

**ALABARÉ CHRISTIAN CARE CENTRES
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2005**

Charity Number 1006504

ALABARÉ CHRISTIAN CARE CENTRES

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

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ALABARÉ CHRISTIAN CARE CENTRES

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

The board of trustees	Reverend J Proctor (Chairman) Mr R Newman Reverend Canon D Durston (Vice Chairman) Lt Col T J W Robertson Mrs A Proctor Mrs V E Jeal Mr J Peacock Mrs D Harris Mr A Mills Mrs K Buckingham Miss E R Webbe (Appointed 26 January 2006)
Company secretary	Miss E R Webbe (Appointed 26 January 2006)
Chief executive	Mr A Lord
Registered office	33 Brown Street Salisbury Wiltshire SP1 2AS
Bankers	The Royal Bank of Scotland plc 14 Minster Street Salisbury Wiltshire
Solicitors	Trethowan Woodford College Chambers 49 New Street Salisbury Wiltshire SP1 2LY
Auditors	Nexia Audit Limited Imperial House 18 -21 Kings Park Road Southampton Hampshire SO15 2AT

ALABARÉ CHRISTIAN CARE CENTRES

TRUSTEES ANNUAL REPORT

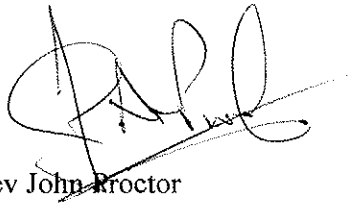
YEAR ENDED 31 DECEMBER 2005

Chairman's Report 2005

2005 has been a year of uncertainty as well as ongoing development for the charity. Uncertainty has arisen over the pending changes to funding where existing Supporting People projects were likely to go out to tender or be re-negotiated at a reduced level. We have had to prepare budgets for 2006 largely on our reading 'between the lines' trying to second-guess the likely outcomes. This is clearly not a desirable way to operate but a system we have to work within. To ensure we achieved the best possible results over the development of new contracts, and retention of our existing contracts we re-deployed on a temporary basis two of our senior managers to prepare tenders as this was a new area to the charity. I am delighted to report that we were successful in 50 % of the tenders we submitted and 100 % when it came to defending our existing contracts. As a result of this the charity will continue to expand its work in 2006 with new projects in Andover, Winchester, and Bournemouth together with the new debt counselling service for the probation service in Swindon and North Wiltshire.

We have also been creative in our partnering with other local charities, forming Community4, a group of four charities who have worked together to win the contract for Housing Related Floating Support in Wiltshire. We understand this to be the first successful consortium of its kind in the country to win a tendering exercise.

All this has been achieved due to the dedication of the staff team we have working for us at this time. Everyone has had to pull together to ensure we entered 2006 confident we would succeed. I am delighted to say we are now reaping the fruit of their efforts in 2005.



Rev John Kroctor

ALABARÉ CHRISTIAN CARE CENTRES

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2005

The trustees, who are also directors for the purposes of the Companies Act, submit their annual report and audited financial statements of the charity for the year ended 31st December 2005. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

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 the 28th April 2004. The objects are:

- 1) "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"
- 2) The relief and prevention of sickness, disease and physical and mental disability.
- 3) The advancement of religion

Review of activities and future developments

The Statement of Financial Activities for the year is set out on page 10 of the financial statements. A summary of the financial results and the work of the charity is set out below.

Income Generation

The Charity's income reduced from £3,537,729 to £3,363,612. The reduction amounts to 4.9%. The reasons for the reduction are, in part, due to the closure of the Enable service. This service provided information and advice and day care for people with learning disabilities and was funded through a mixture of grants from statutory bodies and spot purchasing arrangements. It was evident in early 2005 that funding would diminish and the decision was made to substantially close the service.

Included in the 2004 figures was capital grants totalling £69,423. The Charity did not receive any capital grants in 2005.

Finally the Supporting People contracts remained almost unchanged on 2004. Although all the contracts continued into 2005, one local authority did not provide an inflation increase.

Fundraising

In 2003 the Trustees approved a strategy to increase the level of fundraising income. To support this strategy the fundraising team was expanded with two new staff starting in early 2005. However, the increase in fundraising income was not achieved, possibly due to the number of natural disasters that occurred in 2004 and 2005 and the subsequent appeal to the public for donations. In order to keep fundraising costs to acceptable levels the charity took the difficult decision to reduce the number of staff in the fundraising team by 3 in late 2005.

Notwithstanding the challenges the charity faced in fundraising, a number of successful events were held. The Charity also continued the successful "talks for Alabaré".

ALABARÉ CHRISTIAN CARE CENTRES

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2005

Resources expended and services

The accounts show a reduction in expenditure from £3,304,807 in 2004 to £3,300,098 in 2005. With reducing income the charity has been monitoring costs very carefully and seeking savings were appropriate. The closure of the Enable service has contributed to the reduction in expenditure.

The charity continues to deliver good quality services across the South West of England and has developed some services. Highlights include:

1. Foyer accreditation for the Test Valley Foyer in March 2005. This demonstrates that the Charity's residential services in Andover and Romsey, and the information and advice service at the Junction meet the Foyer Federation quality standards. The residential services have also been reviewed by Hampshire Supporting People and the preliminary results are good.
2. Achieving Supporting People accreditation for the Charity's services in North Somerset in July 2005. This is recognition of the quality of service delivered by Andrew House and that the charity has the appropriate management, financial and quality systems in place.
3. Developing, in partnership with Wiltshire Probation Service, a debt counselling service in October 2005.
4. The development, at the end of 2005, of a new floating support service "Together" in North Somerset for drug and alcohol clients.
5. Damascus House making available up to 7 bed spaces for direct access from December 2005.

Changes in Fixed Assets

The movements in fixed assets during the year are set out in note 13 to the financial statements. The main addition to fixed assets was the improvements to the Well, a residential project in Bristol.

Reserves, Investment policy and returns

The Board of Trustees approved a new Investment Policy in April 2005. The policy sets methods and parameters in which the Charity can safeguard and increase its assets (liquid or otherwise) in terms of investments to maximise investment growth using a stated risk investment strategy.

At present the Charity considers it prudent to keep its cash reserves on instant access. The money is kept in a high interest account.

The policy is due for review in March 2006.

With regard to reserves the trustees, in accordance with responsible risk management, have agreed on a policy of keeping six months worth of total expenditure in unrestricted reserve. This is deemed in line with our timescale for replacing existing funding streams should the need arise.

The current position is that the charity has £1,924,102 unrestricted reserves, which represent six months expenditure.

ALABARÉ CHRISTIAN CARE CENTRES

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2005

In arriving at this position the Charity has reviewed funds within restricted reserves. After taking advice from both our external accountants and auditors, £781,656 has been transferred from restricted reserves to unrestricted reserves.

In order to meet the target of 6 months reserves the Charity will seek to make prudent surpluses each year.

The Charity has also established a designated reserve into which sums are continually being set aside, under guidance from the Trustees, for the purpose of funding future repairs and renewals to the properties under Alabaré's responsibilities. The fund at the end of 2005 stood at £211,979 and this can only be spent by the Finance Committee under jurisdiction of the Trustees.

Restricted funds are funds subject to specific criteria, which may be declared by the donor(s) or created through legal process, but still within the wider objects of the charity. Restricted funds may be restricted income funds, which are expendable at the discretion of the trustees in furtherance of some particular aspects of the objects of the charity. Or they may be capital (i.e. endowment) funds, where the assets are required to be invested, or retained for actual use, rather than expended. The reserve is not available for general expenditure. At 31st December 2005 the restricted funds totalled £207,200.

Governance and Internal Control

All trustee appointments are approved by the full Board of Trustees. The Board of Trustees have undertaken a skills audit to identify missing skills within the Trustees. This has informed the process of recruiting of trustees. Applications for trusteeship are encouraged from all sections of the community. The Trustees are keen that their membership reflects the geographical area which the charity serves.

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 AGM, those longest in office retiring first and the choice between any of equal service being made by lots.

The trustees currently meet four times a year. There are several committees of the Board of Trustees including: Human Resources, Finance, Health & Safety, and 5 care and support committees for the areas of Salisbury, Kennet, Trowbridge, Bristol and Clevedon. Further committees will be formed to cover the charity's work in Hampshire and an audit committee. All committees operate under specific terms of reference which delegate certain functions from the Trustees. A complete set of Terms of Reference were compiled and issued in 2004 for the Trustees and the committees. Each committee has its decision ratified by the Trustees.

The Trustees have reviewed their effectiveness and the effectiveness of their committees in 2005. This has resulted in some changes to their method of operation and is likely to result in changes to the number of committees in 2006.

ALABARÉ CHRISTIAN CARE CENTRES

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2005

The trustees have overall responsibility for ensuring that the Charity has appropriate system of controls, 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 Finance Committee has been regularly reviewing the position regarding the Charity's Supporting People contracts and fundraising performance. Both have represented the highest level of risk, both in terms of potential impact and likelihood of occurrence. With regard to Supporting People the risk was due to whether the interim contracts would be renewed after March 2006 and at what value. By February 2006 confirmation has been received that the majority will continue for another year. With regard to fundraising performance, income was not at the level budgeted and in order to ensure the charity did not make a deficit expenditure (including staffing levels) were cut in both the fundraising team and some operational services.

Volunteers

Volunteers provide a very valuable service to the Charity and throughout 2005 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 33 projects. Roles include: Sleepover, Drop in Worker, Trustee, Committee member, Cookery Teacher, Chaplain, Driver and Maintenance Person.

The value of volunteers to the charity is significant. Last year volunteers provided 14,000 of hours, worth about £111,700 to the charity.

The Charity currently has an internal project running to ensure that volunteers with the appropriate skills are recruited, they are supported and recognised for the contribution they provide.

Employee involvement and employment of the disabled.

The Charity employed an average of 111 full time equivalent staff in 2005. The Human Resources team consists of two staff, whose role is to ensure that the Charity has the appropriate internal expertise and knowledge. They are supported by the Human Resources Committee. During 2005 all the HR policies were reviewed and the Trustees approved the new policies in January 2006. The policies have been published on the Charity's intranet allowing all staff to have access to them.

ALABARÉ CHRISTIAN CARE CENTRES

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2005

The Charity continues to have a strong commitment to the training and development of its staff. During 2005 the Charity has reviewed the skills needed for each role and this has resulted in development of Staff Core Training programme. In 2005 the Charity spent £26,792 on short courses and courses leading to qualifications.

The staff consultative forum meets six times a year and operates effectively. It has been useful in bringing to the attention of management any issues the staff have and this has resulted in improvements to the appraisal system, working conditions and communication.

In accordance with the Charity's equal opportunity policy, the Charity has long established fair employment practices in the recruitment, selection, retention and training of disabled staff and black and minority ethnic (BME) staff.

THE TRUSTEES

The trustees who served the charity during the period are shown on page 1.

TRUSTEES' RESPONSIBILITIES

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

In preparing those financial statements, the trustees are required to select suitable accounting policies and then apply them consistently, making judgements 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.

AUDITORS

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

Registered office:
33 Brown Street
Salisbury
Wiltshire
SP1 2AS

Signed by order of the trustees



Mr A Mills
Trustee

Approved by the trustees on 10th April 2006

ALABARÉ CHRISTIAN CARE CENTRES
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALABARÉ
CHRISTIAN CARE CENTRES
YEAR ENDED 31 DECEMBER 2005

We have audited the accounts of Alabaré Christian Care Centres for the year ended 31 December 2005 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes 1 to 21. 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

As described in the Statement of Trustees' Responsibilities the trustees, who are also the directors of Alabaré Christian Care Centres for the purposes of company law are responsible for the preparation of the accounts in accordance with applicable law, United Kingdom Accounting Standards and the Statement of Recommended Practice for charities.

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 if, in our opinion, the Trustees' Annual Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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.

ALABARÉ CHRISTIAN CARE CENTRES
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALABARÉ
CHRISTIAN CARE CENTRES
YEAR ENDED 31 DECEMBER 2005

Opinion

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2005 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.

Nexia Audit Limited

Nexia Audit Limited
Chartered Accountants
Registered Auditors

Date *11 April 2006*

Imperial House
18-21 Kings Park Road
Southampton
SO15 2AT

ALABARÉ CHRISTIAN CARE CENTRES

STATEMENT OF FINANCIAL ACTIVITIES

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2005

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
INCOMING RESOURCES					
Donations	2	33,911	203,693	237,604	238,835
Legacies	3	1,161	–	1,161	8,160
Other income	4	–	8,948	8,948	8,749
Income from charitable trading activities:					
Grants receivable	5	1,881,039	123,194	2,004,233	2,255,176
Income from charitable trading activities	6	885,186	180,537	1,065,723	984,962
Interest receivable	7	45,943	–	45,943	37,547
Gains on disposal of charitable fixed assets		–	–	–	4,300
TOTAL INCOMING RESOURCES		2,847,240	516,372	3,363,612	3,537,729
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising and publicity	8	160,446	25,513	185,959	159,163
Charitable expenditure:					
Costs in furtherance of charitable objects	9				
Staff costs		1,368,059	415,471	1,783,530	1,885,406
Depreciation and other costs		472,240	132,427	604,667	633,309
Support costs	9	148,049	59,208	207,257	254,644
Management and administration	10	444,794	73,891	518,685	372,285
TOTAL RESOURCES EXPENDED	11	2,593,588	706,510	3,300,098	3,304,807
NET INCOMING RESOURCES FOR THE YEAR	12	253,652	(190,138)	63,514	232,922
Balances brought forward as restated	19	1,670,450	397,338	2,067,788	1,834,866
Balances carried forward		1,924,102	207,200	2,131,302	2,067,788

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

ALABARÉ CHRISTIAN CARE CENTRES
STATEMENT OF FINANCIAL ACTIVITIES *(continued)*
YEAR ENDED 31 DECEMBER 2005

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

Statement of changes in resources applied for fixed assets for charity use
For the year ended 31 December 2005

	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Net movement in funds	1,924,102	207,200	2,131,302	2,067,788
Resources used for acquisition of tangible fixed assets	<u>(67,496)</u>	<u>-</u>	<u>(67,496)</u>	<u>(171,178)</u>
Net movement in funds available for future activities	<u>1,856,606</u>	<u>207,200</u>	<u>2,063,806</u>	<u>1,896,610</u>

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

ALABARÉ CHRISTIAN CARE CENTRES

BALANCE SHEET

31 DECEMBER 2005

	Note	2005		2004
		£	£	Restated £
FIXED ASSETS				
Tangible assets	13		1,024,690	1,058,487
CURRENT ASSETS				
Debtors	14	135,162		178,814
Cash at bank and in hand		1,241,373		1,049,419
		<u>1,376,535</u>		1,228,233
CREDITORS: Amounts falling due within one year	15	<u>(269,923)</u>		<u>(218,932)</u>
NET CURRENT ASSETS			1,106,612	1,009,301
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,131,302</u>	<u>2,067,788</u>
NET ASSETS			<u>2,131,302</u>	<u>2,067,788</u>
FUNDS				
Unrestricted:				
Designated funds	18		211,979	166,036
Other charitable funds			1,712,123	1,504,414
Restricted	19		<u>207,200</u>	<u>397,338</u>
TOTAL FUNDS			<u>2,131,302</u>	<u>2,067,788</u>

These financial statements were approved by the members of the committee on the ^{16th April 2006} and are signed on their behalf by:


 REVEREND J PROCTOR
 Director

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

ALABARÉ CHRISTIAN CARE CENTRES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

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

Rent receivable

Rents receivable are included in the Statement of Financial Activities in the period to which the lettings relate. Voluntary income received by ways of donations and gifts is included in full in Statement of Financial Activities when received.

Legacies

Legacies are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Revenue grants

Revenue grants are shown in the Statement of Financial Activities in the year to which they relate and when the conditions for receipt have been complied with. Where the grant is matched to expenditure in a later period the deferred element is deducted from the incoming resources and carried forward as deferred income.

Capital grants

Grants in respect of capital expenditure are credited to income in the Statement of Financial Activities.

Restricted funds

These represent grants and donations, which are subject to specific conditions laid down by the donors as to how they may be used or which have been raised by the charity for particular purposes.

Designated funds

These are unrestricted funds earmarked by the trustees for particular purposes.

Costs of generating funds

These are costs directly related to the raising of voluntary donations and grants.

Staff costs and overheads

Staff costs and overheads are allocated between charitable expenditure, fundraising and publicity and management and administration on the basis of staff time spent on these activities.

ALABARÉ CHRISTIAN CARE CENTRES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES *(Continued)*

Voluntary time and non financial donations

These have not been included within the Statement of Financial Activities.

Operating Lease

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

Cash flow statement

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

Depreciation

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

Freehold buildings	- Nil
Furniture & Equipment	- 25% straight line basis
Motor vehicles	- 25% straight line basis
Leasehold Improvements	- over life of the lease

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

Pension costs

The charity 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.

Recognition of liabilities

Liabilities are recognised in the Balance Sheet where a constructive or legal obligation for the transfer of value to a third party exists.

2. DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Donations and sundry income	<u>33,911</u>	<u>203,693</u>	<u>237,604</u>	<u>238,835</u>

ALABARÉ CHRISTIAN CARE CENTRES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

3. LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Bequests & legacies	<u>1,161</u>	<u>-</u>	<u>1,161</u>	<u>8,160</u>

4. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Events income	<u>-</u>	<u>8,948</u>	<u>8,948</u>	<u>8,749</u>

5. GRANTS RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Revenue grants	1,881,039	123,194	2,004,233	2,185,753
Capital grants	-	-	-	69,423
	<u>1,881,039</u>	<u>123,194</u>	<u>2,004,233</u>	<u>2,255,176</u>

6. INCOME FROM CHARITABLE TRADING ACTIVITIES

	2005 £	2004 £
Rent receivable	866,588	808,614
Social Services, block & spot contracts	150,465	139,419
Monies Merged	-	19,698
Sundry income	48,670	17,231
	<u>1,065,723</u>	<u>984,962</u>

7. INTEREST RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Bank interest receivable	<u>45,943</u>	<u>-</u>	<u>45,943</u>	<u>37,547</u>

ALABARÉ CHRISTIAN CARE CENTRES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

8. FUNDRAISING AND PUBLICITY

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Appeals costs	121,712	19,390	141,102	104,272
Printing and publicity	38,734	6,123	44,857	54,891
	<u>160,446</u>	<u>25,513</u>	<u>185,959</u>	<u>159,163</u>

9. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Provision of charitable services:				
Accommodation expenditure	5,308	-	5,308	5,826
Staff costs	1,390,300	418,753	1,809,053	1,932,923
Rent	155,785	43,750	199,355	196,466
Rates and water	43,752	5,966	49,718	40,673
Light and heat	52,093	7,155	59,248	50,876
Insurance	47,737	14,063	61,800	69,711
Repairs and maintenance	69,369	12,514	81,883	99,252
Other expenditure	75,955	45,877	121,832	122,988
	<u>1,840,299</u>	<u>547,898</u>	<u>2,388,197</u>	<u>2,518,715</u>
Support costs:				
Subscriptions	1,002	872	1,874	4,778
Consultancy and professional fees	1,734	2,650	4,384	13,103
Printing and stationary	34,629	5,576	40,205	44,857
Catering	23,563	13,967	37,530	41,939
Bank charges and interest	720	-	720	922
Telephone	31,703	12,668	44,371	57,784
Motoring expenses	26,023	14,842	40,865	57,291
Miscellaneous expenses	28,675	8,633	37,308	33,970
	<u>148,049</u>	<u>59,208</u>	<u>207,257</u>	<u>254,644</u>
	<u>1,988,348</u>	<u>607,106</u>	<u>2,595,454</u>	<u>2,773,359</u>

Analysis of provision of charitable services:

	Staff costs £	Depreciation £	Other costs £	Total 2005 £	Total 2004 £
Accommodation expenditure	-	-	5,308	5,308	5,826
Other expenditure	1,783,530	92,531	506,828	2,382,889	2,512,889
	<u>1,783,530</u>	<u>92,531</u>	<u>512,136</u>	<u>2,388,197</u>	<u>2,518,715</u>

ALABARÉ CHRISTIAN CARE CENTRES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

10. MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Salaries	273,698	49,864	323,562	198,793
Office costs	113,696	21,034	134,730	161,612
Bad debt provision	41,421	-	41,421	-
Accountancy fees	4,221	777	4,998	4,005
Audit fees	3,800	700	4,500	2,000
Travel & subsistence	7,958	1,516	9,474	5,875
	<u>444,794</u>	<u>73,891</u>	<u>518,685</u>	<u>372,285</u>

11. TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	Total Funds 2005 £	Total Funds 2004 £
Direct charitable expenditure	1,783,530	92,531	719,393	2,595,454	2,773,359
Fundraising and publicity	141,102	-	44,857	185,959	159,163
Management and administration	323,562	8,761	186,362	518,685	372,285
	<u>2,248,194</u>	<u>101,292</u>	<u>950,612</u>	<u>3,300,098</u>	<u>3,304,807</u>

The aggregate staff costs were:

	2005 £	2004 £
Wages and salaries	2,028,333	1,987,029
Social security costs	166,768	159,763
Other pension costs	53,093	41,679
	<u>2,248,194</u>	<u>2,188,471</u>

One employee earned between £50,000 and £60,000.

No director or trustee received any remuneration from the company.

Particulars of employees:

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

	2005 No	2004 No
Number of administrative staff	8	8
Number of support staff	93	96
Number of fundraising staff	5	5
	<u>106</u>	<u>109</u>

ALABARÉ CHRISTIAN CARE CENTRES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

11. TOTAL RESOURCES EXPENDED *(continued)*

	2005 £	2004 £
Other costs:		
Premises	498,478	532,286
Legal and professional	9,498	6,005
Other	444,050	481,987
	<u>952,026</u>	<u>1,020,278</u>

12. OPERATING SURPLUS

Operating surplus is stated after charging:

	2005 £	2004 £
Staff pension contributions	53,093	41,679
Depreciation	101,292	96,058
Auditors' remuneration - as auditors	<u>4,500</u>	<u>2,000</u>

ALABARÉ CHRISTIAN CARE CENTRES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

13. TANGIBLE FIXED ASSETS

	Freehold Property	Equipment £	Motor vehicles £	Leasehold property £	Total £
COST					
At 1 January 2005	863,095	510,981	29,845	43,868	1,447,789
Additions	46,556	19,204	–	1,736	67,496
At 31 December 2005	909,651	530,185	29,845	45,604	1,515,285
DEPRECIATION					
At 1 January 2005	13,113	337,582	10,961	27,647	389,303
Charge for the year	–	85,373	7,460	8,459	101,292
At 31 December 2005	13,113	422,955	18,421	36,106	490,595
NET BOOK VALUE					
At 31 December 2005	896,538	107,230	11,424	9,498	1,024,690
At 31 December 2004	849,982	173,399	18,884	16,221	1,058,486

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

Barnards Cross/Emmaus House/Damascus House were valued at	£875,000
Barnabas House was valued at	£275,000

14. DEBTORS

	2005 £	2004 £
Trade debtors	114,632	136,713
Income tax recoverable	2,600	2,612
Housing benefit refund	129	903
Deposits	7,771	7,771
Sundry debtors	4,000	–
Other debtors	–	26,382
Prepayments	6,030	4,433
	135,162	178,814

ALABARÉ CHRISTIAN CARE CENTRES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

15. CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Bank loans and overdrafts	5,334	8,795
Trade creditors	89,692	104,513
Taxation and social security	42,898	47,545
Deferred grants	107,585	40,576
Other creditors	9,522	7,715
Accruals	14,892	9,788
	<u>269,923</u>	<u>218,932</u>

16. PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £53,093 (2004 £41,679). All contributions were paid in the year.

17. COMMITMENTS UNDER OPERATING LEASES

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

	2005		2004	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	7,837	144,950	-
Within 2 to 5 years	20,900	4,708	15,180	11,761
After more than 5 years	33,800	-	46,300	-
	<u>54,700</u>	<u>12,545</u>	<u>206,430</u>	<u>11,761</u>

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

18. DESIGNATED FUNDS

	Movement in resources:		
	Balance at 1 January 2005	New designations	Balance at 31 December 2005
	£	£	£
Sinking fund	<u>166,036</u>	<u>45,943</u>	<u>211,979</u>

The fund has been designated for the purpose of future repairs and renewals to the properties.

ALABARÉ CHRISTIAN CARE CENTRES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

19. RESTRICTED FUNDS

	Balance at 1 Jan 2005 Restated £	Movement in resources:		Balance at 31 Dec 2005 £
		Incoming £	Outgoing £	
Restricted Fund	<u>397,338</u>	<u>516,372</u>	<u>(706,510)</u>	<u>207,200</u>

The allocation of funds between restricted and unrestricted funds has been restated at 31 December 2004 following a reappraisal by the charity of the nature of funds held.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible Fixed Assets	817,490	-	207,200	1,024,690
Current Assets	1,164,556	211,979	-	1,376,535
Current Liabilities	(269,923)	-	-	(269,923)
	<u>1,712,123</u>	<u>211,979</u>	<u>207,200</u>	<u>2,131,302</u>

21. RELATED PARTY TRANSACTIONS

During the year payments totalling £5,428 (2004 £7,564) were made for accounting support services to a firm of accountants of which Mr R N Newman, a trustee of the Charity, is a partner. All payments were made on an arm's length basis.

ALABARÉ CHRISTIAN CARE CENTRES
MANAGEMENT INFORMATION
YEAR ENDED 31 DECEMBER 2005

The following pages do not form part of the statutory financial statements which are the subject of the independent auditors' report on pages 8 to 9.

ALABARÉ CHRISTIAN CARE CENTRES
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2005

	2005	2004
	£	£
INCOME		
Donations and sundry income	237,604	238,835
Bequests & legacies	1,161	8,160
Events income	8,948	8,749
Revenue grants	2,004,233	2,185,753
Capital grants	–	69,423
Bank interest receivable	45,943	37,547
Rent receivable	866,588	808,614
Social Services, block & spot contracts	150,465	139,419
Monies Merged	–	19,698
Sundry income	48,670	17,231
Gains on disposal of tangible fixed assets	–	4,300
TOTAL INCOME	<u>3,363,612</u>	<u>3,537,729</u>
 COSTS OF GENERATING FUNDS:		
Wages and salaries	141,102	104,272
Printing and publicity	44,857	54,891
	<u>185,959</u>	<u>159,163</u>
 CHARITABLE EXPENDITURE:		
Wages and salaries	1,783,530	1,885,406
Rent	199,355	196,466
Rates and water	49,718	40,673
Light and heat	59,248	50,876
Staff training and recruitment	30,831	52,608
Insurance	61,800	69,711
Repairs and maintenance	81,883	99,252
Cleaning and consumables	15,643	22,700
Hire of equipment	15,074	14,692
Subscriptions	1,874	4,778
Consultancy and professional fees	4,384	13,103
Printing and stationery	40,205	44,857
Catering	37,530	41,939
Bank charges and interest	720	922
Telephone	44,371	57,784
Motoring expenses	40,865	57,291
Miscellaneous expenses	37,308	33,970
Depreciation:		
Depreciation of fixed assets	91,115	86,331
	<u>2,595,454</u>	<u>2,773,359</u>
 Carried forward	 <u>2,781,413</u>	 <u>2,932,522</u>

ALABARÉ CHRISTIAN CARE CENTRES
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2005

	2005	2004
	£	£
Brought forward	2,781,413	2,932,522
MANAGEMENT AND ADMINISTRATION		
Wages and salaries	323,562	198,793
Bad debts written off	14,588	44,845
Provision for doubtful debts	41,421	-
Accountancy fees	4,998	4,005
Audit fees	4,500	2,000
Travel and subsistence	9,474	5,875
Other costs	111,381	107,040
Depreciation of admin assets	8,761	9,727
	518,685	372,285
TOTAL EXPENDITURE	3,300,098	3,304,807
NET INCOMING RESOURCES FOR THE YEAR	63,514	232,922