

Company Registration No. 2493904
Registered Charity No. 1010541

CARDIFF UNIVERSITIES SOCIAL SERVICES
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
For the year ended 31st March 1999

Notley Pearson Shewring
Chartered Accountants
Registered Auditors
38 Chepstow Road
Newport
South Wales
NP19 8PT



CARDIFF UNIVERSITIES SOCIAL SERVICES

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OFFICERS AND PROFESSIONAL ADVISERS

Company Registration No. 2493904

Registered Charity No. 1010541

Trustees: Ms S. Kemp (Chair)
Ms H. Steer (Resigned September 1998)
Mr. A. Davies (Resigned July 1998)
Mr. A. Pursell
Mr. B.J. Weare (Appointed June 1998)
Mr. I. Brown (Appointed June 1998)
Mr. A. Willis (Resigned July 1998)
Mr. D. Allen (Appointed September 1998)
Mr T. Gape (Appointed February 1999)

Secretary: L. Cumberbatch

Registered Office: 433 Cowbridge Road East
Canton
Cardiff

Auditors: Notley Pearson Shewring
Chartered Accountants
Registered Auditors
38 Chepstow Road
Newport
South Wales
NP19 8PT

Bankers: National Westminster Bank PLC
277 Cowbridge Road East
Canton
Cardiff
CF5 1YE

Solicitors: Morgan Bruce
Bradley Court
Park Place
Cardiff
CF1 3DP

TRUSTEES REPORT

Year ended 31st March 1999

The Trustees present their annual report on the affairs of Cardiff Universities Social Services and the audited financial statements. The Charity is a company limited by guarantee, registration number 2493904 and is governed by its Memorandum and Articles of Association. It is also registered with the Charity Commission, number 1010541. The Trustees are also Directors of the Charity.

Trustees:

Ms S. Kemp (Chair)
Ms H. Steer (Resigned September 1998)
Mr. A. Davies (Resigned July 1998)
Mr. A. Pursell
Mr. B.J. Weare (Appointed June 1998)
Mr. I. Brown (Appointed June 1998)
Mr. A. Willis (Resigned July 1998)
Mr. D. Allen (Appointed September 1998)
Mr T. Gape (Appointed February 1999)

The Trustees are appointed at the annual general meeting.

Objectives of the Organisation

- To develop quality and innovative services that reflect the core values of the organisation and meet the needs of service users.
- Develop and expand volunteer opportunities for students, and others, promoting an understanding of the issues related to people with disabilities.
- To work in partnership with service users, their carers, other providers, purchasers and the wider community to promote models of good practice.
- To achieve a level of investment in staff development, training and support that enables the delivery of quality services and reflects their contribution to the achievement of the organisation's mission and aims.
- To offer a service which is responsive to and respects race, religion, culture, language, gender, sexuality and abilities of service users and of staff.

TRUSTEES' REPORT (CONTINUED)

Year ended 31st March 1999

Main Activities of the Organisation

- QUEST supported employment. Helping people to get jobs.
- Community Living Developments. Supporting people in their homes.
- Field Days. Providing a range of work experiences.
- Student Volunteer Projects. Working with children, families and schools through student volunteers.
- Transitions Project. Career planning for young school and college leavers.
- Short Stay Services. Providing short stay and holiday services.
- Emergency Accommodation Services. Supporting people who are in a crisis.
- CUSS Community Link. Supporting people to develop new interests and relationships with the help of volunteers.
- Central Support Services. Providing personnel, financial and administrative support to CUSS and to other organisations where agreed.
- Consultancy and Staff Development.

Financial Review

The organisation carried out a valuation exercise on its properties in September 1998 and the values were as follows:

18 Pantbach Avenue	£100,000
66 Hamilton Street	£120,000
433 Cowbridge Road	£110,000
67 Pembroke Road	£175,000

CUSS has an ongoing arrangement with its bankers which is due for review in November 1999, and it is hoped that a new deal will be agreed which will assist the organisation in maintaining its work as well as plan for new developments (see note 1(a))

The surplus for the year of £77,882 reflects the strenuous efforts made by all of the company's employees and in particular the management team to control expenditure in order to turn around the deficits of previous years and reduce the bank overdraft.

This surplus has enabled a further £9,500 to be transferred to the Building Maintenance Reserve this year and also has enabled the company to establish a reserve for the Replacement of Equipment.

TRUSTEES' REPORT (CONTINUED)

Year ended 31st March 1999

Financial Review (Continued)

The Trustees and management team will strive to generate further surpluses in the forthcoming years to repay the bank overdraft in full and generate funds for contingencies.

The Trustees consider that the main contingency in the short term for which funds should be held is to meet additional staffing costs that could be incurred through redundancy, maternity or long term sick cover.

The Trustees consider that general funds of £30,000 should be held for this purpose and will strive to increase the general funds of £4,779 at 31st March 1999 to this level.

Year 2000

As discussed at length in the media, many computers and microchips only recognise dates using the last two digits of the year and will therefore need to be modified or replaced to record the year 2000. Our business depends on a computerised accounting system to prepare the accounts and record the transactions. In addition, we could be affected by the systems used by our suppliers and customers. As a result we could be at risk if other parties do not deal adequately with the year 2000 issue.

The Trustees have assessed the risks to our business resulting from the change to the year 2000 and consider that our computer system is millennium compliant.

We have also assessed the possibility of year 2000 related failures in our significant suppliers, all of whom inform us that they are dealing with the problem. It is impossible to guarantee that no year 2000 problems will remain. However, the Trustees feel that the company will be able to deal promptly with any failures that may occur.

TRUSTEES' REPORT (CONTINUED)

Year ended 31st March 1999

Directors' Responsibilities

Company Law requires the Directors, who are the Trustees, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the profit or loss of the Charity for that period. In preparing those financial statements the Directors are required to:-

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity 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 Charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees and Their Beneficial Interests

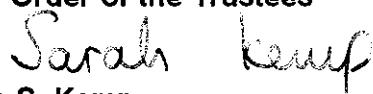
The Trustees have no beneficial interests as the Charity has no share capital being limited by guarantee.

Fixed Assets

Full details of the fixed assets owned by the Charity are provided in the notes to the financial statements.

Auditors

A resolution will be proposed at the Annual General Meeting to re-appoint the auditors Notley Pearson Shewring.

By Order of the Trustees

Ms S. Kemp
Trustee

15th September 1999

We have audited the financial statements on pages 7 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 12.

Respective Responsibilities of Directors and Auditors

As described on page 5, the company's trustees who are also the directors for the purposes of company law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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.

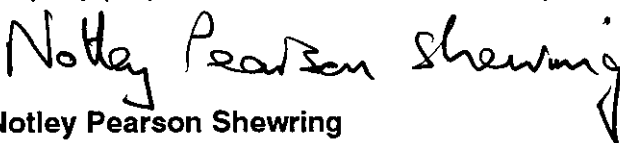
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in Note 1 of the financial statements concerning the uncertainty as to the continuation and renewal of the company's bank overdraft facility. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31st March 1999 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 provisions of the Companies Act 1985.


Notley Pearson Shewring
Chartered Accountants
Registered Auditors

38 Chepstow Road
Newport
South Wales
NP19 8PT

20th September 1999

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31st March 1999

	Note	Unrestricted Funds	Restricted Funds	Total Fund	1998 Total Funds
Incoming Resources					
Grants and allowances	2	1,493,389	172,770	1,666,159	1,576,852
Transfer from deferred income		(4,238)	-	(4,238)	31,373
Donations and fund raising		4,173	-	4,173	4,292
Rents receivable		111,367	-	111,367	89,978
Interest receivable		1,137	-	1,137	1,827
Expenditure reimbursed		149,239	-	149,239	187,165
Other income		<u>43,107</u>	<u>-</u>	<u>43,107</u>	<u>68,478</u>
Total Incoming Resources		<u>1,798,174</u>	<u>172,770</u>	<u>1,970,944</u>	<u>1,959,965</u>
Resources Expended					
Direct charitable expenditure	3	1,718,189	78,595	1,796,784	1,819,358
Management and administration	4	<u>25,429</u>	<u>-</u>	<u>25,429</u>	<u>19,949</u>
Total Resources Expended		<u>1,743,618</u>	<u>78,595</u>	<u>1,822,213</u>	<u>1,839,307</u>
Net Incoming Resources Before Transfers					
		54,556	94,175	148,731	120,658
Transfers between funds		<u>23,326</u>	<u>(23,326)</u>	<u>-</u>	<u>-</u>
Net Movement in Funds		77,882	70,849	148,731	120,658
Fund balances brought forward		181	434,873	435,054	41,007
Prior year adjustment	14	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,389</u>
Fund Balances Carried Forward		<u>£78,063</u>	<u>£505,722</u>	<u>£583,785</u>	<u>£435,054</u>

The notes on pages 10 to 17 form part of these statutory financial statements.

INCOME AND EXPENDITURE ACCOUNT

Year ended 31st March 1999

	Notes	1998
Income		
Grants and allowances	1,567,746	1,435,426
Rents receivable	111,367	89,978
Other income	<u>219,845</u>	<u>269,547</u>
Operating Income	1,898,958	1,794,951
Project costs	(1,596,243)	(1,612,169)
Administrative costs	<u>(209,377)</u>	<u>(206,282)</u>
Operating Surplus/(Deficit)	5 93,338	(23,500)
Interest receivable	1,137	1,827
Interest payable	<u>(16,593)</u>	<u>(19,153)</u>
Surplus/(Deficit) for the Year	77,882	(40,826)
Transfers to/from designated reserves	(25,176)	-
General Fund Brought Forward - (Deficit)	<u>(47,927)</u>	<u>(7,101)</u>
General Fund Carried Forward - Surplus/(Deficit)	<u>£4,779</u>	<u>£(47,927)</u>

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial years.

Recognised Gains and Losses

The company has no recognised gains or losses other than the surplus or deficit for the above two financial years.

The notes on pages 10 to 17 form part of these financial statements.

BALANCE SHEET
 At 31st March 1999

	Notes		1998
Fixed Assets			
Tangible assets	8	741,103	681,011
Current Assets			
Debtors	9	50,995	73,208
Cash at bank and in hand		<u>26,349</u>	<u>19,457</u>
		77,344	92,665
Creditors: Amounts Falling Due Within One Year	10	<u>180,130</u>	<u>272,000</u>
Net Current Liabilities		<u>(102,786)</u>	<u>(179,335)</u>
Total Assets Less Current Liabilities		638,317	501,676
Creditors: Amounts Falling Due After More Than One Year	10	<u>(54,532)</u>	<u>(66,622)</u>
		<u>£583,785</u>	<u>£435,054</u>
Represented By:-			
Unrestricted Funds	11		
General fund		4,779	(47,927)
Revaluation reserve		31,784	33,108
Building maintenance reserve		24,500	15,000
Equipment replacement reserve		<u>17,000</u>	<u>-</u>
		78,063	181
Restricted Funds	12	<u>505,722</u>	<u>434,873</u>
		<u>£583,785</u>	<u>£435,054</u>

These financial statements were approved by the Trustees on 15th September 1999 and signed on their behalf:-

Sarah Kemp

Ms S. Kemp (Trustee and Chair)

A. Pursell

A. Pursell (Trustee)

The notes on pages 10 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1999

1. Accounting Policies**(a) Basis of Accounting**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain of the Charity's freehold property, and in accordance with applicable Accounting Standards and the Statement of Recommended Practice

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand. The nature of the company's activities is such that there can be considerable variation in the timing of cash inflows. On the basis of cashflow projections and discussions with the company's bankers, the Trustees consider that the company will continue to operate within the facility currently agreed and within that which they expect will be agreed in November 1999 when the company's bankers are due to consider reviewing the facility for a further period.

On this basis, the Trustees consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers.

(b) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives. The annual depreciation rates and methods are as follows:-

Freehold property - office	- 6 $\frac{2}{3}$ % on cost
- short term care houses	- 4% on cost
Improvements to rented premises	- 10% on written down value
Computer equipment	- 33 $\frac{1}{3}$ on cost
Other fixtures and equipment	- 25% on written down value
Motor vehicles	- 25% on cost

During the year the Trustees reviewed the estimated residual lives of all categories of fixed assets. This has resulted in a revision in the estimated useful lives and, hence, rates of depreciation for freehold property, computer equipment and motor vehicles.

The depreciation charge for the year has been increased by £42,260 compared to the depreciation that would have been charged at the former depreciation rates for these categories of fixed assets.

(c) Capital Grants

Capital grants, received to fund the purchase of fixed assets, are held in a restricted fund and transferred to general funds over the expected useful lives of the related assets.

In previous years to 31st March 1997 these grants were shown as a deduction from the cost of fixed assets.

The grants received at 31st March 1997 were restated as restricted funds in the financial statements for the year ended 31st March 1998 by way of a prior year adjustment (see note 13).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1999

(d) Revenue Grants

Revenue grants are recognised in the period in which the expenditure to which they relate is incurred.

Where there are conditions attached to the use of these grants they are credited to the Restricted Fund. All other revenue grants are included in the General Fund in unrestricted funds.

(e) Leased Assets

Where the charity enters into operating and/or finance leases, these leases are regarded as finance leases where their terms give rights approximating to ownership.

Assets held under finance leases (including hire purchase contracts) are capitalised at the fair value of the asset at the inception of the lease, with an equivalent liability categorised as appropriate under creditors due within and after one year. Assets are depreciated over the shorter of the lease term and their useful economic life; in the case of assets held under hire purchase agreements, they are depreciated over their useful economic life. Finance charges are allocated to accounting years over the life of each lease to produce a constant rate of charge on the outstanding balance.

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

(f) Pensions

Contributions to the charity's defined contribution pension scheme are charged to the income and expenditure account in the accounting period for which they are due.

(g) Internal Charges

Internal charges are made within the organisation for management services.

(h) Apportionment of Expenditure

All expenditure incurred by the company is allocated at the time that it is incurred to direct charitable expenditure or management and administration of the company by reference to the nature of the expense.

The staff costs for each employee are allocated to direct charitable expenditure and management and administration by reference to the proportion of the employee's time spent on each activity or task and the nature of these activities and tasks.

Expenditure that relates to the company as a whole, and which cannot otherwise be accurately apportioned is apportioned by reference to the total salary costs allocated to direct charitable expenditure and to management and administration respectively. This method of apportionment is considered to best reflect the proportion of these expenses that are direct charitable expenditure and management and administration respectively.

(i) Designated Reserves**(i) Building Maintenance Reserve**

This reserve has been established to fund future major and cyclical repairs expenditure on freehold properties owned by the company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1999

(i) Designated Reserves (Continued)

(ii) Equipment Replacement Reserve

This reserve has been established to fund the cost of replacing existing project fixtures and equipment.

2. Grants and Allowances

	General Fund	Restricted Fund	Total	1998
Revenue Grants				
All-Wales Strategy	607,194	-	607,194	587,295
Resettlement team	668,078	-	668,078	574,400
Other Local Authorities grants	40,796	-	40,796	26,476
Health Authorities grants	56,790	-	56,790	28,480
European Social Fund	-	53,566	53,566	54,816
Community Care allowance	84,441	-	84,441	96,741
National Lottery	-	22,423	22,423	21,780
SHRG	24,862	-	24,862	24,644
Other	<u>11,228</u>	<u>-</u>	<u>11,228</u>	<u>10,331</u>
	1,493,389	75,989	1,569,378	1,424,963
Capital Grants				
Jane Hodge Foundation	-	75,000	75,000	100,000
Bridgend and District NHS Trust	-	21,781	21,781	-
Local Authority	-	-	-	50,189
National Lottery	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,700</u>
	£1,493,389	£172,770	£1,666,159	£1,576,852

3. Direct Charitable Expenditure

	General Funds	Restricted Funds	Total	1998
Staff costs	1,425,006	20,033	1,445,039	1,468,705
Depreciation	64,823	-	64,823	25,997
Other administrative costs	<u>228,360</u>	<u>58,562</u>	<u>286,922</u>	<u>324,656</u>
	£1,718,189	£78,595	£1,796,784	£1,819,358

4. Management and Administration of the Charity

	1999	1998
Salaries	7,300	7,233
Audit and professional fees	17,389	11,926
Other costs	<u>740</u>	<u>790</u>
	£25,429	£19,949

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1999

5. Operating Surplus/(Deficit)

The operating surplus/(deficit) is stated after charging:-

	1999	1998
Depreciation	64,823	21,799
Loss on disposal of assets	-	4,198
Auditors' remuneration	7,638	7,872
Hire of equipment	1,365	1,434
	<u> </u>	<u> </u>

6. Staff Costs

	1999	1998
The cost of employing staff was:-		
Wages and salaries	1,294,355	1,323,599
Social Security costs	115,248	112,953
Pension costs	<u>42,736</u>	<u>39,383</u>
	<u>£1,452,339</u>	<u>£1,475,935</u>

The average weekly number of employees during the year was:-

Central administration staff	8	8
Care workers, etc.	<u>112</u>	<u>122</u>
	<u>120</u>	<u>130</u>

There were no emoluments paid to the Trustees in either year.

7. Taxation

The company has been granted exemption from corporation tax due to its charitable status.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1999

8. Tangible Fixed Assets

	Freehold Property	Improvements to Rented Premises	Fixtures and Equipment	Motor Vehicles	Total
Cost/Valuation					
At 1st April 1998	619,402	2,409	169,773	25,628	817,212
Additions in year	99,351	-	25,564	-	124,915
Disposals	-	-	-	-	-
At 31st March 1999	718,753	2,409	195,337	25,628	942,127
Depreciation					
At 1st April 1998	-	458	117,983	17,760	136,201
Charge for year	27,957	195	30,030	6,641	64,823
Written off on disposal	-	-	-	-	-
At 31st March 1999	27,957	653	148,013	24,401	201,024
Net Book Value					
At 31st March 1999	£690,796	£1,756	£47,324	£1,227	£741,103
At 31st March 1998	£619,402	£1,951	£51,790	£7,868	£681,011

The net book value of equipment and motor vehicles includes £Nil (1998: £7,478) in respect of assets held under finance leases. The depreciation charge for the year in respect of those assets was £Nil (1998: £2,492).

The historical cost of freehold land and buildings is £685,645 (1998: £586,294).

9. Debtors

	1999	1998
Grants due	15,398	44,590
Rent due	9,510	11,614
Expenditure to be reimbursed	4,091	12,070
Other debtors and prepayments	21,996	4,934
	£50,995	£73,208

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1999

10. Creditors

	1999	1998
a. Amounts Falling Due Within One Year		
Secured:		
Bank Overdraft	75,493	183,276
Bank loan	5,765	4,940
Finance leases	<u>-</u>	<u>4,430</u>
	81,258	192,646
Taxation and social security	32,669	32,540
Deferred income	14,504	10,256
Other creditors	<u>51,699</u>	<u>36,558</u>
	£180,130	£272,000
	<u><u> </u></u>	<u><u> </u></u>
b. Amounts Falling Due After More Than One Year		
Secured:		
Bank loan	54,532	60,800
Unsecured:		
Hire charges	<u>-</u>	<u>5,822</u>
	£54,532	£66,622
	<u><u> </u></u>	<u><u> </u></u>
Bank loan payable by instalments		
In less than one year	5,765	4,940
In 1 - 2 years	6,000	5,000
Between 2 - 5 years	21,500	21,220
After 5 years	<u>27,032</u>	<u>34,580</u>
	£60,297	£65,740
	<u><u> </u></u>	<u><u> </u></u>

The bank loan and overdraft are secured on the company's freehold properties at 433 Cowbridge Road East and 66 Hamilton Street. Finance leases are secured on the assets to which they relate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1999

11. Unrestricted Funds

	General Fund	Revaluation Reserve	Building Maintenance Reserve	Equipment Replacement Reserve	Total
At 1st April 1998	(47,927)	33,108	15,000	-	181
Surplus for year	77,882	-	-	-	77,882
Transfers	<u>(25,176)</u>	<u>(1,324)</u>	<u>9,500</u>	<u>17,000</u>	<u>-</u>
At 31st March 1999	<u>£4,779</u>	<u>£31,784</u>	<u>£24,500</u>	<u>£17,000</u>	<u>£78,063</u>

12. Restricted Funds

	Capital Grants	European Social Fund Grants	Lottery Grants	Total
At 1st April 1998	413,963	13,890	7,020	434,873
Received in the year	96,781	53,566	22,423	172,770
Expended in the year	-	(57,750)	(20,845)	(78,595)
Transfers between funds	<u>(23,326)</u>	<u>-</u>	<u>-</u>	<u>(23,326)</u>
At 31st March 1999	<u>£487,418</u>	<u>£9,706</u>	<u>£8,598</u>	<u>£505,722</u>

13. Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total
Fixed assets	253,685	487,418	741,103
Current assets	59,040	18,304	77,344
Creditors: Amounts falling due within one year	(180,130)	-	(180,130)
Creditors: Amounts falling due after more than one year	<u>(54,532)</u>	<u>-</u>	<u>(54,532)</u>
	<u>£78,063</u>	<u>£505,722</u>	<u>£583,785</u>

14. Prior Year Adjustment

	1999	1998
Restatement of grants funding the purchase of fixed assets as restricted funds	<u>£-</u>	<u>£273,389</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 1999

15. Related Party Transactions

One of the Trustees, A. Pursell, is a director of a company of independent financial advisers that provides pensions advice to the company and its employees.

During the year the company purchased computer equipment and computer supplies from a business in which a Trustee, I. Brown, has a major interest. Mr. Brown was appointed as a Trustee of the company in June 1998, and since that date £4,790 has been spent on computer equipment and computer supplies.

16. Capital Commitments

No Capital expenditure was authorised or contracted for at 31st March 1999 (1998: £58,840).