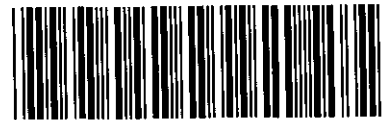


Company Registration Number 2396224
Charity Number 701772

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS
Year Ended 31 March 2006**

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**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS
Year Ended 31 March 2006**

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**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT
Year Ended 31 March 2006**

The trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2006.

Reference and administrative details

Charity Number: 701772

Company Number: 2396224

Principal Office: 23 Cathedral Road, Cardiff, CF11 9HA

Auditors: HWCA Limited Pagefield House, 24 Gold Tops, Newport, NP20 4PG

Bankers: HSBC Plc 259 Cowbridge Road East, Cardiff, CF11 9TN

Solicitors: Loosemores 18/19 High Street, Cardiff, CF10 1PT

Passmores 21 Tynnewydd Road, Barry, Vale of Glamorgan, CF62 8HB

**Secretary and
Chief Executive** Ms Frances J Beecher

Directors and Trustees

The directors of the charitable company (the charity) are its trustees, for the purpose of charity law and throughout this report they are collectively referred to as the trustees.

The trustees serving throughout the year and since the year end were as follows:

Chair Ms Tamsin Stirling

Vice Chairs Mr James Wilson
Dr Jim Wright

Treasurer Mr Simon Jones (resigned 20th October 2005)
Ms Carol Ravenscroft (appointed 20th October 2005)

Trustees Mr Alun Bull
Ms Anne Dawson (resigned 29th January 2006)
Mr John Hewings
Mr Grenville Holmes
Ms Shelagh Iles
Mr Steve James

LLAMAU LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*
Year Ended 31 March 2006

Structure, Governance and Management

Governing Document

Llamau Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19th June 1989. Llamau Limited is also a charity registered with the Charity Commission.

Appointment of trustees

As set out in the Articles of Association the Chair, Vice Chair, Treasurer and Company Secretary are elected by the Trustees. The collective name for the trustees is the Council of Management. The Council of Management have the power to co-opt up to two further members in any one year.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of retiring trustees and requesting nominations for the AGM. A target of three new members of the Council of Management is set in each three year period to foster renewal. When considering co-opting trustees, the Council of Management has regard for any specialist skills needed, for example Ms Ravenscroft FCCA is a qualified accountant who works for a charity unrelated to Llamau and joined the board as Treasurer.

All Trustees are selected on the basis of their skills and experience and the contribution they can make to the organisations long term governance. In addition to this all Trustees (as with all employees) hold an enhanced CRB, due to the nature and environment in which Llamau Limited operate.

Trustee induction and training

All new trustees undergo an induction programme, which includes:

- A visit to the Cardiff central office to meet with the Chief Executive; Operational Director, Heads of Section and Managers;
- Site visits to area offices;
- Welsh Federation of Housing Associations training sessions (Introduction to Committees);
- Any other training which may have been highlighted in the skills audit.

Following the AGM each year a skills audit is carried out by the Chair and Chief Executive. This seeks to identify any training needs for existing trustees and highlight any future skills required of potential new members. As part of good practice all trustees are encouraged to renew their skills every three years by undertaking recommended training. An induction pack is given to new trustees, which includes policy and procedures such as Declaration of Interest, Equal Opportunities and Confidentiality.

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE****TRUSTEES ANNUAL REPORT** *(continued)*
Year Ended 31 March 2006**Organisation**

The board of trustees, which can have up to 15 members, administers the Charity. The board meet every six to eight weeks. A fundraising sub committee has been formed, which meets on a regular basis. A Chief Executive is appointed by the trustees to manage the day to day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and operational activity within the projects.

Related parties

The Charity receives funding from The Wright Trust, one of whose trustees is one of the Vice-Chairs of Llamau. The Wright Trust provided grant funding to the Charity this financial year in the sum of £40,560 (2005:£49,470).

These interests have been declared and signed in the Trustees Declaration of Interests pro-forma as required under Llamau's code of governance.

Risk Management

Over the next financial year, the trustees will be working towards a risk management strategy. Part of the Chief Executive's delegated authority is to ensure that the Charity has adequate policies and procedures in place to mitigate any potential risks.

The trustees are confident that these policies and procedures are in place and are all working well and, that there is a regular review period as well as adequate staff consultation.

Objectives and activities

Llamau's 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.

Llamau's overall mission is that:

No young person, whatever their problems and background, will be without a comprehensive and holistic package of support, until they are truly capable of sustaining an independent and acceptable lifestyle within their chosen community.

Llamau fulfils that mission by:

- seeking to prevent homelessness wherever possible;
- achieving the full potential of service users;
- delivering the highest quality of support possible;
- ensuring organisational systems are open and transparent to all stake holders, and;
- being a fit for purpose organisation.

LLAMAU LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*
Year Ended 31 March 2006

Llamau's overall mission *(continued)*

In each Local Authority area of operation, Llamau tries to develop an interlinked 'holistic' range of services, a continuum of provision, from addressing street homelessness through to long term sustainable independent living. Llamau does so quite simply because it is what the Charity's service users state they need and because providing a full range of provision works, preventing people falling through the net and allowing them to retry if certain services are not right for them at any one time. This is one of the benefits of being a voluntary sector charitable organisation. Llamau has the freedom to work innovatively as compared with the statutory sector which is often constrained to working with specific client groups in specific ways.

Llamau therefore:

- seeks to resolve any immediate homelessness;
- defines the problems that have resulted in homelessness;
- re-establishes positive family contact where appropriate;
- works to reintegrate the young people with their families where appropriate;
- supports its service users to develop living skills;
- works with service users supporting them to independence;
- ensures service users are getting the statutory service support and financial assistance to which they are entitled;
- encourages and motivates service users to take up education, training and work and;
- offers those not ready for mainstream training the organisations our own unique Learning for Life service.

In addition Llamau:

- provides bonds in the Vale of Glamorgan, and;
- provides Young Persons Advisors to 'looked after' young people in the Vale of Glamorgan.

Achievements and performance

In 2004/05 the trustees carried out the yearly appraisal of the organisations strategic business plan. The business plan outlined certain key areas to ensure Llamau's continued success:

- to work towards the further development of advocacy, advice and support services, based on identified need and gaps in service provision;
- to achieve the community legal service quality mark;
- to extend the involvement of service users in all levels of the organisation;
- to promote Llamau's models of good practice and partnership working in other authorities in preparation for development, paying particular emphasis on enabling local authorities to achieve their enabling role in the identification and delivery of support services and;
- to strengthen the organisations financial stability, by improving the organisations reserves position to a three month expenditure position. (Following three years on cuts to funding and the resulting drop in financial reserves).

The 2005/06 year, saw Llamau start to deliver additional advice and support services in new local authority areas, achieving the community legal quality mark and the start of a Tenant Empowerment initiative to improve service user involvement.

In November 2005 Llamau was awarded Inside Housings Innovation & Excellence Award for the Charity's Family Mediation Model. Over the past year Llamau's mediation model has received much deserved attention, the model provides young people and their families with the communication and coping skills and tools to overcome family problem and tensions. The scheme is now seeing a consistent 45-70% success rate.

LLAMAU LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)* Year Ended 31 March 2006

Elsewhere in Llamau, excellence was also being achieved on a daily basis. Overall service delivery showed an improvement over the previous year of 4.5% on individual outcomes to 79%, demonstrating Llamau's commitment to continuous improvement.

Achievements and performance *(continued)*

Llamau actively encourage feedback and annually send out surveys to service users, stakeholders and staff, all of which are independently reviewed. These experiences and perceptions of Llamau enable effective planning, to provide a better services in both the short and long term.

Service user surveys were extremely positive; one quote received particularly encapsulates the organisation:

"There's enough time to discuss issues, not everything is done for me, so I get to learn and develop new skills. I've now been confident enough to do it myself, I feel more mature, responsible, oh and no information is kept from me about myself, nothing is done behind my back"

The stake holder's survey was similarly positive. Llamau's involvement in strategic planning, joint initiatives and campaigns has also improved over the year.

Llamau's communication has improved with 95% of stakeholders stating they felt well informed about local work and the organisation as a whole.

Across all geographical areas Llamau's staff were seen as accessible, approachable and able to respond quickly and appropriately to requests for information.

"Llamau comes across as a dedicated provider of services for vulnerable people which encompasses more than just 'bricks and mortar' and more than just 'support'. They have recognised the value of tackling fundamentally important 'quality of life' issues, for individuals, such as education, training, social inclusion, counselling and mediation. My experience with Llamau has been extremely positive and I would certainly commend their organisation to others."

Finally Llamau's most important resource, the Llamau staff team, also fed back with an improved overall response in the annual staff survey; with an increased proportion (response in 2005/06:84% 2004/05: 77%) indicating that they would join Llamau without second thoughts and, once again this year no one indicated that they would not re-join Llamau.

Financial Review

The net unrestricted incoming resources for the year from operating activities amount to £560,144 (2005: £168,606). The surplus was a target set by the trustees to enable the charity to build up its levels of available reserves to accord with the reserves policy. The trustees were also aware of the possible cuts in some of the Charity's funding during the 2006/07 financial year and wished to have the necessary level of reserves to maintain the current level of service.

The deficit on restricted funds related to the depreciation charge for those fixed assets funded by specific grants. This charge reduces the level of those grants which will be written off at the same time as the related assets are written off. The full details of all restricted funds can be found in note 16 to the financial statements.

Investment Powers and policy

Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the trustees wish, in furtherance of the Charity's principal activity.

The trustees, having regard to the liquidity requirements of the charity have operated a policy of keeping available funds in a high interest bearing account. During the forthcoming year the trustees will continue to monitor and enhance and maximise this treasury management function.

LLAMAU LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*
Year Ended 31 March 2006

Reserves Policy

The trustees have established a level of reserves (that is those funds that are freely available) to ensure uninterrupted service delivery that the charity ought to meet should the charity's funding levels fall, or be deferred and/or to meet employment obligations.

The reserves level has been established at three months running costs, although it is the trustees' wishes that Llamau build this level up to the equivalent of six months running costs over time, which ties in with recommended good practice from the Charity Commission. At the balance sheet date, three months running costs equated to £1,161,258, the level of available reserves equalled £949,015.

The available reserves figure is the level of unrestricted reserves, less the amounts invested in fixed assets and designated reserves. The 2005/06 surplus was budgeted for in anticipation of the forecast cuts in statutory funding over the next few years. With this in mind, the trustees agreed to set aside a designated fund of £120K for 2006/07 as a contributing towards an increment and cost of living award to its employees.

Plans for the Future

At least once a year the trustees, together with the senior management team, have an 'away day'. The aim being to focus on the main priorities and plans for the Charity.

Llamau's 2005 Council of Management Away Day, 'Keeping the Future in our Hands - Main Issues and Main Priorities' involved the organisations annual review of its business plan. There was a general consensus that there was a need to prove that investing in Llamau was sound, balanced, exciting and worthwhile. Strategically it was agreed that Llamau would over the next three years:

- recognise the problems with Supporting People funding; maximise its potential but mitigate against its risks;
- aim to be a market leader in Best Practice, Service Delivery and Innovation;
- aim to develop alternative funding streams and partners;
- develop and implement a more detailed fundraising strategy;
- position the organisation to be well placed for new opportunities and;
- to ensure the organisation keeps an eye on the bigger picture, politically and economically.

The review identified some key short term targets in furtherance of the charity's objectives, these being;

- to finalise and implement Llamau's internal audit system;
- to conduct another full audit of the organisation;
- to ensure cash flow forecasts were incorporated into the quarterly accounts;
- to review key budget data required for financial forecasting and fundraising purposes (including full cost recovery);
- to expand the whole range of services beyond historical areas of operation, aiming to achieve a steady 5% increase in the provision of services, ensuring they are prudently affordable and;
- to increase charitable income (non-governmental) by at least 4 % during the following financial year.

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*
Year Ended 31 March 2006

Trustees Responsibilities

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

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.

In accordance with company law, as the company's directors, we certify that:

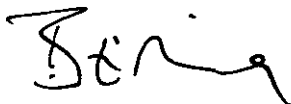
- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware and;
- As the directors of the company we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to re-appoint HWCA 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.

Signed by order of the trustees

Ms Tamsin Stirling
Chair



Approved by trustees on.....290606.....

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLAMAU LIMITED
Year Ended 31 March 2006**

We have audited the financial statements on pages 10 to 22 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 12 to 13.

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 THE TRUSTEES AND THE AUDITOR

The responsibilities of the trustees (who also act as Directors for the charitable activities of the company) of the charity for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 7.

Our responsibility is 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 the Companies Act 1985. We also report to you if, in our opinion, the Trustees Annual Report is not consistent with the financial statements, 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 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. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 in the preparation of the financial statements, 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 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.

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLAMAU LIMITED (continued)
Year Ended 31 March 2006**

OPINION

In our opinion the financial statements give a true and fair view of the charity's state of affairs as at 31 March 2006 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

HWCA Limited

**HWCA LIMITED
Chartered Accountants
& Registered Auditors**

Pagefield House
24 Gold Tops
Newport
South Wales
NP20 4PG

Approved by Auditors..... *Laurent 2006*

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES
Year Ended 31 March 2006**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
INCOMING RESOURCES					
Incoming Resources from Charitable Activities:					
Supporting People					
Revenue Grant	2	2,996,815	-	2,996,815	2,612,651
Donations	2	748	-	748	5,480
Housing Benefit		1,019,533	-	1,019,533	1,107,030
Grants and other funding	3	329,050	822,513	1,151,563	631,942
Investment Income:					
Interest receivable	5	27,717	-	27,717	12,031
TOTAL INCOMING RESOURCES		£4,373,863	£822,513	£5,196,376	£4,369,134
RESOURCES EXPENDED					
Charitable activities:					
Costs in furtherance of charitable objects					
Staff salary costs	6	3,003,143	633,313	3,636,456	3,266,566
Depreciation and other costs		789,202	198,002	987,204	893,440
Governance costs	7	21,374	-	21,374	17,494
TOTAL RESOURCES EXPENDED	8	£3,813,719	£831,315	£4,645,034	£4,177,500
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR	9	560,144	(8,802)	551,342	191,634
Total funds brought forward		671,627	40,325	711,952	520,318
Total funds carried forward		£1,231,771	£31,523	£1,263,294	£711,952

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.

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET
At 31 March 2006**

	Note	2006 £	£	2005 £
FIXED ASSETS				
Tangible assets	10		176,540	208,021
CURRENT ASSETS				
Debtors	11	187,999		133,342
Cash at bank and in hand		1,163,669		730,452
		<u>1,351,668</u>		<u>863,794</u>
CREDITORS: Amounts falling due within one year	12	<u>(264,914)</u>		<u>(281,577)</u>
NET CURRENT ASSETS			1,086,754	582,217
TOTAL ASSETS LESS CURRENT LIABILITIES			1,263,294	790,238
CREDITORS: Amounts falling due after more than one year	13		–	(78,286)
NET ASSETS			£1,263,294	£711,952
FUNDS				
Unrestricted:				
Designated funds	14		120,000	–
Other charitable funds			1,111,771	671,627
Restricted	15		31,523	40,325
TOTAL FUNDS			£1,263,294	£711,952

These financial statements were approved by the members of the committee on the 29th June 2006 and are signed on their behalf by:


Ms Tamsin Stirling - Chair


Ms C Ravenscroft - Treasurer

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2006**

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and the Companies Act 1985.

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.

Incoming resources

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. This includes Supporting People Revenue Grant, which has been classified as unrestricted by the donor, the Welsh Assembly Government. This grant is given to enable the Charity to meet the needs of service users in supported housing projects allowing them to live independently and maintain a tenancy. Grant income is deferred where the income is provided for a period, which differs from the accounting period of the charity.

Donations

Donations and similar incoming resources are recognised when they are received. Any donations in kind are included as income at a fair value. Donated time by volunteers is not included.

Taxation

As a registered charity, the charity is not liable to income or corporation tax on its primary purpose trading income.

Designated funds

The trustees may designate funds from time to time for purposes they deem appropriate. A fund has been created to fund incremental and cost of living awards for the staff.

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2006**

1. ACCOUNTING POLICIES (continued)

Resources expended

Costs of charitable activities include the direct costs of running the facilities and providing staff for the various projects. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure as described in FRS5 and FRS12. As the Charity is not registered for VAT all tax suffered is included as part of the relevant expense.

Governance costs are the costs associated with the governance of the Charity as opposed to the costs associated with charitable activities. Such costs include legal fees for Trustees, audit and accountancy fees, staff time spent arranging Trustee meetings and other costs associated with constitutional and statutory requirements.

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 costs charge represents contribution payable by the Charity during the year.

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 Property	2% Straight Line
Office Equipment	20% Straight Line
Fixtures and Fittings	25% Straight Line
Motor Vehicles	25% Straight Line

2. SUPPORTING PEOPLE REVENUE GRANTS & DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Donations	748	-	748	5,480
Supporting People Revenue Grant	2,996,815	-	2,996,815	2,612,651
	<u>£2,997,563</u>	<u>-</u>	<u>£2,997,563</u>	<u>£2,618,131</u>

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2006**

3. GRANTS AND OTHER FUNDING

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Cymorth TDG	-	45,000	45,000	-
Cymorth NCYPS	-	14,000	14,000	-
WAG Mediation	-	49,825	49,825	-
Youth Offending Team	-	43,369	43,369	15,000
Boston Foundation	-	16,946	16,946	-
Community Safety	-	51,876	51,876	51,876
Esmee Fairbairn Trust	-	14,583	14,583	-
Equitable Trust	-	10,000	10,000	-
Garfield Western	-	10,000	10,000	-
SPG Caerphilly	-	6,693	6,693	-
Social Services	-	213,235	213,235	208,696
Section 180 Probation	15,000	-	15,000	169,950
European Social Fund	-	6,697	6,697	11,051
Gateway	-	1,076	1,076	10,105
The Wright Trust	-	40,560	40,560	49,470
Lankelly Foundation	-	3,000	3,000	12,000
Community Fund	-	-	-	24,798
Sefydliad Fund	-	412	412	-
The Henry Smith Charity	-	20,000	20,000	25,000
Lloyds TSB	-	5,000	5,000	10,000
Big Lottery Fund	-	56,348	56,348	40,494
VCVS	-	-	-	3,502
Tenancy Support Schemes	310,898	-	310,898	-
Other Income	3,152	-	3,152	-
Bond income	-	6,286	6,286	-
	<u>£329,050</u>	<u>£822,513</u>	<u>£1,151,563</u>	<u>£631,942</u>

4. CHARITABLE TRADING INCOME

The total income for this and the preceding financial year related to its primary purpose activities.

5. INTEREST RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Bank interest receivable	<u>27,717</u>	<u>-</u>	<u>27,717</u>	<u>12,031</u>

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2006**

6. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Costs in furtherance of charitable objects:				
Staff salary costs	3,003,143	633,313	3,636,456	3,266,566
Staff training	27,264	-	27,264	6,978
Rent, rates, light and heat, insurance and cleaning	213,712	-	213,712	205,982
Telephone, advertising, stationery, postage, printing, office costs	161,585	-	161,585	136,410
Repairs, renewals and maintenance	85,706	-	85,706	84,785
Travel and subsistence	58,380	4,378	62,758	53,371
HA Management charges	330,707	-	330,707	309,231
Other costs	46,763	6,286	53,049	47,162
Re-apportionment of costs	(183,236)	183,236	-	-
Depreciation	48,321	4,102	52,423	49,521
	<u>£3,792,345</u>	<u>£831,315</u>	<u>£4,623,660</u>	<u>£4,160,006</u>

Included in the above costs are support costs amounting to £572,243 for 2005/06 (£517,961 2004/05).

7. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Salaries	7,500	-	7,500	7,500
Accountancy fees	2,824	-	2,824	2,494
Audit fees	5,985	-	5,985	5,000
Audit fee re prior year	1,841	-	1,841	-
AGM/ Annual report costs	3,224	-	3,224	2,500
	<u>£21,374</u>	<u>-</u>	<u>£21,374</u>	<u>£17,494</u>

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2006**

8. TOTAL RESOURCES EXPENDED

	Staff costs	Depreciation	Other costs	Total Funds 2006	Total Funds 2005
	£	£	£	£	£
Direct charitable expenditure	3,636,456	52,423	934,781	4,623,660	4,162,406
Governance costs	7,500	—	13,874	21,374	15,094
	<u>£3,643,956</u>	<u>£52,423</u>	<u>£948,655</u>	<u>£4,645,034</u>	<u>£4,177,500</u>

The aggregate payroll costs were:

	2006	2005
	£	£
Wages and salaries	3,133,420	2,809,317
Social security costs	296,939	271,273
Other pension costs	213,597	193,476
	<u>£3,643,956</u>	<u>£3,274,066</u>

None of the Trustees received any remuneration for their services and did not claim any expenses. No one employee earned more than £60,000 in this financial year.

Particulars of employees:

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

	2006	2005
	No	No
Management and administration staff	20	18
Service staff	129	123
	<u>149</u>	<u>141</u>

9. OPERATING SURPLUS

Operating surplus is stated after charging:

	2006	2005
	£	£
Staff pension contributions	213,597	193,476
Depreciation	52,423	49,521
Auditors' remuneration		
- as auditors	5,985	5,000
- for other services	4,665	2,500
	<u>276,670</u>	<u>250,500</u>

LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2006

9. OPERATING SURPLUS *(continued)*

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered:

	2006	2005
	£	£
Audit	5,985	5,000
Accountancy	4,665	2,500
	<u>£10,650</u>	<u>£7,500</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment £	Fixtures & fittings £	Motor vehicles £	Total £
COST					
At 1 April 2005	115,000	174,137	132,877	2,000	424,014
Additions	—	2,903	8,079	9,960	20,942
At 31 March 2006	<u>115,000</u>	<u>177,040</u>	<u>140,956</u>	<u>11,960</u>	<u>444,956</u>
DEPRECIATION					
At 1 April 2005	3,067	129,369	81,557	2,000	215,993
Charge for the year	2,300	22,976	27,147	—	52,423
At 31 March 2006	<u>5,367</u>	<u>152,345</u>	<u>108,704</u>	<u>2,000</u>	<u>268,416</u>
NET BOOK VALUE					
At 31 March 2006	<u>109,633</u>	<u>24,695</u>	<u>32,252</u>	<u>9,960</u>	<u>176,540</u>
At 31 March 2005	<u>111,933</u>	<u>44,768</u>	<u>51,320</u>	<u>—</u>	<u>208,021</u>

11. DEBTORS

	2006	2005
	£	£
Rent debtors	56,729	60,291
Grant debtors	105,965	49,890
Prepayments	25,305	23,161
	<u>£187,999</u>	<u>£133,342</u>

LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2006

12. CREDITORS: Amounts falling due within one year

	2006	2005
	£	£
Bank loan	74,163	2,936
Trade creditors	32,702	15,898
PAYE and social security	90,054	92,609
Other creditors	67,995	170,134
	<u>£264,914</u>	<u>£281,577</u>

The bank loan is secured on the company's freehold property at 236 Holton Road, Barry.

13. CREDITORS: Amounts falling due after more than one year

	2006	2005
	£	£
Bank loans and overdrafts	<u>-</u>	<u>78,286</u>

The bank loan is secured on the company's freehold property at 236 Holton Road, Barry.

14. DESIGNATED FUNDS

	2006	2005
	£	£
Staff incremental and cost of living awards	<u>£120,000</u>	<u>-</u>

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2006**

15. RESTRICTED FUNDS

	Balance at 1 Apr 2005 £	Movement in resources:		Balance at 31 Mar 2006 £
		Incoming £	Outgoing & Transfers £	
Community Safety	-	51,876	(51,876)	-
Esmee Fairbairn	-	14,583	(14,583)	-
Furniture and Fittings Grant	6,929	-	(1,731)	5,198
Equitable Trust Grant	-	10,000	(10,000)	-
Garfield Western	-	10,000	(10,000)	-
SPG Caerphilly	-	6,693	(6,693)	-
Capital Asset Funding	7,399	-	(1,480)	5,919
Henry Smith	-	20,000	(20,000)	-
WAG/LA - Mediation	-	49,825	(49,825)	-
Communities Against Drugs - Vale Capital	1,865	-	(466)	1,399
Communities Against Drugs - Cardiff - Capital	1,691	-	(423)	1,268
European Social Fund	-	6,697	(6,697)	-
The Wright Trust	-	40,560	(40,560)	-
Cymorth TDG	-	45,000	(45,000)	-
Cymorth NCYPS	-	14,000	(14,000)	-
Social Services	-	213,235	(213,235)	-
Llankelly Foundation	-	3,000	(3,000)	-
Boston Foundation	-	16,946	(16,946)	-
Womens Services S180 (Publications)	3,570	-	-	3,570
Womens Services S180	-	60,043	(60,043)	-
Welsh Assembly Government - Section 180	-	119,161	(119,161)	-
Wright Trust (Fundraising)	4,875	-	-	4,875
Lloyds TSB Foundation for England and Wales	5,000	5,000	(10,000)	-
Youth Offending Team	-	43,369	(43,369)	-
Big Lottery Fund	8,996	56,348	(56,050)	9,294
Section 180 CCBC	-	10,403	(10,403)	-
Bonds	-	6,286	(6,286)	-
Gateway Training Unit Fund	-	1,076	(1,076)	-
Section 180 Vale	-	18,000	(18,000)	-
Sefydliad Fund	-	412	(412)	-
	<u>£40,325</u>	<u>£822,513</u>	<u>£(831,315)</u>	<u>£31,523</u>

Community Safety

Grant awarded to the Learning 4 Life project in Cardiff and the Vale under a Community safety partnership to assist Llamau in its role of preventing, and reducing crime and tackling anti-social behavior.

Esmee Fairbairn Trust

Grant awarded to the Learning 4 Life project to help towards the employment of a Training and Development worker.

Furniture and Fittings Grant

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

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2006**

Equitable Trust Grant

This grant was awarded to help towards the running costs of our Learning 4 Life Project.

Garfield Western; Lloyds TSB - Trust Money Grant

These grants were awarded to help towards the running costs of our Learning 4 Life Project.

SPG Caerphilly

Funding awarded to contribute towards one of our Caerphilly projects.

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.

Henry Smith

Grant awarded to help fund the staffing of a mediation and resettlement worker in the JIGSO project.

WAG/LA - Mediation

Grants awarded by three local authorities, Torfaen, Newport and Caerphilly to contribute towards the staffing of mediation workers.

Communities Against Drugs

This is a grant given to Llamau to assist in tackling drug and substance abuse within its client group. Llamau's Learning 4 Life project enables young people to access a training programme which raises self esteem and motivation and self development. Providing an holistic approach to drug prevention.

European Social Fund

This grant assists in funding the Learning 4 Life project in Barry, where young people can access our pre-vocational training programme.

The Wright Trust

This grant was awarded to aid the running costs and fund a part-time administrative worker within our Housing Options Project.

The Wright Trust (Fundraising)

The Wright Trust Money which was given via the Wright Trust to cover any expenses associated with the development and subsequent activities of the fundraising group.

TDG - Cymorth Grant

This grant was awarded under a pilot scheme to our Learning for Life Project for pre-vocational training.

NCYPF --Cymorth Grant

This funding was awarded to promote and implement programmes to increase opportunity for children, young people and their families by providing child care, social, educational and health facilities; helped towards the employment of a mediation worker in Newport.

Llankelly Foundation

Grant awarded to help towards the employment of a mediation worker in Newport.

Boston Foundation

Grant awarded to help towards the employment of a family mediation worker.

Women's Services S180

WAG S180 Grant awarded to help set up a Women's only forum and for the forum to produce a publication for women experiencing homelessness

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2006**

WAG S180

Grant awarded to two projects for providing family mediation workers.

Youth Offending Team (YOT)

Funding towards the running costs of two Cardiff projects, this enables YOT to access the projects.

Big Lottery

Grant awarded to help fund the staffing of a Mediation and Resettlement worker at our JIGSO project.

Gateway

Attendance and travel allowance for service users who attend Learning 4 Life.

Sefydliad Fund (W Services)

This Grant was awarded towards Women's Services for a Tenant Participation Day.

Social Services

Grants to assist the Local Authorities in their duty to safeguard and promote the welfare of children and young people who are in need.

S180

Grant for Voluntary Sector Homelessness Schemes within specific Local Authority areas.

16. ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)

	Tangible fixed assets	Other net assets	Total
	£	£	£
Furniture and Fittings Grant	5,198	–	5,198
Capital Asset Funding	5,919	–	5,919
Communities Against Drugs - Vale Capital	1,399	–	1,399
Communities Against Drugs - Cardiff – Capital	1,268	–	1,268
Womens' Services S180 (Publication)	–	3,570	3,570
Wright Trust (Fundraising)	–	4,875	4,875
Big Lottery Fund	–	9,294	9,294
Restricted funds	<u>13,784</u>	<u>17,739</u>	<u>31,523</u>
Unrestricted funds	<u>162,756</u>	<u>1,069,015</u>	<u>1,231,771</u>
	<u>£176,540</u>	<u>£1,086,754</u>	<u>£1,263,294</u>

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2006**

17. RELATED PARTY TRANSACTIONS

One of the Trustees J Wright, provided grant funding from the Wright Trust amounting to £40,560 (2005:£49,470). The funding provided this year is restricted to the HOPS Project to fund one of the workers. These interests have been declared and signed in the Trustees declaration of interests pro-forma as required under Llamau's Code of Governance.

18. COMPANY LIMITED BY GUARANTEE

The Charity is a company limited by guarantee with no share capital.

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**MANAGEMENT INFORMATION
Year Ended 31 March 2006**

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 8 to 19.**

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
Year Ended 31 March 2006**

	2006 £	2005 £
INCOME		
Donations	748	5,480
Supporting People Revenue Grant	2,996,815	2,612,651
Housing Benefit	1,019,533	1,107,030
Cymorth Trust Funding	59,000	-
WAG Mediation	49,825	-
Youth Offending Team	43,369	15,000
Boston Foundation	16,946	-
Community Safety	51,876	51,876
Esmee Fairbairn Trust	14,583	-
Equitable Trust	10,000	-
Garfield Western	10,000	-
SPG Caerphilly	6,693	-
Social Services	213,235	208,696
Section 180	207,607	169,950
Probation	15,000	-
European Social Fund	6,697	11,051
Gateway	1,076	10,105
The Wright Trust	40,560	49,470
Lankelly Foundation	3,000	12,000
Community Fund	-	24,798
Sefydliad Fund	412	-
The Henry Smith Charity	20,000	25,000
Lloyds TSB	5,000	10,000
Big Lottery Fund	56,348	40,494
VCVS	-	3,502
Tenancy Support Schemes	310,898	-
Other Income	3,152	-
Bonds	6,286	-
Bank interest receivable	27,717	12,031
TOTAL INCOME	5,196,376	4,369,134

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
Year Ended 31 March 2006**

	2006		2005
	£	£	£
CHARITABLE EXPENDITURE:			
Wages and salaries	3,636,456		3,266,566
Rent	111,405		105,334
Rates	18,857		22,779
Light and heat	41,442		40,289
Insurance	35,427		29,054
Maintenance	51,222		54,071
External contracts	3,746		-
Furniture replacements	34,484		30,714
Telephone	77,237		71,257
H A Management charges	330,707		309,231
Travel	60,075		51,769
Tenant welfare	6,865		11,517
Subsistence	2,683		1,602
Cleaning	9,615		8,526
Bond	6,832		6,364
Staff recruitment costs	26,818		18,487
Printing, postage and stationery	30,719		19,449
Publications and subscriptions	12,009		11,113
Office and computer costs	11,768		16,104
Bank loan interest	6,172		6,642
Other Costs	-		986
Bad Debt provision	20,020		496
Legal and professional fees	9,414		21,157
Training	27,264		6,978
Depreciation	52,423		49,521
		4,623,660	4,160,006
GOVERNANCE			
Wages and salaries	7,500		7,500
Accountancy fees	2,824		2,494
Audit fees	5,985		5,000
Audit fee re prior year	1,841		-
Costs of trustee meetings	120		100
AGM costs	1,254		950
Annual Report costs	1,850		1,450
		21,374	17,494
TOTAL EXPENDITURE		<u>4,645,034</u>	<u>4,177,500</u>
NET INCOMING RESOURCES FOR THE YEAR		<u>551,342</u>	<u>191,634</u>