

LLAMAU LIMITED

REPORT AND FINANCIAL STATEMENTS
For the year ended 31st March 2002



LLAMAU LIMITED

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DIRECTORS'/TRUSTEES' REPORT

Year ended 31st March 2002

The Directors, who are also Trustees, present their annual report and financial statements for the year ended 31st March 2002. The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the statement of Recommended Practice On Accounting by Charities. The company is limited by guarantee, and does not have any share capital and the charity registration number is 701772, its memorandum and articles of association govern the company.

Chair:	Mr A Bull
Vice Chair	Mr W Jeremy
Treasurer	Mr S Jones - (Appointed October 2001) Mr B Diggins -(Resigned September 2001)
Other Trustees:	Ms. T Stirling Mr. J Wilson Ms. J Inker Ms. S Iles Mr. S James (Re-appointed) Ms. A Dawson (Appointed October 2001) Mr. I Barrow (Appointed September 2001) Mr. A Goss (Resigned December 2001) Mr. A Davies (Resigned June 2001)
Co-Optee	Mr. G Holmes
Secretary:	Ms. D Burns
Registered Office:	23, Cathedral Road Cardiff CF11 9HA
Bankers:	HSBC plc Canton Branch 259 Cowbridge Road East Cardiff CF11 9TN
Auditors:	BKR Haines Watts Chartered Accountants Registered Auditors Pagefield House 24 Gold Tops Newport South Wales NP20 4PG

DIRECTORS'/TRUSTEES' REPORT (Continued)

Year ended 31st March 2002

Principal Activity

The principal activity is to promote the welfare and well being of people in need in the South Wales area by assisting them to meet their holistic needs in the areas of accommodation, advice, advocacy, education, training, counselling and the reduction and prevention of offending.

Organisation and Structure

Llamau is managed by the Trustees, who are also directors of the company. The members at the Annual General Meeting elect each Trustee. None of the Trustees receives any remuneration in respect of his or her services. The Trustees have no beneficial interest in the Charity, as it is a company limited by guarantee. Insurance is in place to insure against negligence or default claims relating to acts or omissions by the Trustees, employees or agents. The premium paid during the year was £206. There have been no material changes to the organisation and structure during the year.

The day to day administration of the Charity is the responsibility of the Director who reports to the Trustees at their monthly meetings.

Related Parties

One of the Trustees is also a director of a recruitment agency used occasionally by the Charity to obtain relief staff. This organisation also provides for in house training. The fees charged for this service amounted to £1,800. This interest has been declared and signed in the Trustees declaration of interests pro-forma as required under Llamau's code of Governance.

Review of the Year

Looking back over an exciting year, Llamau has successfully risen to many challenges faced in an ever-changing environment.

New Partnerships

We welcome CRAG into Llamau. Sincere thanks must be extended to the CRAG staff and committee members for their support in ensuring a successful merger.

Llamau proactively responded to the changes in homelessness legislation with our innovative new service – "SAFE" – "Supported Housing, Advice, Family Mediation, and Empowerment. This was a collaboration between Llamau and Cardiff Council's homelessness section, yet another example of effective partnership work that Llamau and its local authority partners can be proud of.

Successful partnerships and rising to the challenge of new legislation was again demonstrative as the Children's First legislation came into being. Llamau was one of the very first organisations to act as Young Person's advisors in partnership with Vale LA.

Tenant Participation and Consultation

Tenant participation and putting service users first is an integral part of Llamau's ethos. To ensure consistency and clarity regarding participation and consultation we appointed a part time participation officer.

Learning for Life

L4L has developed considerably over the past year. We now also deliver these services in Barry and Caerphilly. L4L students have received many awards and certificates over the past year.

DIRECTORS'/TRUSTEES' REPORT (Continued)

Year ended 31st March 2002

Review of the Year (continued)

Llamau's Council of Management

Llamau's Council of Management ensures that sufficient time is spent reviewing the direction of the Organisation. The Council of Management spent an away day in December reviewing our business plan and the strategic direction of Llamau.

Employment

Llamau's most important asset is our dedicated hard working staff team. We are proud that we have a high staff retention record. Llamau's training programme ensures that staff have the necessary updated skills and training to effectively carry out their roles. Llamau introduced a new staff appraisal system and updated our core competency-training matrix.

Future Development

The beginning of the financial year commencing 1st April 2002, saw Llamau merge with Cardiff Single Women's Housing Group. We extend a warm welcome to staff and committee members.

We look forward to the opening of our second SAFE project with our new LA partners, Bridgend County Borough and HAFOD HA. We anticipate a third and fourth SAFE project in the Vale and Newport. New Supported housing projects and tenant support schemes we look forward to are in Cardiff, Newport and Bridgend.

Whilst this past year and the new financial year have been one of growth and development, Llamau is proud that its culture and ethos is one of consistency that we can be sure of in an ever-changing environment.

The Council of Management would acknowledge and thank all staff for their hard work, dedication and contribution to Llamau throughout the year.

Financial Review of the Year

The net incoming resources of unrestricted funds amounted to £75,282, which included the funds acquired from CRAG, amounting to £48,372. However, £24,250 was transferred from designated funds to meet expenditure incurred during the year or to be re-designated by the Trustees. The total accumulated unrestricted funds at the year-end were £216,833.

Reserves Policy

The Trustees agreed to establish a reserves policy to allow the Charity to meet all their running costs should the funding levels fall, or be deferred, and to meet possible redundancy payments, contractual obligations, winding up costs and to be given time to find alternative sources of income.

Risks

The major risk identified by the Trustees is the loss of grant funding. To mitigate that risk, the Trustees have adopted a reserves policy.

Grant Making

During the year the Charity received funding to provide grants to residents who are ineligible to claim monies from Social Services, to buy furniture.

DIRECTORS'/TRUSTEES' REPORT (continued)

Year ended 31st March 2002

Statement Of Directors'/Trustees' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and apply them consistently;
- make judgements and estimated that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint BKR Haines Watts as auditors will be proposed at the Annual General Meeting.

By Order of the Trustees

Ms D Burns
Secretary
Date:

Jan M. Burns
25 July 02

INDEPENDENT REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 4, the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with s42 (1) Charities Act 1993 and the Companies Act 1985. We also report to you if, in our opinion, the Trustees' report is not consistent with the financial statements, if the Charity has not kept proper accounting records, if we have not received all explanations we require for our audit, or if information specified by law regarding the Trustees' remuneration and transactions with the Charity is not disclosed.

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

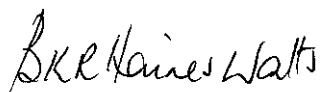
BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion the financial statements give a true and fair view of the Charity's affairs as at 31st March 2002 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Charities Act 1993 and the Companies Act 1985.



B K R Haines Watts
Chartered Accountants
Registered Auditor
Pagefield House
24 Gold Tops
Newport
South Wales
NP20 4PG

20th July 2002

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2002

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2002	Total 2001
Incoming resources						
Rental income		191,881	-	-	191,881	104,677
Training unit funding		1,754	-	100,214	101,968	57,128
Less: Deferred income	9	-	-	(55,452)	(55,452)	(55,452)
Grants receivable	2	311,784	-	226,621	538,405	431,298
Bond		-	-	10,095	10,095	14,891
Social Services		153,715	-	-	153,715	121,237
Section 180		118,284	-	-	118,284	74,599
Probation Service		24,475	-	-	24,475	23,762
Interest receivable		5,858	-	-	5,858	5,344
Furniture grant		-	-	5,000	5,000	-
Capital asset funding		-	-	20,000	20,000	-
Acquisition of CRAG	7	48,372	-	-	48,372	-
Other income		26,472	-	-	26,472	18,457
Total Incoming Resources		882,595	-	306,478	1,189,073	795,941
Resources expended						
Direct charitable expenditure	3	831,717	-	304,096	1,135,813	757,995
Management and Administration	4	(154)	-	-	(154)	3,525
Total Outgoing Resources		831,563	-	304,096	1,135,659	761,520
Net incoming resources before transfer between funds		51,032	-	2,382	53,414	34,421
Transfer between funds		24,250	(24,250)	-	-	-
Net incoming/(outgoing) resources for the year		75,282	(24,250)	2,382	53,414	34,421
Fund balances brought forward		141,551	34,250	56,731	232,532	198,111
Fund balances carried forward		£216,833	£10,000	£59,113	£285,946	£232,532

The notes on pages 7 to 14 form part of these financial statements

BALANCE SHEET

At 31 March 2002

	Note	2002	2001
Fixed assets			
Tangible assets	6	47,428	4,487
Current assets			
Debtors	8	214,859	38,599
Cash at bank and in hand		144,349	276,304
		<u>359,208</u>	<u>314,903</u>
Creditors: amounts falling due within one year	9	<u>(120,690)</u>	<u>(86,858)</u>
Net Current assets		<u>238,518</u>	<u>228,045</u>
Total net assets		<u><u>£285,946</u></u>	<u><u>£232,532</u></u>
Reserves			
Restricted funds	10	59,113	56,731
Designated funds	11	10,000	34,250
Unrestricted funds		216,833	141,551
		<u>285,946</u>	<u>232,532</u>
Accumulated reserves		<u><u>£285,946</u></u>	<u><u>£232,532</u></u>

The financial statements were approved by the Trustees on 25th July 2002 and signed on their behalf by:



A. Bull – Chair



S Jones - Treasurer

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

1 ACCOUNTING POLICIES**a. Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the statement of Recommended Practice on Accounting by Charities and in accordance with the Companies Act 1985.

b. Grants

Grants are included on a receivable basis. Those given for a specific purpose are shown as restricted funds. All other grants are shown as unrestricted and used in the furtherance of the objectives of the Charity. Grant income is deferred where the income is provided for a period which differs from the accounting period of the Charity.

c. Fixed Assets

Depreciation of fixed assets is calculated to write off their cost over their estimated useful lives as follows:

Fixtures and fittings	25% straight line
Office equipment	20% straight line
Motor vehicles	25% straight line

There is a change of accounting policy as the office equipment was being written off over three years. The effect of this policy is to reduce the charge for the year by £6,810.

d. Pension Costs

The Charity makes payment to defined contribution schemes for the benefit of its employees. The assets of such schemes are held separately from those of the charitable company in independently administered funds. The pension cost charge represents contributions payable by the Charity during the year.

e. Apportionment of Overheads

Central salary and overhead costs are apportioned between restricted and unrestricted funds on the basis of time spent by each member of staff.

f. Designated Funds

The Trustees designate unrestricted funds for specific purposes each year. For the year ended 31 March 2002, funds have been set aside for office repairs and refurbishment including any dilapidation charge which may arise following the move to new office premises.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

2. GRANTS RECEIVABLE

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2002	Total 2001
Housing Option Project	-	-	21,840	21,840	21,837
SHRG	295,388	-	-	295,388	244,829
National Assembly	-	-	63,276	63,276	63,276
Lottery funding	-	-	40,965	40,965	-
Henry Smith	-	-	25,000	25,000	25,000
Gateway	16,396	-	-	16,396	-
Diana Memorial Fund	-	-	75,540	75,540	76,356
	<u>£311,784</u>	<u>£-</u>	<u>£226,621</u>	<u>£538,405</u>	<u>£431,298</u>

3 DIRECT CHARITABLE EXPENDITURE

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2002	Total 2001
Staffing costs	597,287	-	193,721	791,008	596,230
External contracts	6,494	-	-	6,494	-
Furniture replacements	5,896	-	1,478	7,374	3,431
Minor capital	10,360	-	-	10,360	-
Telephone	27,879	-	3,350	31,229	16,066
H A Management Costs	68,385	-	-	68,385	29,861
Travel	8,964	-	2,596	11,560	7,676
Tenant Welfare	5,088	-	7,403	12,491	2,682
Subsistence	7,998	-	195	8,193	1,708
Insurance	3,216	-	200	3,416	1,791
Cleaning	6,753	-	-	6,753	3,504
Heating and Lighting	10,783	-	-	10,783	10,376
Rates	6,881	-	-	6,881	-
Maintenance	25,986	-	-	25,986	10,068
Bond	-	-	8,947	8,947	6,666
Relocation costs	(6,696)	-	-	(6,696)	-
Advertising and publicity	17,708	-	3,500	21,208	5,967
Printing, postage and stationery	12,075	-	209	12,284	4,037
Publications and subscriptions	1,905	-	842	2,747	4,792
Office and computer costs	49,186	-	7,700	56,886	22,808
Depreciation	14,219	-	4,000	18,219	7,178
Housing benefit repaid	9,378	-	-	9,378	9,071
Other costs	413	-	-	413	2,503
Alarm	5,359	-	-	5,359	-
Bad debt provision	1,500	-	-	1,500	-
Team building	455	-	-	455	1,193
Training	6,920	-	2,480	9,400	10,387
Apportionment of overheads	(67,475)	-	67,475	-	-
Adjustment re prior year	(5,200)	-	-	(5,200)	-
	<u>£831,717</u>	<u>£-</u>	<u>£304,096</u>	<u>£1,135,813</u>	<u>£757,995</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

4. MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2002	Total 2001
Audit fee	3,620	-	-	3,620	3,525
Audit fee re prior year	(3,774)	-	-	(3,774)	-
	<u>£(154)</u>	<u>£-</u>	<u>£-</u>	<u>£(154)</u>	<u>£3,525</u>

The audit fee includes accountancy services costing £1,410.

5 EMPLOYEE COSTS

	2002	2001
Salaries	638,598	524,862
National Insurance	105,490	43,841
Pension costs	23,172	27,527
Agency & other relief work	23,748	-
	<u>£791,008</u>	<u>£596,230</u>

The salary costs of those workers employed via an agency are paid direct to the agency and are not treated as employees of the Charity. The average number of full time equivalent employees during the year were 40 (2001: 30). None of the Trustees received any remuneration for their services and did not claim any expenses. No one employee earned more than £50,000 in this financial year.

6 FIXED ASSETS

	Motor Vehicle	Fixtures	Office Equipment	Total
COST				
At 1 April 2001	-	26,002	29,408	55,410
Transferred on acquisition (see note 7)	-	-	7,996	7,996
Additions	2,000	5,352	52,387	59,739
At 31 March 2002	<u>2,000</u>	<u>31,354</u>	<u>89,791</u>	<u>123,145</u>
DEPRECIATION				
At 1 April 2001	-	26,000	24,923	50,923
Transferred on acquisition (see note 7)	-	-	6,575	6,575
Charge for the year	500	1,338	16,381	18,219
At 31 March 2002	<u>500</u>	<u>27,338</u>	<u>47,879</u>	<u>75,717</u>
NET BOOK VALUE				
At 31 March 2002	<u>£1,500</u>	<u>£4,016</u>	<u>£41,912</u>	<u>£47,428</u>
At 31 March 2001	<u>£-</u>	<u>£2</u>	<u>£4,485</u>	<u>£4,487</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

7 ACQUISITION OF CWM RHYMNI HOUSING ACTION LIMITED (CRAG)

On 1 April 2001, this organisation was acquired by the Charity. No monies were paid for this acquisition as the organisation was a Friendly Society. The assets and liabilities were transferred to the Charity at their book value at 31 March 2001. These assets and liabilities were as follows:-

Office equipment, at cost	7,996	
Less: Accumulated depreciation	(6,575)	
	<hr/>	1,421
Debtors and prepayments		3,083
Bank and cash balances		50,421
		<hr/>
		£54,925
		<hr/>
Creditors		6,553
Reserves		48,372
		<hr/>
		£54,925
		<hr/>

As part of the transfer agreement the directors/trustees of CRAG all resigned on the date of acquisition. Two of them subsequently became trustees of the Charity.

8 DEBTORS

	2002	2001
Rent arrears	27,457	7,920
Less: Provision for bad debts	(1,500)	-
	<hr/>	<hr/>
	25,957	7,920
Grants outstanding	163,711	24,657
Other debtors	2,378	-
Prepayments	22,813	6,022
	<hr/>	<hr/>
	£214,859	£38,599
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The provision for bad debts was treated as a designated reserve in the year ended 31 March 2001. This has been restated as a provision this year and set off against the rent arrears at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

9 CREDITORS

	2002	2001
Suppliers of goods and services	23,159	120
Tax and social security	19,848	13,056
Other creditors	22,231	18,230
Deferred income	55,452	55,452
	<hr/>	<hr/>
	£120,690	£86,858
	<hr/>	<hr/>

DEFERRED INCOME

This refers to grant income which is either for a period which differs from the accounting period or from Trusts which is paid in advance. The amount is calculated as follows:

	2002	2001
Diana Memorial Fund	25,452	25,452
H Smith	25,000	25,000
Sobel	5,000	5,000
	<hr/>	<hr/>
	£55,452	£55,452
	<hr/>	<hr/>

10 RESTRICTED FUNDS

	Balance at 1 April 2001	Incoming Resources	Outgoing Resources 31	Balance at March 2002
Vale private rental bonds	19,022	10,095	8,947	20,170
Diana Memorial Fund	-	75,540	75,540	-
Training unit	-	44,762	37,250	7,512
Furniture and fittings grant	11,909	5,000	1,478	15,431
Princes' Trust – Tenant training	800	-	800	-
Housing Options Project	-	21,840	21,840	-
Jigso project	25,000	104,241	129,241	-
Capital asset funding	-	20,000	4,000	16,000
Henry Smith	-	25,000	25,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£56,731	£306,478	£304,096	£59,113
	<hr/>	<hr/>	<hr/>	<hr/>

The incoming resources as shown above are after taking into account the deferred income of £55,452 brought forward and carried forward as shown in note 9.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

RESTRICTED FUNDS (continued)**Training Unit:**

The funding is received to fund a training programme for young people who are not ready for mainstream training, education or work.

Furniture and Fittings Grant:

This funding was provided to assist young people to buy furniture where no other grant was available.

Housing Options Project (HOP)

This funding is given to enable the Charity to provide advice on benefits, social fund applications, finding accommodation and dealing with rent arrears, disputes with landlords etc.

Jigso Project

This funding is given to enable the Charity to provide help and advice to homeless young people, to provide advice on benefit claims, to provide a bond guarantee certificate and other specialist help to 16 and 17 year olds or care leaders.

Vale Private Rental Bonds

The purpose of this fund is to provide guarantees to landlords for bonds required by tenants. This fund will be enhanced in future years by additional funding from NAW.

Capital Asset Funding

This fund represents grants received to fund the purchase of office and other equipment. This grant will be written back to revenue over the life of the asset in line with the depreciation charge.

11. DESIGNATED FUNDS

	Balance at 1 April 2001	Transfer to Unrestricted Funds	Transfer from Unrestricted Funds	Balance at 31 March 2002
Redevelopment fund	6,750	(6,750)	-	-
Replacement of white goods	9,000	(9,000)	-	-
Provision for bad debts	1,500	(1,500)	-	-
Contingency fund	17,000	(17,000)	-	-
Office repairs and refurbishment	-	-	10,000	10,000
	<hr/>	<hr/>	<hr/>	<hr/>
	£34,250	£(34,250)	£10,000	£10,000
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2002

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed assets	Net current assets	Total
Restricted funds			
Vale private rental – bonds	-	20,170	20,170
Training	-	7,512	7,512
Furniture and fitting grant	-	15,431	15,431
Capital asset funding	16,000	-	16,000
	<hr/>	<hr/>	<hr/>
	16,000	43,113	59,113
Designated funds			
Office repairs and refurbishment	-	10,000	10,000
Unrestricted fund			
	31,428	185,405	216,833
	<hr/>	<hr/>	<hr/>
	£47,428	£238,518	£285,946
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>