

Quality Independent Care

FINANCIAL STATEMENTS

for the year ended

31 March 2005



Company Registration No 3180463
Charity Number 1054773

Quality Independent Care

FINANCIAL STATEMENTS

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Quality Independent Care

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

TRUSTEES

T Bradley	- (Treasurer) – Trustee
M E Kelly	- Trustee
D J Richardson	- Trustee
M Benson	- (Vice Chair) – Trustee
P Broadbent	- (Chair) – Trustee

SECRETARY

REGISTERED OFFICE

109 Meldon Terrace
Heaton
Newcastle upon Tyne
NE6 5XQ

AUDITORS

Glen C Rodger Limited
Chartered Accountants
Cragside House
Heaton Road
Newcastle upon Tyne
NE6 1SE

BANKERS

Barclays Bank plc
7 Market Street
Newcastle upon Tyne
NE1 3QL

Quality Independent Care
DIRECTORS ANNUAL REPORT
for the year ended 31 March 2005

The directors, who are also Directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 March 2005.

PRINCIPAL ACTIVITY

The organisation was set up as a charity in 1985 to help elderly, infirm and physically and mentally frail individuals of all ages to remain in their own homes and to support their carers. The organisation became a company limited by guarantee in 1996.

LEGAL STATUS

The company is limited by guarantee, company number 3180463 and charity number 1054773.

ORGANISATION

Quality Independent Care continues to provide a comprehensive domiciliary care service for individuals who live in Newcastle upon Tyne.

They also continue to run Carelink, a telephone support and monitoring service for individuals who live in Newcastle upon Tyne.

FINANCIAL CONTROLS

The charity is governed by the Companies Act 1985 and the Charity Commission.

RESULTS FOR PERIOD

At the year-end, the charity had Unrestricted Funds of £46,649, a decrease of £2,008 over the previous year. The short term objective for Unrestricted Funds is that they should come into line with the Charity Commission's recommendation that the charity should have a minimum of 3 years Unrestricted Funds available.

The charity also had Restricted Funds of £9,896, an increase of £2,438 over the previous year. These reserves can only be used for the purposes set out in note 15 of the financial statements.

REVIEW OF DEVELOPMENTS AND ACHIEVEMENTS

We have worked to consolidate from our previous years activities and to move from an end of year deficit of income over expenditure to an end of year surplus, despite falls in overall organisational activity and subsequent levels of income. This reduced activity was directly as a result of restrictions imposed on our contract with Newcastle Social Services by Newcastle City Council.

Quality Independent Care
DIRECTORS ANNUAL REPORT (continued)
for the year ended 31 March 2005

FUTURE DEVELOPMENT

We are currently in the process of restructuring the management and administration of the organisation, which should see us maintain our overall organisational capacity, whilst delivering a saving on our overall management and administration costs.

We continue to identify new areas of work for the organisation to diversify our organisational activity and to diversify our organisational income base.

We also aim to agree a new, improved Service Level Agreement with Newcastle City Council for at least a further 2 years.

We aim to identify opportunities for new areas of work that can be developed and supported from charitable trusts funding and to realise these opportunities.

RISK MANAGEMENT

During the year the trustees carried out a detailed review of the charity's activities and produced a comprehensive plan identifying the major risks to which the charity is exposed. As part of the risk management process, the trustees have implemented a risk management strategy, which comprises:

- an annual review of the risks which the charity may face
- detailed action plans to mitigate those risks identified
- the implementation of procedures signed to minimise any potential impact on the charity should any of those risks materialise

The risk management focused on the needs to maximise returns from their current cash reserves.

Quality Independent Care
DIRECTORS ANNUAL REPORT (continued)
for the year ended 31 March 2005

THE DIRECTORS

The directors who served the charity during the period were as follows:

T Bradley	(Treasurer)
M E Kelly	
D J Richardson	
M Benson	(Vice Chair)
A Eastwood	- Resigned
P Broadbent	(Chair)
D Heron	- Resigned 15 September 2004

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

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. The directors 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.

AUDITORS

A resolution to re-appoint Glen C Rodger Limited as auditors for the ensuing year will be proposed at the annual general meeting in accordance with Section 385 of the Companies Act 1985.

Quality Independent Care
DIRECTORS ANNUAL REPORT (continued)
for the year ended 31 March 2005

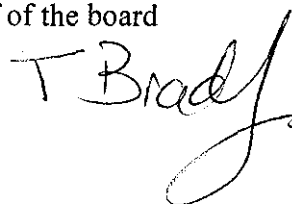
SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered Office
109 Meldon Terrace
Heaton
Newcastle upon Tyne
NE6 5XQ

On behalf of the board

T Bradley
Treasurer

A handwritten signature in black ink, appearing to read 'T Bradley', is written over the printed name and title.

Approved by the directors on the 9th of September 2005.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUALITY INDEPENDENT CARE

We have audited the financial statements on pages 8 to 17, which have been prepared under the historical cost convention and the accounting policies set out on page 10.

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' (who also act as Directors for the charitable activities of the company) responsibilities for preparing the Directors Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 4.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors Annual Report is not consistent with the financial statements, if the charity 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 directors' remuneration and transactions with the charity is not disclosed.

We read the Directors Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUALITY
INDEPENDENT CARE (continued)

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 misstatements, 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 of the charity's state of affairs as at 31 March 2005 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GLEN C RODGER LIMITED

Chartered Accountants
Cragside House
Heaton Road
Newcastle upon Tyne
NE6 1SE

9 September 2005

Quality Independent Care

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 March 2005

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
INCOMING RESOURCES					
Donations	2	91	-	91	447
INCOME FROM CHARITABLE TRADING ACTIVITIES					
Grants receivable	3	-	16,658	16,658	16,295
Contracts	4	361,859	-	361,859	381,425
Interest receivable	5	<u>136</u>	<u>-</u>	<u>136</u>	<u>68</u>
TOTAL INCOMING RESOURCES		<u>362,086</u>	<u>16,658</u>	<u>378,744</u>	<u>398,235</u>
RESOURCES EXPENDED					
CHARITABLE EXPENDITURE:					
Costs in furtherance of charitable					
Objects	6	311,212	11,026	322,238	317,837
Management and administration	7	<u>52,882</u>	<u>3,194</u>	<u>56,076</u>	<u>68,806</u>
TOTAL RESOURCES EXPENDED	8	<u>364,094</u>	<u>14,220</u>	<u>378,314</u>	<u>386,643</u>
NET (OUTGOING) /INCOMING RESOURCES FOR THE YEAR					
Balances brought forward	9	(2,008)	2,438	430	11,592
		<u>48,657</u>	<u>7,458</u>	<u>56,115</u>	<u>44,523</u>
Balances carried forward		<u>46,649</u>	<u>9,896</u>	<u>56,545</u>	<u>56,115</u>

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Statement of Financial Activities.

Net incoming/(outgoing) resources for the year arose from the charity's continuing operations.

Quality Independent Care

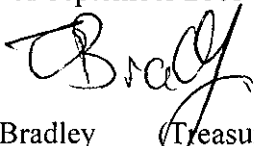
BALANCE SHEET

31 March 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	10	4,422	3,043
CURRENT ASSETS			
Debtors	11	58,053	48,135
Cash at bank and in hand		<u>21,687</u>	<u>11,082</u>
		79,740	59,217
CREDITORS			
Amounts falling due within one year	12	(27,617)	(6,145)
NET CURRENT ASSETS		<u>52,123</u>	<u>53,072</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>56,545</u>	<u>56,115</u>
NET ASSETS		<u>56,545</u>	<u>56,115</u>
FUNDS			
Unrestricted:			
Designated funds	14	23,101	19,227
Other charitable funds		23,548	29,430
Restricted	15	<u>9,896</u>	<u>7,458</u>
		<u>56,545</u>	<u>56,115</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the members of the committee on the 9th of September 2005 and are signed on their behalf by:


 T Bradley (Treasurer)
 Director

Quality Independent Care
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2000) and the Companies Act 1985.

CONTRACT INCOME

The income shown in the income and expenditure account represents amounts invoiced during the year.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small

RESTRICTED FUNDS

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure that meets the criteria is identified to the fund, together with a fair allocation of overheads and support costs.

UNRESTRICTED FUNDS

Unrestricted funds are incoming resources received or generated for the charitable purposes.

REDUNDANCY COSTS

The company puts aside funds to provide for potential redundancies by way of an earmarked fund.

PENSIONS

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Quality Independent Care
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value over the useful economic life of that asset as follows:

Fixtures and fittings	20% reducing balance
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OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

2. DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Donations – Charity	<u>91</u>	<u>-</u>	<u>91</u>	<u>447</u>

3 GRANTS RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Local Authority Grant – Carelink	-	12,658	12,658	12,441
Community Foundation Grant	-	-	-	3,374
Health Works Service User Forum	-	-	-	480
Lloyds TSB Foundation	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
	<u>-</u>	<u>16,658</u>	<u>16,658</u>	<u>16,295</u>

4. CONTRACTS

	2005 £	2004 £
Contracts – Charity	<u>361,859</u>	<u>381,425</u>
Income from charitable trading		

Quality Independent Care
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

5. INTEREST RECEIVABLE

	2005	2004
	£	£
Bank interest receivable	<u>136</u>	<u>68</u>

6 COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds	Restricted Funds	Total Funds 2005	Total Funds 2004
	£	£	£	£
Provision of charitable services:				
Charity	311,212	-	311,212	302,490
Carelink	-	10,845	10,845	11,108
Northern Rock	-	-	-	4,131
Money for Change	-	30	30	108
Community Foundation	-	151	151	-
	<u>311,212</u>	<u>11,026</u>	<u>322,238</u>	<u>317,837</u>

Analysis of provision of charitable services:

	Staff Costs	Depreciation	Other costs	Total 2005	Total 2004
	£	£	£	£	£
Charity	284,334	749	26,129	311,212	302,490
Carelink	10,128	-	717	10,845	11,108
Northern Rock	-	-	-	-	4,131
Money for Change	-	-	30	30	108
Community Foundation	-	-	151	151	-
	<u>294,462</u>	<u>749</u>	<u>27,027</u>	<u>322,238</u>	<u>317,837</u>

Quality Independent Care
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

7 MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds	Restricted Funds	Total Funds 2005	Total Funds 2004
	£	£	£	£
Salaries	30,129	2,250	32,379	44,224
Office costs	19,740	835	20,575	21,693
Audit fees	1,814	66	1,880	1,880
Legal and professional	<u>1,199</u>	<u>43</u>	<u>1,242</u>	<u>1,009</u>
	<u>52,882</u>	<u>3,194</u>	<u>56,076</u>	<u>68,806</u>

8 TOTAL RESOURCES EXPENDED

	Staff costs	Depreciation	Other costs	Total 2005	Total 2004
	£	£	£	£	£
Direct charitable expenditure	294,462	749	27,027	322,238	317,837
Management & administration	<u>32,379</u>	<u>-</u>	<u>23,697</u>	<u>56,076</u>	<u>68,806</u>
	<u>326,841</u>	<u>749</u>	<u>50,724</u>	<u>378,314</u>	<u>386,643</u>

The aggregate payroll costs were:

	2005	2004
	£	£
Wages and salaries	306,781	315,598
Social security costs	20,053	21,786
Other pension costs	<u>-</u>	<u>-</u>
	<u>326,834</u>	<u>337,384</u>

Defined contribution pension scheme

The company 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 charge represents contributions payable by the company to the fund and amounted to £NIL. (2004 £NIL)

Quality Independent Care
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

8. TOTAL RESOURCES EXPENDED (continued)

Particulars of employees:

The average number of staff employed by the charity during the financial year amounted to:

	2005 No	2004 No
Office and management	2	3
Attendants	<u>22</u>	<u>22</u>
	<u>24</u>	<u>25</u>

None of the employees received more than £50,000

Directors' Remuneration

None of the directors received any remuneration during the year nor were they reimbursed for any expenses.

	2005 £	2004 £
Other costs:		
Premises	10,540	7,410
Legal and professional	3,122	2,889
Other	<u>37,062</u>	<u>38,198</u>
	<u>50,724</u>	<u>48,497</u>

9. INCOMING/(OUTGOING) RESOURCES

Net incoming/(outgoing) resources are stated after charging:

	2005 £	2004 £
Staff pension contributions	-	-
Depreciation	749	762
Auditors' fees	1,880	1,880

Quality Independent Care
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

10 TANGIBLE FIXED ASSETS

Plant and machinery etc
£

Cost	
At 1 April 2004	10,084
Additions	2,128
Disposals	-
At 31 March 2005	<u>12,212</u>
Depreciation	
At 1 April 2004	7,041
Charge for the year	749
Eliminated on disposal	-
At 31 March 2005	<u>7,790</u>
Net book value	
At 31 March 2005	<u>4,422</u>
At 31 March 2004	<u>3,043</u>

All fixed assets were used for charitable purposes.

11. DEBTORS

	2005	2004
	£	£
Trade debtors	57,958	45,380
Prepayments	95	2,755
	<u>58,053</u>	<u>48,135</u>

12 CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Bank overdraft	693	-
Trade creditors	1,212	1,415
PAYE and social security	4,535	2,850
Accruals	<u>21,177</u>	<u>1,880</u>
	<u>27,617</u>	<u>6,145</u>

Quality Independent Care
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

13 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2005 the charity had annual commitments under non-cancellable operating leases as set out below:

	Land and Buildings		Other	
	2005	2004	2005	2004
	£	£	£	£
Operating leases, which expire: within 2 to 5 years	<u>5,000</u>	<u>4,500</u>	<u>570</u>	<u>-</u>

14 DESIGNATED FUNDS

Movement in resources

	Balance at 01.04.2004	New designations	Balance at 31.03.2005
	£	£	£
Redundancy provision	<u>19,227</u>	<u>3,874</u>	<u>23,101</u>

The designated fund is for a redundancy provision

15 RESTRICTED FUNDS

	Movement in resources		
	Balance at 1 Apr 2004	Incoming	Outgoing
	£	£	£
Carelink	3,405	12,658	12,909
Money for change	679	-	220
Community Foundation	3,374	-	1,091
Lloyds TSB Foundation	<u>-</u>	<u>4,000</u>	<u>-</u>
	<u>7,458</u>	<u>16,658</u>	<u>14,220</u>
			<u>9,896</u>

Carelink monies are received from Newcastle Council to provide a telephone link or face-to-face contact between the carers and socially isolated and/or vulnerable people, enabling early identification of real or potential problems.

Quality Independent Care
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

15 RESTRICTED FUNDS – Cont.

Money for Change and the Community Foundation have given the charity £1,360 and £3,374 respectively to form and develop a Service User Forum. The purpose of the Forum is to enable the service users and the charity to work together to give service users the opportunity to have some control over the way their services are delivered. This will enable marginalized people to make decisions.

The Lloyds TSB Foundation have given £4,000 towards the purchase of new Care At Home Finance and Administration (CAFS) software. This purchase was completed shortly after the year end.

16 ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)

	Tangible Fixed Assets £	Other Net Assets £	Total £
Carelink	-	3,154	3,154
Community Foundation	-	2,283	2,283
Money for Change	-	459	459
Lloyds TSB Foundation	-	4,000	4,000
	-	9,896	9,896
Unrestricted funds	<u>4,422</u>	<u>42,227</u>	<u>50,649</u>
	<u>4,422</u>	<u>52,123</u>	<u>56,545</u>

17 COMPANY LIMITED BY GUARANTEE

The share capital of the company is nil. The company is limited by guarantee with each member agreeing to contribute up to £1 each in the event of the company being wound up within one year of cessation of membership.

18 CONTROLLING PARTY

The charity is controlled by the Trustees.