



**Alabaré Christian Care Centres
Trustees Report and Financial Statements
For the period ended 31st March 2007**



Company Registration Number 2604011
Charity Number 1006504

ALABARÉ CHRISTIAN CARE CENTRES

TRUSTEES REPORT AND FINANCIAL
STATEMENTS

FOR THE PERIOD ENDED 31st MARCH 2007

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Contact Details

Further copies of the Trustees' Report and Financial Statements for the period ended 31st March 2007 may be obtained from:

Address: 33, Brown Street, Salisbury, Wiltshire SP1 2AS
Telephone: 01722 322882
Fax: 01722 341657
E-mail: enquiries@alabare.co.uk
Website: www.alabare.co.uk

REFERENCE AND ADMINISTRATIVE DETAILS

- The name of the Charity: Alabaré Christian Care Centres
- Registration numbers: Charity registration number is 1006504
Company registration number is 2604011
- Registered and principal office: 33, Brown Street,
Salisbury, Wiltshire
SP1 2AS
Telephone: 01722 322882
Website: www.alabare.co.uk
- Trustees/Directors: Reverend John Proctor (Chairman)
Reverend Canon David Durston (Vice
Chairman)
Alicia Proctor
Adam Mills
Elizabeth Webbe (appointed 3rd May 2006)
Jeffrey Peacock
Richard Holman (appointed 3rd May 2006)
Timothy Robertson
- Those who served as trustees/directors during
the financial period 1st January 2006 to 31st
March 2007, all until 3rd May 2006:*
Karen Buckingham
Di Harris
Val Jeal
Robert Newman
- Patrons: The Right Reverend David Stancliffe, Bishop
of Salisbury
The Right Reverend Declan Lang, Bishop of
Clifton
The Countess of Pembroke
- Chief Executive Officer: Andrew Lord
- Company Secretary: Elizabeth Webbe
- Bankers: The Royal Bank of Scotland plc
14, Minster Street, Salisbury, Wiltshire
- Solicitors: Wilsons
Steynings House, Fisherton Street,
Salisbury SP2 7RJ
- Auditors: Nexia, Smith and Williamson
Imperial House, 18-21 Kings Park Road,
Southampton
SO15 2AT

TRUSTEES' REPORT FOR PERIOD ENDED 31ST MARCH 2007

The Trustees present their report along with the financial statements of the Charity for the 15 month period ended 31st March 2007, which should be read in conjunction with the reference and administrative details on page 3. The financial statements have been prepared based on the accounting policies set out in note 1 to the financial statements. Alabaré Christian Care Centres is a charity registered with the Charity Commission and a company limited by guarantee.

Structure, Governance and Management

The Charity is a charitable company limited by guarantee and was set up on 11th March 1991. It is governed by a Memorandum and Articles of Association, which were last amended on 28th April 2004.

All trustee appointments are approved by the full Board of Trustees. The Board of Trustees undertook a skills audit in 2005 to identify missing skills within the trustees, the results of this audit informed the process of recruiting trustees. Applications for trusteeship are encouraged from all sections of the community. In addition, the Trustees are keen that their membership reflects the geographical area that the Charity serves.

The Memorandum and Articles require that two thirds of the Trustees shall be active members of a church belonging to Churches Together in England and Wales. One third of the Trustees must retire at each Annual General Meeting, those longest in office retiring first and the choice between any of equal service being made by lots.

The Charity has a policy for the recruitment of trustees. On appointment new Trustees are offered training. In addition, each year there is a training session for all Trustees.

The Board of Trustees meets four times a year. The Board is supported by several committees, including Human Resources, Finance, Health and Safety and five Area Care and Support Committees. During 2006 a new Care and Support Committee, for the Hampshire area, was formed. Active recruitment for an Audit Committee has begun.

All committees operate under specific terms of reference, which delegate certain functions from the Board of Trustees. A complete set of Terms of Reference were compiled and issued in 2004 for both trustees and the committees. Each committee is chaired by a Trustee and its decisions are approved by the Board of Trustees. The effectiveness of the trustees and the committees was last reviewed in 2005.

Although the Board is the key decision-making body, many day to day decisions are made by appropriate staff within the framework of policies and procedures set up, and approved, by the Board.

The employees of the Charity are led by the Chief Executive Officer, with the support of four senior managers. Together these five form the Senior

Management Team. Of the four senior managers, two are responsible for operational matters and oversee all the projects of the Charity. One is responsible for Fundraising, Marketing and New Initiatives, including tendering processes. The fourth is responsible for all the central support services.

In 2006 the Charity formed a consortium with three other organisations (Splitz, Drugs and Homeless Initiative and Westlea Housing Association) called Community Four (C4). This consortium successfully bid to run the floating support service for Wiltshire. In Salisbury, the Charity works closely with the District Council and other agencies to create a co-ordinated pathway for homeless people in the area. Alabaré's particular contributions include the provision of direct access to its hostel for the homeless, move-on accommodation and the development of a pre-tenancy course designed to break the cycle of homelessness.

Risk Management

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems of control, financial or otherwise. They are responsible for ensuring that:

- The Charity is operating efficiently and effectively.
- Its assets are safeguarded against unauthorised use or disposition.
- Proper records are maintained and financial information used within the Charity or for publication is reliable.
- The Charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A business plan and annual budget approved by Trustees.
- Regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The major risks to which the Charity is exposed are associated with its Supporting People contracts and fundraising performance. These are reviewed regularly by the Finance Committee. By early 2007 confirmation had been received that most contracts had been secured for between one and three years. The Fundraising Team was restructured during 2006 and greater focus given to ensure that their efforts are more targeted.

Objectives

The objects of Alabaré Christian Care Centres, as set out in its governing document, are:

- The relief of poverty by the provision of special accommodation and ancillary services, such as day centres and counselling, for those who by reason of social, emotional and/or physical disadvantage (impairment) are in need of sustained support to enable them to lead lives which permit choice and development of their potential and an assured place in society.

- The relief and prevention of sickness, disease and physical and mental disability.
- The advancement of religion.

The current Business Plan, which covers the period 2007-2011, sets out the Charity's vision, mission and goals.

Our vision

A society where everyone has the opportunity to enjoy a fulfilling life.

Our mission

We enable people to enjoy a fulfilling life by working with individuals, communities and other organisations to:

- Generate sustainable solutions within our communities
- Provide high quality accommodation and support services
- Equip people with skills for living and working
- Overcome the barriers people face

Our long term goals are to:

- Ensure an end to homelessness for our service users
- Provide the right support
- Provide the right care
- Provide the right training

All the Charity's activities have been translated into specific statements concerning purpose, outcomes and outputs. These, in turn, have been linked to Government objectives, a variety of local, regional and national strategies. From these statements a set of targets and measures have been developed against which to monitor and manage performance and to keep the organisation on track. The development of this framework took place between September 2006 and March 2007 and the fruit of this work is expected during the second half of 2007.

The Charity has five main areas of business activity, each of which contributes to one or more of the long-term goals. The areas are: supported housing, floating support and resettlement, residential care home, drop-in centres and day activities including training and employment.

The priorities for the 15 month period to 31st March 2007 were to:

- Deliver a good quality service within the resources available;
- Meet funding targets including renewing Supporting People and other contracts;
- Deliver a new organisation/staff structure;
- Develop and support staff and volunteers;
- Deliver a permanent Drop-In Centre in Salisbury;
- Deliver new fully funded quality services in the South West;
- Make necessary improvements to properties;
- Ensure health and safety obligations are fully understood and met;
- Improve communication within the Charity and with all stakeholders and the wider community in which we work;
- Use the 15th birthday celebrations to promote the work of the charity and have a good time.

Activities

During the 15 month period to 31st March 2007 progress was made towards meeting both the long term goals and the priorities for the period. Highlights include:

An end to homelessness for our service users

- Providing additional accommodation in Bristol for ex-offenders, including the purchase of Lazarus House in March 2007;
- Working with Salisbury District Council and Wiltshire Supporting People to reconfigure Damascus House to provide direct access accommodation to rough sleepers in Salisbury.
- Being the beneficiaries of the Mayor of Salisbury's Charity Appeal for 2006-07 – this both raised funds for a permanent Drop-In Centre in Salisbury and raised awareness of the issues. A total in excess of £60,000 was raised in the twelve months ending June 2007. This is due to be received by the Charity during the financial year 2007-08 and is not reflected in the accompanying financial statements.

The right support

- Achieving excellent grades in the Supporting People Quality Assessment Framework
- Delivering additional floating support, as part of the Community 4 Consortium

The right care

- Achieving an excellent assessment by the Commission for Social Care Inspection for our registered care home.

The right training

- Delivering life skills training from the Devizes Drop-In Centre
- Working with Wiltshire and Swindon offenders to help them manage their debt
- Working with Hampshire County Council to provide supported employment
- Delivering National Test Council Proficiency qualifications at Barford Countryside Unit.

To help us fulfil our mission and long term goal we also have achieved the following:

- Successful re-accreditation with Investors in People with good feedback
- Development and launching of the intranet as a key means of communication within the organisation.
- A variety of events were held to raise the profile of the organisation including a dinner at the House of Commons
- The creation of the role of 'Ambassador'.

Volunteers provide a very valuable service to the Charity and throughout 2006 the Charity has sought to increase the numbers of volunteers. Currently the charity benefits from having over 100 volunteers who work in most of the 31 projects. Roles include: sleepover, Drop-In Centre worker, Trustee, committee member, cleaners and accounts assistant.

The value of volunteers to the Charity is significant. Although no formal record is kept of the hours served, their contribution is both appreciated and essential as, without them, some services could not be provided. They also provide a valuable link with local communities in which the various projects are located.

The Charity has processes in place to ensure that volunteers have the appropriate skills and that they are supported and recognised for the contribution that they make.

Financial Review

In 2006 it was decided to change the Charity's financial year to bring it into line with its key funding organisations. This means that the financial period under review consists of 15 months, covering the period from 1st January 2006 to 31st March 2007. During this period total income raised was £4.4 million; total costs were £4.3 million and the surplus for the period £63,540. The financial statements provide more details, which are summarised below.

The principal funding sources are set out in the table below:

<u>Income Source</u>	2007 £	2007 %
Supporting People contracts	2,358,710	54.1
Accommodation charges	1,055,315	24.2
General grants	358,178	8.2
Other public sector contracts	259,662	6.0
Voluntary donations	134,605	3.1
Other activity related	102,459	2.3
Bank interest	67,730	1.6
Fundraising events	20,347	0.5
Total	4,357,006	100.0

By March 2007, the continuation of the majority of the Supporting People contracts had been secured until 2010. Within 'other activity related' there is £72,499 from the Big Lottery Fund to fund mental health one-to-one support services. Unfortunately, the Big Lottery Fund decided not to renew its funding of the Rural One-to-One Service (worth around £54,000 a year), so efforts are being made to find alternative sources of funding for this valuable service.

Being part of the service sector means that employees are the Charity's most valuable asset and consequently the biggest cost, amounting to £2.9m in the 15 months to 31st March 2007, representing an average of 101 full-time equivalents. The Charity continues to have a strong commitment to the training and development of its staff, as evidenced by the re-accreditation by Investors in People in March 2007, with some £37,000 spent on relevant courses.

Non-staff related costs, amounted to £1.3 million. These costs relate to the day to day running, upkeep and support of the 18 properties used to deliver supported housing, the Drop-In Centres, Barford Countryside Unit, where a variety of day time training activities take place, and The Junction, a young people's internet café and safe place for support, training and other activities.

The main components of expenditure were:

<u>Expenditure Item</u>	2007 £	2007 %
Rent of properties & rooms	309,548	23.8
Repairs & maintenance	124,370	9.5
Heat & light	110,492	8.5
Depreciation	109,843	8.4
Telecommunications & IT	109,015	8.4
Insurance	95,700	7.3
Staff travel	74,664	5.7
Other	369,363	28.4
Total	1,302,995	100.0

The Charity has a Reserves Policy, which was reviewed in March 2007. Based on an assessment of the various risks faced by the organisation, not least of which is the number of employees for which the Charity is responsible, the Trustees decided that £700,000 would be a prudent level of free reserves. In keeping with the Charity Commission's definition of free reserves, this sum excludes designated reserves and reserves held in the form of fixed assets held for charity use (e.g. accommodation) and performance related investments (of which Alabaré has none). As at 31st March 2007, the Charity had unrestricted free reserves of £752,380, which is consistent with the above policy.

Plans for Future Periods

The Business Plan for 2007-2011, which was approved by the Board of Trustees in October 2006, sets out the aims for the Charity over the next few years. These aims are directly linked to the four long-term goals and are as follows:

<i>Aim 1: An end to homelessness for our service users</i>	
Objective 1:	To provide additional accommodation in Wiltshire, Bristol, North Somerset, and Hampshire for single homeless people.
Objective 2:	To provide additional registered care homes and supported living projects.
Objective 3:	To improve the Charity's existing stock of properties.
Objective 4:	To investigate new ways of increasing the stock of available housing.

<i>Aim 2: The right support</i>	
Objective 5:	To provide additional high quality housing related support.
<i>Aim 3: The right care</i>	
Objective 6:	To provide additional high quality care.
<i>Aim 4: The right training</i>	
Objective 7:	To deliver relevant training.
Objective 8:	To support people into employment.
<i>Aim 5: Working to overcome the barriers people face</i>	
Objective 9:	To ensure that services are well publicised and accessible.
Objective 10:	To provide additional advice.
Objective 11:	To improve social and leisure community participation to reduce social isolation.
Objective 12:	To challenge people's perception of clients.

The Business Plan sets out a capital investment programme and a revenue budget, which reflect the above objectives. An investment programme of £9.2m over the period of the Plan is envisaged, funded by a mix of grants, fundraising and borrowing. Already grants amounting to £0.8m have been secured from Salisbury District Council (£0.5m for the redevelopment of the homeless hostel in Salisbury and £0.3m for move-on accommodation). The revenue budget anticipates small surpluses over the five years of about 1% of turnover.

Trustees' Responsibilities

Company law requires the Trustees (who are also the directors of Alabaré Christian Care Centres Ltd for the purposes of company law) to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity at the end of the period and of the incoming and outgoing resources for the period then ended.

In preparing those financial statements, the Trustees are required to select suitable accounting policies and then apply them consistently, making judgments and estimates that are reasonable and prudent. The Trustees 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 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 Companies Act 1985. The Trustees 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.

Statement of Disclosure to Auditor


Each Trustee of the company has confirmed in fulfilling his/her duties as a Trustee:

- (a) so far as each Trustee is aware, there is no relevant audit information of which the company's auditors are unaware;
- (b) each Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to appoint Nexia, Smith and Williamson as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the Trustees

A handwritten signature in black ink that reads "Adam Mills". The signature is written in a cursive style with a long horizontal stroke at the end.

Mr Adam Mills
Trustee

Approved by the Trustees on 19th July 2007

Nexia Smith & Williamson

Independent auditors' report to the members of Alabaré Christian Care Centres Limited

We have audited the accounts of Alabaré Christian Care Centres for the period ended 31 March 2007 which comprises the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 27. These accounts have been prepared under the accounting policies set out therein.

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 directors and auditors

The responsibilities of the Trustees (who are also the Directors of Alabaré Christian Care Centres Limited for the purposes of company law) for preparing the Annual Report and the accounts 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.

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 the information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Annual 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 accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the

accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Trustees' Annual Report is consistent with the accounts.

Nexia Smith & Williamson

20th August 2007

Nexia Smith & Williamson
Registered Auditors
Chartered Accountants

18 – 21, Kings Park Road,
Southampton
SO15 2AT

Date

**ALABARÉ CHRISTIAN CARE CENTRES
STATEMENT OF FINANCIAL ACTIVITIES
INCOME AND EXPENDITURE ACCOUNT
FOR 15 MONTH PERIOD ENDED 31st MARCH 2007**

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Year Ended 31 st December 2005
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	166,051	326,732	492,783	369,334
Activities for generating funds	3	2,783	17,564	20,347	8,948
Investment income	4	67,730	0	67,730	45,943
Incoming resources from charitable activities	5	3,674,838	101,308	3,776,146	2,939,387
Total incoming resources		3,911,402	445,604	4,357,006	3,363,612
RESOURCES EXPENDED					
Costs of generating funds	6	193,655	0	193,655	185,959
Cost of charitable activities	7	3,386,959	659,812	4,046,771	3,065,217
Governance costs	8	53,040	0	53,040	48,922
Total resources expended		3,633,654	659,812	4,293,466	3,300,098
Net income/(expenditure) for the period		277,748	(214,208)	63,540	63,514
TRANSFERS					
Gross transfers between funds	9	(115,294)	115,294	0	0
Net movement in funds		162,454	(98,914)	63,540	63,514
RECONCILIATION OF FUNDS					
Total funds brought forward		1,924,102	207,200	2,131,302	2,067,788
Total funds carried forward		2,086,556	108,286	2,194,842	2,131,302

The Charity has no recognised gains or losses other than the results for the year as set out above. All of the activities are classed as continuing.

Statement of changes in resources applied to fixed assets for charity use in the period ended 31st March 2007

	Unrestricted Funds	Restricted Funds	Total Period Ended 31 st March 2007	Year Ended 31 st December 2005
	£	£	£	£
Net movement in funds	162,454	(98,914)	63,540	63,514
Resources used for the acquisition of tangible fixed assets	(259,793)	(2,920)	(262,713)	(67,496)
Net movement in funds available for future activities	(97,339)	(101,834)	(199,173)	(3,982)

The notes on pages 16 to 26 form part of these financial statements.

ALABARÉ CHRISTIAN CARE CENTRES

BALANCE SHEET

31st MARCH 2007

	Note	31 st March 2007 £	31 st December 2005 £
Fixed Assets			
Tangible Assets	17	1,177,560	1,024,690
Current Assets			
Debtors	18	133,866	135,162
Cash at bank and in hand	19	1,220,310	1,241,373
Total Current Assets		1,354,176	1,376,535
Liabilities			
Creditors: Amounts falling due within one year	20	332,748	269,923
Net Current Assets		1,021,428	1,106,612
Total Assets less Current Liabilities		2,198,988	2,131,302
Creditors: Amounts falling due after more than one year	21	4,146	0
NET ASSETS		2,194,842	2,131,302
<u>The Funds of the Charity</u>			
Unrestricted Income Funds			
General – Fixed Assets	26	1,077,560	855,268
General – Other	26	752,380	856,855
Total General Funds	22	1,829,940	1,712,123
Designated Funds	22	256,616	211,979
Total Unrestricted	22	2,086,556	1,924,102
Restricted Income Funds	23	108,286	207,200
Total Charity Funds	26	2,194,842	2,131,302

These financial statements were approved by the members of the Board of Trustees on 19th July 2007 and signed on their behalf by:


 Reverend John Proctor
 Director

The notes on pages 16 to 26 form part of these financial statements.

ALABARÉ CHRISTIAN CARE CENTRES
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31st MARCH 2007

1 Accounting Policies

The principal accounting policies, all of which have been applied consistently throughout the year, are set out below. Where a change of accounting policy or treatment has occurred, the prior year figures have been adjusted to reflect the new treatment. Two key changes have occurred: the accounting year has been changed so that it now ends on 31st March (previously 31st December) and the format has been amended to reflect the revised Statement of Recommended Practice for Charities. As a result of the first change, the comparisons shown in these statements are between the 15 months 1st January 2006 to 31st March 2007 and the 12 months 1st January to 31st December 2005.

1.1 Basis of preparation of the accounts

The financial statements have been prepared under the historical cost basis of accounting. They are in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (Revised 2005), applicable accounting standards and The Companies Act.

1.2 Fund accounting

Unrestricted funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside at the discretion of the Trustees for specific purposes. The designated fund for fixed assets is that part of unrestricted funds that represents fixed assets held for the Charity's activities. The designated fund for 'Sinking Fund' is earmarked by the Trustees for planned maintenance of properties owned or leased by the Charity.

Restricted funds are those donated, or raised, for use in a particular area or for a specific purpose.

All funds are reviewed annually and transfers between funds undertaken as determined by that review.

1.3 Incoming resources

Incoming resources are recognised in the Statement of Financial Activities when the charity is legally entitled to the income, there is certainty of receipt and the amount can be quantified with reasonable accuracy.

Income from charitable activities includes income as earned (i.e. as the related goods or services are provided) under contract or where entitlement to grant funding is subject to specific performance conditions.

Investment income is recognised on a receivable basis. On-line shop income and income derived from events is recognised as earned.

1.4 Resources expended

- (i) Resources expended are recognised when a liability is incurred. This means that expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of VAT.
- (ii) Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in fundraising activities/events.
- (iii) Governance costs are those costs associated with the governance arrangements, which relate to the general running of the charity as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. They are primarily associated with constitutional and statutory requirements and include the strategic planning processes that contribute to the future development of the charity.
- (iv) Expenditure directly attributable to a specific activity category (e.g. costs of generating funds, charitable activities and governance costs) has been included in the relevant category. Where costs are attributable to more than one activity, they are apportioned across activities based on the time spent by staff on those activities and their use of shared resources.
- (v) The costs of central support services have been allocated to activity cost categories on a basis consistent with use of resources as follows:

<u>Support Service</u>	<u>Basis of cost allocation</u>
Financial Services	Combined income and expenditure
Human Resources	Per head
Information Technology	Per personal computer (PC)
Corporate Management	Pro rata to income

1.5 Donated goods and volunteer and other donated services

Donated goods are recognised in different ways dependent on how they are used by the charity:

- (i) those donated for direct transmission to beneficiaries (chiefly clothing and food) are not included in the statement of financial activities on the basis that, if they had not been donated, the charity would not have purchased them;
- (ii) those donated to be used in service provision (e.g. food for use in providing meals at drop-in centres, furniture for houses) are included in the statement of financial activities as incoming resources and resources expended when they are used, if material. They are valued at the amount the charity would have had to pay to acquire them. In the case of donated white goods, the market value is deemed to be nil.

The value of services provided by volunteers is not incorporated into these financial statements.

Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost and depreciated over their useful economic lives, less any estimated residual value, at the following rates:

<u>Asset</u>	<u>Depreciation</u>
Land	Not depreciated
Freehold buildings	Nil
Short leasehold buildings	Period of lease
Furniture and equipment	4 years
Computer equipment	4 years
Motor vehicles	4 years

The charitable company does not depreciate its freehold properties on the grounds that any depreciation charge would be immaterial both annually and cumulatively.

1.7 Pension costs

The charitable company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

1.8 Leasing and Hire Purchase Commitments

Rental payments under operating leases are charged as expenditure as incurred over the term of the lease. Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over 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 consistent periodic rate of charge on the net obligation outstanding in each period.

1.9 Reserves Policy

The Charity has a reserves policy. Based on an assessment of the various risks faced by the organisation, the Trustees decided that £700,000 would be a prudent level of free reserves. In keeping with the Charity Commission's definition of free reserves, this sum excludes designated reserves and reserves held in the form of fixed assets held for charity use (e.g. accommodation) and performance related investments (of which Alabaré has none).

2 Voluntary Income

Voluntary income falls into the following categories:

	Unrestricted Funds £	Restricted Funds £	2007 Total £	2005 Total £
<u>Donations & Legacies</u>				
Individual donations	26,169	16,997	43,166	45,457
Church/community groups	14,415	22,692	37,107	21,630
Legacies	4,322	0	4,322	1,161
Sundry Income	26,784	23,226	50,010	43,835
<u>General Grants</u>				
Statutory Bodies	77,292	87,597	164,889	90,066
Charitable Trusts	11,899	166,456	178,355	152,514
Corporate Donations	5,170	9,764	14,934	14,671
Total Voluntary Income	166,051	326,732	492,783	369,334

3 Activities for Generating Funds

Activities for generating funds relate to fundraising events carried out by the Charity primarily to generate incoming resources, which will be used to undertake its charitable activities.

	Unrestricted Funds £	Restricted Funds £	2007 Total £	2005 Total £
<u>Events</u>				
Drop-In Centres	0	244	244	660
Day Activities	0	207	207	0
Sponsored Walk (Rural)	0	548	548	0
Emmaus House	0	16,565	16,565	600
General Fundraising	2,783	0	2,783	7,688
	2,783	17,564	20,347	8,948

4 Investment Income

	Unrestricted Funds £	Restricted Funds £	2007 Total £	2005 Total £
Bank interest	67,730	0	67,730	45,943

5 Income from Charitable Activities

Income from charitable activities includes all incoming resources received, which are a payment for goods and services provided for the benefit of the charity's beneficiaries.

	Unrestricted Funds £	Restricted Funds £	2007 Total £	2005 Total £
Supporting People Contract	2,358,710	0	2,358,710	1,878,307
Other public sector contract	200,394	59,268	259,662	151,370
Accommodation Charges	1,055,315	0	1,055,315	866,588
Big Lottery Fund	59,999	12,500	72,499	29,868
Esmee Fairbairn Foundation	0	8,333	8,333	3,333
Tudor & Lankelly Trusts	0	3,333	3,333	0
On-line Shop	0	105	105	0
Other	420	17,769	18,189	9,921
Total	3,674,838	101,308	3,776,146	2,939,387

During the financial period covered by these financial statements the Big Lottery Fund supported two of the Mental Health One-to-One services (Rural £53,866 and Social Outreach £6,132) and the Sunshine Healthy Living programme £12,500. In addition £4,295 was carried forward in restricted funds from 2005. This has been applied to the Recycling project as agreed with the Big Lottery Fund.

6 Costs of Generating Funds

These are the costs that are associated with generating incoming resources from all sources other than from undertaking charitable activities. It includes the cost of applying to charitable trusts and other grant-making bodies, events to raise awareness and generate income, the encouragement of volunteering, the cost of the twice yearly newsletter and other publicity. It excludes publications that are primarily designed to inform service users or potential users.

	Unrestricted Funds £	Restricted Funds £	2007 Total £	2005 Total £
Fundraising & Marketing Team	171,055	0	171,055	141,102
Printing & publicity	10,808	0	10,808	44,857
Cost of Events	2,866	0	2,866	0
Support Costs	8,926	0	8,926	0
Total Cost	193,655	0	193,655	185,959

7 Cost of Charitable Activities

Resources expended on charitable activities comprise all the resources applied by the charity in undertaking its work to meet its charitable objectives as opposed to the cost of raising funds to finance these activities and governance costs.

	Direct Costs £	Support Costs £	2007 Total £	2005 Total £
Supported Housing	2,172,227	271,077	2,443,304	2,059,840
Floating Support	349,393	51,031	400,424	254,843
Care Home	330,073	34,467	364,540	261,150
Drop-In Centres	232,390	23,290	255,680	201,819
Day activities, training & employment	508,615	74,208	582,823	287,565
Total Costs	3,592,698	454,073	4,046,771	3,065,217

8 Governance Costs

Governance costs relate to the cost of those activities that provide the infrastructure, which allows the charity to operate as a legal entity and to generate the information required for public accountability.

	2007	2005
	£	£
Auditor's remuneration	5,588	4,500
Professional fees – Accountancy	7,255	4,998
Professional fees – Legal	1,448	985
Board & Committee Meetings	1,296	1,158
Strategic Management and Support Costs	37,453	37,281
Total Governance Costs	53,040	48,922

9 Gross Transfers between Funds

Restricted funds should not be in deficit, so where a restricted fund is in deficit a transfer from unrestricted funds is required. Where restricted funds have been applied to their purpose and the resulting asset is held for a general and not a restricted purpose, a transfer takes place.

10 Items included in Resources Expended

The resources expended figures are stated after charging:

	Unrestricted Funds	Restricted Funds	2007 Total	2005 Total
	£	£	£	£
Depreciation	72,504	37,339	109,843	101,292
Lease payments	7,173	0	7,173	12,545
Property rental	217,380	32,671	250,051	54,700

11 Support Costs

Support costs are those costs that, while necessary for the delivery of charitable activities, do not themselves produce or constitute the output of those activities. Similarly, costs will be incurred in supporting income generation activities such as fundraising, and in supporting the governance of the charity. Support costs include general management, payroll administration, information technology, human resources, budgeting and accounting.

	Human Resources	Information Technology	Finance	General Management	Total
	£	£	£	£	£
Supported Housing	42,548	22,749	44,237	161,543	271,077
Floating Support	12,926	8,821	6,458	22,826	51,031
Care Home	5,924	1,857	5,899	20,787	34,467
Drop-In Centres	7,002	5,571	3,159	7,559	23,290
Day Activities	16,158	25,070	8,130	24,850	74,208
Fundraising	2,693	4,643	1,590	47,343	56,269
Governance	0	0	0	37,453	37,453
Total	87,251	68,711	69,473	322,360	547,795

12 Staff Costs

	2007	2005
	£	£
Salaries	2,533,522	1,988,206
Sessional staff (including agency)	100,803	40,127
Employer's National Insurance contributions	211,924	166,768
Employer's Pension contributions	66,331	53,093
Total	<u>2,912,580</u>	<u>2,248,194</u>

No employee earned £60,000 per annum or more during the current or previous year.

13 Staff Numbers

The average number of people employed, including part-time staff, calculated on a full-time equivalent basis analysed by activity was:

	2007	2005
	Number	Number
Supported Housing	48.5	57.6
Floating Support	12.6	8.6
Care Home	9.3	8.8
Drop-In Centres	5.0	6.4
Day Activities	12.5	8.6
Fundraising	4.0	5.0
Governance	0.5	0.7
Support Services	9.1	10.0
Total	<u>101.5</u>	<u>105.7</u>

14 Trustees' Expenses and Remuneration

Trustees are not remunerated. Some Trustees claim travel expenses incurred in the course of their duties. These amounted in total to £261.

15 Related Party Transactions

During the period covered by these accounts payments totalling £4,993 were made for accounting support services to a firm of accountants of which Mr R. Newman, a Trustee of the Charity until April 2006 and a member of the Finance Committee, is a partner. All payments were made on an arm's length basis.

16 Taxation

No taxation is payable by the company because it is a registered charity. The on-line shop has a very small turnover so no taxation charge has arisen.

17 Movement of Tangible Fixed Assets

	Freehold Property £	Leasehold Property £	Equipment £	Motor Vehicles £	Total £
<u>Cost</u>					
At 1 st January 2006	909,651	45,604	530,185	29,845	1,515,285
Additions	190,286	0	72,427	0	262,713
Disposals		0	(1,815)	0	(1,815)
At 31 st March 2007	1,099,937	45,604	600,797	29,845	1,776,183
<u>Depreciation</u>					
At 1 st January 2006	13,113	36,106	422,955	18,421	490,595
Charge for period	0	8,457	93,925	7,461	109,843
Disposals	0	0	(1,815)	0	(1,815)
At 31 st March 2007	13,113	44,563	515,065	25,882	598,623
<u>Net Book Value</u>					
At 31 st March 2007	1,086,824	1,041	85,732	3,963	1,177,560
At 31 st December 2005	896,538	9,498	107,230	11,424	1,024,690

Assets are included in the Balance Sheet at historic cost less depreciation. Included above are assets held under finance leases with a net book value of £4,848 and for which the depreciation charge for the period was £2,204.

A valuation of the freehold properties was made on 1st April 2003 by Myddleton and Major, RICS, an independent firm of chartered surveyors, based on existing use value:

- The Barnards Cross/Emmaus House/Damascus House complex was valued at £875,000 and
- Barnabas House was valued at £275,000

Since these valuations were obtained two other properties, both in Bristol, have been purchased: The Well (31st December 2004) and Lazarus House (30th March 2007).

18 Debtors

	2007 £	2005 £
Trade debtors	131,423	156,053
Provision for Bad & Doubtful Debts	(20,000)	(41,421)
Income tax recoverable	1,520	2,600
Housing benefit refunds	0	129
Deposits	7,992	7,771
Sundry debtors	2,408	4,000
Prepayments	10,523	6,030
	<u>133,866</u>	<u>135,162</u>

19 Cash at Bank and in Hand

	2007	2005
	£	£
RBS Current Account	(22,520)	(5,334)
RBS Interest Account	1,240,360	1,238,971
Petty Cash	2,470	2,402
Total	<u>1,220,310</u>	<u>1,236,039</u>

20 Creditors: amounts falling due within one year

	2007	2005
	£	£
Trade Creditors	24,700	89,692
Tax and National Insurance	51,784	42,898
Deferred Grants	135,997	107,585
Overpaid Supporting People	69,226	0
Other Creditors	32,547	9,522
Obligations under finance leases	703	0
Accruals	17,791	14,892
Total	<u>332,748</u>	<u>264,589</u>

21 Creditors: amounts falling due after more than one year

This relates to a finance lease used to acquire an asset.

	2007	2005
	£	£
Repayable within one year	2,767	0
Repayable between one and five years	8,302	0
	<u>11,069</u>	<u>0</u>
Finance charges allocated to future accounting periods	6,220	0
	<u>4,849</u>	<u>0</u>
Included in liabilities due within one year	703	0
Amounts falling due after more than one year	<u>4,146</u>	<u>0</u>

22 Movement on Funds

The Sinking Fund has been designated for the purpose of future repairs and renewals to the Charity's properties.

	General	Designated (Sinking Fund)	Restricted Funds	Total
	£	£	£	£
Brought forward 1 January 2006	1,712,123	211,979	207,200	2,131,302
Net incoming/outgoing resources	298,236	(20,488)	(214,208)	63,540
Transfers	(180,419)	65,125	115,294	0
Carried forward at 31 st March 2007	<u>1,829,940</u>	<u>256,616</u>	<u>108,286</u>	<u>2,194,842</u>

23 Movement on Restricted Funds

	Balance 1 st Jan 2006 £	Incoming Resources £	Outgoing Resources £	Cost of Generating Funds £	Transfer between Funds £	Balance 31 st Mar 2007 £
Andrew House Welfare Fund	0	2,980	(1,845)	0	0	1,135
Emmaus House residents fund	0	17,548	(15,295)	0	0	2,253
Serenity	10,145	1,627	(11,982)	0	210	0
The Well	169,422	0	0	0	(69,422)	100,000
Big Lottery	4,295	0	0	0	(4,295)	0
Purchase Lazarus	1,053	68,114	0	0	(69,167)	0
Wilts Drop-In	0	130,499	(255,680)	0	125,181	0
Barford CU	0	136,988	(180,640)	0	43,652	0
The Junction	0	48,411	(143,389)	0	94,978	0
Cana	0	11,246	(7,348)	0	0	3,898
Recycling	0	23,310	(38,522)	0	15,212	0
Resettlement	0	3,333	(4,563)	0	1,230	0
Sponsored Walk (Rural)	0	548	(548)	0	0	0
Property (Damascus)	0	1,000	0	0	0	1,000
Miscellaneous	22,285	0	0	0	(22,285)	0
	207,200	445,604	(659,812)	0	115,294	108,286

24 Pensions

The charitable 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. Contributions payable by the company amounted to £66,331 (2005 £53,093). All contributions were paid in the period.

25 Commitments under Operating Leases

As at 31st March 2007 the charity had annual commitments for rental payments under operating leases as set out below:

Operating and other leases which expire:	2007		2005	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Within a year	199,080	745	0	7,837
Within 2 to 5 years	37,851	6,428	20,900	4,708
After more than 5 years	13,120		33,800	
Total	250,051	7,173	54,700	12,545

The majority of leases of land and buildings are subject to periodic rent reviews.

26 Analysis of Reserves

	Fixed Assets	Net Current Assets	Creditors falling due after more than one year	Total
	£	£	£	£
Designated Funds	0	256,616	0	256,616
General Funds	1,077,560	756,526	(4,146)	1,829,940
Restricted Funds	100,000	8,286	0	108,286
Total	<u>1,177,560</u>	<u>1,021,428</u>	<u>(4,146)</u>	<u>2,194,842</u>

27 Post Balance Sheet Events

Salisbury District Council has granted the Charity two capital grants. A grant of £500,000 has been awarded for the redevelopment of Damascus House and a grant of £300,000 for the purchase of three houses to use as move-on accommodation. These grants will be paid when the relevant event happens.