

# THE NEW START TRUST

A Private Company Limited by Guarantee  
Registered in England No: 2843280  
A Registered Charity No: 1025357

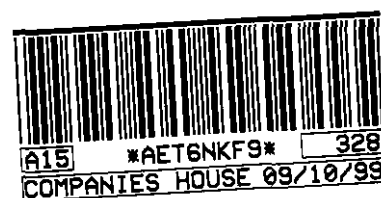
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## REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 1999

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**BENTLEY & CO**  
**Chartered Accountants**  
Hazlemere  
70 Chorley New Road  
BOLTON  
BL1 4BY



# **THE NEW START TRUST**

**A Private Company Limited by Guarantee**  
**Registered in England No: 2843280**  
**A Registered Charity No: 1025357**

## **COMPANY INFORMATION**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 1999**

### ***DIRECTORS & COUNCIL OF MANAGEMENT:***

Dr S Grieve (Chair)  
 J Keller (Vice Chair)  
 J Wilson (Treasurer)  
 G Price (Also Secretary)  
 A Ackah  
 P Barnes  
 Jackie Berry  
 John Berry  
 J Clarke  
 P Darnborough  
 M Guhathakurta  
 J Ireland  
 G Myers  
 D Rowson

### ***SECRETARY:***

G Price

### ***REGISTERED COMPANY NUMBER:***

2843280

### ***REGISTERED CHARITY NUMBER:***

1025357

### ***REGISTERED OFFICE:***

1<sup>st</sup> Floor  
 Alderman Downward House  
 The Birtles  
 Civic Centre  
 Wythenshawe  
 Manchester  
 M22 5RF

### ***BANKERS:***

TSB Bank plc  
 Hale Top  
 Civic Centre  
 Wythenshawe  
 MANCHESTER  
 M22 5TS

### ***AUDITORS:***

Bentley & Co  
 Chartered Accountants and  
 Registered Auditor  
 Hazlemere  
 70 Chorley New Road  
 Bolton  
 BL1 4BY

# **THE NEW START TRUST**

**A Private Company Limited by Guarantee**

## **REPORT OF THE TRUSTEES AND DIRECTORS**

**FOR THE YEAR ENDED 31ST MARCH 1999**

The Directors, who are the Trustees and Council of Management of the charity present their annual report and the financial statements for the year ended 31<sup>st</sup> March 1999.

### **1. PRINCIPAL ACTIVITIES AND CHARITABLE OBJECTIVES**

The Company is registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association.

Its charitable objectives are the provision of education, training and rehabilitation to those who are or have been dependent on drugs.

It achieves its charitable objectives through its principal activities based in Wythenshawe, Blackpool and Preston. These include:

- a drop-in daycare centre
- a nurse-led needle exchange
- a diversion from custody scheme
- groupwork and alternative leisure project
- post treatment alcohol and drug abstinence based programme
- community reintegration care planning

### **2. ANNUAL REVIEW AND FUTURE DEVELOPMENTS**

The results for the year are set out on page 5.1 of the financial statements.

#### **Statistics 1998/9**

##### **North West Lancashire Day Reintegration Service:**

Clients entered into a Community Care Plans

Total number of clients = 228

Of those assessed:-

40% achieved abstinence/stabilisation

37% progressed into employment/  
education

**THE NEW START TRUST - A Private Company Limited by Guarantee**

**REPORT OF THE TRUSTEES AND DIRECTORS - CONTINUED**

**FOR THE YEAR ENDED 31ST MARCH 1999**

**2. ANNUAL REVIEW AND FUTURE DEVELOPMENTS - CONTINUED**

Wythenshaw Needle Exchange & Daycare Project:

Needle Exchange	5,683 visits by 382 service users. Total number of 116,189 needles & syringes distributed and 4,750 condoms distributed
Daycare Project	2309 Drop-ins from 232 clients. 40 service users entered into Care Plans
Groupwork Programme	133 Groupwork sessions delivered to 31 service users
Nurse Led Healthcare	89 Hepatitis B Vaccinations administered. 118 Nurse consultations

Outcome measures both anonymous & named completed by service users conclude the following:

50% decreased their drug use, 35% stayed the same and 8% stopped and 7% increased their drug use. The following changes were reported in offending behaviour. 27% decreased offending, 36% stayed the same, 30% ceased offending, 5% did not answer and 2% increased their offending. 39% changed to safer injecting behaviour, 19% did not, 40% reported the question as not applicable to them and 2% did not answer.

Financial Performance:

During 1998/99 the Trust was in receipt of funding from:

**North West Lancashire Day Reintegration Project:**

Preston Single Regeneration Money, Preston Joint Finance, Blackpool Single Regeneration Budget, Blackpool Joint Finance, Lancashire County Council Drug and Alcohol Specific Grant and Blackpool Borough Council Drug and Alcohol Specific Grant.

**Wythenshawe: Needle Exchange/Daycare Project:**

Manchester Health Authority and Manchester City Council (Social Services Department). The remainder of the revenue funding comes from off site contracts and charitable/trust donations and is by its nature short term.

# THE NEW START TRUST - A Private Company Limited by Guarantee

## REPORT OF THE TRUSTEES AND DIRECTORS - CONTINUED

FOR THE YEAR ENDED 31ST MARCH 1999

### 2. ANNUAL REVIEW AND FUTURE DEVELOPMENTS - CONTINUED

The Company incurred a deficit for the year of £156 (1998 £10414). The Directors believe it is prudent to maintain reserves at the equivalent of three months operating costs, in order to allow the Company to react to changes in funding in a constructive manner, including emergency fundraising and the possibility of redundancy payments. A designated fund has been created (see note 7 to the accounts) for that purpose, but it has only been possible to reserve £23662 against the target of £75334.

A further designated fund has been set up to cover future commitments in respect of property leases, of £38703 (1998 £51252).

#### Future Developments

The charity has expanded in recent years at a pace we feel assures our ability to deliver a qualitative service delivery. We will in the near future review our operating plan and as a consequence explore the way forward for the Trust. Our business plans will be reviewed in 1999 and as a consequence will identify areas for business expansion. Our philosophy has to date been to be service delivery led and not funding led, which we believe is the only way we can operate within the philosophy of our charitable objectives.

### 3. COUNCIL OF MANAGEMENT

The Directors who served during the year are listed below:

	<b>31<sup>st</sup> March 1999</b>	<b>31<sup>st</sup> March 1998</b>
CHAIR	* Dr S Grieve	* Dr S Grieve
VICE CHAIR	* J Keller	* J Keller
TREASURER	* J Wilson	* J Wilson
COMPANY SEC.	* G Price	* G Price
MEMBERS	A Ackah (Appointed 30/10/98)	Rev D Thomas
	P Barnes (Appointed 2/4/98)	D Rowson
	Jackie Berry	J Berry
	John Berry	J Ireland
	J Clarke	M Guhathakurta
	P Darnborough	A Faal (Resigned 5/6/98)
	M Guhathakurta	P Darnborough
	J Ireland	
	G Myers	
	D Rowson	

(\*members of the Executive Committee)

The Directors are appointed by the members in general meeting. Their liability in respect of the company is limited to £1. See Note 9 to the accounts.

None of the Council of Management received any remuneration for their services during the year.

**THE NEW START TRUST****A Private Company Limited by Guarantee****REPORT OF THE TRUSTEES AND DIRECTORS - CONTINUED****FOR THE YEAR ENDED 31ST MARCH 1999****4. STATEMENT OF DIRECTORS AND TRUSTEES RESPONSIBILITIES**

Company law requires the Directors (who are also the Trustees and Council of Management of the charity) to prepare Financial Statements for each financial year which give a true and fair view of the state of the affairs of the company and of the surplus of the company for the period. In preparing those Financial Statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the Financial Statements 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.

**5. TAXATION**

The Directors are of the opinion that the company is a close company for taxation purposes. Exemption to taxation has been granted by the Inland Revenue under the provisions of section 505 of the Income and Corporation Taxes Act 1988.

**6. FUNDS**

The funds held by the Company are detailed in note 7 to the accounts.

**7. CHANGES IN FIXED ASSETS**

Movements in fixed assets are shown in note 4 to the accounts.

**8. SMALL COMPANY EXEMPTION**

In preparing this report, the Directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**THE NEW START TRUST****A Private Company Limited by Guarantee****REPORT OF THE TRUSTEES AND DIRECTORS - CONTINUED****FOR THE YEAR ENDED 31ST MARCH 1999****9. 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. Although our charity has a computerised system to prepare the accounts and record the transactions it is not dependent on it. However, 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.

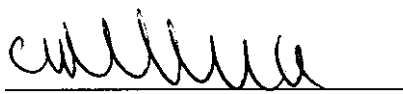
The directors have assessed the risks to our business resulting from the change to the year 2000. We estimate that the total cost of modifying the computer hardware will be minimal, since equipment has been purchased in this accounting period. The computer software used by the company is guaranteed to be year 2000 compliant and so no costs are envisaged in this respect.

We have also assessed the possibility of year 2000 related failures in our significant suppliers. Whilst directors feel the company should be able to deal with any failures that occur, it is impossible to guarantee this.

**10. AUDITORS**

A resolution will be proposed at the Annual General Meeting to reappoint the Auditors, Bentley & Co, Chartered Accountants.

APPROVED BY THE BOARD AND SIGNED ON BEHALF OF THE COUNCIL BY:



G PRICE  
SECRETARY

~~27<sup>th</sup> August 1999~~  
*3rd September*

# THE NEW START TRUST

A Private Company Limited by Guarantee

## AUDITORS' REPORT TO THE DIRECTORS

### OF THE NEW START TRUST

### FOR THE YEAR ENDED 31ST MARCH 1999

We have audited the Financial Statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 4 and 5.

#### Respective Responsibilities of The Members of the Council of Management and Auditors

As described on page 2.2, the Members of the Council of Management, who are also the directors of The New Start Trust Limited 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 Members of the Council of Management in the preparation of the Financial Statements and 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 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.

In forming our opinion, we have considered the adequacy of the disclosure made at Note 1a) to the accounts concerning completeness of voluntary income. In view of the fact that this source cannot be subjected to independent audit examination until its entry in the books we consider that this should be drawn to the attention of the reader, but our opinion is not qualified in this respect.

#### Opinion

In our opinion the Financial Statements give a true and fair view of the state of the Charitable Company's affairs as at 31<sup>st</sup> March 1999 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**BENTLEY & CO**  
Chartered Accountants and  
Registered Auditor  
 Hazlemere  
 70 Chorley New Road  
 Bolton  
 BL1 4BY

*Bentley & Co*

27<sup>th</sup> August 1999

3rd September



## **THE NEW START TRUST**

**A Private Company Limited by Guarantee**

### **ACCOUNTING POLICIES**

**FOR THE YEAR ENDED 31ST MARCH 1999**

The principal accounting policies adopted in the financial statements are set out below.

#### **BASIS OF ACCOUNTING**

The accounts have been prepared under the Historical Cost Convention, and comply with the Statement of Recommended Practice "Accounting By Charities".

#### **FUND ACCOUNTING**

General funds are available at the discretion of the directors in furtherance of the general objectives of the Company. Designated funds have been designated by the Board for specific purposes which can be changed by the Board.

Because of changes and uncertainties within the voluntary sector, the Company's reserve policy is to attempt to maintain a designated reserve at least equal to three months operating costs in order to allow it to react to any changes in funding in a constructive manner. This policy is constrained by the necessity of leaving at least a nil balance on the unrestricted fund.

A Further designated fund has been set up to meet commitments entered into in property leasing.

Restricted funds are funds subject to specific restrictive conditions imposed by funders or by the purpose of the grant. Details of the balances on restricted funds at the year end are set out in note 7 to the accounts.

#### **INCOMING RESOURCES**

Income is recognised in the accounting period in which it is receivable. Grants or income relating to a future accounting period or received in advance of the attributable costs is deferred and carried forward as grants and income in advance in creditors.

Income includes grants in respect of revenue and capital items.

#### **EXPENDITURE**

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense.

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

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

**THE NEW START TRUST****A Private Company Limited by Guarantee****ACCOUNTING POLICIES - CONTINUED****FOR THE YEAR ENDED 31ST MARCH 1999****DEPRECIATION**

Depreciation is provided on the cost of tangible fixed assets in order to write off the cost after taking account of scrap values over the expected useful lives as follows:-

Fixtures, Fittings & Equipment	40% in year 1
	30% in year 2
	20% in year 3
	10% in year 4

Profits and losses on sale of tangible fixed assets are included in operating profits.

**CAPITAL GRANTS**

Grants received in respect of capital expenditure, which may be repayable in certain circumstances, are treated as restricted funds and included in incoming resources in the year of receipt. They are released to unrestricted funds, in so far as any restrictions have been met, by means of a transfer each year to match the depreciation charged.

**OPERATING LEASES**

Payments under operating leases are charged to the income and expenditure accounts in the period to which they relate.

**VAT ACCOUNTING**

All grant income and donations are outside the scope of VAT. Contract fees and certain other income are exempt supplies and therefore the Company is not liable to be registered for VAT.

Irrecoverable VAT on expenditure is not analysed separately but attributed to the category of expenditure on which it is incurred.

**TAXATION**

No provision is made for taxation as exemption has been granted by Inland Revenue from taxation under the provisions of Section 505 of the Income and Corporation Taxes 1988.

**CASH FLOW STATEMENTS**

The Company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

**THE NEW START TRUST****A Private Company Limited by Guarantee****SUMMARY INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 1999**

	Note	1999 £	1998 £
INCOME	1	287521	190315
Staff Costs	3	168713	121626
Depreciation	4	13789	9660
Other Operating Charges		107268	72214
		-----	-----
(DEFICIT) BEFORE INTEREST	1	(2249)	(13185)
Interest Receivable	2	2093	2771
Interest Payable		-	-
Loss on Disposal of Shares		-	-
		-----	-----
(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		(156)	(10414)
Tax on Income on Ordinary Activities		-	-
		-----	-----
RETAINED (DEFICIT) FOR THE YEAR		(156) =====	(10414) =====

In each of the years ended 31/3/99 and 31/3/98 the only gains or losses recognised by the Charitable Company were the surplus or deficit for the year, all of the activities undertaken by the Charitable Company were continuing activities and the reported deficits were determined by the Historical Cost Convention.

**THE NEW START TRUST****A Private Company Limited by Guarantee****STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31ST MARCH 1999**

	<b>Unrestricted Funds £</b>	<b>Restricted Fund 1 £</b>	<b>Restricted Fund 2 £</b>	<b>Total 1999 £</b>	<b>Total 1998</b>
<b>INCOME AND EXPENDITURE</b>					
<b>Income Resources</b>					
Grants	64743	28000	160108	252851	149500
Bequest	-	-	-	-	300
Donations	715	-	-	715	360
Contract Fees	25800	-	-	25800	37150
Investment Income	2093	-	-	2093	2771
Other Income	8155	-	-	8155	3000
Sundry Income	-	-	-	-	5
<b>Total Incoming Resources</b>	<b>101506</b>	<b>28000</b>	<b>160108</b>	<b>289614</b>	<b>193086</b>
	=====	=====	=====	=====	=====
<b>Resources Expended</b>					
Direct Charitable:					
Drugs Rehabilitation & Training	91728	27000	131227	249955	168293
Other Expenditure:					
Fund Raising & Publicity	9724	-	-	9724	7835
Management & Administration	5091	-	25000	30091	27372
<b>Total Resources Expended</b>	<b>106543</b>	<b>27000</b>	<b>156227</b>	<b>289770</b>	<b>203500</b>
	=====	=====	=====	=====	=====
<b>Net Outgoing/Incoming Resources Before Transfers</b>	<b>(5037)</b>	<b>1000</b>	<b>3881</b>	<b>(156)</b>	<b>(10414)</b>
Transfer Between Funds	1200	(1200)	-	-	-
<b>Net Outgoing/Incoming Resources For The Year</b>	<b>(3837)</b>	<b>(200)</b>	<b>3881</b>	<b>(156)</b>	<b>(10414)</b>
<b>Other Recognised Gains &amp; Losses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Movement in Funds</b>	<b>(3837)</b>	<b>(200)</b>	<b>3881</b>	<b>(156)</b>	<b>(10414)</b>
<b>Fund Balances Brought Forward</b>	<b>66202</b>	<b>1500</b>	<b>-</b>	<b>67702</b>	<b>78116</b>
	=====	=====	=====	=====	=====
<b>Fund Balances Carried Forward</b>	<b>62365</b>	<b>1300</b>	<b>3881</b>	<b>67546</b>	<b>67702</b>
	=====	=====	=====	=====	=====

The income for Restricted Fund 1 is represented by grant income provided via the National Lottery Charities Board.

The Restricted Fund 2 represents income and expenditure in respect of the "North West Lancashire Day Reintegration Service" project, funded by the North West Health Authority.


The Unrestricted Fund is further broken down into 2 Designated Funds and a General Fund, as set out on page 7.3.


**THE NEW START TRUST****A Private Company Limited by Guarantee****BALANCE SHEET AS AT 31ST MARCH 1999**

	Note	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	4	18594	14604
<b>CURRENT ASSETS</b>			
Debtors	5	11283	32648
Cash at Bank & in Hand		47574	42535
		-----	-----
		58857	75183
		-----	-----
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Creditors	6	9905	22085
		-----	-----
<b>NET CURRENT ASSETS</b>		48952	53098
		-----	-----
<b>TOTAL ASSETS</b>			
LESS CURRENT LIABILITIES		67546	67702
<b>CREDITORS: AMOUNT FALLING DUE AFTER ONE YEAR</b>		-	-
		-----	-----
		67546	67702
		=====	=====
<b>FUNDS</b>			
Restricted Funds		5181	1500
Unrestricted Funds		62365	66202
		-----	-----
	7	67546	67702
		=====	=====

The Financial Statements on pages 4 to 7.3 were approved by the Council of Management on  
~~27th~~ August 1999 and were signed on its behalf by:-

3rd September

  
 Dr S Grieve  
 Vice Chair

  
 Mrs Jeanette Wilson  
 Treasurer

# THE NEW START TRUST - A Private Company Limited by Guarantee

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST MARCH 1999

#### 1. INCOME AND OPERATING DEFICIT

##### a) Income from voluntary donations

A small proportion of the charity's recorded income (approximately 0.3%) was received by way of voluntary donations. Because of the small size of charity's administrative staff, it is impractical for the charity to install a comprehensive system of internal control to independently validate the quantum of this source. Accordingly, it is not possible to subject this income to independent audit examination until the point at which it is recorded in the company's books.

The recorded amounts of the income show it to be immaterial in the context of the total recorded income. The Treasurer has confirmed that in her opinion voluntary donations are not materially misstated.

b) The company being a registered charity currently receives its income almost entirely in the form of grants. These are specifically provided in order to fund the company's principal aims and objectives. All the income is derived from the United Kingdom.

Due to changes and uncertainties within the voluntary sector, the Company's reserve policy is to maintain a designated reserve at least equal to three months operating costs in order to allow it to react to any changes in funding in a constructive manner.

c) See Note 13) concerning the effect of the nature of funding on the ability of the charity to continue operating.

	1999 £	1998 £
Operating Deficit is stated after:		
Auditors Remuneration	1200	1000
Depreciation of Tangible Fixed Assets	13789	9660
Operating Lease Rentals	25549	16667
Directors' Remuneration & Trustees Expenses	-	-
	=====	=====

#### 2. INTEREST RECEIVABLE

Bank Interest Receivable	2093	2771
	=====	=====

**THE NEW START TRUST****A Private Company Limited by Guarantee****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31ST MARCH 1999**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>3. STAFF COSTS</b>		
Wages costs during the year:		
Wages and Salaries	150195	107196
Social Security	12637	10149
Recruitment Costs	2371	4281
Redundancy Costs	3510	-
	-----	-----
	<b>168713</b>	<b>121626</b>
	=====	=====

Neither the Chair nor any other Director received any remuneration for their services during the year.

The average number of employees during the year excluding the Directors and Voluntary Staff was as follows:

Management/Direct Charitable/Administration	11	8
	=====	=====

**4. TANGIBLE FIXED ASSETS**

	<b>Fixtures, Fittings and Equipment £</b>
<b>COST</b>	
At 1 <sup>st</sup> April 1998	38854
Additions	17779
Disposal	-
	-----
At 31 March 1999	<b>56633</b>
	=====
<b>DEPRECIATION</b>	
At 1 <sup>st</sup> April 1998	24250
Provided in Year	13789
Disposals	-
	-----
At 31 March 1999	<b>38039</b>
	=====
<b>NET BOOK VALUE AT</b>	
<b>31<sup>ST</sup> MARCH 1999</b>	<b>18594</b>
	=====
<b>31<sup>ST</sup> MARCH 1998</b>	<b>14604</b>
	=====

**THE NEW START TRUST****A Private Company Limited by Guarantee****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31ST MARCH 1999**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>5. DEBTORS AND PREPAYMENTS</b>		
Trade Debtors	-	24650
Accrued Income	262	-
Prepayments	11021	7998
	-----	-----
	11283	32648
	=====	=====
 <b>6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Social Security and Other Taxes	-	2332
Accruals	9905	8903
Deferred Income	-	10850
	-----	-----
	9905	22085
	=====	=====



THE NEW START TRUST - A Private Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1999 - CONTINUED

7. ANALYSIS OF MOVEMENTS OF FUNDS IN YEAR

	Restricted Fund	Restricted Fund	Designated Fund	Designated Fund	Unrestricted Fund	BALANCE SHEET TOTAL	BALANCE SHEET TOTAL
	National Lottery Charities Board	NW Lancs Day Service Fund	Rent Obligations Fund	Operating Costs	General Fund 1999	1998	£
INCOME	28000	160108	-	-	101506	289614	193086
EXPENSES	27000	156227	-	-	106543	289770	203500
	1000	3881	-	-	(5037)	(156)	(10414)
FUND AT START	1500	-	51252	14950	-	67702	78116
TRANSFERS	(1200)	-	(12549)	8712	5037	-	-
AVAILABLE FOR USE AT CLOSE	1300	3881	38703	23662	-	67546	67702

The balance on the National Lottery Charities Board Restricted Fund is in respect of grants provided for equipment, and is capital in nature.

The purpose of the Operating Cost Fund is to attempt to designate a reserve equivalent to three months operating costs in order to allow the Company to react to any changes in funding in a constructive manner. See page 4, Accounting Policies, 'Fund Accounting'.

The Board have computed three month's operating costs as being £75334, but to date funds have only been available to a value of £23662, and therefore the Designated Fund has yet to achieve its target value.

The fund designated 'Rent Obligations Fund' sets aside funds to cover known obligations the company has incurred in respect of property leasing. See note 11.

**THE NEW-START TRUST****A Private Company Limited by Guarantee****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31ST MARCH 1999****8. ANALYSIS OF NET ASSETS BETWEEN FUNDS**Fund balances at March 31<sup>st</sup> 1999 are represented by:-

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Tangible Fixed Assets	17294	1300	18594
Current Assets	54976	3881	58857
Current Liabilities	(9905)	-	(9905)
	-----	-----	-----
	62365	5181	67546
	=====	=====	=====

**9. CONSTITUTION**

The Company is limited by guarantee and does not have a share capital. In the event of the company being wound up the members are committed to a contribution of £1 each.

**10. CAPITAL COMMITMENTS**

	<b>1999 £</b>	<b>1998 £</b>
Contracted for but not provided in the Financial Statements	1362	-
	=====	=====

**11. OPERATING LEASE COMMITMENTS**

The Company has the following annual commitment under operating leases:-

	<b>Land &amp; Buildings £</b>	<b>Other £</b>
Operating leases which expire:-		
Between 2 and 5 years	25549	-
	=====	=====

£25549 represent the commitments in respect of property leases the company has entered into for premises at Wythenshawe, Preston and Blackpool, and are for rent due within the next 12 months.

In addition a further £13154 is due in future years, until the expiry of the leases; totalling £38703 which has been set aside as a Designated Fund shown at Note 7 above.

**THE NEW START TRUST****A Private Company Limited by Guarantee****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****FOR THE YEAR ENDED 31ST MARCH 1999****12. TRANSACTIONS WITH DIRECTORS & TRUSTEES**

There has been no transactions with Directors during the year apart from reimbursement of modest amounts of incidental expenses. The law firm in which Mrs G Price (Company Secretary and Director) is a partner received £793 for legal services provided to the charity.

**13. NATURE OF FUNDING AND EFFECT GOING CONCERN**

The charity, by its very nature, is mainly funded through a series of short term contracts (from 6 months to 2 years) to carry out specific projects. Whilst many of these are ongoing and repeated from year to year, it is never possible for the Directors and Trustees to be certain of their ability to continue to operate the charity in the long term, as repeat bids are continually being made on an ongoing basis and their outcome is never certain. Accordingly, they have formulated an accounting policy to set aside a reserve in order to fund an orderly closure should this unfortunately prove necessary which should prevent any 3<sup>rd</sup> party creditor incurring losses. Whilst this reserve has not yet been fully achieved, current assets are considerably in excess of current liabilities, and providing the charity was able to sublet its accommodation the Directors are confident no 3<sup>rd</sup> party would incur losses.

# THE NEW-START TRUST - A Private Company Limited by Guarantee

## DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1999

		1999		1998
	£	£	£	£
GRANT INCOME				
Styal Prison	25800		28650	
Probation Service	-		8500	
Manchester City Council	31243		16000	
Manchester Health Authority	20000		20000	
Lottery Fund*	28000		33000	
Charity Projects UK	-		4000	
N.W. Lancs Health Authority	160108		76500	
Blackpool B.C.	10000		-	
Lloyds TSB Foundation Fund	10000		-	
Donations	715		660	
Conference Fee	1155		3000	
	-----	287021	-----	190310
OTHER INCOME		500		5
		-----		-----
TOTAL INCOME		287521		190315
		=====		=====
STAFF COSTS				
Salaries	156705		107196	
Social Security	12637		10149	
Recruitment Expenses	2371		4281	
	-----	168713	-----	121626
OTHER OPERATING CHARGES				
Project Costs	15136		16258	
Rent, Rates & Water	38065		22819	
Light and Heat	2995		1473	
Repairs and Renewals	4837		1505	
Property Refurbishment	2429		3378	
Cleaning	1125		556	
Travelling Expenses	10006		5842	
Printing, Stationery & Postage	14371		9685	
Telephone	5271		2515	
Insurance	1272		1236	
Legal and Professional	5386		3009	
Staff Training	2599		1971	
Sundry	1100		331	
Subscriptions	175		233	
Publications	750		163	
Audit	1200		1000	
Entertaining	297		162	
Bank Charges	85		78	
Publicity & Fundraising	169		-	
	-----	107268	-----	72214
DEPRECIATION - Fixtures & Fittings		13789		9660
BANK INTEREST RECEIVABLE		(2093)		(2771)
BANK INTEREST PAYABLE		-		-
		-----		-----
TOTAL EXPENSES		287677		200729
		-----		-----
(DEFICIT) FOR THE YEAR		(156)		(10414)
		=====		=====

\*Due to an accounting error in the year ended 31<sup>st</sup> March 1997, £6000 has been included in the "Lottery Funds" receipts in 1998 which related to 1997. The 1999 total is correct.