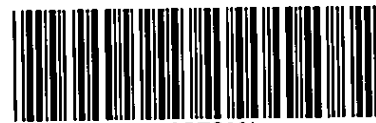


**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS
Year Ended 31 March 2007**

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**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS
Year Ended 31 March 2007**

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**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT
Year Ended 31 March 2007**

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 2007

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: Co-Operative Bank Plc, PO Box 75, The Hayes, Cardiff, CF10 1SW

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

Anglo Irish Bank Corporation PLC, 10 Old Jewry, London, EC2 8DN

CAF, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4TA

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 (resigned 18th October 2006)
Dr Jim Wright

Treasurer Ms Carol Ravenscroft

Trustees Mr Alun Bull (sabbatical)
Mr John Hewings
Mr Grenville Holmes
Ms Shelagh Iles
Mr Steve James
Ms Angela Gascoigne (appointed 18th October 2006)
Ms Helen John (appointed 18th October 2006)
Mr John Hughes (appointed 18th October 2006)
Reverend Terry Flynn (appointed 18th October 2006)

LLAMAU LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*
Year Ended 31 March 2007

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 Board of Trustees. The Board of Trustees 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 Board of Trustees is set in each three year period to foster renewal. When considering co-opting trustees, the Board of Trustees has regard for any specialist skills needed.

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 operate. During the past financial year the trustees recognised Llamau would benefit from further financial experience, senior management strategic experience, service user participation experience and health board experience, as a result four new trustees joined the board at the AGM.

Trustee induction and training

All new trustees undergo an induction programme, which includes if appropriate

- 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.

The board is currently looking to strengthen its legal expertise.

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE****TRUSTEES ANNUAL REPORT** *(continued)*
Year Ended 31 March 2007**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 and a finance sub committee have 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 organisation.

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 £40,354 (2006 £40,560).

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

The Head of Central Services in conjunction with the Treasurer is currently working on Llamau's 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, or woman, 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 2007

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 own unique Learning for Life service

In addition Llamau

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

Achievements and performance

In 2005/06 the trustees carried out the yearly appraisal of the organisations strategic business plan. The business plan outlined certain key targets to ensure Llamau's continued success.

- To consolidate temporary Tenancy Support Services (TSS) in Monmouth to a more permanent service,
- To expand Mediation services,
- To expand current Supported Housing bed spaces,
- To develop and implement the fundraising strategy, and,
- To increase charitable income (non-governmental) by at least 4% during the financial year

The 2006/07 year, saw Llamau as successful candidates for the TSS tender in Monmouth.

Llamau's mediation service expanded into Merthyr Tydfil. An additional 70 service users benefited from accommodation and/or support in the previous 12 months, which includes 38 service users engaging with the new Emphasis project which has only been operational for the last 4 months of the year. Llamau were successful in obtaining a bid from the Big Lottery, to develop an exciting new project which seeks to reach the most vulnerable and disadvantaged young people in Newport, Torfaen and Caerphilly.

However whilst Llamau was successful in increasing new charitable income by 3.68% the organisation lost a further 1.85% in funding that had finished. This demonstrates the difficulty Llamau experiences on a yearly basis.

During 2006 Llamau won a prestigious honour at the 2006 Charity Awards for its Family Mediation projects. The charity awards recognise and celebrate excellence in the leadership and management of

LLAMAU LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)* Year Ended 31 March 2007

charities, highlighting good practice across the sector. They draw attention to the talent and expertise being brought to bear on voluntary activity in the UK.

The awards are decided by a panel of highly respected judges with a wealth of experience in charities and management. They look for examples of excellence which will inspire others and from which other organizations can learn. Llamau's mediation projects continue to achieve excellent results and continue to be an exemplar of Best Practice.

Llamau's staff survey again showed an improvement. Our independent survey reports that Llamau continues to meet or exceed staff expectations as an employer, with an overall improvement showing against last year's figures. A three year positive trend can be seen in those who would again join Llamau without hesitation. Job satisfaction levels show a combined improvement of around 9% over last year.

Once again the support provided within Llamau has had a positive result on the key issues that prevent our service users moving on with their lives. The ability of service users to manage their mental health has increased to a dramatic 74% as a direct result of the support provided at Llamau, 64% of service users with offending behaviour have either reduced or stopped as a direct result of support, 39% reduced drug use and 48% reduced alcohol use as a direct result of support, and 79% with some degree of learning issues improved their ability to manage and access appropriate services whilst at Llamau.

Year on year we have increased the number of positive/neutral outcomes to an all time high of 89.5% (neutral outcomes ensure a true representation of the excellent support and work achieved with individual service users regardless of move-on). Llamau's total commitment to service user outcomes has resulted in the organisation further developing its 'distance travelled' evaluation, and the organisation is actively seeking academic support to test and evaluate our results.

Financial Review

The net unrestricted incoming resources for the year from operating activities amount to £500,809 (2006 £560,144). 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 surplus 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 17 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 surplus cash balances as liquid as possible and any surplus balances will be invested in high interest deposit accounts.

The investment powers of the organisation have been delegated to the Finance Sub Committee. In order that the Committee may exercise adequate control over treasury activities, the following reports are presented by the Head of Central Services.

LLAMAU LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)* Year Ended 31 March 2007

- rolling twelve-month cash flow forecast,
- cash balances at the end of each quarter,
- balances of where each account is held, together with term of investment (if applicable) and rate of interest

Reserves Policy

The trustees have established a level of available 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 £1,354,886, the level of available reserves equalled £1,432,458

The available reserves figure is the level of unrestricted reserves, less the amounts invested in fixed assets and designated reserves. The 2006/07 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 £128,000 for 2007/08 as a contribution towards a 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

This year funding cuts from Supporting People led the board's discussions. During the day, there was a general consensus that the work undertaken during the past year proved that investing in Llamau was sound, balanced, exciting and worthwhile, and needed to be continued and further developed. Strategically it was agreed that again 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,
- position the organisation to be well placed for new opportunities and,
- 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

- further develop financial information including working towards full cost recovery,
- strategically link financial information to Llamau's fundraising strategy,
- to look at ways of further evaluating Board Members performance,
- to organise a Board Members meeting to discuss performance contributions and governance,
- further development of qualitative and quantitative long term outcome monitoring in terms of distance travelled,
- to continue to expand the whole range of services beyond historical areas of operation, aiming to achieve a steady 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 2007

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

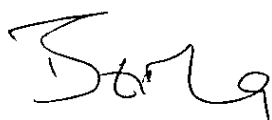
In accordance with company law, as the company's directors, we certify that

- 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

280807

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LLAMAU LIMITED
Year Ended 31 March 2007**

We have audited the financial statements of Llamau Limited for the year ended 31 March 2007 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes. These financial statements 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 auditor's 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 company 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 AUDITORS

As described in the Statement of Trustees Responsibilities the trustees (who also act as directors of Llamau Limited for the purposes of company law) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements 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 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 remuneration of the trustees and other transactions is not disclosed.

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

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 2007

OPINION

In our opinion

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

HWCA Limited

HWCA LIMITED
Chartered Accountants
& Registered Auditors
Pagefield House
24 Gold Tops
Newport
South Wales
NP20 4PG

Approved by Auditors

6th August 2007,

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES
Year Ended 31 March 2007**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
INCOMING RESOURCES					
Incoming Resources from Generated Funds					
Donations		–	–	–	748
Interest receivable		67,116	–	67,116	27,717
Incoming Resources from Charitable Activities:					
Supporting People Revenue Grant		3,123,453	–	3,123,453	2,996,815
Rent & Service Charges		1,304,366	–	1,304,366	1,019,533
Grants and other funding	2	444,522	988,218	1,432,740	1,151,563
TOTAL INCOMING RESOURCES		4,939,457	988,218	5,927,675	£5,196,376
RESOURCES EXPENDED					
Charitable activities.					
Costs in furtherance of charitable objects	3	4,408,125	980,896	5,389,021	4,623,660
Governance costs	4	30,523	–	30,523	21,374
TOTAL RESOURCES EXPENDED	5	4,438,648	980,896	5,419,544	£4,645,034
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR					
	6	500,809	7,322	508,131	551,342
Total funds brought forward		1,231,771	31,523	1,263,294	711,952
Total funds carried forward		1,732,580	38,845	1,771,425	£1,263,294

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

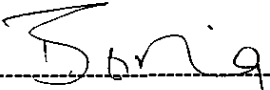
The notes on pages 13 to 21 form part of these financial statements

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET
AT 31 March 2007**

		2007		2006
		£	£	£
FIXED ASSETS				
Tangible assets	7		184,741	176,540
CURRENT ASSETS				
Debtors	8	252,094		187,999
Cash at bank and in hand		<u>1,605,826</u>		<u>1,163,669</u>
		1,857,920		1,351,668
CREDITORS Amounts falling due within one year	9	<u>(271,236)</u>		<u>(264,914)</u>
NET CURRENT ASSETS			<u>1,586,684</u>	1,086,754
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,771,425</u>	<u>1,263,294</u>
NET ASSETS			<u>1,771,425</u>	<u>£1,263,294</u>
FUNDS				
Unrestricted				
Designated funds	11		128,000	120,000
Other charitable funds			<u>1,604,580</u>	1,111,771
Restricted	12		38,845	31,523
TOTAL FUNDS			<u>1,771,425</u>	<u>£1,263,294</u>

These financial statements were approved by the members of the committee on the 28th June 2007 and are signed on their behalf by



Ms Tamsin Stirling - Chair



Ms C Ravenscroft - Treasurer

LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE

CASH FLOW STATEMENT
Year Ended 31 March 2007

	2007	2006
	£	£
NET CASH INFLOW FROM INCOMING RESOURCES	514,854	439,673
Returns on investments and servicing of finance		
Interest received	52,416	27,717
Interest paid	-	(6,172)
	<u>52,416</u>	<u>21,545</u>
Investing Activities		
Payments to acquire fixed assets	(50,950)	(20,942)
Financing Loans		
Loans repaid	(74,163)	(7,059)
Increase in cash and cash equivalents	<u>442,157</u>	<u>£433,217</u>

NOTE 1 – RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007	2006
	£	£
Operating surplus	508,131	551,342
Interest Received	(52,416)	(27,717)
Interest Paid	-	6,172
Depreciation charges	42,749	52,423
(Increase)/Decrease in debtors	(64,095)	(54,657)
Increase/(Decrease) in creditors	80,485	(87,890)
Net cash inflow from operating activities	<u>514,854</u>	<u>£439,673</u>

NOTE 2 – RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN DEBT

	2007	2006
	£	£
Increase in cash	442,157	433,217
Cash outflow from decrease in debt	74,163	7,059
Change in net debt from cash flows b/f from previous year	<u>516,320</u>	<u>440,276</u>
Movement in net debt in year	<u>1,089,506</u>	<u>1,089,506</u>

NOTE 3 – ANALYSIS OF CHANGES IN NET DEBT

	01/04/06	Cash flows	31/03/07
Cash in Bank and in hand	1,163,669	442,157	1,605,826
Loans	(74,163)	74,163	-
Change in Net Debt	<u>1,089,506</u>	<u>516,320</u>	<u>1,605,826</u>
	01/04/05	Cash flows	31/03/06
Cash in Bank and in hand	730,452	433,217	1,163,669
Loans	(81,222)	7,059	(74,163)
Change in Net Debt	<u>649,230</u>	<u>440,276</u>	<u>1,089,506</u>

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2007****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

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 a cost of living awards for the staff.

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.

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2007**

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
Information Technology Equipment	33% Straight Line

2 GRANTS AND OTHER FUNDING

	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
Cymorth TDG	–	46,122	46,122	45,000
Cymorth NCYPS	–	14,490	14,490	14,000
WAG Mediation	–	83,881	83,881	49,825
Youth Offending Team	–	67,669	67,669	58,369
Boston Foundation	–	–	–	16,946
Community Safety	–	29,900	29,900	51,876
Esmee Fairbairn Trust	–	25,000	25,000	14,583
Equitable Trust	–	10,000	10,000	10,000
Garfield Western	–	–	–	10,000
SPG Caerphilly	–	–	–	6,693
Social Services	–	217,504	217,504	213,235
Section 180	–	123,446	123,446	88,446
WAG S180	–	164,846	164,846	119,161
European Social Fund	–	–	–	6,697
Gateway	–	3,545	3,545	1,076
The Wright Trust	–	40,354	40,354	40,560
Lankelly Foundation	–	9,000	9,000	3,000
Sefydliad Fund	–	–	–	412
The Henry Smith Charity	–	15,000	15,000	20,000
Big Lottery Fund Community Fund	–	14,240	14,240	56,348
Big Lottery Fund Bridging the Gap	–	105,490	105,490	–
Tenancy Support Schemes	411,744	–	411,744	310,898
GAVO	–	3,000	3,000	–
Volant Charitable Trust	10,000	–	10,000	–
The Arts Council for Wales	–	3,200	3,200	–
Other Income	22,778	1,225	24,003	8,152
Bond income	–	10,306	10,306	6,286
	<u>444,522</u>	<u>988,218</u>	<u>1,432,740</u>	<u>£1,151,563</u>

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2007**

3. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
Staff salary costs	3,333,548	898,506	4,232,054	3,636,456
Staff training	39,020	3,747	42,767	27,264
Rent, rates, light and heat, insurance and cleaning	247,634	2,080	249,714	216,746
Telephone, advertising, stationery, postage, printing, office costs	159,129	1,602	160,731	161,167
Repairs, renewals and maintenance	83,532	2,906	86,438	89,452
Travel and subsistence	63,438	6,438	69,876	62,758
HA Management charges	412,494	-	412,494	330,707
Other costs	33,935	58,263	92,198	46,687
Re-apportionment of costs	-	-	-	-
Depreciation	35,395	7,354	42,749	52,423
	<u>4,408,125</u>	<u>980,896</u>	<u>5,389,021</u>	<u>£4,623,660</u>

4. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
Salaries	16,000	-	16,000	7,500
Accountancy fees	-	-	-	2,824
Audit fees	8,636	-	8,636	5,985
Audit fee re prior year	559	-	559	1,841
AGM/ Annual report costs	5,328	-	5,328	3,224
	<u>30,523</u>	<u>-</u>	<u>30,523</u>	<u>£21,374</u>

5. TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	Total Funds 2007 £	Total Funds 2006 £
Direct charitable expenditure	4,232,054	42,749	1,114,218	5,389,021	4,623,660
Governance costs	16,000	-	14,523	30,523	21,374
	<u>4,248,054</u>	<u>42,749</u>	<u>1,128,741</u>	<u>5,419,544</u>	<u>£4,645,034</u>

**LLAMAU LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2007**

The aggregate payroll costs were

	2007	2006
	£	£
Wages and salaries	3,675,330	3,133,420
Social security costs	331,521	296,939
Other pension costs	241,203	213,597
	<u>4,248,054</u>	<u>£3,643,956</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 full time equivalent staff employed by the charity during the financial year amounted to

	2007	2006
	No	No
Management and administration staff	21	20
Service staff	143	129
	<u>164</u>	<u>149</u>

6 OPERATING SURPLUS

Operating surplus is stated after charging

	2007	2006
	£	£
Staff pension contributions	241,203	213,597
Depreciation	42,749	52,423
Auditors' remuneration		
- as auditors	9,195	5,985
- for other services		4,665
	<u>9,195</u>	<u>10,650</u>

Auditor's fees

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

	2007	2006
	£	£
Audit	9,195	5,985
Accountancy	-	4,665
	<u>9,195</u>	<u>£10,650</u>

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2007**

7. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment £	Fixtures & fittings £	Motor vehicles £	IT Equipment £	Total £
COST						
At 1 April 2006	115,000	177,040	140,956	11,960	–	444,956
Additions	–	5,297	5,223	–	40,430	50,950
At 31 March 2007	115,000	182,337	146,179	11,960	40,430	495,906
DEPRECIATION						
At 1 April 2006	5,367	152,345	108,704	2,000	–	268,416
Charge for the year	2,300	13,978	19,551	2,490	4,430	42,749
At 31 March 2007	7,667	166,323	128,255	4,490	4,430	311,165
NET BOOK VALUE						
At 31 March 2007	107,333	16,014	17,924	7,470	36,000	184,741
At 31 March 2006	109,633	24,695	32,252	9,960	–	176,540

8. DEBTORS

	2007 £	2006 £
Rent debtors	92,916	56,729
Grant debtors	82,566	105,965
Prepayments	76,612	25,305
	252,094	£187,999

9 CREDITORS. Amounts falling due within one year

	2007 £	2006 £
Bank loan	–	74,163
Trade creditors	68,731	32,702
PAYE and social security	104,033	90,054
Other creditors	98,472	67,995
	271,236	£264,914

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2007**

10. LEASE COMMITMENTS

	£
Due < 1 year	
Property	109,539
Photocopiers	6,274
	<u>115,813</u>
 Due 2 – 5 years	
Property	391,766
Photocopiers	16,022
	<u>407,788</u>
 Due > 5 years	
Property	320,859
Photocopiers	-
	<u>320,859</u>

Properties

Llamau currently lease five properties within South Wales. One property in the Caerphilly area, whose lease is due to expire in December 2007, one in the Vale of Glamorgan whose lease expires in November 2007, one office in Newport, whose lease runs for another five years and expires in 2012 and two offices in Cardiff, both of which lease expire in 2016

Photocopiers

Llamau currently lease five photocopiers, all of which are leased over five years

11 DESIGNATED FUNDS

	2007 £	2006 £
Funds B/fwd	120,000	-
Utilised in Year	(120,000)	-
Transferred from other unrestricted	128,000	120,000
Funds C/fwd	<u>128,000</u>	<u>£120,000</u>

A Designated Fund has been created to fund the cost of living payable to staff

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2007**

12. RESTRICTED FUNDS

	Balance at	Movement in resources.		Balance at
	1 Apr 2006	Incoming	Outgoing & Transfers	31 Mar 2007
	£	£	£	£
Cymorth TDG	-	46,122	(46,122)	-
Cymorth NCYPS	-	14,490	(14,490)	-
WAG Mediation	-	83,881	(83,881)	-
Youth Offending Team	-	67,669	(67,669)	-
Community Safety	-	29,900	(29,900)	-
Esmee Fairbairn Trust	-	25,000	(25,000)	-
Equitable Trust	-	10,000	(10,000)	-
Social Services	-	217,504	(217,504)	-
Section 180	-	123,446	(105,946)	17,500
WAG S180	-	164,846	(164,846)	-
Gateway	-	3,545	(3,545)	-
The Wright Trust	-	40,354	(40,354)	-
Lankelly Foundation	-	9,000	(9,000)	-
The Henry Smith Charity	-	15,000	(15,000)	-
Big Lottery Fund Community Fund	9,294	14,240	(23,534)	-
Big Lottery Fund Bridging the Gap	-	105,490	(100,927)	4,563
GAVO	-	3,000	(150)	2,850
The Arts Council for Wales	-	3,200	(2,035)	1,165
Other Income	-	1,225	(224)	1,001
Bond income	-	10,306	(10,306)	-
Furniture and Fittings Grant	5,198	-	(2,599)	2,599
Capital Asset Funding	5,919	-	(2,960)	2,959
Community Against Drugs – Capital Grant	2,667	-	(1,334)	1,333
WS S180 (Publications)	3,570	-	(3,570)	-
The Wright Trust (Fundraising)	4,875	-	-	4,875
	<u>31,523</u>	<u>988,218</u>	<u>(980,896)</u>	<u>38,845</u>

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

WAG Mediation

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

Youth Offending Team (YOT)

Funding towards the running costs of two Cardiff projects, this enables YOT to have sole access to certain projects. There is also an element of funding from one of our support workers who is on secondment with Caerphilly YOT

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2007****Community Safety**

Grant awarded to the Learning 4 Life project in Cardiff under the Community Safety Partnership to assist Llamau in its role of preventing, and reducing crime and tackling anti-social behaviour

Esmee Fairbairn Trust

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

Equitable Trust Grant

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

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

WAG S180

Grant awarded to two projects for providing family mediation workers Grant awarded to JIGSO and HOPs to provide housing related advice and support to people who are homeless or threatened with homelessness

Gateway

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

The Wright Trust

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

Lankelly Foundation

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

Henry Smith

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

Big Lottery

Grant awarded to help fund the staffing of a Mediation and Resettlement worker at our JIGSO project During the year, we were also awarded another Lottery grant, under the Bridging the Gap funding stream, this grant is being used to set and fund a project called Emphasis, working across three local authorities, Newport, Caerphilly and Torfaen, working with young people between the ages of 14 – 19 years, who are either homeless or facing the real possibility of homelessness

GAVO

Grant awarded to fund tenant participation in one of our projects

Arts Council for Wales

Capital Grant awarded to purchase media equipment for the use in our L4L project

Furniture and Fittings Grant

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

Capital Asset Funding

This fund represents grants received to fund the purchase of office and other equipment This

**LLAMAU LIMITED
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2007**

grant will be written back to revenue over the life of the asset in line with the depreciation charge

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

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

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

	Tangible fixed assets	Other net assets	Total
	£	£	£
Furniture and Fittings Grant	2,599	-	2,599
Capital Asset Funding	2,959	-	2,959
Communities Against Drugs - Capital	1,333	-	1,333
Wright Trust (Fundraising)	-	4,875	4,875
Arts Council for Wales	1,165	-	1,165
Big Lottery Fund	4,563	-	4,563
GAVO	-	2,850	2,850
Cardiff S180	-	17,500	17,500
Welsh Housing Aid	-	1,001	1,001
Restricted funds	<u>12,619</u>	<u>26,226</u>	<u>38,845</u>
Unrestricted funds	<u>172,122</u>	<u>1,560,458</u>	<u>1,732,580</u>
	<u>184,741</u>	<u>1,586,684</u>	<u>1,771,425</u>

14 RELATED PARTY TRANSACTIONS

One of the Trustees J Wright, provided grant funding from the Wright Trust amounting to £40,354 (2006 £40,560) 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

15. COMPANY LIMITED BY GUARANTEE

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