

**The Matthew Project**

Annual Report and Financial Statements

Year Ended

31 March 2007

Registered Charity Number: 285256

# **THE MATTHEW PROJECT**

**Annual report and financial statements for the year ended 31 March 2007**

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## **THE MATTHEW PROJECT**

### **Legal and administrative information for the year ended 31 March 2007**

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#### **Patrons**

The Rt Revd Graham James, the Lord Bishop of Norwich  
Craig Fleming, Norwich City FC

#### **Trustees and Executive Committee**

Hilary Butcher	Human Resources Manager	
Paul Cornell	Housing Association Manager	<i>Resigned 10 September 2007</i>
Paul Hoey	Outdoor Learning Adviser	
Stephen Lock	Business Adviser	
Brenda Mosedale	General Practitioner	
Simon Snell (chairperson)	Commissioning Manager	
Alan Tidmarsh	Director of e-commerce and efficiency	<i>Resigned 9 October 2006</i>

#### **Senior Management Team**

Julian Bryant	Director
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#### **Registered Office and Operational Address**

24 Pottergate, Norwich, Norfolk, NR2 1DX

#### **Auditors**

Baker Tilly UK Audit LLP, Abbotsgate House, Hollow Road,  
Bury St Edmunds, IP32 7FA

#### **Bankers**

Lloyds TSB Bank Plc, 16 Gentleman's Walk, Norwich NR2 1LZ  
COIF Charities Deposit Fund, 80 Cheapside, London EC2V 6DZ

## **THE MATTHEW PROJECT**

### **Report of the trustees for the year ended 31 March 2007**

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#### **Financial Statements**

The Trustees present their report together with the financial statements for the year ended 31 March 2007. The financial statements have been prepared in accordance with the accounting policies set out on pages 13 to 14 and comply with the Charity's Trust Deed and applicable law.

#### **Structure, Governance and Management**

The Charity was established by a Trust Deed dated 9 March 1982.

The Charity's Trustees who are the Executive Committee members are detailed on page 1.

##### ***Trustees***

Trustees are elected at the Annual General Meeting for a term of one year. They are recruited from various professions and backgrounds to contribute to the effective Governance of the charity. Trustees are recruited through a variety of means including advertising through websites, responding to interest and approaching relevant professional and voluntary organisations. Each Trustee receives a Trustee Handbook, a role description and a thorough induction package which involves meeting members of staff and observing the work of the charity. Trustees attend regular training and update sessions concerning Governance facilitated by local providers.

The Matthew Project is grateful to our trustees for their hard work and commitment.

##### ***Governance and Management***

The Trustees are responsible for the overall governance of the charity and its strategic direction and development. Aspects of this, including the day to day management and development of the charity, are delegated to the Director and the management team. Trustees have areas of responsibility and a working group method has been adopted to address key tasks and areas of work which also involves relevant staff members. The Matthew Project has developed a flatter management structure to ensure effective communication and flexibility. Regular reports are produced for the Trustees.

##### ***Risk assessment***

The Trustees have, during the year, continued to review the major risks to which the Charity is exposed and to establish systems to mitigate those risks identified not already covered by the Charity's existing systems and risk management strategies and controls.

#### **Objects and Activities**

The main object of the Project is 'to benefit young people and adults in the county of Norfolk and elsewhere by advancing education and providing counselling, advice, information, support services and other assistance for those in need with the aim of improving their physical, emotional, mental and spiritual well being'. Substance Misuse is a key area of work for the Charity.

## THE MATTHEW PROJECT

### Report of the trustees for the year ended 31 March 2007 (*continued*)

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#### Objects and Activities (*continued*)

During the past year the Charity has provided support to adults and young people:

- **Counselling and Support:**

Offers help to adults who have problems related to drugs and alcohol;

- **Housing Support:**

Provides practical advice and support on a variety of issues to help people find and maintain tenancies in suitable accommodation;

- **Thetford**

The new service in Thetford opened at the beginning of 2007 providing support and advice to anyone over 18 with an alcohol or drug related issue. Support is also available to friends and family members whose lives are impacted;

- **Cromer**

Funding for The Junction, a multi agency drug and alcohol service, was received in January 2007. The service is in the process of being set up and will offer confidential support and advice for anyone over 18 years old. It is based in Cromer and managed by The Matthew Project. One to one sessions will be offered at the centre and there will be opportunities for group sessions and home visits.

Individuals and carers, will be also be offered access to a comprehensive range of organisations that can offer specialist counselling sessions, pregnancy advice, housing information and financial and legal advice;

- **Criminal Justice:**

**EARS**, the Enhanced Arrest Referral Scheme for the County of Norfolk, part of the Drug Intervention Programme, offering help to anyone in custody who agrees to a discussion about their drug-related problems;

- **Young People:**

**The Youth Team**, including Voicebox and a Bus, offers help in schools and the community to young people around matters such as drugs and alcohol, family, relationships, gambling and sexual health, etc;

**T2** - offering support and counselling particularly for vulnerable young people affected by substance use.

These services are provided free of charge on an unconditional and non-judgmental basis to young people and adults, and are supplemented by our interactive website, [www.matthewproject.org](http://www.matthewproject.org) and 24-hour telephone helpline 01603 764754.

Although most of the Charity's income comes through statutory funding bodies, gifts, grants and donations from individuals, businesses and grant-making trusts continue to be an important and much appreciated source of income. Donations received this year amounted to £75,982, including a further £15,251 donated towards the bus, with hi-tech facilities being installed.

## THE MATTHEW PROJECT

### Report of the trustees for the year ended 31 March 2007 (*continued*)

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#### Achievements and Performance

The Matthew Project has continued to make a difference to the lives of many young people and adults.

##### *The Youth Team:*

- 18,000 contacts with young people
- 180 assemblies and lessons in schools across the county
- 290 Voicebox and Big Red Bus sessions in schools and outreach settings
- 250 Other informal drug education sessions e.g. lunchtime drop-ins
- 100+ sessions in partnership with other agencies
- 50+ sessions using Matthew Project trained volunteers
- Over 90% of young people and teachers/professionals said our service was good or excellent

The Youth Team gained excellent feedback from young people and teachers through monitoring systems.

##### *Young Person:*

“didn’t tell you what to do... just helped you make the right choice.”

##### *Teacher:*

‘The sessions that The Matthew Project do with our students are very informative and very accessible. In their feedback the students rate these sessions as the best ones they have.’

##### *Counselling and Support Team:*

- Drop-In Clinic used on 3,290 occasions
- 2,523 Appointments offered
- 212 new clients in therapy
- 1,068 Helpline calls

The drop-in service started three years ago and now provides one of the most used drugs services in Norfolk.

##### *Clients:*

“It’s been fantastic, coming and finding someone who really does care and wants to help with my situation. It has changed my life and people around me.”

“Since coming I have been instilled with my own self worth, placed people’s opinion in perspective and actively sought and started to achieve my goals. I can’t recommend The Matthew Project enough.

## THE MATTHEW PROJECT

Report of the trustees for the year ended 31 March 2007 (*continued*)

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### Achievements and Performance (*continued*)

#### *Criminal Justice Team*

- 6,000 people accessed within custody and courts across the county.
- 371 referrals were made for treatment interventions.
- 72% used illicit drugs like heroin & cocaine
- 28% Alcohol
- 246 accessed treatment as part of the Drug Interventions Programme (DIP)

#### *Clients:*

“I am writing to express my gratitude for the support I have received from you. My worker found me accommodation and referred me to the Shaw Trust who found me a placement. Considering the state I was in three months ago it seems unbelievable, I count myself most fortunate to have met xxx they are a wonderful person and a model professional and a credit to The Matthew Project.”

“The Matthew Project – it’s brilliant. I’ve never come across a service that really helps: you don’t just dump us in a situation. I’ve never had anything like it.”

This work is in partnership with Norfolk Drug Interventions Programme.

#### *T2*

- 484 one to one sessions with young people
- 389 new clients
- Young people age's range from 10 to 20+
- 129 individual Groups, and there were 383 events for these groups.
- 6,261 young people supported in group situations.

#### *Clients:*

“I was really in \*\*\*\*\* and school excluded me... my worker was great, she listened, helped and was there and all being well I am going back to school, next term.”

“Been having bad times so been to see my counsellor and she has been just brill, really sound, helped me a lot, and I can talk to her”

“I needed help with my binge drinking and my worker was great...talked to her on the phone for weeks and then met up in March....she has been so good “

This work is in partnership with MAP and Children’s Services

#### *Housing Support Team*

- *Over 6,500 hours of support given*
- *At any point in time 84 clients supported*
- *Average of 58 people visited each week in their own homes*

#### *Tenants:*

“The Matthew Project has helped me get back on track. I feel able to do more for myself!”

“I don’t think you could (improve the service). Floating Support has done more for me than anyone else ever has. (It has) given me the strength to go on when I’ve felt like giving up.”

## **THE MATTHEW PROJECT**

### **Report of the trustees for the year ended 31 March 2007 (*continued*)**

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#### **Achievements and Performance (*continued*)**

##### ***Thetford***

Through strong partnership work and publicity, the service is growing fast and building a strong client base. The first structured day programme has been completed working with those who have a substance misuse issue and are involved in crime.

##### *Client:*

“I’ve been a drug addict for about 12 years. I’ve been to prison a few times but it does not do much for me in kicking drugs. Since I’ve been with the Matthew Project my drug use has decreased by about 65% which is very good for me and I hope to be clean in the near future. Thanks for all your help and good work, we need more stuff like this.”

“When I first came to you I was lost, that’s all I can say for then, but now I’m found because I have a clear path to go down instead of a blur.”

##### ***North Norfolk***

The new service will have many benefits for North Norfolk as it will help people living daily with the effects of substance misuse as well as aiming to reduce crime and disorder, promote treatment and increase community engagement. Already there are 30 clients being supported and the office is not yet officially open.

##### *Client:*

“Your continued support and tireless encouragement meant that our son was able to make the huge step of facing up to and dealing with his alcohol problem.”

The Matthew Project is an ‘Investors in People’ organisation, and is a member of the British Association of Counselling and Psychotherapy, and the Telephone Help lines Association.

Quality assurance is achieved by using ‘Quality in Alcohol and Drugs services Organisational Standards’ and by regular feedback from staff and service user groups. Most services are reviewed by funding bodies on a regular basis. The Matthew Project has developed its IT and database systems to ensure quality of monitoring data and management information.

#### **Volunteers**

The Trustees would like to thank the volunteers who continue to make a valuable contribution to various aspects of the work of The Matthew Project.

## THE MATTHEW PROJECT

### Report of the trustees for the year ended 31 March 2007 (*continued*)

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#### Financial review

The financial statements are set out on pages 11 to 21.

Income for the year was £1,418,271 and of this £1,124,625 came from grants and contract income. Resources expended for the year amounted to £1,349,756. The work of the Charity, which consists mainly of providing advice and support, is reflected in staff costs which continue to form approximately 75% of total gross expenditure.

Net incoming resources for the year were £68,515 compared to net resources expended of £8,776 (before surplus on sale of property of £189,338) in 2006.

#### Investment policy

The trustees have consulted a financial advisor and have considered the most appropriate policy for investing funds. They have concluded that holding monies in bank deposit and COIF accounts meets the requirements to generate income whilst minimising risk and maintaining liquidity. Given the nature of this investment the trustees consider the return to be satisfactory.

#### Reserves

Note 13 shows the movement in all the charity's funds in the year. An explanation of the nature and purpose of restricted funds is also given.

##### *Restricted Funds*

The opening balance at 1 April 2006 was £55,860. Incoming resources for the year totalled £976,364, which included £245,545 towards the EARS scheme. £358,127 was received towards the Tier 2 project and £85,500 towards the DRR and PPO projects. Resources expended totalled £971,737. The balance on restricted funds at 31 March 2007 of £114,448 is calculated after a transfer of £53,961 from general funds.

There was a surplus of £5,300 on the 'EARS' restricted fund which has been cleared by a transfer to general fund. In 2006, there was a deficit of £38,343 which was funded by transfer from general fund and this year's surplus in part offsets the deficit.

A transfer of £51,685 has also been made from general funds to cover the deficit on the Youth Worker Support Fund

##### *Unrestricted Funds*

The opening balance on the general fund (excluding the designated fund) at the beginning of the year was £54,235. There was a surplus of £63,888 for the year and £53,961 was transferred to restricted funds. The Trustees now consider that the designated fund in respect of Jill Dando House can be regarded as unrestricted and this balance has also been transferred. After these transfers, the closing balance of unrestricted funds is £530,800.

The short term nature of statutory funding is becoming increasingly concerning. There are also indications that investment into this sector by the Government may decrease. The policy of the trustees is therefore to build up reserves on the general fund to cover up to six months expenditure, for core activities. This will enable the charity to manage periods of change.

The trustees are satisfied that the Charity will have adequate funds available to fulfil its obligations for the year ended 31 March 2008.

## **THE MATTHEW PROJECT**

### **Report of the trustees for the year ended 31 March 2007 (*continued*)**

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#### **Statement of responsibilities of the Board of Trustees**

Law applicable to charities in England and Wales require the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees 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 Charities Act 1993. 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.

#### **Future developments**

The Matthew Project has experienced significant strategic growth in the last 6 years. All growth has been part of the core business of The Matthew Project. This growth has not only been in relation to the size of the organisation but also in relation to quality and systems.

The contract for the provision of floating support through the Housing Support Team ended on 31 March 2007 and the majority of the staff were transferred to Stonham HomeStay under TUPE arrangements. We continue to employ two members of staff providing floating support to clients in the Great Yarmouth area.

Over the next 12 months we aim to continue to develop Tier 2 adult services in Thetford and North Norfolk in partnership with other agencies. People in both of these rural areas have difficulties accessing services due to their location and the fact that there are very few services available. This entails office based and outreach services.

Beyond these services, the Trustees do not envisage significant expansion in services within Norfolk.

Over the longer term, the agency is considering developing further services outside Norfolk in neighbouring counties. For this to happen, the Trustees will need to be assured that such growth is possible without affecting the quality of existing services and also that such growth is financially viable. The Matthew Project is also a value driven organisation and as such, will not seek to develop new services unless they are genuinely needed by individuals in need.

The funding climate in which The Matthew Project operates, like many charities, is becoming difficult to predict and more competitive. Changing Government agendas often results in short term funding and short term initiatives. The Government 10 year drug strategy comes to an end in 2008 and it is not known how this will effect the current investment in this sector but it is likely that this will be reduced. The Government is already reducing its planned investment for the next financial year. It has also been announced that the Norfolk PCT will be cutting its investment in drug services including The Matthew Project in 2007-08.

The Matthew Project has however developed its structure over the last few years to be fit for such a climate.

**THE MATTHEW PROJECT**

**Report of the trustees for the year ended 31 March 2007 (*continued*)**

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**Auditors**

A resolution to re-appoint Baker Tilly UK Audit LLP will be put to the annual general meeting on 29 October 2007.

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

**Simon Snell**  
**Chairman of the Board of Trustees**

## **THE MATTHEW PROJECT**

### **Independent Auditors' Report to the Trustees of The Matthew Project**

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We have audited the financial statements on pages 11 to 21.

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### ***Respective responsibilities of trustees and auditors***

The trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. 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 and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

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

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

We conducted our audit in accordance with 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 judgments made by the trustees 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.

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.

#### ***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 charity's affairs as at 31 March 2007 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

#### **BAKER TILLY UK AUDIT LLP**

Registered Auditor, Chartered Accountants  
Hollow Road, Bury St Edmunds, Suffolk IP32 7FA

**24 October 2007**

## THE MATTHEW PROJECT

### Statement of Financial Activities for the year ended 31 March 2007

	Note	Unrestricted funds	Restricted funds	Total Funds 2007	Total Funds 2006
		£	£	£	£
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
<i>Voluntary income:</i>					
Donations and grants	2	43,664	32,318	<b>75,982</b>	100,776
<i>Activities for generating funds:</i>					
Fundraising and publicity		2,614	-	<b>2,614</b>	22,512
Investment income		30,980	-	<b>30,980</b>	12,284
<b>Incoming resources from charitable activities:</b>					
Grants and contracts	3	198,246	926,379	<b>1,124,625</b>	917,759
Fees		158,985	17,167	<b>176,152</b>	158,657
Other Incoming resources	4	7,418	500	<b>7,918</b>	190,338
<b>Total incoming resources</b>		<u>441,907</u>	<u>976,364</u>	<u><b>1,418,271</b></u>	<u>1,402,326</u>
<b>Resources expended</b>					
<i>Cost of generating funds:</i>					
Costs of generating voluntary income	5	31,189	-	<b>31,189</b>	24,552
Fundraising and publicity costs	5	3,196	-	<b>3,196</b>	20,446
<b>Charitable activities</b>	5	334,363	971,737	<b>1,306,100</b>	1,158,662
<b>Governance costs</b>	5	9,271	-	<b>9,271</b>	18,104
<b>Total resources expended</b>		<u>378,019</u>	<u>971,737</u>	<u><b>1,349,756</b></u>	<u>1,221,764</u>
<b>Net incoming resources before transfers</b>		63,888	4,627	<b>68,515</b>	180,562
<i>Transfers</i>					
Gross transfers between funds	13	(53,961)	53,961	-	-
<b>Net movement in funds</b>		9,927	58,588	<b>68,515</b>	180,562
<b>Reconciliation of funds</b>					
Total funds brought forward		520,873	55,860	<b>576,733</b>	396,171
<b>Total funds carried forward</b>		<u>530,800</u>	<u>114,448</u>	<u><b>645,248</b></u>	<u>576,733</u>

The statement of activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 21 form part of these financial statements.

## THE MATTHEW PROJECT

### Balance Sheet as at 31 March 2007

	Note	2007		2006	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		<b>53,781</b>		47,629
Investments	8		<b>450,000</b>		450,000
			<u><b>503,781</b></u>		<u>497,629</u>
<b>Current assets</b>					
Debtors	9	<b>165,930</b>		37,718	
Bank deposit accounts		<b>81,043</b>		58,075	
Cash at bank and in hand		<b>55,246</b>		127,900	
		<u><b>302,219</b></u>		<u>223,693</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u><b>(160,752)</b></u>		<u>(144,589)</u>	
<b>Net current assets</b>			<u><b>141,467</b></u>		<u>79,104</u>
<b>Net assets</b>	12		<u><b>645,248</b></u>		<u><u>576,733</u></u>
<b>Funds</b>					
<b>Unrestricted funds:</b>	13				
General fund			<b>530,800</b>		54,235
Designated fund			<b>-</b>		466,638
			<u><b>530,800</b></u>		<u>520,873</u>
<b>Restricted funds</b>	13		<b>114,448</b>		55,860
<b>Total funds</b>			<u><b>645,248</b></u>		<u><u>576,733</u></u>

The financial statements on pages 11 to 21 were approved by the Trustees and authorised for issue on 5 October 2007 and are signed on their behalf by:

**Simon Snell**  
Trustee

**Stephen Lock**  
Trustee

The notes on pages 13 to 21 form part of these financial statements.

## THE MATTHEW PROJECT

### Notes forming part of the financial statements for the year ended 31 March 2007

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#### 1 Accounting policies

##### *Accounting convention*

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, (“SORP”), ‘Accounting and Reporting by Charities’ issued in March 2005 and applicable accounting standards.

##### *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 grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from grants, contracts and fees, where related to performance and specific deliveries, are accounted for as the charity earns the right to consideration by its performance. When service commissioners specify that grants and contract income given to the charity relate to future accounting periods, the income is deferred until those periods.

##### *Resources expended*

All expenditure is accounted for on an accruals basis and includes attributable VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

The method of apportionment of expenditure has been revised to comply with the recommendation of SORP 2005 and where necessary comparatives have been adjusted.

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- 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.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. Support costs are allocated on the basis of the full time equivalent of staff allocated to the resource.

## THE MATTHEW PROJECT

### Notes forming part of the financial statements for the year ended 31 March 2007 (*Continued*)

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#### 1 Accounting policies (*continued*)

##### *Tangible fixed assets and depreciation*

Assets donated for use by the charity are recognised as incoming resources when receivable. Where material, donated assets are capitalised at their open market value.

Depreciation is provided on all tangible fixed assets so as to write off the cost or value of assets, including the value of donated assets, less estimated residual value, over their expected useful lives. It is calculated at the following rates:

Motor vehicles	25% reducing balance
Bus	25% reducing balance
Caravan	25% reducing balance
Furniture and equipment	30% straight line
Computers	33% straight line

Items of equipment are capitalised where the purchase price exceeds £500, unless the item is below £2,500 and has been funded by a specific grant (normally computer equipment).

##### *Investments*

Investments consist of COIF Charity Deposit Fund Accounts and are included at the reconciled year end balance

##### *Fund Accounting*

Unrestricted funds comprise accumulated surpluses and deficits on the general fund and designated funds. They are available for use at the discretion of the trustees in furtherance of the Charity's objectives.

Designated funds are those funds designated for a particular purpose or projects at the discretion of the Trustees. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are created when grants or donations are made for a particular purpose, the use of which is restricted for that purpose. Expenditure which meets these criteria is charged to the fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

##### *Pension costs*

Contributions to the Charity's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

##### *Operating leases*

Rentals under operating leases are charged to the income and expenditure account as incurred.

## THE MATTHEW PROJECT

Notes forming part of the financial statements for the year ended 31 March 2007 (*Continued*)

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### 2 Donations

	2007 £	2006 £
Individuals (including gift aid)	5,089	4,963
Charitable organisations	<u>70,893</u>	<u>95,813</u>
	<u><u>75,982</u></u>	<u><u>100,776</u></u>

### 3 Incoming resources from Activities to further the Charity's Objects

	Unrestricted £	Restricted £	Total 2007 £	Total 2006 £
Criminal justice	-	331,045	331,045	298,692
Young persons	-	517,470	517,470	452,794
Counselling & support	357,231	95,031	452,262	324,930
	<u>357,231</u>	<u>943,546</u>	<u><u>1,300,777</u></u>	<u><u>1,076,416</u></u>

### 4 Other income

	2007 £	2006 £
Profit on sale of freehold property	-	189,338
Sundry income	<u>7,918</u>	<u>1,000</u>
	<u><u>7,918</u></u>	<u><u>190,338</u></u>

## THE MATTHEW PROJECT

Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)

### 5 Analysis of Total Resources Expended

	Voluntary and fundraising income £	Criminal Justice £	Young persons £	Counsell- ing and support £	Gover- - nance £	2007 Total £	2006 Total £
<b>Costs directly allocated to activities</b>							
Staff salaries and pensions	25,975	238,519	353,219	263,481	-	<b>881,194</b>	795,350
Other staff costs	-	3,402	11,960	6,004	-	<b>21,366</b>	14,558
Tier 2 Partners	-	-	52,562	70	-	<b>52,632</b>	50,369
Premises	-	7,259	10,235	24,239	-	<b>41,733</b>	27,351
Travel costs	79	8,451	20,388	12,438	-	<b>41,356</b>	36,038
Bus running expenses	-	-	5,554	-	-	<b>5,554</b>	5,307
Publicity	3,085	-	49	176	-	<b>3,310</b>	6,178
Publications	-	31	1,316	193	-	<b>1,540</b>	4,116
IT costs	-	435	9,022	1,496	-	<b>10,953</b>	3,315
Other costs	38	6,341	10,559	12,421	138	<b>29,497</b>	18,499
Wrist bands	-	-	-	-	-	-	3,339
Trustees meeting expenses	-	-	-	-	420	<b>420</b>	529
Fundraising costs	111	-	-	-	-	<b>111</b>	8,822
Legal & professional fees	-	-	-	-	-	-	2,836
Audit & accountancy fees	-	-	-	-	8,713	<b>8,713</b>	14,739
Equip. repair & purchases	-	442	2,423	541	-	<b>3,406</b>	-
Project set up costs	-	-	-	18,688	-	<b>18,688</b>	-
Depreciation	-	-	8,151	1,197	-	<b>9,348</b>	10,868
Loss on disposal	-	-	-	-	-	-	187
<b>Support costs</b>	<b>5,097</b>	<b>52,917</b>	<b>91,309</b>	<b>70,612</b>	<b>-</b>	<b>219,935</b>	219,363
<b>Total resources expended</b>	<b>34,385</b>	<b>317,797</b>	<b>576,747</b>	<b>411,556</b>	<b>9,271</b>	<b>1,349,756</b>	1,221,764
<b>Support costs allocated to activities</b>							
Staff salaries and pensions	3,248	33,718	58,179	44,992	-	<b>140,136</b>	132,324
Other staff costs	237	2,462	4,248	3,285	-	<b>10,232</b>	12,899
Premises	440	4,569	7,883	6,096	-	<b>18,989</b>	23,500
Travel costs	18	192	331	256	-	<b>797</b>	4,557
Publicity	4	42	73	57	-	<b>176</b>	-
Publications	27	278	480	371	-	<b>1,158</b>	1,527
IT costs	358	3,721	6,421	4,966	-	<b>15,467</b>	7,996
Other costs	315	3,289	5,675	4,389	-	<b>13,668</b>	20,163
Consultancy fees	38	390	673	520	-	<b>1,621</b>	1,040
Legal and professional	33	346	598	462	-	<b>1,439</b>	-
Professional insurance	69	716	1,236	956	-	<b>2,976</b>	2,424
Equip. repairs & purchases	28	266	459	355	-	<b>1,106</b>	-
Depreciation	282	2,928	5,053	3,907	-	<b>12,170</b>	12,933
	<b>5,097</b>	<b>52,917</b>	<b>91,309</b>	<b>70,612</b>	<b>-</b>	<b>219,935</b>	219,363

Note: Where possible expenses are allocated directly to the expenditure category on the basis reflecting the use of the resource. Support costs are allocated on the basis of the full time equivalent (FTE) of staff allocated to the resource.

## THE MATTHEW PROJECT

### Notes forming part of the financial statements for the year ended 31 March 2007 (*Continued*)

#### 6 Net incoming (outgoing) resources for the year

This is stated after charging

	2007 £	2006 £
Depreciation	21,519	23,800
Auditors remuneration (including VAT) For audit services	8,713	6,000
Other services	-	5,960
	<u>          </u>	<u>          </u>

#### 7 Tangible fixed assets

	Motor vehicles £	Bus £	Caravan £	Furniture & Equipment £	Computers £	Total £
<b>Cost</b>						
At 1 April 2006	25,969	33,857	15,420	37,291	49,157	161,694
Additions	-	-	19,659	4,399	3,613	27,671
Disposal	-	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 March 2007</b>	<b>25,969</b>	<b>33,857</b>	<b>35,079</b>	<b>41,690</b>	<b>52,770</b>	<b>189,365</b>
<b>Depreciation</b>						
At 1 April 2006	19,916	8,464	14,262	31,648	39,775	114,065
Charge for year	1,514	6,348	290	5,079	8,288	21,519
Disposal	-	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 March 2007</b>	<b>21,430</b>	<b>14,812</b>	<b>14,552</b>	<b>36,727</b>	<b>48,063</b>	<b>135,584</b>
<b>Net written down value</b>						
<b>31 March 2007</b>	<b>4,539</b>	<b>19,045</b>	<b>20,527</b>	<b>4,963</b>	<b>4,707</b>	<b>53,781</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
31 March 2006	6,053	25,393	1,158	5,643	9,382	47,629
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

All fixed assets are used for charitable purposes.

## THE MATTHEW PROJECT

Notes forming part of the financial statements for the year ended 31 March 2007 (*Continued*)

<b>8</b>	<b>Investments</b>	<b>2007</b> £	2006 £
	Investments – COIF Charity Deposit Fund	<u><b>450,000</b></u>	<u>450,000</u>
<b>9</b>	<b>Debtors</b>		
	Sundry debtors	<b>108,401</b>	-
	Prepayments and accrued income	<u><b>57,529</b></u>	<u>37,718</u>
		<u><b>165,930</b></u>	<u>37,718</u>
<b>10</b>	<b>Creditors: amounts falling due within one year</b>		
	Accruals	<b>24,622</b>	22,323
	Deferred income (note 11)	<u><b>136,130</b></u>	<u>122,266</u>
		<u><b>160,752</b></u>	<u>144,589</u>
<b>11</b>	<b>Deferred income</b>		
	Balance at 1 April 2006	<b>122,266</b>	49,995
	Amount released to incoming resources	<b>(122,266)</b>	(49,995)
	Amount deferred in the year	<u><b>136,130</b></u>	<u>122,266</u>
	<b>Balance at 31 March 2007</b>	<u><b>136,130</b></u>	<u>122,266</u>

Deferred income comprises contract income received in advance for contracts to be performed in future accounting periods.

## **12 Analysis of net assets between funds**

	<b>Restricted funds £</b>	<b>General funds £</b>	<b>Total £</b>
Fund Balances at 31 March 2007 are represented by:			
Tangible fixed assets	49,807	3,974	53,781
Investments	-	450,000	450,000
Net current assets	<u>64,641</u>	<u>76,826</u>	<u>141,467</u>
	<u><b>114,448</b></u>	<u><b>530,800</b></u>	<u><b>645,248</b></u>

## THE MATTHEW PROJECT

Notes forming part of the financial statements for the year ended 31 March 2007 (*Continued*)

### 13 Movement in funds

		At 1 April 2006	Income	Expenditure	Transfers	At 31 March 2007
		£	£	£	£	£
<b>Unrestricted funds</b>						
General reserve	(a)	54,235	441,907	(378,019)	412,677	<b>530,800</b>
Designated fund						
Jill Dando House fund	(b)	466,638	-	-	(466,638)	-
Total unrestricted funds		<u>520,873</u>	<u>441,907</u>	<u>(378,019)</u>	<u>(53,961)</u>	<u><b>530,800</b></u>
<b>Restricted Funds</b>						
Youth worker support/outreach	(c)	-	149,574	(201,259)	51,685	-
Tier 2	(d)	3,018	358,128	(349,587)	-	<b>11,559</b>
Little Portion	(e)	10,000	-	-	-	<b>10,000</b>
EARS	(f)	-	245,545	(240,245)	(5,300)	-
Tackle express caravan	(g)	833	22,335	(409)	-	<b>22,759</b>
Motor vehicle	(g)	3,750	-	(937)	-	<b>2,813</b>
DRR Great Yarmouth	(h)	-	28,500	(30,017)	1,517	-
DRR Norwich	(h)	-	28,500	(29,644)	1,144	-
PPO Great Yarmouth	(i)	-	28,500	(17,892)	-	<b>10,608</b>
Bus	(j)	38,259	15,251	(14,638)	-	<b>38,872</b>
Nightclub	(k)	-	5,000	(9,915)	4,915	-
Thetford	(l)	-	91,500	(73,606)	-	<b>17,894</b>
North Norfolk	(m)	-	3,531	(3,588)	-	<b>(57)</b>
Total restricted funds		<u>55,860</u>	<u>976,364</u>	<u>(971,737)</u>	<u>53,961</u>	<u><b>114,448</b></u>
<b>Total Funds</b>		<u><u>576,733</u></u>	<u><u>1,418,271</u></u>	<u><u>(1,349,756)</u></u>	<u><u>-</u></u>	<u><u><b>645,248</b></u></u>

- (a) The general reserve represents funds of the charity which are not designated for particular purposes.
- (b) The designated fund is in respect of Jill Dando House (formerly Little Portion Mission) donated to the charity by the Community of All Hallows, Ditchingham and disposed of in July 2005. The Trustees now consider that these funds are unrestricted.
- (c) This service provides informal advice and outreach to young people in schools and clubs. It is funded from a number of sources including the Norfolk PCT, NRF, NELM and Norfolk Children's Services.
- (d) Tier 2 represents a project in partnership with the Mancroft Advice Project and the Norfolk County Council Children's Services, which identifies and works with vulnerable young people, commissioned by the Norfolk DAAT.
- (e) Little Portion (now re-named Jill Dando House) is the property partially providing supportive accommodation. The property was sold in July 2005. The restricted fund represented funds received for the refurbishment of the building.

## THE MATTHEW PROJECT

Notes forming part of the financial statements for the year ended 31 March 2007 (*Continued*)

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### 13 Movement in funds (*continued*)

- (f) EARS represents funding of the Norfolk Enhanced Arrest Referral Scheme (formerly known as Custodial Access to Confidential Help Scheme), provided for Norfolk Police by The Matthew Project.
- (g) The balances will fund future depreciation of assets which were originally purchased using restricted funds.
- (h) Drug Rehabilitation Requirement (DRR) compliance workers are funded by the Probation Service.
- (i) A link worker is funded by the Crime and Disorder Partnership (CDRP) to assist in the implementation of the Prolific and Priority Offender (PPO) Scheme
- (j) The bus is a double decker mobile asset which visits rural areas, with hi-tech equipment, games and facilities to educate and support young people in rural Norfolk.
- (k) The Nightclub Fund represents funding provided for support work for young people in nightclubs around Norwich. This funding ceased on 31 March 2006 but resumed on 1 January 2007.
- (l) Funding was received during the year from the Norfolk DAAT to establish a service for adults with drug and alcohol issues in Thetford. The service provides a drop-in facility, needle exchange, one to one and group sessions and assessment and referrals to other agencies.
- (m) Funding was received during the year from the Norfolk DAAT and the North Norfolk Community Partnership to establish a service for adults with drug and alcohol issues in North Norfolk. The service provides one to one sessions, home visits, referrals for assessment to other agencies and a point of contact for other Matthew Project services.

### 14 Related party transactions

The charity paid rent of £12,000 for premises to a company which is controlled by K Colman (a former trustee) and in which S Lock (a trustee) has an interest. The premises at Unthank Road, Norwich were used in the financial year for the charitable purposes of providing a base for workers to provide advice and support to people who are in housing need or require support to stop their offending.

## THE MATTHEW PROJECT

Notes forming part of the financial statements for the year ended 31 March 2007 (Continued)

### 15 Staff costs

	2007 £	2006 £
Salaries and wages	904,362	819,426
Social security costs	75,930	71,924
Pension	37,104	36,324
	<u>1,017,396</u>	<u>927,674</u>

No employee received emoluments of more than £50,000.

	Number	Number
The average number of employees by function was:		
Charity workers	46	44
Management and administration	9	9
	<u>          </u>	<u>          </u>

None of the trustees or connected persons received remuneration or reimbursement of expenses during the year.

### 16 Pensions

The Charity operates a defined contribution scheme in respect of certain of the Charity's employees. Contributions are charged in the accounts as incurred. There were outstanding contributions of £3,849 as at the balance sheet date (2006: £Nil).

### 17 Operating lease commitments

The amounts payable in respect of operating leases shown below are analysed according to the expiry of the leases.

	2007 £	2006 £
<b>Land and buildings:</b>		
One year	-	-
Between two and five years	41,242	27,492
<b>Plant and machinery:</b>		
One year	-	-
Between two and five years	4,203	4,203
	<u>45,445</u>	<u>31,695</u>