

Company Registration Number 2604011
Charity Number 1006504

ALABARÉ CHRISTIAN CARE CENTRES

TRUSTEES REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

CONTENTS

	PAGE
Reference and Administrative Details	3
Trustees' Report	4
Independent Auditors' Report	12
Statement of Financial Activities	14
Balance Sheet	15
Notes to the Financial Statements	16

Contact Details

Further copies of the Trustees' Report and Financial Statements for the year ended 31st March 2008 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 Jeffrey Peacock Richard Holman Timothy Robertson David Lawes (appointed 12 th September 2007) Dawn Wood (appointed 25 th October 2007) Andrew Bailey (appointed 24 th January 2008)
Patrons:	The Right Reverend David Stancliffe, Bishop of Salisbury The Right Reverend Declan Lang, Bishop of Clifton Miranda, Countess of Pembroke
Observer	Tony Thorpe (Salisbury District Council observer) (appointed 25 th September 2007)
Chief Executive Officer:	Andrew Lord
Company Secretary:	Elizabeth Webbe
Bankers:	The Royal Bank of Scotland plc 14, Minster Street, Salisbury, Wiltshire
Solicitors:	Wilson's 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 YEAR ENDED 31 MARCH 2008

The Trustees present their report together with the financial statements of the Charity for the year ended 31 March 2008, 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 28 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 are two half day training sessions 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. Recruitment for an Audit and Risk Committee has begun.

The Board of Trustees delegates certain functions to these committees. These functions are set out in each committee's Terms of Reference. A review of the Terms of Reference for trustees and committees is in progress. 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 provides the Floating Support Service for Wiltshire.

In 2007-08 the Bruised Reed Trust, a charitable company, invited the Charity to take responsibility for its three Supporting People funded projects. A transfer agreement was formally approved on 17th March 2008, by which Alabaré Christian Care Centres became the sole trustee. The two charities retained their separate identities as at 31st March 2008, with separate accounts being published for both. The activities of Bruised Reed Trust will be transferred during 2008-09. In the year ended 31st March 2008, the unaudited results show that Bruised Reed Trust had income of £183,097 and expenditure of £201,699, giving a net deficit of £18,602. This has not been consolidated on the grounds of immateriality.

Risk Management

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems of control, financial or organisational. 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 that 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. Most contracts have been secured for between one and three years.

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 Business Plan sets out the Charity's vision, mission and goals which are as follows:

Our vision

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

Our mission

To 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 and a variety of local, regional and national strategies. From these statements a set of targets and measurements have been developed which enable trustees and operational managers 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 has been experienced during 2007-08.

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 year to 31 March 2008 were to:

- Deliver a good quality service within the resources available;
- Meet funding targets including renewing Supporting People and other contracts;
- Develop and support staff and volunteers;
- 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;

Activities

During the year to 31 March 2008 progress was made towards meeting both the long term goals and the priorities for the year. Highlights include:

An end to homelessness for our service users

- 23 new bed spaces provided
- Drop in Centres – Trowbridge moved to other premises; Salisbury – Friary building secured
- Orchard House, Devizes, replaced Faith and Luke Houses

The right support

- Contracts won – Mother and Baby Unit in Salisbury; Training, Recreation, Education and Employment in Bristol; Floating Support in Bournemouth
- Self assessment in the Supporting People Quality Assessment Framework being maintained at Level B
- Multi agency working at all levels, e.g. Local Public Sector Agreement, Vulnerable People Implementation Group and various Supporting People forums.

The right care

- Additional care hours generated through the acquisition of London Road, Salisbury
- Emmaus House inspected in order to meet the standards set out by the Commission for Social Care Inspection for residential and domiciliary care

The right training

- Matrix accreditation achieved October 2007
- Number of supported employment clients maintained

In support of the Charity's mission and long term goal, the following also have been achieved:

- Acquisition of Bruised Reed Trust
- Funding for 1-2-1 service secured until 31 March 2009
- Securing new income by letting out space at The Junction
- Updated policies have been approved by Board
- Two Trustee training events held
- Core training programme taking place
- Retained Investors in People
- New website went live November 2007

Volunteers provide a very valuable service to the Charity and throughout 2007/08 the Charity has sought to increase the numbers of volunteers. Currently the Charity benefits from having approximately 106 volunteers who

work in most of the 36 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

During the year 2007/08 the total income raised was £4.0 million; total costs were £3.5 million and the surplus for the year £0.5m. Of this £0.5m: £0.3m represented capital grants from Salisbury District Council to finance the purchase of three houses; £64,029 was received from the Mayor of Salisbury's Appeal 2006/07 for the provision of permanent drop-in facilities in Salisbury and £77,080 was set aside for the future repairs and maintenance of the Charity's various properties. The remaining £59,000 represents an operational surplus of 1.7% in keeping with previous years. The financial statements provide more details but are summarised below.

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

<u>Income Source</u>	2007/08 £	2007/08 %
Supporting People contracts	1,952,127	48.3
Accommodation charges	949,752	23.5
General grants	459,479	11.4
Other public sector contracts	358,564	8.9
Voluntary donations	142,398	3.5
Other activity related	92,028	2.3
Bank interest	58,537	1.4
Fundraising events	27,856	0.7
Total	4,040,741	100.0

By March 2007, the continuation of the majority of the Supporting People contracts had been secured until 2010. Following the decision of the Big Lottery Fund not to renew its funding of the Rural One-to-One Service (worth around £54,000 a year), the future of this service was uncertain. However the Wiltshire Primary Care Trust, with support from Wiltshire County Council, has enabled this work to continue until March 2009.

Being part of the service sector means that employees are the Charity's most valuable asset and consequently the biggest cost, amounting to £2.4m in the year to 31 March 2008, representing an average of 107 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.

Non-staff related costs, amounted to £1.1 million. These costs relate to the day to day running, upkeep and support of the 25 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, which is 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>	2007/08 £	2007/08 %
Rent of properties & rooms	262,242	23.9
Repairs & maintenance	101,365	9.2
Heat & light	99,401	9.1
Depreciation	71,624	6.5
Telecommunications & IT	82,854	7.6
Insurance	68,627	6.3
Staff travel	65,390	6.0
Other	343,829	31.4
Total	1,095,332	100.0

The Charity has a Reserves Policy, which was reviewed in March 2007 and in May 2008. 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 a range of £0.5m to £0.7m 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 2008, the Charity had unrestricted free reserves of £515,964, which is consistent with the above policy.

Plans for Future Periods

The Business Plan for 2008-2012, which was approved by the Board of Trustees in April 2008, 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:

Aim 1: An end to homelessness for our service users

By providing additional accommodation and improving our existing stock

Aim 2: Provide the right support

By providing additional high quality housing related support.

Aim 3: Provide the right care

By providing additional high quality care.

Aim 4: Provide the right training, recreation, employment and education

By developing training, recreation, employment and education projects.

Aim 5: Working to overcome the barriers people face

By ensuring that services are well publicised and accessible and by challenging people's perceptions of our clients.

Aim 6: Investors in People

By providing appropriate training that will enhance staff and volunteers knowledge and skills. This is to be complemented by the provision of a pastoral service to support staff and service users in issues relating to work and personal life.

Aim 7: Building successful partnerships

By working with other organisations to ensure that the needs of our service users are met and by developing strategic partnerships.

Aim 8: Manage our finances to provide increased flexibility and sustainability

By maintaining the financial wellbeing of the charity and managing risk through diversifying income sources.

Aim 9: Governance and leadership

By ensuring that the charity has in place appropriate Governance.

Aim 10: Fundraising and Marketing

By raising sufficient funds to enable the operation of non-statutory funded projects and activities and raising the charity's profile with stakeholders.

The Business Plan sets out a capital investment programme and a revenue budget, which reflect the above objectives. An investment programme of £9.6m over the period of the Plan is envisaged, funded by a mix of grants, fundraising and borrowing. A grant amounting to £0.5m has been secured from Salisbury District Council for the redevelopment of the homeless hostel in Salisbury. The revenue budget anticipates small surpluses over the five years of nearly 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 year and of the incoming and outgoing resources for the year 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

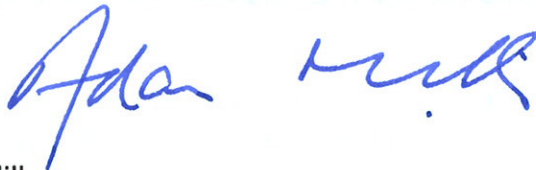
Each Trustee of the company has confirmed in fulfilling his/her duties as a Trustee:

- (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.

Signed by order of the Trustees



Adam Mills
Trustee

Approved by the Trustees on 24 July 2008

Nexia Smith & Williamson

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

We have audited the accounts of Alabaré Christian Care Centres for the year ended 31 March 2008 which comprises the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 28. 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 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 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year 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

Nexia Smith & Williamson
Registered Auditors
Chartered Accountants

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

Date *31/7/08*

**ALABARÉ CHRISTIAN CARE CENTRES
STATEMENT OF FINANCIAL ACTIVITIES
INCOME AND EXPENDITURE ACCOUNT
FOR YEAR ENDED 31st MARCH 2008**

	Note	Unrestricted Funds	Restricted Funds	Total Funds	15 months Ended 31 st March 2007
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	52,902	548,975	601,877	526,938
Activities for generating funds	3	451	27,405	27,856	20,347
Investment income	4	58,537	0	58,537	67,730
Incoming resources from charitable activities	5	3,352,471	0	3,352,471	3,741,991
Total incoming resources		3,464,361	576,380	4,040,741	4,357,006
RESOURCES EXPENDED					
Costs of generating funds	6	154,477	0	154,477	193,655
Cost of charitable activities	7	3,143,265	201,814	3,345,079	4,046,771
Governance costs	8	52,826	0	52,826	53,040
Total resources expended		3,350,568	201,814	3,552,382	4,293,466
Net income for the year					
		113,793	374,566	488,359	63,540
TRANSFERS					
Gross transfers between funds	9	397,599	(397,599)	0	0
Net movement in funds		511,392	(23,033)	488,359	63,540
RECONCILIATION OF FUNDS					
Total funds brought forward		2,086,556	108,286	2,194,842	2,131,302
Total funds carried forward		2,597,948	85,253	2,683,201	2,194,842

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 year ended 31st March 2008

	Unrestricted Funds	Restricted Funds	Total Year Ended 31 st March 2008	15 months Ended 31 st March 2007
	£	£	£	£
Net movement in funds	511,392	(23,033)	488,359	63,540
Resources used for the acquisition of tangible fixed assets	(686,303)	0	(686,303)	(262,713)
Net movement in funds available for future activities	(174,911)	(23,033)	(197,944)	(199,173)

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

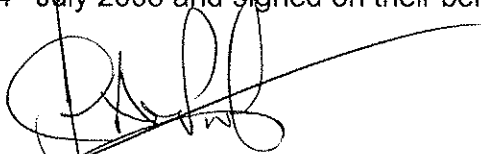
ALABARÉ CHRISTIAN CARE CENTRES

BALANCE SHEET

31st MARCH 2008

	Note	31 st March 2008 £	31 st March 2007 £
Fixed Assets			
Tangible Assets	17	1,783,841	1,177,560
Current Assets			
Debtors	18	186,794	133,866
Cash at bank and in hand	19	1,046,941	1,220,310
Total Current Assets		<u>1,233,735</u>	<u>1,354,176</u>
Liabilities			
Creditors: Amounts falling due within one year	20	329,310	332,748
Net Current Assets		<u>904,425</u>	<u>1,021,428</u>
Total Assets less Current Liabilities		2,688,266	2,198,988
Creditors: Amounts falling due after more than one year	21	5,065	4,146
NET ASSETS		<u>2,683,201</u>	<u>2,194,842</u>
<u>The Funds of the Charity</u>			
Unrestricted Income Funds			
General – Fixed Assets	26	1,783,841	1,077,560
General – Other	26	515,964	752,380
Total General Funds	22	<u>2,299,805</u>	<u>1,829,940</u>
Designated Funds	22	298,143	256,616
Total Unrestricted	22	<u>2,597,948</u>	<u>2,086,556</u>
Restricted Income Funds	23	85,253	108,286
Total Charity Funds	26	<u>2,683,201</u>	<u>2,194,842</u>

These financial statements were approved by the members of the Board of Trustees on 24th July 2008 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
YEAR ENDED 31st MARCH 2008

1 Accounting Policies

The principal accounting policies, all of which have been applied consistently throughout the year, are set out below.

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. The results include those of the parent company only and not the subsidiary on the grounds of immateriality.

1.2 Fund accounting

Unrestricted funds are general funds that are available for use at the Trustees' discretion in the 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. Where contractual income is received in advance it is deferred and included in Deferred Income within Creditors.

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 full-time equivalent
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	50 years
Short leasehold buildings	Period of lease
Furniture and equipment	4 years
Computer equipment	4 years
Motor vehicles	4 years

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 £0.5m to £0.7m would be a prudent range for 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 £	2007-08 Total £	15 months 2006-07 Total £
<u>Donations & Legacies</u>				
Individual donations	16,959	12,266	29,225	43,166
Church/community groups	10,679	77,928	88,607	37,107
Legacies	24,424	142	24,566	4,322
<u>General Grants</u>				
Statutory Bodies	0	341,184	341,184	164,889
Charitable Trusts	600	105,595	106,195	190,021
Big Lottery Fund	0	11,593	11,593	72,499
Corporate Donations	240	267	507	14,934
Total Voluntary Income	52,902	548,975	601,877	526,938

During the financial year the Big Lottery Fund supported two of the Mental Health One-to-One services (Rural £4,810 and Social Outreach £6,783).

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 £	2007-08 Total £	15 months 2006-07 Total £
<u>Events</u>				
Sponsored Sleep Outs	0	10,607	10,607	0
Sky Diving	0	1,546	1,546	0
For the Junction	0	1,413	1,413	0
For the Drop-In Centres	0	2,975	2,975	244
For various Day Activities	0	0	0	755
Andrew House (local)	0	6,536	6,536	0
Emmaus House (local)	0	2,502	2,502	16,565
The Well (local)	0	1,000	1,000	0
General Fundraising	451	826	1,277	2,783
	451	27,405	27,856	20,347

4 Investment Income

	Unrestricted Funds £	Restricted Funds £	2007-08 Total £	15 months 2006-07 Total £
Bank interest	58,537	0	58,537	67,730

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 £	2007-08 Total £	15 months 2006-07 Total £
Supporting People Contract	1,952,127	0	1,952,127	2,358,710
Other Public Sector Contracts	358,564	0	358,564	259,662
Accommodation Charges	949,752	0	949,752	1,055,315
On-line Shop	651	0	651	105
Room Hire	37,751	0	37,751	18,189
Other	53,626	0	53,626	50,010
Total	3,352,471	0	3,352,471	3,741,991

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 £	2007-08 Total £	15 months 2006-07 Total £
Fundraising & Marketing Team	106,899	0	106,899	171,055
Ambassadors	1,196	0	1,196	0
Printing & publicity	14,100	0	14,100	10,808
Cost of Events	1,213	0	1,213	2,866
Support Costs	31,069	0	31,069	8,926
Total Cost	154,477	0	154,477	193,655

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 £	2007-08 Total £	15 months 2006-07 Total £
Supported Housing	1,728,943	233,312	1,962,255	2,443,304
Floating Support	353,756	57,221	410,977	400,424
Care Home	269,697	34,431	304,128	364,540
Drop-In Centres	144,900	22,166	167,066	255,680
Day activities, training & employment	423,146	77,507	500,653	582,823
Total Costs	2,920,442	424,637	3,345,079	4,046,771

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.

	2007-08 £	15 months 2006-07 £
Auditor's remuneration	9,542	5,588
Professional fees – Accountancy	499	7,255
Professional fees – Legal	3,053	1,448
Board & Committee Meetings	862	1,296
Strategic Management and Support Costs	38,870	37,453
Total Governance Costs	52,826	53,040

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:

	2007-08 Total £	15 months 2006-07 £
Depreciation	71,624	109,843
Lease payments	10,996	7,173
Property rental	291,883	250,051
Loss on disposal of fixed assets	8,398	0

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, health and safety (H&S), budgeting and accounting.

	Human Resources H&S £	Information Technology £	Finance £	General Manage- ment £	Total £
Supported Housing	39,206	44,532	21,209	128,365	233,312
Floating Support	10,510	8,845	12,533	25,333	57,221
Care Home	7,225	6,660	1,928	18,618	34,431
Drop-In Centres	3,361	2,486	11,569	4,750	22,166
Day Activities	11,593	9,236	32,777	23,901	77,507
Fundraising	3,125	1,675	4,820	21,449	31,069
Governance	0	0	0	52,826	52,826
Total	75,020	73,434	84,836	275,242	508,532

12 Staff Costs

	2007-08 £	15 months 2006-07 £
Salaries	2,170,466	2,533,522
Sessional staff (including agency)	46,524	100,803
Employer's National Insurance contributions	181,980	211,924
Employer's Pension contributions	59,867	66,331
Total	<u>2,458,837</u>	<u>2,912,580</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:

	2007-08 Number	2006-07 Number
Supported Housing	51.9	48.5
Floating Support	15.0	12.6
Care Home	6.0	9.3
Drop-In Centres	4.5	5.0
Day Activities	14.4	12.5
Fundraising	4.1	4.0
Governance	0.5	0.5
Support Services	10.5	9.1
Total	<u>106.9</u>	<u>101.5</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 £49.

15 Related Party Transactions

During the period covered by these accounts no related party transactions took place.

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 £	Short Leasehold Property £	Equipment £	Motor Vehicles £	Total £
<u>Cost</u>					
At 1 st April 2007	1,099,937	45,604	600,797	29,845	1,776,183
Additions	640,357	0	45,946	0	686,303
Disposals	0	0	(36,363)	0	(36,363)
At 31 st March 2008	1,740,294	45,604	610,380	29,845	2,426,123
<u>Depreciation</u>					
At 1 st April 2007	13,113	44,563	515,065	25,882	598,623
Charge for period	17,038	346	50,277	3,963	71,624
Disposals	0	0	(27,965)	0	(27,965)
At 31 st March 2008	30,151	44,909	537,377	29,845	642,282
<u>Net Book Value</u>					
At 31 st March 2008	1,710,143	695	73,003	0	1,783,841
At 31 st March 2007	1,086,824	1,041	85,732	3,963	1,177,560

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 £3,085 (£4,848 at 31st March 2007) and for which the depreciation charge for the year was £1,763 (£2,204 for the 15 months 2006-07). Three properties were purchased in 2007-08 for use as Move-On accommodation at a cost of £623,205, funded in part by a grant of £100,000 per property from Salisbury District Council. If any of these properties are sold before October 2028, the grant is repayable as a fixed sum of £100,000 each.

Of the freehold properties purchased in previous years, Barnabas House was valued at £275,000 on 1st April 2003 and the Barnard's Cross complex was valued at £1.4m on 19th October 2007. Both valuations were made by Myddelton and Major, RICS, an independent firm of chartered surveyors, based on existing use value and both values exceed the carrying value.

18 Debtors

	31 st March 2008 £	31 st March 2007 £
Trade debtors	145,603	131,423
Provision for Bad & Doubtful Debts	(25,470)	(20,000)
Supporting People Income Due	10,000	0
Income tax recoverable	0	1,520
Housing benefit refunds	75	0
Deposits	7,993	7,992
Sundry debtors	24,515	2,408
Prepayments	24,078	10,523
	<u>186,794</u>	<u>133,866</u>

19 Cash at Bank and in Hand

	31 st March 2008	31 st March 2007
	£	£
RBS Current Account	(12,971)	(22,520)
RBS Interest Account	553,452	1,240,360
HBOS Guaranteed Fixed Deposit	504,060	0
Petty Cash	2,400	2,470
Total	1,046,941	1,220,310

20 Creditors: amounts falling due within one year

	31 st March 2008	31 st March 2007
	£	£
Trade Creditors	22,878	24,700
Tax and National Insurance	51,340	51,784
Deferred Income	177,520	135,997
Overpaid Supporting People	0	69,226
Other Creditors	36,330	32,547
Obligations under finance leases	1,435	703
Accruals	39,807	17,791
Total	329,310	332,748

21 Creditors: amounts falling due after more than one year

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

	31 st March 2008	31 st March 2007
	£	£
Repayable within one year	3,356	2,767
Repayable between one and five years	6,711	8,302
	10,067	11,069
Finance charges allocated to future accounting periods	(3,567)	(6,220)
	6,500	4,849
Included in liabilities due within one year	1,435	703
Amounts falling due after more than one year	5,065	4,146

The finance charge allocated to 2007-08 was £2,653 (£1,991 in 2006-07).

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 April 2007	1,829,940	256,616	108,286	2,194,842
Net incoming/outgoing resources	149,346	(35,553)	374,566	488,359
Transfers	320,519	77,080	(397,599)	0
Carried forward at 31st March 2008	2,299,805	298,143	85,253	2,683,201

23 Movement on Restricted Funds

Source / Project	Balance 1 st April 2007 £	Incoming Resources £	Outgoing Resources £	Cost of Generating Funds £	Transfer between Funds £	Balance 31 st Mar 2008 £
Individual Donations:						
<i>Various</i>	0	12,266	12,266	0	0	0
Church & Community						
<i>Various</i>	0	13,748	13,748	0	0	0
<i>Mayor's Appeal 06-07</i>	0	64,029	0	0	0	64,029
Legacies	0	142	142	0	0	0
Statutory Bodies:						
<i>Salisbury DC – Move-On (1)</i>	0	300,000	0	0	(300,000)	0
<i>Drop-In Centres</i>	0	33,692	33,692	0	0	0
<i>The Junction</i>	0	7,492	7,492	0	0	0
Charitable Trusts:						
<i>Cana</i>	3,898	3,250	2,416	0	0	4,732
<i>Salisbury Almshouses</i>	0	2,000	0	0	(2,000)	0
<i>Bristol Property Andrew House</i>	0	2,186	936	0	0	1,250
<i>Purchase Drop-In Centres</i>	0	496	0	0	0	496
<i>Barford C Unit</i>	0	21,190	21,190	0	0	0
<i>Mad About Green</i>	0	10,057	10,057	0	0	0
<i>The Junction</i>	0	8,211	7,907	0	0	304
<i>Esme Fairbairn</i>	0	7,840	7,840	0	0	0
<i>Tudor Lankelly 1961 Trust</i>	0	6,666	11,067	0	4,401	0
<i>Coutts</i>	0	20,000	14,705	0	0	5,295
<i>Recycling</i>	0	5,000	5,000	0	0	0
<i>Damascus</i>	0	500	500	0	0	0
<i>The Well (2)</i>	0	18,350	18,350	0	0	0
	1,000	0	0	0	0	1,000
	100,000	0	0	0	(100,000)	0
Big Lottery Fund:						
<i>One-to-One</i>	0	4,810	4,810	0	0	0
<i>Social Outreach</i>	0	6,783	5,734	0	0	1,049
<i>Corporate</i>	0	267	267	0	0	0
Grants						
<i>Events Income</i>	0	17,367	17,367	0	0	0
Local Fundraising:						
<i>Andrew House</i>	1,135	6,536	5,184	0	0	2,487
<i>Emmaus House</i>	2,253	2,502	1,144	0	0	3,611
<i>The Well</i>	0	1,000	0	0	0	1,000
Totals	108,286	576,380	201,814	0	(397,599)	85,253

Note 1: Salisbury District Council provided a grant of £100,000 per property to purchase three properties for use as Move-On accommodation. This was achieved during 2007-08 and the funds transferred to Unrestricted.

Note 2: When The Well was purchased a grant of £100,000 was given, which was restricted until March 2008. This has been transferred to Unrestricted.

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 £59,867 (2006-07 - 15 months - £66,331). All contributions were paid in the period.

25 Commitments under Operating Leases

As at 31st March 2008 the charity had annual commitments for rental payments under operating leases as set out below:

Operating and other leases which expire:	31 st March 2008		31 st March 2007	
	Land & Buildings	Other Items	Land and buildings	Other Items
	£	£	£	£
Within a year	188,579	8,986	199,080	745
Within 2 to 5 years	56,984	2,010	37,851	6,428
After more than 5 years	46,320	0	13,120	0
Total	291,883	10,996	250,051	7,173

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	298,143	0	298,143
General Funds	1,783,841	521,029	(5,065)	2,299,805
Restricted Funds	0	85,253	0	85,253
Total	1,783,841	904,425	(5,065)	2,683,201

27 Subsidiary Undertaking

During the year Bruised Reed Trust became a subsidiary of Alabaré because the Trustees of Alabaré have control of the Trust.

Name Bruised Reed Trust

Funds at 31st March 2008 (a) £300,888

Deficit for year £18,602

(a) this excludes the revaluation of a property as the parent company accounts for fixed assets on an historic cost basis.

These unaudited results have not been consolidated on the basis of immateriality.

28 Contingent Liability

If the redevelopment of Barnard's Cross does not go ahead, the Board of Trustees has recognised that it needs to make provision for abortive costs estimated at £70,000. At the present time the Board anticipates that the project will go ahead.