

# Financial Statements

For the year ended 31 March 2007

## Lifeline Project

A company limited by guarantee and not  
having share capital

Company No 1842240  
Registered Charity No 515691

FRIDAY



A09 \*AN5LESRK\* 228  
07/09/2007  
COMPANIES HOUSE

Merchant Exchange, Whitworth Street West, Manchester,  
M1 5WG  
Tel 0161 209 5050 Fax 0161 236 6068

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

---

<b>CONTENTS</b>	<b>PAGE</b>
Legal and administrative information	2
Trustees' Report	3
Auditors' report	14
Statement of financial activities	15
Balance sheet	16
Cash flow statement	17
Notes to the financial statements	18

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

---

### **LEGAL AND ADMINISTRATIVE INFORMATION**

#### **Constitution**

Lifeline Project is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association Charity number 515691 Company number 1842240

#### **Directors and trustees**

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law Under the Articles, the directors all serve as members of the Council of Management, which constitutes the Board of Directors for the purposes of the Companies Act 1985 Directors may be appointed by ordinary resolution

#### **Board of Trustees (formerly known as the Council of Management)**

Trustees serving at the date the Trustees' Annual Report was approved were -

Ms Sheila Lee (Chair)  
Dr John Burgess Bayne (resigned 17<sup>th</sup> January 2007)  
Ms Jocelyn Jean-Pierre  
Mr Davy Iredale  
Ms Laura Keiher (resigned 2<sup>nd</sup> May 2007)  
Mr David Mackintosh  
Mr Jon Snape  
Mr Mick Barwood (appointed 6<sup>th</sup> September 2006)  
Mr Guy Berry (appointed 6<sup>th</sup> September 2006)  
Ms Lynda Brady (appointed 6<sup>th</sup> September 2006)  
Mr Peter Garland (appointed 6<sup>th</sup> September 2006)  
Professor Eddie Kane (appointed 6<sup>th</sup> September 2006)  
Mr Peter McDermott (appointed 6<sup>th</sup> September 2006)  
Mr John Scampion (appointed 6<sup>th</sup> September 2006)

#### **Chief Executive and Company Secretary**

Ian Wardle

#### **Registered office**

101-103 Oldham Street, Manchester, M4 1LW

#### **Auditors**

Mazars LLP, Merchant Exchange, Whitworth Street West, Manchester, M1 5WG

#### **Bankers**

National Westminster Bank Plc, 115 Deansgate, Manchester, M3 2NW  
The Co-operative Bank Plc, 1 Balloon Street, Manchester, M60 4EP

#### **Solicitors**

Hill Dickinson, 50 Fountain Street, Manchester M2 2AS

**TRUSTEES' REPORT**

**For the year ended 31 March 2007**

The Board of Trustees presents herewith their report together with the audited financial statements of the company for the year ended 31 March 2007

Legal and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005)

**1 Introduction**

Lifeline Project is a well-established, voluntary sector agency that provides a range of drug and alcohol services for adults and young people. In 1971 Lifeline Project opened a day centre for drug users in Manchester. Since its foundation Lifeline has grown and developed, responding to the ever-increasing problems associated with drug use faced by individuals, families and communities.

Lifeline is now one of the five largest charities working within the field of substance misuse in the UK as defined by income. The charity now delivers a broad portfolio of services across the North West, North East, Yorkshire & Humberside and now in London too.

The last eight years have seen an unprecedented expansion in the levels of funding available to organisations dealing with issues relating to substance misuse. This increase in resources is linked to the development of the Government's 10 year Strategy and its accompanying targets and outcomes. This process has influenced the development of local services and interventions, while prompting debates and controversies about issues relating to individual need, community regeneration, public health and an ever-increasing focus on a criminal justice agenda.

Lifeline strives to ensure that it performs to the highest standards in terms of governance, management and service delivery while retaining its core values with regards to approachability and responsiveness to individual need.

Lifeline has a reputation for independence. Lifeline also has a reputation for the development of services and perspectives supportive of its service users and those broader populations whose lives are directly affected by drugs. These closely allied reputations are underpinned and, to a strong extent, guaranteed by a commitment to an independent and broadly based knowledge sector of publications, research, policy and new media development.

Whilst other providers within the sector remain larger in terms of turnover, staff and numbers, Lifeline has focused on delivering high quality and innovative services and products that are cost effective (low centre costs) and tailored to the specific demographic and interventional needs of the communities that it serves.

**2 Lifeline's Charitable Objects and Activities**

The objects of the charity are to relieve poverty, sickness and distress among those persons affected by addiction to drugs of any kind and to educate the public on matters relating to drug misuse.

Lifeline is committed to promoting an organisational ethos and culture that respects the dignity of those people who require help and support with drugs and alcohol problems.

Our overarching objective is to deliver attractive and effective responses to the challenges associated with drugs and alcohol use. This applies to the people who receive our services, their families and the wider community who live and work in areas where the use of drugs and alcohol are causing difficulties. We are committed to working collaboratively with those who purchase our services (such as commissioners and funding organisations) and our fellow professionals who work in similar or related organisations.

The services that we provide in order to address the needs of individuals, families and communities include:

- Alcohol Services
- Service User Groups
- Families & Carers Services
- Outlook – Day Services
- Criminal Justice – Prisons & Drugs Intervention Programme (DIP)
- Over 18 – treatment & counselling

**TRUSTEES' REPORT**

**For the year ended 31 March 2007 (continued)**

- Under 18 – treatment & counselling
- Making Things Equal – BME communities
- Community Development Services
- Harm Minimisation Services & Needle exchanges

**3 Mission Statement**

**Telling the Truth about Drugs**

"Telling the truth about drugs" is our mission statement and reflects our commitment to those people who access our services and our desire to make a positive contribution to the challenges and debates that arise within the drugs and alcohol field

**4 Objectives and Activities**

Lifeline's income has grown during the year to £15,062,330, which represents a growth of 11.4% on 2005/06. Much of this growth has continued to be through competitive tendering as well as the continued expansion of existing services. This growth has been reflected in our workforce and Lifeline now employs in the region of 460 staff.

**Main Objectives for 2006/07**

**Key Objective 1**

To ensure that Lifeline's vision and core values are established and maintained across the organisation. These core values involve

- Establishing a culture of respect and dignity
- Emphasising rights and responsibilities
- Maximising informed choice
- Supporting stability and progress
- Minimising harm to individuals, families and communities
- Making positive contributions to theory and debate
- Establishing a strong reputation for independent policy, practice and communication

Processes such as recruitment/selection, induction, supervision and appraisals have been reviewed and developed in order to ensure an understanding, by staff and volunteers, in all components of the organisation of the core principles of compassion and respect.

**Key Objective 2**

The ongoing development of services, thereby maintaining quality and supporting best practice. This is pushed forward via a number of initiatives

- The Workforce Development Task Group - working to ensure the retention and recruitment of high quality staff
- The Policy Development Task Group - reviewing, disseminating and supporting the implementation of policies and procedures
- The Quality Development Task Group - reviewing internal and external models of quality standards and benchmarking

**Key Objective 3**

The development and support of Lifeline's knowledge sector for the purposes of

- Contributing to relevant debates and discussions
- Effectively challenging discrepancies and injustices
- Advising and informing policy makers in the broad drug policy arena and those in government
- Educating the public, highlighting the complexities surrounding substance misuse issues
- Reviewing informational requirements of the substance misuse field and other related sectors
- Promoting Lifeline, its purpose and its products via the new digital media
- Supporting Lifeline's independence and facilitating governance

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

### **TRUSTEES' REPORT**

**For the year ended 31 March 2007 (continued)**

#### **Significant Activities 2006/07**

The maintenance of best practice in relation to governance issues, including

- The recruitment of new members to the Board of Trustees, bringing a range of new skills and expertise
- The formation of three Board Sub-Committees the Finance Sub-Committee, the Human Resources, Remuneration and Policy Sub-Committee and the Strategy Sub-Committee

The formation of the Business Development Task Group to support

- The tendering / re-tendering process
- The retention of current funding / income streams
- The expansion of funding / income streams, opening new business and development potential

A full copy of Lifeline's strategic plan for the period 2006 to 2009 can be found on Lifeline's website at [www.lifeline.org.uk/strategy06\\_09](http://www.lifeline.org.uk/strategy06_09)

#### **5 Governance**

##### **The Board of Trustees (formerly referred to as Members of the Council of Management)**

The Board of Trustees is responsible for setting the strategic direction and providing leadership to the organisation

In January and February 2006 the Charity Commission conducted a review visit to the Lifeline Project and issued a report of their findings to the Board of Trustees in March 2006. The Commission fully acknowledged the work undertaken in connection with the root and branch review of governance, first started as an initiative by the Trustees in early 2005, and stated that Lifeline had established a comprehensive governance framework, which met effective governance standards. Trustees continue to review governance arrangements and strive to implement best practice, in order to ensure high standards in all areas of governance. The Trustees are firmly committed to continual improvement in this important area.

In September 2006 seven additional Trustees were recruited to the Board, drawn from a wide range of backgrounds and experiences and bringing a combination of skills needed to govern a charity such as Lifeline, dealing with vulnerable beneficiaries. A firm of recruitment consultants was engaged in order to recruit the best possible Trustees for Lifeline. In addition to this initiative an advertisement was also placed in the Guardian newspaper, to ensure openness and transparency. The recruitment company conducted a profiled search exercise and, as a result of their work and applications received via the advertisement, a number of potential trustees were interviewed over several days in March and April 2006. The standard of applicants was considered to be very high and this resulted in an additional seven Trustees joining the Board in September 2006. The recruitment procedure adopted fulfilled the commitment of the Board to recruit in an open and transparent manner, and in line with best practice guidelines.

A formal induction programme was held in October 2006 with various presentations given to Trustees by senior staff. All the new Trustees received a comprehensive briefing pack and were able to meet with key personnel within Lifeline. A dedicated member of staff was assigned to the Trustees in order to help with the induction and to act as a focal point of contact. Trustees were given complete access to visit any of the Lifeline projects and operational commands, in order to familiarise themselves with the work undertaken and the achievement of Lifeline's charitable objects etc.

The full Board of Trustees meets every two months and met formally on 6 occasions during 2006/2007. The three Sub-Committees meet in between the Board meetings on a regular basis.

#### **Committee Structure**

The Sub-Committee structure has bedded in very well during 2006/2007. The Sub-Committees were introduced as a result of the root and branch review of governance and have now expanded to three Sub-Committees namely - the Finance Sub-Committee, the Human Resources, Remuneration and Policy Sub-Committee and the Strategy Sub-Committee. All the Sub-Committees have a membership of at least four Trustees with senior staff in attendance as required and each Sub-Committee is chaired by a Trustee. This structure has strengthened the governance of Lifeline, with detailed scrutiny taking place at Sub-Committee level, and leaving the main Board meeting able to concentrate on strategic and higher level issues.

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

### **TRUSTEES' REPORT**

**For the year ended 31 March 2007 (continued)**

All the Sub-Committees have clear terms of reference and delegated powers, and report to the main Trustee Board on a regular basis. At each main Board meeting the Trustee Chair of each Sub-Committee gives a verbal report and the minutes of Sub-Committees are distributed to all Trustees. This ensures that all Trustees are aware of the work of all Sub-Committees, irrespective of the membership composition. This we believe improves transparency and contributes to better governance. We are confident that over the next year the work of these Sub-Committees will add real value to the governance of Lifeline and the achievement of Lifeline's charitable objects.

#### **The Role of Senior Staff**

The Board of Trustees delegates the day-to-day running of the organisation to the Chief Executive, and this includes the formulation and implementation of appropriate policies. The Chief Executive attends all Board meetings together with the Deputy Chief Executive, the Director of Finance and the charity consultant. In 2006 Lifeline recruited a new head of Finance and decided to rename the post Director of Finance, to more accurately reflect the duties of this position. The Chief Executive and Deputy regularly report on operational matters and the Director of Finance presents a comprehensive financial report.

#### **Information and Key Reports**

An annual budget is prepared each year by the Director of Finance for approval by the Board of Trustees, together with regular financial reports and forecasts. A "traffic light" system of financial reporting to the Board has now been developed to ensure that Trustees are aware of any financial performance which may be at risk and the cash flow is monitored and forecast at each meeting. The management information and performance analysis is continually reviewed in order to ensure that the Board of Trustees receive adequate and appropriate information. At each Board meeting it is usual for senior members of staff with different operational areas of responsibility to attend and give a presentation to Trustees on various topics. This ensures that Trustees are kept fully abreast of developments and opportunities, and enables senior staff to have regular contact with Trustees. A system has been introduced in recent months concerning contract bidding activity. Trustees are now given details at each Board meeting of bids for new work made or in the pipeline. This ensures that Trustees are aware of developments in this important area and they are able to monitor activity to ensure compliance with laid down criteria established by the Board for such activity. In addition to this regular flow of information to Trustees, detailed scrutiny now takes place at Sub Committee level and various reports are provided to the Sub-Committee Trustees on a regular basis. In particular the financial position of the organisation is subject to regular reviews and monitoring.

### **6 Financial Review**

#### **Income**

Income during the year amounted to £15,062,330, which represents a growth of 11.4% on 2005/6 (£13,515,638).

The amount of "Voluntary income" received increased significantly to £167,643 (2005/06 £102,759) and this largely related to funding in respect of property refurbishment at Kirklees.

Improvements in Lifeline's cash flow arrangements enabled investment income to increase significantly to £63,540 (2005/06 £27,273).

Income from charitable activity increased to £14,831,147 (2005/06 £13,385,606). The majority of this income was received from contracts with a wide spectrum of public bodies. Lifeline's sustained growth over the past few years has been achieved by accepting opportunities to expand on existing service provision, and the pursuit of developing new services aimed at specific needs within communities across the country.

#### **Expenditure**

Total resources expended during the year amounted to £14,832,727 (2005/06 £13,035,057) and has increased in proportion with income.

#### **Finance Result**

During the year 2006/07, Lifeline achieved an operating surplus of £229,603.

#### **Balance Sheet**

The liquidity of the organisation has significantly improved with cash balances amounting to £1,940,062 (2005/06 £1,089,646).

**TRUSTEES' REPORT**

**For the year ended 31 March 2007 (continued)**

Restricted funds of £161,466 were transferred to unrestricted funds during the year. This amount represented funding to refurbish a property in Station Street, Huddersfield. The work was completed during the year and we are pleased that the building has had a positive impact on service provision in the area.

**7 Reserves Policy**

Reserves are held to enable Lifeline to discharge its commitments to its stakeholders and in particular such commitments reflect:

- The need to cover financial risks of the organisation
- The need to provide funds for developing existing and new services

Total Reserves (all of which were classified as unrestricted) as at 31 March 2007 were £2,006,276

Unrestricted funds contain both designated and general reserves

**Designated funds (Fixed Assets & Project) £1,189,159**

Fixed Asset Funds £974,243

The net book value of fixed assets less any restricted funds and borrowings related to these properties

Project Funds £214,916

Funds that have been identified for use on specific projects

**General reserves £817,117**

General reserves represent free funds that are not earmarked for particular purposes

Lifeline's current target is to achieve a level of general reserves equal to two months expenditure, in order to ensure that the core activities of the charity are secure, as well as the overall financial position.

General reserves as at 31 March 2007 amount to 33% of the target figure. Using the current formula for target reserves as the charity grows, the target level of reserves increases.

During 2007-08 Lifeline will be actively reviewing its Reserves Policy to ensure that the target figure is sensible, practicable and achievable. We will continue to focus on plans to strengthen our general reserves position.

**8 Fundraising Activities**

No material fundraising activity is undertaken by Lifeline.

**9 Investment Policy**

Due to the fact that the vast majority of Lifeline's income results from contracts for the provision of services, the resources are not available to enter into long-term investments.

Through improved cash flow arrangements and active management of debt, Lifeline has been able to significantly increase its short term investment income during the year from £27,273 in 2005/2006 to £63,540 in 2006/2007.

**10 Management of Key Risks**

Lifeline's policy with regard to risk identification, assessment and management continues to evolve.

The risk assessment process is now embedded and regularly reviewed. Trustees have overall responsibility for ensuring that the charity has proper systems in place to identify and manage the organisation's major strategic, financial and operational risks.

Trustees and senior management ensure that such risks are regularly reviewed and appropriate actions taken, where possible, to mitigate the probability and impact of these risks.

Sub-Committees whose terms of reference include the monitoring of risk have been established in the areas of Strategy, Finance and Human Resources. Sub-Committees then advise and report to the Board on a regular basis.



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

### **TRUSTEES' REPORT**

**For the year ended 31 March 2007 (continued)**

The major financial risk facing Lifeline is the degree of reliance the organisation places on major contracts from commissioners, many of which are paid in arrears. Lifeline continues to monitor and mitigate these risks wherever possible and adheres to Charity Commission Guidance (CC37 – Charities & Public Service Delivery).

Lifeline seeks to manage its financial risk through close monitoring of liquidity. During 2006-07 flexibility in relation to short term cash flow was enhanced through the negotiation of a precautionary overdraft facility which has not been used to date. Trustees regularly monitor the cash flow position. Lifeline's Reserves Policy (see paragraph 7) is now under review to ensure that the policy is practicable and fit for purpose.

A review of HR has recently taken place and as well as looking at industry best practice etc, the review has also incorporated a risk review in connection with HR matters.

Trustees have assessed the relevant major risks to which Lifeline is exposed and are satisfied that systems are in place to mitigate the effects of these risks. The Board of Trustees receives regular advice from their solicitors in connection with compliance with law and regulation and the solicitor attends Board meetings as and when required.

#### **11 Details of serving Trustees during the financial year ending 31 March 2007**

Ms Sheila Lee	(Chair)
Dr John Burgess Bayne	(resigned 17 <sup>th</sup> January 2007)
Ms Jocelyn Jean-Pierre	
Mr Davy Iredale	
Ms Laura Keiher	(resigned 2 <sup>nd</sup> May 2007)
Mr David Mackintosh	
Mr Jon Snape	
Mr Mick Barwood	(appointed 6 <sup>th</sup> September 2006)
Mr Guy Berry	(appointed 6 <sup>th</sup> September 2006)
Ms Lynda Brady	(appointed 6 <sup>th</sup> September 2006)
Mr Peter Garland	(appointed 6 <sup>th</sup> September 2006)
Professor Eddie Kane	(appointed 6 <sup>th</sup> September 2006)
Mr Peter McDermott	(appointed 6 <sup>th</sup> September 2006)
Mr John Scampion	(appointed 6 <sup>th</sup> September 2006)

#### **12 Achievements and Performance**

Overall Lifeline's services have reached more than 21,000 individuals over 2006-07. One of the key areas in which Lifeline engages drug users are prisons, where over this year Lifeline's drug workers have assessed the needs of nearly 10,000 prisoners with around half of these going on to receive intensive interventions. Lifeline's prison teams have all achieved audit results of 80% plus and the charity will again receive the "Enhanced Performance Award" from HM Prison Service this year.

Funded largely through existing prison contract resources, Lifeline has created a Continuing Professional Development Unit. The Unit has gained recognition as an approved training and accreditation centre by the National Open College Network enabling Lifeline to deliver a range of nationally accredited qualifications to students. In this first year, 24 students began studying an NOCN Level 3 course - Tackling Substance Misuse - and expect to qualify during the summer of 2007. The students on these courses include Lifeline staff as well as Prison Officers and workers from other services.

After 18 months of dedicated effort by managers and staff, Lifeline Kirklees gained recognition as an Investor in People in July 2006. Additionally 10 learners have recently completed a ten week course building a portfolio of their learning to gain a level 1 NVQ qualification. A number of these learners have had to overcome barriers in returning to learning and have had to address issues around their confidence, self belief and their ability to achieve in a learning environment. This group of learners who will ultimately inspire and support others were nominated for and won the Kirklees Adult Learners Award, awarded by Kirklees Education Department. They attended an award ceremony at Huddersfield Town Hall in May to celebrate their achievements and gain recognition for their commitment and hard work. This is the second year running that Lifeline learners have won this award.

A number of Lifeline staff and teams have received recognition awards from the Prison Service for their work within individual establishments. Commendations have been received from Governors at HMPs Low Newton, Liverpool, Preston and HMYOI Styal. The team at HMP Liverpool has been nominated for receipt of a Butler Trust award recognising excellence and innovation in work with offenders in the UK. The team at HMYOI Thorn Cross received a Performance Recognition Award. In a national award scheme Marlene Penswick, CARAT.

**TRUSTEES' REPORT**

**For the year ended 31 March 2007 (continued)**

worker at HMP Wymott, was awarded Runner Up – CARAT Worker of the Year

The National Drug Programmes Delivery Unit has also highlighted Lifeline's induction and support process for new staff as an example of good practice

Lifeline's work with young people continues to enjoy success and demonstrable achievement. In Blackburn - where Lifeline provides a young people's service - a formal Youth Justice Board Effective Practice Quality Assurance Audit of the work that the service carries out with Blackburn with Darwen's Youth Offending Team scored 4 out of 4. Broadening our work with young people and in line with Lifeline's approach to responding to real drug harms, the Manchester Eclipse service has, this year, been providing smoking cessation sessions for users of its service. Lifeline's media team developed a highly innovative and successful drug awareness campaign aimed at young people in Tower Hamlets. The campaign used digital photography, film and the web as media and young people and their experience as the key resource. The campaign also involved a twinning and exchange between young people from the two boroughs of Tower Hamlets and Calderdale (where the media team is based) in Yorkshire. Lifeline's young people's service in Tower Hamlets was cited by the Home Office for its work with young people as a result of the partnership work delivered through the "Frank" bus campaign in the borough.

In the last quarter of the year Lifeline was successful in winning two competitive tenders for new young people's service in both Leeds and the London Borough of Enfield. Both wins confirm Lifeline's reputation in providing services to young people. The Enfield service is Lifeline's second service in London. In both cases, staff have transferred under TUPE from Turning Point and the NHS respectively. Conversely the re-tender of the Eclipse young people's service in Middlesbrough at the end of the contract period has led to the transfer of Lifeline staff to the charity DISC.

The Kirklees Outlook 'Work it Out' team have supported 42 service users into employment and 54 onto training or educational courses. During this time, a further 40 service users have achieved unit accreditation through attending courses delivered as part of Outlook's programme of activities. Learners from the first course of Peer Education were awarded the 'Learning Group of the Year' 2005/6 accolade at this year's Adult Learner Awards hosted by Kirklees Council's Adult Education Department in May 2006. This was a remarkable achievement for everyone involved in the training, especially as other groups nominated for the award were enrolled onto courses at local Technical Colleges. Community Volunteer Programme has won the award for 2006/7.

Kirklees Drug Intervention Programme staff were recognised for "Quality of Service" in the West Yorkshire Police Excel Awards 2006. The DIP staff were praised for their effectiveness in diverting offenders away from crime and into treatment.

Three Lifeline Kirklees managers have been elected by the Kirklees Voluntary Action Network to represent its membership of over 400 voluntary, community and faith organisations on 3 of the 4 Local Public Service Boards in Kirklees and on the Kirklees Partnership Board. This gives Lifeline Kirklees an important opportunity to work with statutory, voluntary and private sector partners in key decision-making bodies to inform and influence the delivery of public services in the borough and also to promote the rights and interests of those affected by substance use.

Lifeline's services in Calderdale and Bradford have made some notable achievements over the year with uptake of Outlook day services 400% higher than the commissioner target. Lifeline's services reach people from minority ethnic backgrounds 10% higher than the local average. There has been a 24% increase in employment opportunities offered through Lifeline in Calderdale. In Bradford there has been a 200% increase in uptake of low threshold alcohol interventions and the target met for structured alcohol treatment exceeded by 145%.

In East Manchester, Lifeline's Outlook service has received an award as an exemplar of good practice by New Deal. In Sunderland the harm minimisation service has been able to acquire high quality premises so the full service can be delivered in an attractive and appropriate setting.

On the back of a major research study of homeless injectors in Manchester, Lifeline's Publications Department have produced the first leaflet about "speedballing" (combined injection of heroin and crack-cocaine) in the UK as well as publishing the world's first harm reduction guide for people with severe mental illness. This was again underpinned by extensive research in partnership with an NHS Mental Health Trust, is now in production in Australia and the US as well as the UK and is being independently evaluated by another NHS Trust in Nottinghamshire. The interest that this innovative work has provoked has meant Lifeline's Director of Communications has run over 100 radio interviews and around 25 TV interviews during the year.

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

### **TRUSTEES' REPORT**

**For the year ended 31 March 2007 (continued)**

#### **Relationship with users, beneficiaries and funders**

Lifeline's commitment to providing services that involve beneficiaries in the design, planning and delivery has had high priority this year. Some notable examples include

East Lancashire Young Persons Service held a Feedback Fortnight to seek the views of young service users. The majority of service users (96%) reported that the service met their needs and 100% of young people reported that they find the service welcoming.

In the prisons, focus groups of prisoners were facilitated by Lifeline staff to establish the views of prisoners about services. Reports from these groups were collated and distributed to managers from Lifeline and the Prison Service. Changes to service delivery have already been made to reflect the views of prisoners.

In Bradford and Calderdale, Lifeline houses and provides administrative support to the independent Calderdale User Forum and delivers weekly support to drug users who are not directly in touch with services. A "Feedback Week" is held annually.

A recent independent user satisfaction survey carried out by Kirklees User Forum found that 92% of users were either satisfied or very satisfied with services offered by Lifeline Kirklees. Lifeline managers meet monthly with the User Forum to work collaboratively on new initiatives and deal with problems and concerns. The User Forum has received training in recruitment and selection so that service user representatives can take part in the recruitment process for staff.

Outlook East Manchester has been awarded £5,000 to support the work of their service user development group.

Service users have provided a "mystery shopper" approach to gauging the quality of pharmacy based needle exchanges.

Two pieces of Lifeline research have supported the user involvement theme. The development of the new mental health publications were underpinned by research focusing on the thoughts and feelings of mental health service users who also use drugs. A study of user experiences of the national Drug Intervention Programme (DIP) has highlighted the importance of listening to user views even in settings where legal compulsion is a factor.

#### **Special or unusual areas of funding**

Lifeline Kirklees recently gained funding from the Neighbourhood Renewal Fund to pilot an alcohol service as part of the Kirklees Alcohol Strategy. Our first community initiative was a successful campaign to promote the risks of drink spiking in the gay bars in Huddersfield town centre in partnership with other local charities and statutory partners. It is estimated that this reached over 400 people.

Lifeline's Tameside young people's service, Branching Out, received funding from Ashton's regeneration project to purchase an electronic drug box which will take informal drugs education out into a range of community settings and enable a wider range of community members (young people & adults) to access information.

In Newcastle, Lifeline has been granted £10,000 by the Neighbourhood Renewal Fund (NRF) for research/education into steroid use in a variety of sports settings. The Depaul Trust is supporting a partnership initiative with Lifeline to enable sports development workers to be based at Lifeline's Outlook service to develop sports and activities for service user groups in order to promote wellbeing/healthy lifestyles.

Lifeline's work with parents has also been generously supported by the Greggs (the bakers) family. This funding has enabled Lifeline to re-start family support work which has been heavily in demand but not supported by core funding in recent years.

Lifeline's new 'Speedball' leaflet has been funded by the generous support of Johnny Vegas and the cast and crew of the recent TV series 'Ideal' which starred Johnny as a small-time dope dealer.

#### **Significant Plans for 2007/2008**

Lifeline will provide CARAT (Counselling, Advice, Referral and Throughcare) services to the first new public prison to open for many years - HMP Kennett. The new prison will provide an opportunity for Lifeline to explore innovative ways of delivering drug support services and Lifeline has already presented a number of proposals to Prison Service colleagues for consideration.

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

### **TRUSTEES' REPORT**

**For the year ended 31 March 2007 (continued)**

Lifeline will support the design, publication and distribution of The Link – a magazine that will be produced by prisoners in HMP Garth for prisoners across England and Wales. The Link features articles and other contributions from prisoners across England and Wales and is funded by the Prison Service Drug Strategy Team and the North West Area Manager.

In Blackburn the young people's service plans to substantially improve or relocate to new premises to improve access to service users. A 'Hidden Harm' worker is to be recruited to help tackle the impact of drug use on parenting.

The Tameside "Branching Out" service is submitting funding bids to further develop their work to include smoking cessation and alcohol.

In Tower Hamlets the Community Interactor scheme for young people will be rolled out during the year ahead. In Enfield the year ahead will see the development of the brand new young people's service won in late 2006-07.

In Newcastle a new "sharp chute" bins pilot is to be run where drug litter has been identified as a problem in conjunction with Safer Newcastle partnership. A pharmacy based needle exchange is to be launched in Sunderland and extended in Newcastle and Middlesbrough.

A major development in Kirklees will be implementing the National Treatment Agency Treatment Outcomes Profile (TOP) which will provide meaningful information to service users, managers and commissioners about the effectiveness of our treatment interventions.

Lifeline's Publications Department is to pilot a new research project "RADAR" to gather drug trend information from Lifeline's services across the country. The department will also provide editorial support for "The Link" - a new magazine designed by prisoners for prisoners based at HMP Garth.

### **13 Use of Volunteers**

Lifeline employs more than 100 volunteers in a variety of roles and settings.

Even in prisons, volunteering has played a crucial role. At HMYOI Thorn Cross, three young offenders have volunteered to become Mentors. HMP Risley has RAPS (Relapse & Peer Support) where a group of trained prisoners offer peer support to other prisoners on G Wing.

Lifeline Manchester's Harm Reduction Centre has an active pool of around 25 volunteers who work at the busy city centre needle exchange. Volunteers are supported using a mentorship system, regular training is provided and a volunteer co-ordinator oversees the group as a whole. Lifeline's Outlook service in Manchester also relies heavily on volunteers and would struggle to offer the services they do without the involvement of our present volunteers.

Many of the volunteers are ex service users and some have moved into mainstream education, volunteering and paid employment. The importance of volunteering as a positive route for change is underlined by the comments of a Lifeline volunteer in Newcastle:

*"I registered as a client with Lifeline in January 2006. After I completed the programme I was looking for voluntary work and took a voluntary placement with Outlook in October 2006. Before my placement, my confidence was low, I was lacking direction and I didn't really know what to do with myself as I had just completed a residential rehab. Since working with Lifeline I have really found myself again. My confidence is higher than ever, I have met lots of new people, been on a lot of training and gained a lot of new skills. I have decided I definitely want to work in this field. With the support of the team and my supervisor - I am undertaking various training - including qualified courses - to help me get where I want to be."*

An exciting development to our volunteer programme, the Community Parenting Volunteer Programme, funded by the Neighbourhood Renewal Fund, started in January 2007, with 12 learners enrolling onto the OCN accredited training. The scheme aims to train local parents through an accredited Open College Network training course to act as volunteers to support other local parents.

As "experts by experience" our service users and many of our volunteers inform how Lifeline designs and delivers services. Our Publications Department has recently been supported by the work of a volunteer who is a former drug-producer. His knowledge and experience has helped us produce accurate and credible publications to inform drug users.

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

### **TRUSTEES' REPORT**

**For the year ended 31 March 2007 (continued)**

Lifeline also frequently employs volunteer "community interactors" - who are usually local residents - to help build engagement with the communities in which we operate. In Middlesbrough 24 trained local residents raise awareness in their local areas and a similar scheme is now underway in the very diverse communities of the London borough of Tower Hamlets.

#### **14 Disabled Persons**

The charity's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development within the charity. Employees who become disabled are retained in their existing posts where possible or retained for suitable alternative posts.

#### **15 Plans for Future Periods**

- Continuous improvement in relation to governance issues, with particular reference to strategy development via the Trustee Strategy Day scheduled for October 2007
- Further development of our Human Resources function via an HR review and recommendations
- The continuation of development of Policy, Workforce and Quality undertaken via the Task Groups
- Continued development of health initiatives via the Research, Campaigns & Communications Task Group
- Sustainable organisational growth via the Business Development Group
- The development of an audit of Service User consultation / activity / representation and the development of a corporate approach
- An audit of workforce experiences within the organisation
- The development of a range of workforce engagement strategies including the introduction of a drug trends early warning system
- A review of current strategy structures and groups that will determine their suitability for Service User and Workforce engagement
- A corporate examination of current clinical governance arrangements

#### **16 Responsibilities of the Board of Trustees**

The Board of Trustees are the directors for the purposes of company law. 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

- 1 Select suitable accounting policies and then apply them consistently
- 2 Make judgements and estimates that are reasonable and prudent
- 3 State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- 4 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.

The trustees also confirm that, as far as they are aware, there is no relevant audit information of which the charity's auditors are unaware and they have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

---


**TRUSTEES' REPORT**

**For the year ended 31 March 2007 (continued)**

**17 Auditors**

A resolution to reappoint Mazars LLP as auditors to the Company will be proposed at the Annual General Meeting in December 2007

On Behalf of the Board of Trustees

Signed  5/4/07  
D Ireland  
Trustee

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

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFELINE PROJECT**

We have audited the financial statements of Lifeline Project for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under the accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Responsibilities of the Board of Trustees, the directors, who also act as trustees of Lifeline Project, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

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

#### **Basis of audit opinion**

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

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

#### **Opinion**

In our opinion:

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



**Mazars LLP**  
**Chartered Accountants and Registered Auditors**  
Merchant Exchange  
Whitworth Street West  
Manchester  
M1 5WG

5 9. 47

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

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total 2007 £	Total 2006 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds*</b>					
Voluntary income					
Donations	2	6,177	161,466	167,643	102,759
Activities for generating funds					
Investment income and interest		63,540	-	63,540	27,273
<b>Incoming resources from charitable activities</b>	3	14,831,147	-	14,831,147	13,385,606
<b>Total incoming resources</b>		<u>14,900,864</u>	<u>161,466</u>	<u>15,062,330</u>	<u>13,515,638</u>
<b>Resources expended</b>					
Charitable activities	4	14,759,115	-	14,759,115	12,944,369
Governance costs	5	73,612	-	73,612	90,688
<b>Total resources expended</b>		<u>14,832,727</u>	<u>-</u>	<u>14,832,727</u>	<u>13,035,057</u>
<b>Net incoming resources before transfers</b>	6	68,137	161,466	229,603	480,581
<b>Transfers</b>	15	<u>161,466</u>	<u>(161,466)</u>	<u>-</u>	<u>-</u>
<b>Net incoming resources for the year</b>		229,603	-	229,603	480,581
<b>Balance brought forward at 1 April 2006</b>	15	<u>1,776,673</u>	<u>-</u>	<u>1,776,673</u>	<u>1,296,092</u>
<b>Balance carried forward at 31 March 2007</b>	15	<u><u>2,006,276</u></u>	<u><u>-</u></u>	<u><u>2,006,276</u></u>	<u><u>1,776,673</u></u>

The statement of financial activities includes all gains and losses recognised in the year

All incoming and expended resources derive from continuing activities



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

**BALANCE SHEET  
AS AT 31 MARCH 2007**

	Notes	2007 £	2006 £
<b>Fixed Assets</b>	9	1,257,514	968,597
<b>Current Assets</b>			
Stock		42,682	87,219
Debtors	10	2,001,350	2,573,796
Cash at bank and in hand		1,940,062	1,089,646
		3,984,094	3,750,661
<b>Creditors</b> amounts falling due within one year	11	(2,972,061)	(2,667,677)
<b>Net Current Assets</b>		1,012,033	1,082,984
<b>Net Assets less current liabilities</b>		2,269,547	2,051,581
<b>Creditors</b> amounts falling due after more than one year	12	(263,271)	(274,908)
<b>Net Assets</b>		2,006,276	1,776,673
<b>Unrestricted funds</b>	15		
Designated funds		1,189,159	1,119,729
General funds		817,117	656,944
		2,006,276	1,776,673
<b>Restricted funds</b>	15	-	-
		2,006,276	1,776,673

Approved by the Board of Trustees and signed on their behalf by



**J Scampion**  
Director

5 SEPTEMBER 2007

**LIFELINE PROJECT (A company limited by guarantee)****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	2007 £	2006 £
<b>Operating activities</b>			
Net incoming resources		229,603	480,581
Investment income and interest		(63,540)	(27,273)
Interest paid		19,668	7,908
Depreciation		136,378	220,390
Cash inflow from movements in stock		44,537	13,515
Cash inflow/(outflow) from movements in debtors		572,446	(1,605,605)
Cash inflow from movements in creditors		304,384	1,926,389
Cash flows from operating activities		1,243,476	1,015,905
<b>Returns on investment and servicing of finance</b>			
Investment income and interest		63,540	27,273
Interest paid		(19,668)	(7,908)
Cash inflow from returns on investments and servicing of finance		43,872	19,365
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(425,295)	(363,258)
Cash outflow from capital expenditure		(425,295)	(363,258)
<b>Cash inflow before financing</b>		862,053	672,012
<b>Financing</b>			
Bank loan (paid)/received	17	(11,637)	62,908
Cash inflow from financing		(11,637)	62,908
<b>Increase in cash in the year</b>	17	850,416	734,920

**Notes to the Financial Statements  
for the year ended 31 March 2007**

**1. Accounting policies**

**a) Basis of preparation**

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice issued in March 2005 (SORP 2005) and applicable accounting standards

The principal accounting policies adopted in the preparation of the financial statements are as follows

**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) Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable

Incoming resources from charitable activities, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance

**d) Resources expended**

Resources expended are recognised on an accruals basis as a liability is incurred. Resources expended include any VAT which cannot be fully recovered, and are reported as part of the expenditure to which they relate

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of staff resources

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and costs linked to the strategic management of the charity

**e) Fund accounting**

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

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes

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

### **Notes to the Financial Statements for the year ended 31 March 2007**

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 financial statements.

#### **f) Tangible fixed assets and depreciation**

Tangible fixed assets that have been acquired for annual or short term funded projects are written off in the year of acquisition, apart from land and buildings.

Other tangible fixed assets are stated at cost less depreciation. Depreciation has been provided at rates calculated to write off the cost less residual value over their expected useful lives as follows:

Freehold property	4%	straight line
Property improvements	20%	straight line
Computer equipment	33%/100%	straight line
Vehicle	25%	straight line
Leasehold improvements		over the term of the lease

#### **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 statement of financial activities as they become payable in accordance with FRS17.

#### **i) Leasing**

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

## **2. Donations**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2007 Total</b>	<b>2006 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General donations	6,177	-	6,177	37,001
Wellington St refurbishments				
- ERDF	-	-	-	65,758
Station Street refurbishments				
- Henry Smith Foundation	-	50,000	50,000	-
- Clothworkers Foundation	-	30,000	30,000	-
- Pilgrim Trust	-	30,000	30,000	-
- North Kirklees PCT	-	33,563	33,563	-
- Sundry donations	-	17,903	17,903	-
	<u>6,177</u>	<u>161,466</u>	<u>167,643</u>	<u>102,759</u>

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

**Notes to the Financial Statements  
for the year ended 31 March 2007**

**3. Incoming resources from charitable activities**

	Unrestricted	Restricted	2007	2006
	£	£	Total	Total
			£	£
Substance misuse services	14,500,282	-	14,500,282	12,878,917
Educational publications, information, research, training and consultancy	330,865	-	330,865	506,689
	<u>14,831,147</u>	<u>-</u>	<u>14,831,147</u>	<u>13,385,606</u>

**Substance misuse services** - income received for delivering a service to assist persons and their families and dependants affected by the misuse of drugs. Fees were received as follows

	2007	2006
	£	£
Blackburn with Darwen Borough Council	239,161	147,951
Bradford Council	62,167	60,814
Calderdale Metropolitan Borough Council	521,808	326,861
Connexions	31,850	30,557
Drug (Alcohol) Action Teams	1,750,942	1,790,829
HM Prison Service	4,731,823	4,037,370
Home Office	91,170	115,393
Job Centre Plus	334,956	197,580
Kirklees Metropolitan Borough Council	736,895	672,324
Manchester City Council	1,094,066	1,131,777
National Children's Home	-	189,164
North Kirklees PCT	3,885,853	3,143,336
Other PCTs	451,739	300,459
Single Regeneration Budget	-	215,623
Tameside Metropolitan Borough Council	159,534	136,949
University of Central Lancashire	-	13,871
Youth Offending Teams	27,608	127,738
Others	380,710	240,321
	<u>14,500,282</u>	<u>12,878,917</u>

**Sales income**

Income received from publication sales and the provision of training and consultancy

**4. Resources expended - cost of activities in furtherance of the charity's objects**

	Direct	Support	2007	2006
	costs	costs		
	£	£	£	£
Substance misuse services	13,137,836	1,077,582	14,215,418	12,362,196
Educational publications, information, research, training and consultancy	514,474	29,223	543,697	582,173
	<u>13,652,310</u>	<u>1,106,805</u>	<u>14,759,115</u>	<u>12,944,369</u>

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

## **Notes to the Financial Statements for the year ended 31 March 2007**

### **5. Governance costs**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Recruitment	9,227	16,526
Legal and professional fees	37,741	43,550
Travel	881	1,090
Insurance	9,635	1,969
Room hire and accommodation	2,998	8,018
Auditors' remuneration - statutory audit	13,130	12,925
- other	-	6,610
	<u>73,612</u>	<u>90,688</u>

### **6. Net incoming resources**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Operating lease rentals – land and buildings	308,028	236,489
Operating lease rentals – other	33,777	26,020
Loan interest paid	19,668	7,908
Trustees' indemnity insurance	9,635	1,969
	<u></u>	<u></u>

### **7. Staff costs and numbers**

<i>Staff costs</i>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Wages and salaries	10,126,133	8,401,945
Social security costs	1,011,477	834,375
Pensions	381,449	292,570
	<u>11,519,059</u>	<u>9,528,890</u>

#### **Employee emoluments over £60,000**

	<b>2007</b>	<b>2006</b>
	<b>No.</b>	<b>No.</b>
Salary £60,000 to £70,000	1	-
Salary £70,000 to £80,000	-	1
Salary £90,000 to £100,000	1	-

#### *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 £381,449 (2006 - £292,570). Contributions totalling £43,843 (2006 - £36,828) 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

	<b>2007</b>	<b>2006</b>
Project activities	448	395
Management and policy development	3	6
Administration	9	8
	<u>460</u>	<u>409</u>

#### *Directors' expenses*

Expenses of £698 (2006 - £1,090) were reimbursed to 7 directors (2006 - 5) during the year. No remuneration was paid to any director during the year.

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

## **Notes to the Financial Statements for the year ended 31 March 2007**

### **8 Taxation**

The charitable company is exempt from corporation tax on its charitable activities

### **9 Fixed assets**

	Leasehold Improvements £	Freehold Property £	Property Improvements £	Computer Equipment £	Vehicle £	Total £
<u>Cost</u>						
At 1 April 2006	28,857	935,867	104,060	568,121	26,253	1,663,158
Additions during the year	197,742	-	54,259	173,294	-	425,295
At 31 March 2007	226,599	935,867	158,319	741,415	26,253	2,088,453
<u>Depreciation</u>						
At 1 April 2006	-	57,187	62,690	568,121	6,563	694,561
Charge for the year	31,120	37,434	21,194	40,067	6,563	136,378
At 31 March 2007	31,120	94,621	83,884	608,188	13,126	830,939
<u>Net Book value</u>						
At 31 March 2007	195,479	841,246	74,435	133,227	13,127	1,257,514
At 31 March 2006	28,857	878,680	41,370	-	19,690	968,597

### **10. Debtors**

	2007 £	2006 £
Trade debtors	38,694	63,117
Other debtors	1,865,446	2,438,802
Prepayments and accrued income	97,210	71,877
	2,001,350	2,573,796

### **11. Creditors' amounts falling due within one year**

	2007 £	2006 £
Trade creditors	325,886	381,422
Other taxes and social security	303,917	267,011
Accruals	204,747	187,632
Deferred income (note 13)	2,117,511	1,811,612
Bank loan	20,000	20,000
	2,972,061	2,667,677

During the year, the charity negotiated an overdraft facility with its bankers. This facility has a limit of £450,000 and has not been utilised during the year. If used, the facility is secured on the charity's debtors.

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

**Notes to the Financial Statements  
for the year ended 31 March 2007**

**12. Creditors: amounts falling due after more than one year**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank loan	263,271	274,908
	<u>263,271</u>	<u>274,908</u>
	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Analysis of debt maturity – bank loan		
In one year or less	20,000	20,000
In more than one year but not more than two years	20,000	20,000
In more than two years but not more than five years	60,000	60,000
After five years	183,271	194,908
	<u>283,271</u>	<u>294,908</u>
Included in current liabilities	(20,000)	(20,000)
	<u>263,271</u>	<u>274,908</u>

The bank loan is secured by a first legal charge on the freehold property, 3 Wellington Street. The loan is for the period of 15 years to June 2020 bearing an interest rate of 2% per annum over the bank's base rate.

**13. Deferred income**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Balance at 1 April 2006	1,811,612	197,768
Fees received	14,806,181	14,252,440
Released to statement of financial activities	(14,500,282)	(12,638,596)
	<u>2,117,511</u>	<u>1,811,612</u>
Balance at 31 March 2007	<u>2,117,511</u>	<u>1,811,612</u>
Deferred income	184,664	127,344
Amounts invoiced in advance	1,932,847	1,684,268
	<u>2,117,511</u>	<u>1,811,612</u>
Balance at 31 March 2007	<u>2,117,511</u>	<u>1,811,612</u>

**14 Analysis of net assets between funds**

	<b>Designated Funds £</b>	<b>General Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
Tangible fixed assets	1,257,514		-	1,257,514
Current assets	214,916	3,769,178	-	3,984,094
Current liabilities	(20,000)	(2,952,061)	-	(2,972,061)
Long term liabilities	(263,271)	-	-	(263,271)
	<u>1,189,159</u>	<u>817,117</u>	<u>-</u>	<u>2,006,276</u>



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

## **Notes to the Financial Statements for the year ended 31 March 2007**

### **15. Movement of funds**

	1 April 2006 £	Incoming Resources £	Outgoing Resources £	Transfers £	31 March 2007 £
<b>Restricted funds</b>					
Station Street refurbishments	-	161,466	-	(161,466)	-
	-	161,466	-	(161,466)	-
<b>Unrestricted funds</b>					
General funds	656,944	14,900,864	(14,696,349)	(44,342)	817,117
Designated fixed asset funds	673,689	-	(136,378)	436,932	974,243
Designated project funds	446,040	-	-	(231,124)	214,916
	1,776,673	14,900,864	(14,832,727)	161,466	2,006,276
<b>Total funds</b>	1,776,673	15,062,330	(14,832,727)	-	2,006,276

#### **Purposes of restricted funds:**

##### Restricted funds

A project to refurbish the leasehold property at Station Street, Huddersfield with funds provided from a number of sources, including Pilgrim Trust, Clothworkers Foundation and Henry Smith Foundation. The refurbishment was completed in the year and the fund balance has been transferred to the designated property funds.

#### **Purposes of designated funds:**

##### Fixed Asset funds

The designated assets funds represent the net book value of fixed assets owned by Lifeline Project less any restricted funds and loans relating to these assets.

##### Project funds

The designated project funds represent funds as yet unspent which relate to particular projects.

### **16. Financial commitments**

At 31 March 2007 the charity had annual commitments under the non-cancellable operating leases which expire as follows:

	Land and buildings 2007 £	Other 2007 £	Land and buildings 2006 £	Other 2006 £
Less than one year	59,027	11,662	41,650	5,741
Between two and five years	141,762	22,866	138,639	13,730
In over five years	100,000	-	127,000	-
	300,789	34,528	307,289	19,471

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

---

**Notes to the Financial Statements  
for the year ended 31 March 2007**

**17. Analysis and reconciliation of funds**

	<b>At 1 April 2006</b>	<b>Cash flow</b>	<b>At 31 Mar 2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash	1,089,646	850,416	1,940,062
Bank loan	(294,908)	11,637	(283,271)
	<u>794,738</u>	<u>862,053</u>	<u>1,656,791</u>
		<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
Net funds at 1 April 2006		794,738	122,726
Cash flow in period		850,416	734,920
Bank loan paid/(received)		11,637	(62,908)
Net funds at 31 March 2007		<u>1,656,791</u>	<u>794,738</u>