

**INTEGRATED SERVICES PROGRAMME
LIMITED BY GUARANTEE
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2007**

Company Registered Number 2820208

TUESDAY



AAJ5YZV0

A36

20/05/2008

208

COMPANIES HOUSE

INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2007

CONTENTS	Page
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to financial statements	7 - 12

INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE

DIRECTORS' REPORT

YEAR ENDED 31ST AUGUST 2007

The directors present their annual report and the audited financial statements for the year ended 31st August 2007

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were that of the provision of fostering, social work, education, therapy and other services to children looked after by local authorities

REVIEW OF BUSINESS

Turnover increased by £39,645 in 2006/2007, compared to the previous year enabling the company to continue to invest in its core services of fostering, education, social work and therapy

Up until March 2007, the company was inspected by the Commission for Social Care Inspection. The Commission has reported that the company provides excellent outcomes for the children placed with ISP, as against the National Minimum Standards and were in accordance with the provisions of the Care Standards Act 2000. From April 2007 OFSTED took over the responsibility of inspecting all Independent Fostering Providers.

In June 2007, the ISP Teynham and Sittingbourne Schools were inspected by OFSTED under Section 162A of the Education Act 2002 and successfully met the requirements for registration. Further, it was commended in providing a very good balanced broad curriculum, successfully promoting pupils personal and academic achievements and provides a good standard of accommodation and specialist facilities.

The deficit before tax for the year was £214,603 (2006 – deficit £484,594) on turnover of £11,522,890 (2006 - £11,483,245).

As a not for profit organisation the company is not permitted to distribute surpluses. Any surpluses generated will be used in the continuing improvement of our services.

FUTURE DEVELOPMENTS

The company will continue to invest in its core services with the continued recruitment of new carers in Kent, North of the Thames and in Sussex.

CHARITY

The ISP Children's Foundation was formed in 2003. C E M Cairns, B G Bishop and L W Algar, as well as being Directors of ISP, are also Trustees of the Foundation along with three other Trustees.

INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE

DIRECTORS' REPORT (continued)

YEAR ENDED 31ST AUGUST 2007

DIRECTORS

The directors who held office during the year were as follows

I G Butler (Chair)
C E M Cairns (Vice-Chair)
S Field
J H Whitwell
B G Bishop
L W Algar
R H L Long
J Westcott

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 company and of the profit or loss of the company for that 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

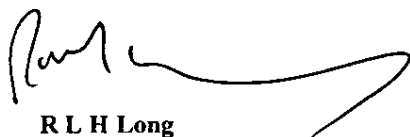
So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Haysmacintyre as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board


R L H Long
Secretary

26 November 2007

Tunstall Court
4 Gore Court Road
Sittingbourne
Kent
ME10 1GL

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE**

We have audited the financial statements of Integrated Services Programme Limited By Guarantee for the year ended 31st August 2007 which comprise the Profit and Loss Account, the Balance Sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

Basis of audit opinion

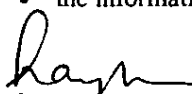
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

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 company's affairs as at 31st August 2007 and of its deficit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.


haysmacintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London
WC1V 6AY

26 November 2007

INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST AUGUST 2007

		2007		2006	
	Note	£	£	£	£
TURNOVER	2		11,522,890		11,483,245
EXPENDITURE					
Foster Care		4,081,316		3,907,746	
Respite & Holiday Allowance		313,645		313,410	
Social Work Services and Contact Support		2,100,706		2,136,482	
Education		1,737,603		2,097,938	
Therapy		533,346		592,081	
Transport and Escorts		475,157		479,846	
Property and Equipment		654,967		746,107	
Training, Research and Development		173,170		176,488	
Management Administration and Finance		1,386,613		1,379,973	
			(11,456,523)		(11,830,071)
OPERATING PROFIT (DEFICIT)			66,367		(346,826)
(Loss)/profit on sale of property			(275,307)		104,050
Impairment loss on mobile units			-		(236,131)
Interest receivable and other income	6		9,873		13,447
Interest payable	7		(15,536)		(19,134)
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3		(214,603)		(484,594)
Tax on deficit on ordinary activities	8		-		44,364
DEFICIT FOR THE FINANCIAL YEAR	13		£(214,603)		£(440,230)

There were no acquisitions or discontinued operations within the company during the year or the previous year

The company has no recognised gains or losses in the year other than the deficit for the year

No note of historical cost surplus or deficit is given as there are no differences between the results as set out in the profit and loss account and their historical cost equivalents

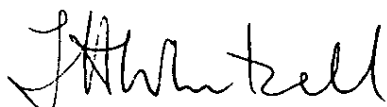
INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE

BALANCE SHEET

AT 31ST AUGUST 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	9	4,704,714	4,880,993
CURRENT ASSETS			
Debtors	10		
Amounts falling due within one year		732,742	694,273
Amounts falling due after one year		149,283	522,288
		<u>882,025</u>	<u>1,216,561</u>
Cash at bank and in hand		313,183	270,367
		<u>1,195,208</u>	<u>1,486,928</u>
CREDITORS: amounts falling due within one year	11	<u>(755,725)</u>	<u>(825,295)</u>
NET CURRENT ASSETS		<u>439,483</u>	<u>661,633</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,144,197</u>	<u>5,542,626</u>
CREDITORS Amounts falling due after more than one year	12	<u>(24,174)</u>	<u>(208,000)</u>
NET ASSETS		<u>£5,120,023</u>	<u>£5,334,626</u>
TOTAL RESERVES	13	<u>£5,120,023</u>	<u>£5,334,626</u>

The financial statements were approved and authorised for issue by the Board of Directors on 26 November 2007 and were signed below on its behalf by



J H Whitwell
Director

INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2007

	Note	2007 £	2006 £
Reconciliation of operating deficit to net cash flow from operating activities			
Operating profit (deficit)		66,367	(346,826)
Depreciation charges		195,918	227,878
(Profit) on disposal of other fixed assets		(10,836)	(14,868)
Decrease/(increase) in debtors		334,536	186,183
(Decrease) in creditors		(13,396)	(6,477)
Net cash inflow from operating activities		<u><u>£572,589</u></u>	<u><u>£45,890</u></u>
Cash flow statement			
Cash flow from operating activities		572,589	45,890
Return on investments and servicing of finance	14	(5,663)	(5,687)
Taxation		-	15,966
Capital expenditure	14	(284,110)	350,324
Financing	14	(240,000)	(180,000)
Increase in cash		<u><u>£42,816</u></u>	<u><u>£226,493</u></u>
Reconciliation of net cash flow to movement in net/(debt) funds			
Increase in cash in the year		42,816	226,493
Cash inflow from decrease in debt		240,000	180,000
Change in net (debt)/funds	15	282,816	406,493
Net (debt)/funds at beginning of year		<u><u>(129,633)</u></u>	<u><u>(536,126)</u></u>
Net (debt)/funds at end of year	15	<u><u>£153,183</u></u>	<u><u>£(129,633)</u></u>

INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2007

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared, on the going concern basis, in accordance with applicable accounting standards and under the historical cost accounting rules

Fixed assets and depreciation

Fixed assets are stated at cost

Depreciation is provided by the company at rates calculated to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold buildings	- straight line over 50 years
Fixtures, fittings & equipment	- at the rate of 25% per annum on the reducing balance
Plant and machinery	- at the rate of 25% per annum on the reducing balance
Property improvements	- straight line over 50 years
Motor vehicles	- at the rate of 25% per annum on the reducing balance
Motor vehicles held under finance leases	- over the lease term

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred

Taxation

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all material timing differences which have originated but not reversed at the balance sheet date. It is the company's policy not to discount deferred tax to reflect the time value of money

Pensions

The company operates a defined contribution pension scheme for all employees

Turnover

Turnover represents the value of sales invoiced

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

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

2 TURNOVER

The total turnover of the company for the year has been derived from its principal activities wholly undertaken in the United Kingdom

INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST AUGUST 2007

3.	DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2007 £	2006 £
	Deficit on ordinary activities before taxation is stated after charging/(crediting)		
	Auditors' remuneration	14,105	13,818
	Depreciation	195,918	227,878
	Profit on disposal of fixed assets	(10,835)	(118,918)
	Research		
	Operating lease rentals		
	Plant & Machinery	6,379	6,673
	Other	65,494	62,344
		<u> </u>	<u> </u>
4	REMUNERATION OF DIRECTORS		
	Directors' emoluments		
	Emoluments for qualifying services	253,495	210,270
	Directors fees	74,457	92,320
	Pension contributions	19,536	16,449
		<u> </u>	<u> </u>
		<u>£347,488</u>	<u>£319,039</u>
	The number of directors for whom benefits are accruing under the defined contribution pension scheme is 3 (2006 3)		
5	STAFF NUMBERS AND COSTS		
	The average number of persons employed by the company (including directors) during the year was 152 (2006 156)		
	The aggregate payroll costs of these persons were as follows	2007 £	2006 £
	Wages and salaries	3,641,359	3,790,250
	Social security costs	385,791	411,706
	Other pension costs	222,904	299,211
		<u> </u>	<u> </u>
		<u>£4,250,054</u>	<u>£4,501,167</u>
6	INTEREST RECEIVABLE AND OTHER INCOME		
	Bank interest	-	1,848
	Other income	9,873	11,599
		<u> </u>	<u> </u>
		<u>£9,873</u>	<u>£13,447</u>
7	INTEREST PAYABLE		
	Interest payable		
	On bank loans wholly repayable within 5 years	£15,536	£19,134
		<u> </u>	<u> </u>

INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST AUGUST 2007

8	TAXATION	2007 £	2006 £			
a)	Analysis of tax charge for the year:					
	UK corporation tax at 19% (2006 19%)					
	- Current period charge	-	-			
	- Prior period (over provision)/under provision	-	(44,364)			
		<u>-</u>	<u>(44,364)</u>			
	Total current tax (note (b))	<u>£ -</u>	<u>£(44,364)</u>			
b)	Factors affecting tax charge for the year					
	The corporation tax provision for the year is different from the full rate of corporation tax in the UK of 19% (2006 19%) for the following reasons					
	(Loss)/surplus on ordinary activities before tax	<u>£(214,603)</u>	<u>£(484,594)</u>			
	(Loss)/surplus on ordinary activities before tax multiplied by the full Rate of corporation tax in the UK of 19/20% (average 19.4%) (2006 19%)	(41,632)	(92,073)			
	Expenses not deductible for tax purposes	53,333	4,121			
	Capital allowances less than depreciation	16,488	16,295			
	Under/(over) provision in prior years	-	(44,364)			
	Fixed asset profit on disposal	89	(20,091)			
	Impairment loss on mobile units	-	44,864			
	Provisions tax adjustment	(4,671)	13,854			
	(Relief for losses brought forward)/Losses carried forward	<u>(23,607)</u>	<u>33,030</u>			
		<u>£ -</u>	<u>£(44,364)</u>			
9.	TANGIBLE FIXED ASSETS					
	Land and buildings freehold	Improvements to freehold buildings	Plant and machinery	Fixtures, Fittings and Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
COST						
At 1st September 2006	2,355,683	2,548,503	741,496	484,271	525,880	6,655,833
Additions	-	-	9,592	-	10,506	20,098
Scrapped	-	-	(228,198)	(227,137)	-	(455,335)
Disposals	-	-	-	-	(46,086)	(46,086)
	<u>2,355,683</u>	<u>2,548,503</u>	<u>522,890</u>	<u>257,134</u>	<u>490,300</u>	<u>6,174,510</u>
At 31st August 2007	2,355,683	2,548,503	522,890	257,134	490,300	6,174,510
DEPRECIATION						
At 1st September 2006	155,646	327,976	603,581	383,382	304,255	1,774,840
Charge for year	30,019	51,348	35,248	23,490	55,813	195,918
Scrapped	-	-	(228,198)	(227,137)	-	(455,335)
On disposals	-	-	-	-	(45,627)	(45,627)
	<u>185,665</u>	<u>379,324</u>	<u>410,631</u>	<u>179,735</u>	<u>314,441</u>	<u>1,469,796</u>
At 31st August 2007	185,665	379,324	410,631	179,735	314,441	1,469,796
NET BOOK VALUE						
At 31st August 2007	<u>£2,170,018</u>	<u>£2,169,179</u>	<u>£112,259</u>	<u>£77,399</u>	<u>£175,859</u>	<u>£4,704,714</u>
At 31st August 2006	<u>£2,200,037</u>	<u>£2,220,527</u>	<u>£137,915</u>	<u>£100,889</u>	<u>£221,625</u>	<u>£4,880,993</u>

Included within motor vehicles are assets bought under finance leases with cost of £64,943 (2006 £108,072) and net book value of £ Nil (2006 £Nil)

INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST AUGUST 2007

10 DEBTORS	2007 £	2006 £
Trade debtors	568,391	468,107
Other debtors	211,386	630,605
Prepayments and accrued income	102,248	117,849
	<u>£882,025</u>	<u>£1,216,561</u>
Amounts falling due after more than one year included above are		
Other debtors	149,283	128,284
Proceeds from disposal of property	-	394,004
	<u>£149,283</u>	<u>£522,288</u>
11 CREDITORS Amounts falling due within one year		
Bank loans (note 18)	160,000	240,000
Trade creditors	309,627	336,229
Other taxes and social security costs	116,364	111,514
Other creditors	30,918	31,339
Accruals and deferred income	138,816	106,213
	<u>£755,725</u>	<u>£825,295</u>
12. CREDITORS. Amounts falling due after more than one year		
Bank loans (note 18)	-	160,000
Accruals and deferred income	24,174	48,000
	<u>£24,174</u>	<u>£208,000</u>
Analysis of loans		
Amounts falling due		
In one year or less	160,000	240,000
Between one & two years	-	160,000
	<u>£160,000</u>	<u>£400,000</u>
13 RECONCILIATION OF MOVEMENTS IN RESERVES		
Opening reserves	5,334,626	5,774,856
(Deficit)/surplus for financial year	(214,603)	(440,230)
Closing reserves	<u>£5,120,023</u>	<u>£5,334,626</u>

INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST AUGUST 2007

14	GROSS CASH FLOWS	2007 £	2006 £
	Returns on investments and servicing of finance		
	Interest received and other income	9,873	13,447
	Interest paid on bank loans	(15,536)	(19,134)
		<u>£(5,663)</u>	<u>£(5,687)</u>
	Capital expenditure		
	Payments to acquire tangible fixed assets	(20,098)	(668,455)
	Receipts from sales of tangible fixed assets	11,295	1,018,779
	Loss on sale of property	(275,307)	-
		<u>£(284,110)</u>	<u>£350,324</u>
	Financing		
	Repayment of long term bank loan	<u>£(240,000)</u>	<u>£(180,000)</u>
15	ANALYSIS OF CHANGE IN NET FUNDS		
		At 1st September 2006 £	Cashflows £
			At 31st August 2007 £
	Cash in hand and at bank	270,367	42,816
	Bank loan	(400,000)	240,000
		<u>£(129,633)</u>	<u>£282,816</u>
			<u>£153,183</u>

INTEGRATED SERVICES PROGRAMME LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST AUGUST 2007

16. COMMITMENTS

(i) Capital commitments at the end of the financial year for which no provision has been made

	2007 £	2006 £
Authorised, but not contracted for, and not provided for in the financial statements	-	£20,000

(ii) Annual commitments under non-cancellable operating leases

	2007 Land and Buildings £	2007 Other £	2006 Land and Buildings £	2006 Other £
Operating leases which expire				
Within one year	-	-	-	-
Within two to five years		6,571	-	6,571
After five years	65,250	-	65,250	-
	<u>£65,250</u>	<u>£6,571</u>	<u>£65,250</u>	<u>£6,571</u>

17. PENSIONS

The company operates a defined contribution pension scheme for all employees. In addition, members of the teaching staff may elect to join the teachers pension scheme to which the company will contribute instead of their own scheme. Contributions made by the company during the year were £222,904 (2006 £299,211). Contributions payable to the scheme at the end of the year amounted to £73,368 (2006 £97,446).

18. FIXED ASSETS – PLEDGED SECURITY

The following are held as security on the bank loan

- 1 Freehold of ISP Centre, Church Street, Sittingbourne, Kent
- 2 Freehold of ISP Centre, Regent Street, Whitstable, Kent
- 3 Freehold land and buildings on south side of Church Street, Sittingbourne, Kent
- 4 Fixed and floating charges over the undertaking and all property and assets present and future including Goodwill, Book debts, uncalled capital, Buildings, Fixtures, Fixed Plant & Machinery

19. RELATED PARTY TRANSACTIONS

There were no related party transactions