358                 |
| Income tax recoverable                         |       | -                                | -                                  | -                     | 460                   |
| <b>Total incoming resources</b>                |       | <u>215,657</u>                   | <u>2,722,874</u>                   | <u>2,938,531</u>      | <u>2,254,262</u>      |
| <b>Resources expended</b>                      |       |                                  |                                    |                       |                       |
| Direct charitable expenditure                  | 3     | 224,369                          | 2,485,877                          | 2,710,246             | 2,000,401             |
| Management and administration of the charity   | 4     | -                                | 208,212                            | 208,212               | 163,450               |
| <b>Total resources expended</b>                | 5     | <u>224,369</u>                   | <u>2,694,089</u>                   | <u>2,918,458</u>      | <u>2,163,851</u>      |
| <b>Net incoming resources before transfers</b> |       | (8,712)                          | 28,785                             | 20,073                | 90,411                |
| Transfers                                      |       | <u>4,365</u>                     | <u>(4,365)</u>                     | <u>-</u>              | <u>-</u>              |
| <b>Net incoming resources for the year</b>     |       | (4,347)                          | 24,420                             | 20,073                | 90,411                |
| Balance brought forward at 1 April             | 9     | <u>41,878</u>                    | <u>312,222</u>                     | <u>354,100</u>        | <u>263,689</u>        |
| <b>Balance carried forward at 31 March</b>     | 9     | <u><u>37,531</u></u>             | <u><u>336,642</u></u>              | <u><u>374,173</u></u> | <u><u>354,100</u></u> |

The charity has no recognised gains and losses for the year other than those stated above.

**LIFELINE PROJECT LIMITED (A company limited by guarantee)**

**BALANCE SHEET**  
**31 MARCH 2001**

|   | Notes | 2001<br>£             | 2000<br>£             |
|---|-------|-----------------------|-----------------------|
| <b>FIXED ASSETS</b>                                   | 6     | 107,133               | 120,896               |
| <b>Current Assets</b>                                 |       |                       |                       |
| Stock   |       | 32,727                | 35,511                |
| Debtors   | 7     | 404,052               | 274,479               |
| Cash at bank and in hand                              |       | 148,886               | 282,504               |
|   |       | <u>585,665</u>        | <u>592,494</u>        |
| <b>Creditors: amounts falling due within one year</b> | 8     | <u>(318,625)</u>      | <u>(359,290)</u>      |
| <b>Net Current Assets</b>                             |       | <u>267,040</u>        | <u>233,204</u>        |
| <b>TOTAL ASSETS</b>                                   |       | <u><u>374,173</u></u> | <u><u>354,100</u></u> |
| <b>Funds</b>  |       |                       |                       |
| Restricted funds                                      | 9     | 37,531                | 41,878                |
| Unrestricted funds                                    | 9     | 336,642               | 312,222               |
|   |       | <u><u>374,173</u></u> | <u><u>354,100</u></u> |

Approved by the Council and signed on their behalf by:

J Wilbraham  
Director

*J Wilbraham CPFA*

26 September 2001

**Notes to the Accounts  
for the year ended 31 March 2001**

**1. Accounting Policies**

**a) Basis of preparation**

The accounts are prepared under the historical cost convention.

The accounts, incorporating a Statement of Financial Activities, have been prepared in accordance with Statement of Recommended Practice SORP – "Accounting by Charities", issued in 1995 and applicable accounting standards.

**b) Company status**

The charity is a company limited by guarantee. The liability in respect of the guarantee as set out in the memorandum, is limited to £1 per member of the company. The company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the company's activities.

**c) Resources expended**

The cost headings comprise expenditure, including staff costs, directly attributable to the company's activities. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources.

Central overheads are allocated on the basis of their use with the aim of ensuring that those costs remaining within administration relate to the management of the company's assets, organisational administration and compliance with constitutional and statutory requirements.

**d) Fund accounting**

General funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity.

Restricted funds are subject to specific restrictive conditions imposed by donors or by the nature of the appeal. The purpose and use of the restricted funds are set out in the notes to the accounts.

**e) Income and expenditure**

All income and expenditure is accounted for on the accruals basis.

**f) Tangible fixed assets and depreciation**

Tangible fixed assets that have been acquired for annually funded projects are written off in the year of acquisition, apart from Land and Buildings.

Land and Buildings are stated at cost less depreciation. Depreciation has been provided at rates calculated to write off the cost less residual value over its expected useful life as follows:

|                       |     |               |
|-----------------------|-----|---------------|
| Freehold property     | 4%  | straight line |
| Property improvements | 20% | straight line |



**Notes to the Accounts  
for the year ended 31 March 2001**

**g) Stock**

Stock has been valued at the lower of cost or net realisable value in accordance with SSAP 9.

**h) Pensions costs**

Certain employees are members of a defined contribution pension scheme. The contributions to the scheme are charged to the profit and loss account as they become payable.

**i) Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

***LIFELINE PROJECT LIMITED (A company limited by guarantee)***

**Notes to the Accounts  
for the year ended 31 March 2001**

**2. Fees Receivable**

|  | 2001<br>£        | 2000<br>£        |
|--|------------------|------------------|
| Blackburn with Darwen Borough Council            | 41,023           | 18,369           |
| Bury and Rochdale Health Authority               | -                | 17,912           |
| City of Manchester                               | 186,771          | 201,652          |
| Department of Health                             | -                | 28,360           |
| East Lancashire Health Authority                 | 164,004          | 162,756          |
| European project                                 | 43,540           | 45,211           |
| Home Office                                      | 18,775           | 576              |
| Greater Manchester Drug Action Partnership (YOI) | 60,000           | 81,000           |
| Greater Manchester Probation Committee           | 17,033           | 10,221           |
| HM Prison Service                                | 380,796          | 192,692          |
| Manchester Health Authority                      | 95,500           | 93,100           |
| North Cheshire Health Authority                  | -                | 24,528           |
| North Cheshire Health Authority (Halton)         | -                | 5,266            |
| Trafford – HCT                                   | -                | 47,037           |
| Warrington Borough Council                       | -                | 41,970           |
| Salford & Trafford Health Authority              | 52,504           | 17,052           |
| Tameside Metropolitan Borough Council            | 26,278           | 2,222            |
| Burnley Borough Council                          | 25,000           | 18,000           |
| Calderdale & Kirklees Health Authority           | 818,051          | 709,370          |
| Kirklees Metropolitan Borough Council            | 219,589          | 106,778          |
| Youth Justice Board                              | 89,913           | 77,692           |
| Know How Fund (Charities Aid Foundation)         | 5,905            | 14,050           |
| West Yorkshire probation                         | 14,600           | -                |
| West Yorkshire Police Authority                  | 79,360           | -                |
|  | <u>2,338,642</u> | <u>1,915,814</u> |

**3. Direct Charitable Expenditure**

|  | 2001<br>£        | 2000<br>£        |
|--|------------------|------------------|
| Counselling services, information and research | 2,460,062        | 1,776,451        |
| Educational publications                       | 250,184          | 223,950          |
|  | <u>2,710,246</u> | <u>2,000,401</u> |

**LIFELINE PROJECT LIMITED (A company limited by guarantee)**

**Notes to the Accounts  
for the year ended 31 March 2001**

**4. Management and administration of the charity**

|                             | 2001<br>£      | 2000<br>£      |
|-----------------------------|----------------|----------------|
| Salaries and office costs   | 184,324        | 137,878        |
| Legal and professional fees | 17,182         | 19,697         |
| Audit fees                  | 6,706          | 5,875          |
|                             | <u>208,212</u> | <u>163,450</u> |

**5. Total resources expended**

|  | 2001<br>£        | 2000<br>£        |
|--|------------------|------------------|
| Direct charitable expenditure                | 2,710,246        | 2,000,401        |
| Management and administration of the charity | 208,212          | 163,450          |
|  | <u>2,918,458</u> | <u>2,163,851</u> |

| <i>Staff costs</i>    | 2001<br>£        | 2000<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,822,202        | 1,261,663        |
| Social security costs | 143,676          | 98,811           |
| Pensions              | 48,467           | 39,492           |
|                       | <u>2,014,345</u> | <u>1,399,966</u> |

One employee earned £40,000 per annum or more.

*Pensions*

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the charity to the fund and amounted to £48,467 (2000 - £39,492). Contributions totalling £Nil (2000 - £Nil) were payable to the fund at the year end.

The average monthly number of persons employed by the charity during the year was as follows:

|                                   | 2001      | 2000      |
|-----------------------------------|-----------|-----------|
| Project activities                | 90        | 67        |
| Management and policy development | 4         | 2         |
| Administration                    | 3         | 2         |
|                                   | <u>97</u> | <u>71</u> |

*Director's expenses*

Expenses of £24,709 (2000 - £16,225) were reimbursed to directors during the year. No remuneration was paid to these directors during the year (2000 - £Nil).

**LIFELINE PROJECT LIMITED (A company limited by guarantee)**

**Notes to the Accounts  
for the year ended 31 March 2001**

**6. Fixed Assets**

|                                    | Freehold<br>Property<br>£ | Property<br>Improvements<br>£ | Total<br>£     |
|------------------------------------|---------------------------|-------------------------------|----------------|
| <u>Cost</u>                        |                           |                               |                |
| Opening                            | 82,310                    | 52,348                        | 134,658        |
| Assets transferred with the merger | -                         | -                             | -              |
| Additions during the year          | -                         | -                             | -              |
| Disposals                          | -                         | -                             | -              |
|                                    | <u>82,310</u>             | <u>52,348</u>                 | <u>134,658</u> |
| <u>Depreciation</u>                |                           |                               |                |
| Opening                            | 3,292                     | 10,470                        | 13,762         |
| Charge for the year                | 3,292                     | 10,471                        | 13,763         |
| On disposals                       | -                         | -                             | -              |
|                                    | <u>6,584</u>              | <u>20,941</u>                 | <u>27,525</u>  |
| <u>Net book value</u>              |                           |                               |                |
| At 31/3/2001                       | <u>75,726</u>             | <u>31,407</u>                 | <u>107,133</u> |
| At 31/3/2000                       | <u>79,018</u>             | <u>41,878</u>                 | <u>120,896</u> |

**7. Debtors**

|                                | 2001<br>£      | 2000<br>£      |
|--------------------------------|----------------|----------------|
| Trade debtors                  | 54,132         | 41,886         |
| Other debtors                  | 316,909        | 191,511        |
| Prepayments and accrued income | 33,011         | 41,082         |
|                                | <u>404,052</u> | <u>274,479</u> |

**8. Creditors: Amounts falling due within one year**

|                                 | 2001<br>£      | 2000<br>£      |
|---------------------------------|----------------|----------------|
| Trade creditors                 | 55,577         | 128,976        |
| Other taxes and social security | 43,718         | 31,611         |
| Accruals and deferred income    | 219,330        | 198,703        |
|                                 | <u>318,625</u> | <u>359,290</u> |

**LIFELINE PROJECT LIMITED (A company limited by guarantee)**

**Notes to the Accounts  
for the year ended 31 March 2001**

**9. Statement of funds**

|  | 1 April<br>2000<br>£ | Incoming<br>Resources<br>£ | Outgoing<br>Resources<br>£ | Transfers<br>£ | 31 March<br>2001<br>£ |
|--|----------------------|----------------------------|----------------------------|----------------|-----------------------|
| Restricted funds:                              |                      |                            |                            |                |                       |
| National lottery - RADAR project               | -                    | 80,019                     | (84,384)                   | 4,365          | -                     |
| National lottery - Making things equal project | -                    | 135,638                    | (129,514)                  |                | 6,124                 |
| Property improvements                          | 41,878               |                            | (10,471)                   |                | 31,407                |
|  | <u>41,878</u>        | <u>215,657</u>             | <u>(224,369)</u>           | <u>4,365</u>   | <u>37,531</u>         |
| General funds                                  | 312,222              | 2,722,874                  | (2,694,089)                | (4,365)        | 336,642               |
|  | <u>354,100</u>       | <u>2,938,531</u>           | <u>(2,918,458)</u>         | <u>-</u>       | <u>374,173</u>        |

The restricted funds represent:

National lottery RADAR Project

A lottery funded project to develop locally based qualitative research designed to enhance the responsiveness and accountability of local policy.

National lottery - Making things equal project

A lottery funded project, which will support the south Asian communities of east Lancashire, to reduce the potential and existing harms relating to drug misuse within their environment.

Property Improvements

Kirklees MBC agreed to fund the improvements of the freehold property at 36 Portland Street, Huddersfield.

**10. Financial commitments**

At 31 March 2001 the charity had annual commitments under the non-cancellable leases which expire as follows:

|                            | Land and<br>buildings<br>2001<br>£ | Other<br>2001<br>£ | Land and<br>buildings<br>2000<br>£ | Other<br>2000<br>£ |
|----------------------------|------------------------------------|--------------------|------------------------------------|--------------------|
| Less than one year         | 6,000                              | 2,350              | 6,000                              | -                  |
| Between two and five years | 38,250                             | 8,524              | 20,250                             | 10,762             |
| In over five years         | 12,300                             | -                  | 28,800                             | -                  |
|                            | <u>56,550</u>                      | <u>10,874</u>      | <u>55,050</u>                      | <u>10,762</u>      |

**LIFELINE PROJECT LIMITED (A company limited by guarantee)**

**Notes to the Accounts  
for the year ended 31 March 2001**

**11. Analysis of net assets between funds**

|                       | General<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Total<br>Funds<br>£'000 |
|-----------------------|---------------------------|------------------------------|-------------------------|
| Tangible fixed assets | 75,726                    | 31,407                       | 107,133                 |
| Current assets        | 579,541                   | 6,124                        | 585,655                 |
| Current liabilities   | (318,625)                 | -                            | (318,625)               |
|                       | <u>336,642</u>            | <u>37,531</u>                | <u>374,173</u>          |