

**PRAXIS CARE GROUP LIMITED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2006**

**Company Registration Number NI 17623**  
**Charity Number XN 80/842**



**BDO Stoy Hayward**  
Chartered Accountants

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**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Financial statements**

**Year ended 31 March 2006**

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<b>Contents</b>	<b>page</b>
Members of the board and professional advisers	<b>1</b>
Directors annual report	<b>2</b>
Independent auditor's report	<b>10</b>
Statement of financial activities (incorporating income and Expenditure account)	<b>12</b>
Balance sheet	<b>14</b>
Cash flow statement	<b>15</b>
Notes to the financial statements	<b>16</b>

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Members of the board and professional advisers**

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<b>The board of directors</b>	Mr A D Canning Mr W J Canning Miss E Jennings Mr M J Keenan Mr J McGregor Dr O E P Shanks Miss M Stevenson Miss A Vance Mr V Malone Mrs R Moore
<b>Company secretary</b>	Mr N Ringland
<b>Registered office</b>	25-31 Lisburn Road Belfast
<b>Auditor</b>	BDO Stoy Hayward Chartered Accountants & Registered Auditors Lindsay House 10 Callender Street Belfast BT1 5BN
<b>Bankers</b>	Bank of Ireland University Road Belfast
<b>Solicitors</b>	James E McGovern & Co 44-46 Elmwood Avenue Belfast BT9 6AZ

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Directors annual report****Year ended 31 March 2006**

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

**Reference and Administrative Details**

Company Registration Number NI 17623

Charity Number XN 80/842

Registered Office: 25-31 Lisburn Road, Belfast

Auditors: BDO Stoy Hayward, Lindsay House, 10 Callender Street, Belfast, BT1 5BN

Bankers: Bank of Ireland, University Road, Belfast, BT7 1NH

Solicitors: James E McGovern & Co., 44-46 Elmwood Avenue, Belfast, BT9 6AZ

The directors who served the charity during the period were as follows:

Mr A D Canning

Mr W J Canning

Miss E Jennings

Mr M J Keenan

Mr J McGregor

Dr O E P Shanks

Miss M Stevenson

Miss A Vance

Alderman J. Shields (Resigned 8 September 2005)

Mr V Malone (Appointed 20 October 2005)

Mrs R Moore (Appointed 20 October 2005)

**Structure, Governance and Management**Governing Document

Praxis Care Group is a company limited by guarantee, not having a share capital. It is governed by its Memorandum and Articles of Association dated the 19<sup>th</sup> of April 1984 and updated on the 17<sup>th</sup> of January 2002. It was incorporated on the 3<sup>rd</sup> of July 1984 (registration number: NI 17623) and has obtained charitable status through the Inland Revenue (reference number: XN/80/842).

Recruitment and Appointment of Trustees

The directors of the company are known as members of the company under the company's articles.

When a trustee vacancy occurs, the position is formally advertised and applications sought. As part of the recruitment process, potential Board Members are invited to attend six Board meetings as an observer, after which time the existing Board Members make a decision about whether or not to formally appoint them.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Directors annual report** *(continued)***Year ended 31 March 2006**

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Trustee Induction and Training

New trustees have an induction meeting with the Chair of the Board and the Chief Executive of the organisation. They are briefed on a range of issues including:

- A full introduction to the organisation, its decision making process, its business plan and its recent financial performance
- The roles and responsibilities of a Board Member (including the ACOVO guidelines).

Organisational Structure

The company is governed by its Board of Directors, which operates as detailed in the governing document for the charity, the Memorandum and articles of Association. A finance sub-committee also meets regularly. The business and affairs of the company are conducted and managed by the committee, which consists of the Board and two other elected members. The day-to-day operations of the charity are managed by the Chief Executive and his senior management team.

Risk Management

Praxis Care Group, an umbrella organisation that includes Challenge, Respond and Northern Ireland Agoraphobia and Anxiety Society, operates a risk management sub-group. This risk management group was originally set up in response to SORP 2000 and the Turnbull Report. It established and reviews a risk register. This register has evaluated probability, impact and concern of risk factors in a number of areas, including: reputation, regulatory, technological, political, people, natural, operational, financial and strategic. The risk register identifies the major risks assessed and the systems that are in place to mitigate exposure of these risks. The register is maintained by the charity and reviewed by the Board, who are satisfied that systems are in place to mitigate the charity's exposure to the major risks.

Related Parties

Praxis Care Group shares facilities, resources and Directors with the following companies incorporated in Northern Ireland:

Challenge-a Northern Ireland charity for people with learning disabilities.

Respond-a Northern Ireland charity for the elderly.

Northern Ireland Agoraphobia and Anxiety Society.

Secret Garden (Hillsborough) Limited.

The Challenge and Respond companies are dormant and the operations previously carried out by these companies are now Programmes of Care within Praxis Care Group and are included in these financial statements.

Northern Ireland Agoraphobia and Anxiety Society and Secret Garden (Hillsborough) Limited produce their own financial statements. Consolidated accounts are not prepared as the directors feel the results of the subsidiaries are not material to those of the group.

In addition, Praxis Care Group has a related company, Praxis Housing Association Limited, a company incorporated by the Republic of Ireland. They also produce their own financial statements.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Directors annual report** *(continued)***Year ended 31 March 2006**

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**Objectives and Activities**

The objectives for which the organisation is established are:

- To promote the preservation and safeguarding of mental health, all forms of mental illness, disability or any other condition or circumstance and to include, without limitation, those persons who have a learning disability or illness of old age or any other condition.
- To promote and undertake research into the special problems of mental illness, disability or any other condition or circumstance and to include the learning disabled and the elderly.
- To promote the rehabilitation, training, education, therapy and health care of those persons aforementioned.
- To advance the education of the public in all aspects of mental health, all forms of mental illness, disability or any other condition or circumstance.
- To undertake any other charitable purpose.

**Achievements and Performance**

The company's principal activity during the year continued to be the provision of support services for adults and children with a disability, mental ill health, acquired brain injury and for older people, including people with dementia.

The results for the main Programmes of Care operating under the Praxis Care Group umbrella are included within these financial statements.

These main Programmes of Care are known as:

- Praxis Mental Health, which provides a range of supported living services to people experiencing mental ill health. Praxis Mental Health also provides home response domiciliary care and a day activity / drop-in and "out of hours" service that offers individuals with mental ill health and related complex needs help in the planning and management of their social routines. During the year Praxis Mental Health has provided services to over 500 clients.
- Challenge, which assists adults and children with a learning disability or acquired brain injury to live in appropriate community settings, through offering a holistic range of care and diversional activity. Challenge specialises in services for adults and children who have complex needs, including challenging behaviours, which could not normally be met outside a hospital or institutional setting. These services include a range of residential and supported living schemes and the provision of work and training opportunities. During the year Challenge has provided services to over 450 clients.
- Respond, which provides supported living services for older people including people with dementia. This model of support enables people to maintain their independence within the living environment of their choice as well as supporting family and primary care givers. Respond has provided services to approximately 35 clients during the year.

Services provided within these three main programmes of care include:

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Directors annual report** *(continued)***Year ended 31 March 2006**

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**Accommodation & Support.** There are 5 types of accommodation: residential care home, residential flat cluster, flat cluster, dispersed intensively supported housing (DISH) and housing for the elderly. Accommodation schemes offer an opportunity for clients to live in a community setting which best meets their needs

**Volunteer Befriending.** Praxis Mental Health operates a volunteer befriending scheme with over 160 matched friendships. Volunteer befrienders can help to reduce the risk of suicide, help to minimise the feeling of isolation, reduce pressure on families, and help to alleviate poor health and the risk of hospital admission.

**Home Response/Domiciliary Care.** In Northern Ireland and on the Isle of Man, schemes provide several hundred hours of home response support on a weekly basis, benefiting several hundred people. The feeling of isolation and lack of contact with family and friends can compound mental health problems, so our home response service provides a valuable link to the outside world. Staff provide a range of practical support regarding home management and daily living tasks as well as emotional and social support through befriending, companionship and encouraging people to participate in educational, vocational and recreational activities. Staff can help in monitoring physical and mental wellbeing and where necessary can assist in personal care tasks.

**Workskills/Day Care.** Challenge believes that every individual has a right to meaningful activity during the day. Challenge recognises that for some the development of self-help and other life skills may be limited. However, the organisation would aspire to enable each individual to develop as normally as possible and acquire skills relevant to adulthood and a level of self-reliance. Thus the organisation has sought to develop a range of projects that meet differing needs. Apart from diversional and educational activities carried out at a range of day care/workskills projects, service users run Challenge Cookie Companies where cookies are made, packaged and sold to local shops. The service users also run coffee shops. For individuals who prefer more physical activity, Challenge has developed horticultural and building projects that fully utilise the skills of the individuals involved. These schemes enable individuals to take a full and active part in contributing to the economy and being integrated into the local community

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Directors annual report** *(continued)***Year ended 31 March 2006**

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**Respite Residential Care.** Challenge provides long term care or shared care for children with severe learning disability where families are no longer able to provide it in the family home. The organisation also provides respite for families where children require high levels of care and it is important that carers have breaks to enable them to continue their role. The organisation provides respite breaks either in a residential setting or in the child's own home.

**Floating Support.** Floating Support services are short term (less than two years), flexible services provided to individuals in their own homes. Floating Support services are linked to the individual and not the accommodation meaning that if an individual moves house the Floating Support can follow the individual as long as they remain in the service's catchment area. Floating Support aims to maximise individual's independence while supporting them to maintain their own home.

**Drop In Centres.** These services offer individuals with mental ill health and related complex needs help in planning and management of their own social routines.

**Carer Advocacy.** A new scheme has been developed in the North and West Belfast Trust area to meet the needs of those who care for people with mental ill health. Carers want to be involved, want to be valued and want to secure the best care as quickly as possible for the person they support. Praxis Mental Health has started and is developing a range of support services for carers. This can be achieved by some of the following issues being addressed: - access to a mental health or social care professional on request; prompt response to requests for help; have their own needs assessed and met; able to get breaks from caring; explanation of the mental health problem affecting the person they are caring for; information on treatments, alternative treatments and their effects; and information on what support will be provided when the carer is no longer available

**Planet-B.** This is a flexible drop-in centre for young people who may have a history of substance misuse as well as mental ill health. Traditionally the users are non-engagers with mainstream services. IT training as well as social activities is provided through this centre.

Praxis Care Group also has an established Research Department that conducts a wide range of in-house and commissioned research in the area of learning disabilities, mental health, elderly, acquired brain injury and other health and social care issues.

The Department has carried out research on topics such as self-advocacy and user involvement, community health needs, volunteer befriending, alcohol related brain injury, and has evaluated various models of service provision.

The PCG Research Department conducts an annual organisation-wide survey of user satisfaction amongst all our clients. The survey is called Views from U.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Directors annual report** *(continued)***Year ended 31 March 2006**

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**Financial Review**

Praxis Care Group's recent growth continued throughout the year ended 31 March 2006. Total incoming resources increased from £12,257,422 in 2005 to £14,242,797 in 2006. The charity had a net increase in funds of £11,183 for the year ended 31 March 2006.

The detailed trading results for the year, and the charity's financial position at the end of the year, are shown in the attached financial statements.

At 31 March 2006 unrestricted funds were £4,298,769 (of which £3,792,840 were designated) and restricted funds were £82,324.

Investment Powers and Restrictions

Under the Memorandum and Articles of Association, the company may invest monies not immediately required for its purposes in or upon such investments, securities or property, as may be thought fit. Subject nevertheless to such conditions and such consents as may, for the time being, be imposed or required by law and the company's Governing Document.

Reserves

The Board of Directors has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be 4 months of the unrestricted resources expended, which equates to £4,654,803 in general funds. At this level, the Directors feel that they would be able to continue the current activities of the charity. In the event of a significant drop in funding, it would obviously be necessary to consider how the funding would be replaced or activities changed. At present the free reserves (which exclude the designated funds are £505,929 and as such do not meet this target level. The Directors are considering ways in which additional unrestricted funds will be raised.

Designated funds include £85,000 set aside to cover the costs of uninsurable risks and £3,707,840 relating to monies invested in fixed assets.

**Plans for Future Periods**

The organisation is keen to continue its recent growth and is actively seeking future development opportunities within Northern Ireland, the Republic of Ireland, the Isle of Man and England.

Developments in Challenge include:

- A twenty-place project in the Lurgan area for Adults
- A sixteen-place project in the Foyle area for adults who have spent most of their lives in a hospital setting
- A twelve-place project for adults in North and West Belfast
- A ten-place project in Navan for adults
- A sixteen-place project in Crumlin for adults

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Directors annual report** *(continued)***Year ended 31 March 2006**

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Developments in Praxis Mental Health include:

- A fifteen-place project in West Belfast
- A fifteen-place project in Magherafelt
- Six apartments in the Isle of Man
- Ten-to-twenty housing units in Manchester
- A twelve-place project in Larne.

Developments in Respond include:

- A further sixteen units of SMART housing in Lisburn.

**Disabled Employees**

The company maintains a policy of offering equal opportunity to disabled persons in recruitment, training and career development, having due regard to their aptitudes and abilities in relation to the jobs available.

**Employee Involvement**

All employees are informed of plans and progress via regular briefing sessions where opportunity is provided for involvement of all in the group's decision making process.

**Responsibilities of the directors**

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 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 directors are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The directors 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 directors 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 (Northern Ireland) Order 1986. The directors 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.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Directors annual report** *(continued)***Year ended 31 March 2006**

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**Auditor**

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

**Disclosure of information to Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Registered office:  
25-31 Lisburn Road  
Belfast

Signed on behalf of the directors



Mr W J Canning  
Director

Approved by the directors on 21<sup>st</sup> September 2006

## **PRAXIS CARE GROUP LIMITED COMPANY LIMITED BY GUARANTEE**

### **Independent auditor's report to the members of PRAXIS CARE GROUP LIMITED**

**Year ended 31 March 2006**

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We have audited the financial statements which comprise the Statement of Financial Activities (Incorporating Income and Expenditure Account), Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and on the basis of the accounting policies set out therein.

#### **Respective responsibilities of the directors and the auditor**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of 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 (Northern Ireland) Order 1986. We also report to you if, in our opinion, the Directors 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 directors' remuneration and transactions with the charity is not disclosed.

We read the Directors 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. This report has been prepared pursuant to the requirements of the Companies (Northern Ireland) Order 1986 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies (Northern Ireland) Order 1986 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### **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 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.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Independent auditor's report to the members of PRAXIS CARE GROUP  
LIMITED (continued)****Year ended 31 March 2006**

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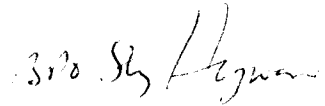
**Opinion**

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 company's affairs as at 31 March 2006 and of its profit for the Period then ended;

the financial statements have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986; and

the information given in the Directors' Report is consistent with the financial statements for the Period from 1 April 2005 to 31 March 2006.



Lindsay House  
10 Callender Street  
Belfast  
BT1 5BN

BDO STOY HAYWARD  
Chartered Accountants  
& Registered Auditors

21 September 2006

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Statement of financial activities (incorporating Income and expenditure account)**

**Year ended 31 March 2006**

	Note	Designated Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
<b>Incoming resources from generated funds</b>						
<i>Voluntary income:</i>						
Donations	2	–	7,918	13,802	21,720	19,132
Activities for generating funds		–	25,174	–	25,174	41,597
Interest receivable	3	–	362	–	362	24,142
<b>Incoming resources from Charitable activities:</b>						
	4	–	13,908,899	246,301	14,155,200	12,142,711
<b>Other incoming resources:</b>						
	5	–	40,341	–	40,341	29,840
<b>Total incoming resources</b>		–	<b>13,982,694</b>	<b>260,103</b>	<b>14,242,797</b>	<b>12,257,422</b>
<b>Resources expended</b>						
<b>Costs of generating funds:</b>						
Costs of generating voluntary income	6	–	47,642	–	47,642	179,702
<b>Charitable activities</b>	7	–	<b>13,817,826</b>	<b>268,089</b>	<b>14,085,915</b>	<b>11,740,276</b>
<b>Governance costs</b>	7	–	<b>98,941</b>	–	<b>98,941</b>	<b>122,288</b>
<b>Total resources expended</b>		–	<b>13,964,409</b>	<b>268,089</b>	<b>14,232,498</b>	<b>12,042,266</b>
<b>Net incoming/(outgoing) resources before transfers</b>						
	9	–	18,285	(7,986)	10,299	215,156
Transfer between funds	17	99,510	(99,510)	–	–	–
<b>Net incoming/(outgoing) resources for the year</b>	9	<b>99,510</b>	<b>(81,225)</b>	<b>(7,986)</b>	<b>10,299</b>	<b>215,156</b>
Carried forward		<b>99,510</b>	<b>(81,225)</b>	<b>(7,986)</b>	<b>10,299</b>	<b>215,156</b>

The notes on pages 13 to 31 form part of these financial statements.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Statement of financial activities (incorporating Income and expenditure  
account) (continued)****Year ended 31 March 2006**

	Designated Funds	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
Note	£	£	£	£	£
Brought forward	99,510	(81,225)	(7,986)	10,299	215,156
<b>Other recognised gains and losses</b>					
Unrealised gains on investments		884	--	884	4,627
Net movement in funds relating to the year	99,510	(80,341)	(7,986)	11,183	219,783
Balances brought forward	3,693,330	586,270	90,310	4,369,910	4,150,127
Balances carried forward	3,792,840	505,929	82,324	4,381,093	4,369,910

The Statement of Financial Activities (incorporating Income and Expenditure Account) incorporates the Statement of Total Recognised Gains and Losses required by FRS 3.

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

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Balance sheet****31 March 2006**

	Note	2006 £	£	2005 £
<b>Fixed assets</b>				
Tangible assets	11		4,901,773	4,269,479
Investments	12		6,519	5,635
			<u>4,908,292</u>	<u>4,275,114</u>
<b>Current assets</b>				
Debtors	13	2,145,360		1,605,926
Cash at bank and in hand		133,657		625,162
		<u>2,279,017</u>		<u>2,231,088</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(2,129,495)</u>		<u>(1,948,997)</u>
<b>Net current assets</b>			<u>149,522</u>	<u>282,091</u>
<b>Total assets less current liabilities</b>			<u>5,057,814</u>	<u>4,557,205</u>
<b>Creditors: Amounts falling due after more than one year</b>	15		<u>(676,721)</u>	<u>(187,295)</u>
<b>Net assets</b>			<u>4,381,093</u>	<u>4,369,910</u>
<b>Funds</b>				
Unrestricted:				
Designated funds	17		3,792,840	3,693,330
Other charitable funds			505,929	586,270
Restricted	18		82,324	90,310
<b>TOTAL FUNDS</b>			<u>4,381,093</u>	<u>4,369,910</u>

These financial statements were approved by the board of directors on the 21<sup>st</sup> September 2006 and are signed on their behalf by:



Mr W J Canning

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Cash flow statement****Year ended 31 March 2006**

	2006	2005
	£	£
<b>Net cash inflow from operating activities</b>	<b>42,582</b>	836,727
<b>Returns on investments and Servicing of finance</b>		
Interest received	362	24,142
Interest paid	(54,085)	(53,636)
Net cash outflow from returns on investments and servicing of finance	(53,723)	(29,494)
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(1,051,474)	(1,072,651)
Net cash outflow from capital expenditure	(1,051,474)	(1,072,651)
Cash outflow before financing	(1,062,615)	(265,418)
<b>Financing</b>		
Net inflow/(outflow) from bank loans	538,101	(732)
Net outflow from other long-term creditors	-	(143,622)
Net cash inflow/(outflow) from financing	538,101	(144,354)
<b>Decrease in cash</b>	<b>(524,514)</b>	(409,772)

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Notes to the financial statements****Year ended 31 March 2006**

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**1. Accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and the Companies (Northern Ireland) Order 1986.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends upon continued support of funders.

**Consolidation**

In the opinion of the board of directors, the charity and its subsidiary undertakings comprise a medium-sized group. The charity has therefore taken advantage of the exemption provided by Article 256 of the Companies (Northern Ireland) Order 1986 not to prepare group accounts.

Further the directors do not consider that group accounts are not required under SORP 2005 as the results of the subsidiary undertakings are not material to the group.

Results of the subsidiary undertakings are disclosed in the notes to the accounts.

**Grants**

Grants received, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable and when the charity's entitlement becomes legally enforceable.

Grant payments to other organisations are accounted for as and when approved. The value of the grants approved, but still to be paid, are included in the balance sheet as current liabilities.

**Other incoming resources**

Incoming resources including investment income and membership fees are credited to the Statement of Financial Activities when receivable.

**Reserves**

Praxis aspires to retaining a level of reserves which matches the needs of the organisation at the current time and in the foreseeable future. The reserves required will be sufficient to meet committed grant expenditure and the running costs for a period equivalent to four months annual expenditure excluding restricted project expenditure.

**Investment assets and income**

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations throughout the year.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Notes to the financial statements****Year ended 31 March 2006**

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**1. Accounting policies** *(continued)***Resources expended**

Resources expended are recognised in the period in which they are incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

**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 - 33.3% straight line
Fixtures & Fittings - 33.3% straight line
Motor Vehicles - 33.3% straight line
Accommodation Furnishings - 33.3% straight line

The company's policy is to capitalise all fixed asset additions costing more than £100.

**Pension costs**

The charity operates a defined benefit pension scheme for Directors, Assistant Directors and Scheme Managers. The assets of the scheme are held separately from those of the charity. The contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining working lives of current members in the scheme.

For all other employees, the company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Statement of Financial Activities.

**PRAXIS CARE GROUP LIMITED COMPANY LIMITED BY  
GUARANTEE****Notes to the financial statements****Year ended 31 March 2006**

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**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net incoming resources for the year.

**Funds**

The charity has different types of funds for which it is responsible, and which require separate disclosure. These are as follows:

## a. Restricted funds:

Donations, grants and other income received which are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the organisation.

## b. Unrestricted funds:

Funds which are expendable at the discretion of the board in the furtherance of the objects of the charity. In addition funds may be held in order to finance capital investment and working capital.

## c. Designated Funds

These are a particular form of unrestricted fund, consisting of amounts which have been allocated or designated for particular purposes by the charity. The use of such funds for their designated purpose will remain at the discretion of the Board. The charity has designated funds this year as a form of insurance against the potential cost of currently uninsurable risks. The charity has also designated its fixed assets as a separate fund.

**2. Donations**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2006</b>	Total Funds 2005
	£	£	£	£
Donations	<u>7,918</u>	<u>13,802</u>	<u>21,720</u>	<u>19,132</u>

**3. Interest receivable**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2006</b>	Total Funds 2005
	£	£	£	£
Bank interest receivable	<u>362</u>	<u>-</u>	<u>362</u>	<u>24,142</u>

Notes to the financial statements

Year ended 31 March 2006

**4. Incoming resources from Charitable activities**

Incoming Resources from Activities to further the Charity's Objects

	Praxis Mental Health		Challenge		Respond		Services		Total 2006 £	2005 £
	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Unrestricted £	Restricted £	Unrestricted £	Restricted £		
Armagh & Dungannon Trust	40,897		151,267						192,164	110,100
Causway HSST	122,624		3,230						125,854	135,942
Craigavon & Banbridge HSST	359,895		411,775						771,670	603,260
Down & Lisburn HSST	19,236		98,985		74,967				193,189	96,104
Foyle HSST	84,377		219,038						303,415	281,013
Newry & Mourne HSST	100,222		-						100,222	168,312
North & West Belfast	180,289		391,088						571,377	451,611
Sperrin Lakeland	54,681		1,051,894						1,106,574	1,073,306
Homefirst Community Trust	333,202		1,586,381						1,919,582	1,764,269
South & East Belfast	25,153		261,954						287,107	277,923
UCHT	252,194		930,231						1,182,426	1,192,404
IOM Gov DHSS	684,326		516,674						1,200,999	1,013,267
Leicester CC			1,056,182						1,056,182	1,030,537
Kilkenny Community			48,605						48,605	47,478
North Eastern			56,824						56,824	175,184
Navan	2,050		412,106						414,156	-
Mullingar			43,941						43,941	-
Omagh Community Services			4,313						4,313	-
Client Benefits			260,720						260,720	260,053
Client Income	194,922		29,958		56,483				281,362	219,009
Supporting People	1,923,279		177,891		295,486				2,396,656	1,703,926
SNMA	337,321		62,573						399,894	385,941
Housing Benefit	555,880		22,194		7,308				585,381	559,339
Grants	42,458		139,210	84,831	8,446	71,846	86,624		514,451	-
DHSS DIPSW Funding	9,397		5,357						14,754	101,109
Other Operating Income	2,322		42,609	3,000				5,095	53,026	493,374
Product Sales			70,356						70,356	750
<b>Total</b>	<b>5,324,724</b>		<b>8,055,354</b>	<b>87,831</b>	<b>442,690</b>	<b>71,846</b>	<b>86,624</b>	<b>86,131</b>	<b>14,155,200</b>	<b>12,144,211</b>

**PRAXIS CARE GROUP LIMITED COMPANY LIMITED BY  
GUARANTEE****Notes to the financial statements****Year ended 31 March 2006**

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**5. Other income**

	<b>2006</b>	2005
	<b>£</b>	£
Management fees	<b><u>40,341</u></b>	<u>29,840</u>

**6. Fundraising and publicity**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2006</b>	Total Funds 2005
	<b>£</b>	<b>£</b>	<b>£</b>	£
Appeals costs	<b>37,452</b>	-	<b>37,452</b>	100,874
Fundraising costs	<b>10,190</b>	-	<b>10,190</b>	78,828
	<b><u>47,642</u></b>	<u>-</u>	<b><u>47,642</u></b>	<u>179,702</u>

Notes to the financial statements

Year ended 31 March 2006

**7. Resources expended**

	Basis of allocation	Voluntary Income	Praxis Mental Health	Challenge		Respond	Head Office Services		Governance	Total 2006	2005
				£	£		£	£			
<b>Costs directly allocated to activities</b>											
Staff costs	Direct	-	3,116,229	5,931,071	353,596	66,097	-	-	9,466,994	7,909,980	
Client Expenses	Direct	-	22,003	122,728	1,213	-	-	-	145,945	92,881	
Office costs	Direct	-	221,077	193,549	22,673	44,410	-	-	481,710	452,479	
Accommodation costs	Direct	-	654,035	1,078,810	35,913	138	-	-	1,768,896	1,563,809	
Grants	Direct	-	-	190,233	-	-	-	-	190,233	-	
Advertising and Marketing	Direct	21,865	13,853	36,217	818	-	-	20,000	72,754	-	
Audit fees	Direct	-	-	2,350	-	-	-	59,101	22,350	20,000	
Legal and Professional fees	Direct	-	-	-	-	878	-	-	59,978	267,685	
Development costs	Direct	-	-	20	-	-	-	-	20	77,453	
Depreciation	Direct	-	76,097	205,409	6,654	1,188	-	-	289,348	252,393	
Bank Charges	Direct	-	-	-	-	18,150	-	-	18,150	-	
Other Interest	Direct	-	-	-	-	35,936	-	-	35,936	-	
<b>Total</b>		<b>21,865</b>	<b>4,103,294</b>	<b>7,760,387</b>	<b>420,867</b>	<b>166,797</b>	<b>79,101</b>	<b>12,552,312</b>	<b>10,636,680</b>		
<b>Support costs allocated to activities</b>											
Senior management costs	Staff time	-	166,031	241,234	9,892	6,753	4,226	-	428,135	367,699	
Quality monitoring costs	Staff time	-	36,245	72,287	2,825	1,365	-	-	112,722	81,851	
Training costs	Usage	-	95,758	171,633	3,280	3,671	-	-	274,343	235,668	
Premises costs	Floor area	-	86,116	134,832	5,519	2,380	-	-	228,847	159,804	
Finance costs	Staff time	-	142,156	222,427	9,237	5,620	15,614	-	395,054	221,410	
IT costs	Staff time	-	30,206	47,294	1,936	1,471	-	-	80,906	64,151	
Personnel costs	Staff time	-	42,203	66,073	2,704	1,557	-	-	112,537	95,301	
<b>Total support costs allocation</b>		<b>-</b>	<b>598,715</b>	<b>955,779</b>	<b>35,393</b>	<b>22,817</b>	<b>19,840</b>	<b>1,632,544</b>	<b>1,225,884</b>		
		<b>21,865</b>	<b>4,702,009</b>	<b>8,716,166</b>	<b>456,260</b>	<b>189,614</b>	<b>98,941</b>	<b>14,184,856</b>	<b>11,862,564</b>		

The expenditure above includes grants payable of £190,233. These were paid to Secret Garden (Hillsborough) Limited to provide day care services on behalf of Praxis Care Group.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Notes to the financial statements****Year ended 31 March 2006****8. Payroll costs****The aggregate payroll costs were:**

	<b>2006</b>	2005
	£	£
Wages and salaries	<b>9,648,752</b>	7,839,225
Social security costs	<b>752,177</b>	665,015
Other pension costs	<b>243,758</b>	123,870
	<u><b>10,644,687</b></u>	<u>8,628,110</u>

**Particulars of employees:**

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

	<b>2006</b>	2005
	No	No
Number of operations staff	<b>610</b>	521
Number of fundraising & publicity staff	<b>1</b>	4
Number of management & administrative staff	<b>115</b>	105
	<u><b>726</b></u>	<u>630</u>

The number of employees, including in the above, whose emoluments, excluding pension contributions, fell within the following ranges, were:

	<b>2006</b>	2005
	No	No
Between £70,000 and £80,000	<b>1</b>	1

Trustees' emoluments including benefits in kind totalled £NIL (2005: £NIL).

Trustees received £NIL (2005: £NIL) for reimbursed expenses in the year.

**9. Net incoming/(outgoing) resources for the year**

Net incoming/(outgoing) resources for the year are stated after charging/(crediting):

	<b>2006</b>	2005
	£	£
Staff pension contributions	<b>243,758</b>	123,870
Depreciation	<b>419,180</b>	357,910
Loss on disposal of charitable purposes fixed assets	-	1,979
Auditors' remuneration		
- as auditors	<b>20,000</b>	22,762
- for other services	<b>2,250</b>	-
Net profit on foreign currency translation	-	(538)

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Notes to the financial statements****Year ended 31 March 2006**

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**10. Subsidiary undertakings**

The following companies are considered subsidiaries by virtue of being under the control of Praxis Care Group:

Challenge: A Northern Ireland Charity for People with Learning Disabilities  
Respond: A Northern Ireland Charity for the Elderly  
Northern Ireland Agoraphobia and Anxiety Society  
Secret Garden (Hillsborough) Limited

All the above subsidiary companies are charities with similar objectives to Praxis Care Group, and are incorporated in Northern Ireland. The results of the subsidiaries have not been consolidated in these accounts as the Directors do not consider the results of the subsidiaries to be material.

Challenge and Respond are dormant and have not traded in either this year or the previous year. The results of the other subsidiary companies are shown below.

**Northern Ireland Agoraphobia and Anxiety Society**

	<b>2006</b>	2005
Total incoming resources	<b>55,245</b>	41,010
Net incoming (outgoing) resources for the year	<b>12,312</b>	4,485
Restricted funds held at year end	<b>5,000</b>	5,000
Unrestricted funds held at year end	<b>2,576</b>	(9,736)
Total funds	<u><b>7,576</b></u>	<u>(4,736)</u>

**Secret Garden (Hillsborough) Limited**

Total incoming resources	<b>200,635</b>	145,017
Net incoming (outgoing) resources for the year	<b>48,213</b>	22,142
Restricted funds held at year end	<b>126,126</b>	73,048
Unrestricted funds held at year end	<b>(51,617)</b>	(46,752)
Total funds	<u><b>74,509</b></u>	<u>26,296</u>

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the financial statements**

**Year ended 31 March 2006**

**11. Tangible fixed assets**

	Freehold property £	Accommodation & Furnishings £	Office Equipment £	Fixtures & fittings £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 Apr 2005	4,079,412	624,053	823,283	174,766	180,703	5,882,217
Additions	643,433	156,496	82,819	68,736	99,990	1,051,474
<b>At 31 Mar 2006</b>	<u>4,722,845</u>	<u>780,549</u>	<u>906,102</u>	<u>243,502</u>	<u>280,693</u>	<u>6,933,691</u>
<b>Depreciation</b>						
At 1 Apr 2005	294,419	495,099	566,633	143,367	113,220	1,612,738
Charge for the year	85,756	142,757	105,883	31,845	52,939	419,180
<b>At 31 Mar 2006</b>	<u>380,175</u>	<u>637,856</u>	<u>672,516</u>	<u>175,212</u>	<u>166,159</u>	<u>2,031,918</u>
<b>Net book value</b>						
<b>At 31 Mar 2006</b>	<u>4,342,670</u>	<u>142,693</u>	<u>233,586</u>	<u>68,290</u>	<u>114,534</u>	<u>4,901,773</u>
At 31 Mar 2005	<u>3,784,993</u>	<u>128,954</u>	<u>256,650</u>	<u>31,399</u>	<u>67,483</u>	<u>4,269,479</u>
<b>Capital commitments</b>					<b>2006</b>	<b>2005</b>
					£	£
Contracted but not provided for in the financial statements					<u>385,500</u>	<u>-</u>

**12. Investments**

**Movement in market value**

	<b>2006</b>	<b>2005</b>
	£	£
Market value at 1 Apr 2005	5,635	1,008
Net gains on revaluations in the year ended 31 March 2006	884	4,627
<b>Market value at 31 Mar 2006</b>	<u>6,519</u>	<u>5,635</u>
 Historical cost at 31 Mar 2006	 <u>1,008</u>	 <u>1,008</u>

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Notes to the financial statements****Year ended 31 March 2006****12. Investments (continued)****Analysis of investments at 31 Mar 2006 between funds**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2006</b>	<b>Total Funds 2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Listed investments</b>				
UK quoted shares	6,519	-	6,519	5,635
	<u>6,519</u>	<u>-</u>	<u>6,519</u>	<u>5,635</u>

There were no additions or disposals of investments during the year. The movement in net book value represents an unrealised gain in market value.

None of the investments held by the charity relate to the charity's programmes of care.

Listed investments having a net book value of £6,519 (2005 - £5,635) are held by the charity and had a market value of £6,519 at the end of the year (2005 - £5,635).

**13. Debtors**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade debtors	349,307	427,975
Amounts owed by group and related undertakings	1,275,585	747,038
Other debtors	520,468	430,913
	<u>2,145,360</u>	<u>1,605,926</u>

**14. Creditors: Amounts falling due within one year**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	564,505	482,821
Trade creditors	190,392	212,306
PAYE and social security	214,086	180,027
Other creditors	658,004	653,506
Accruals	502,508	420,337
	<u>2,129,495</u>	<u>1,948,997</u>

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Notes to the financial statements****Year ended 31 March 2006**

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**14. Creditors: Amounts falling due within one year (continued)**

The following liabilities disclosed under creditors falling due within one year are secured by the charity:

	<b>2006</b>	2005
	£	£
Bank loans and overdrafts	<u><b>564,505</b></u>	<u>482,821</u>

The bank borrowings are secured by way of fixed and floating charges over all property and assets of the company including first fixed charges over 29-31 Lisburn Road and 18 Windsor Avenue Belfast, 154 Station Road, Leicester and 66 Dalby Road, Melton, Mowbray.

**15. Creditors: Amounts falling due after more than one year**

	<b>2006</b>	2005
	£	£
Bank loans and overdrafts	<u><b>676,721</b></u>	<u>187,295</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the charity:

	<b>2006</b>	2005
	£	£
Bank loans and overdrafts	<u><b>676,721</b></u>	<u>187,295</u>

The bank borrowings are secured by way of fixed and floating charges over all property and assets of the company including first fixed charges over 29-31 Lisburn Road and 18 Windsor Avenue Belfast, 154 Station Road, Leicester and 66 Dalby Road, Melton, Mowbray.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Notes to the financial statements****Year ended 31 March 2006**

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**16. Pensions**

Praxis Care Group participates in The Pensions Trust SCVO Final Salary Pension Scheme (the "Scheme"). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Praxis Care Group paid contributions at the rate of 13.4%. Member contributions were 6.0%.

It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly the charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed at 30 September 2002 by a professionally qualified actuary using the "projected unit credit" method.

The financial assumptions underlying the valuation were as follows:

- Investment return on future contributions	6.6% p.a.
- Investment return on accumulated assets	7.2% p.a.
- Inflation rate	2.5% p.a.
- Rate of salary increases	4.5% p.a.
- Rate of pension increases	2.5% p.a.

The market value of the Scheme's assets at the valuation date was £12.8 million. The valuation revealed a shortfall of assets compared with the value of liabilities of some £2.2million (equivalent to a past service funding level of 85%).

The ongoing future service joint contribution rate (i.e. employer and employee contributions) was assessed as 15.9% of pensionable salaries.

In view of the past service shortfall it was agreed that employers would continue to pay contributions at the rate of 12.0% of pensionable salaries and that member contributions would be increased to 6.0% with effect from 1 April 2004.

New employers joining the Scheme, including Praxis Care Group, pay contributions at the going employer future service contribution rate. This rate applies from the date the employer joins the Scheme to the date of the second actuarial valuation of the Scheme following the date of joining.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Notes to the financial statements****Year ended 31 March 2006**

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New employers also pay an additional age loading if the average age of their members is higher than the average age of the Scheme membership. This loading applies from the date the employer joins the Scheme to the date of the second actuarial valuation of the Scheme following the date of joining, or such earlier date as agreed between the SCVO Pensions Committee and the Scheme Actuary.

A small number of employers, including Praxis Care Group, have closed the Scheme to new entrants and are required to pay an additional contribution loading to reflect the higher costs of a closed arrangement. This loading is based on actuarial advice and is subject to change from time to time. The loading is currently 3.5%.

Praxis Care Group paid contributions at the rate of 13.4% for the period covered by these accounts. This comprised the on-going employer contribution rate of 9.9% plus the closed arrangement loading of 3.5%. Praxis Care Group does not pay an age loading. This rate will be payable until 30 September 2008 after which Praxis Care Group will pay contributions at the standard employer contribution rate per the most recent actuarial valuation plus the closed employer loading.

On the basis of the valuation assumptions pattern of contributions will be sufficient to eliminate the past service deficit by 30 September 2012.

The Scheme Actuary is currently carrying out an actuarial valuation of the Scheme as at 30 September 2005. The results of this valuation were not available at the date of signing these accounts.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis) with the assets of the Scheme. If the liabilities exceed the assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the financial statements**

**Year ended 31 March 2006**

**17. Designated funds**

	<b>Balance at 1 Apr 2005</b>	<b>Movement in resources: Utilised/ Released</b>	<b>Balance at 31 Mar 2006</b>
	£	£	£
Self insurance fund	85,000	–	85,000
Fixed asset fund	3,608,330	99,510	3,707,840
	<u>3,693,330</u>	<u>99,510</u>	<u>3,792,840</u>

The charity has designated £85,000 from its general unrestricted funds. These funds have been designated and set aside as a form of insurance against the potential future cost of currently uninsurable risks.

Fixed assets held by the company have been transferred to a designated fund, the amounts held in this fund are net of loans totalling £1,193,933 secured on the related assets.

**18. Restricted funds**

	<b>Balance at 1 Apr 2005</b>	<b>Movement in resources: Incoming</b>	<b>Outgoing &amp; Transfers</b>	<b>Balance at 31 Mar 2006</b>
	£	£	£	£
Donation from Halifax	–	4,500	(1,500)	3,000
Ulster Garden Villages	–	3,000	(3,000)	–
Lloyds TSB	2,500	–	–	2,500
Beechfield Refurbishment	63,271	–	–	63,271
CFNI Sports Relief	–	600	(600)	–
Children in Need (fixed asset purchases)	14,038	–	(14,038)	–
YESIP	10,501	60,767	(60,767)	10,501
Submobil	–	19,080	(19,080)	–
Co-operation Ireland - Cross Border	–	67,544	(67,544)	–
Community Foundation of N.I.	–	35,717	(35,717)	–
Henry Smith Charity	–	6,750	(6,250)	500
Barclays	–	2,552	–	2,552
Chip Programme Co-op Ireland	–	36,129	(36,129)	–
Millenium Volunteer Project	–	23,464	(23,464)	–
VDA	–	23,464	(23,464)	–
	<u>90,310</u>	<u>260,103</u>	<u>(268,089)</u>	<u>82,324</u>

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Notes to the financial statements****Year ended 31 March 2006**

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**19. Analysis of net assets (between restricted and unrestricted funds)**

	<b>Tangible fixed assets</b>	<b>Investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Restricted funds	–	–	<b>82,324</b>	<b>82,324</b>
Unrestricted funds	<b>3,707,840</b>	<b>6,519</b>	<b>584,410</b>	<b>4,298,769</b>
	<b><u>3,707,840</u></b>	<b><u>6,519</u></b>	<b><u>666,734</u></b>	<b><u>4,381,093</u></b>

**20. Contingencies**

Certain grants received and receivable may become repayable to the funder if the organisation is no longer able to meet the conditions under which they were awarded.

The company has a contingent liability in respect the SCVO pension scheme arising if the company decides to leave the scheme or the scheme is wound up. The company has no plans to leave the scheme and no indication has been given by the Scheme Trustees of plans to wind the scheme up. It is therefore not practicable to give an estimate of the financial effect of this liability or any indication as to when a liability may arise as it is dependent on future decisions of the company directors or the Scheme Trustees.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE****Notes to the financial statements****Year ended 31 March 2006**

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**21. Related party transactions**

During the year the company was under the control of the Board of Directors.

The company shares some central administrative resources with the companies listed below and also underwrites any deficits they incur. In addition all the directors of Praxis are also directors of these companies:

Challenge: A Northern Ireland Charity for People with Learning Disabilities

Respond: A Northern Ireland Charity for the Elderly

Northern Ireland Agoraphobia and Anxiety Society

Secret Garden (Hillsborough) Limited

During the year Praxis Care Group charged Northern Ireland Agoraphobia and Anxiety Society £3,980 (2005: £5,842) for management fees and shared resources and paid £38,185 on behalf of NIAAS for various expenses. At the year end NIAAS owed Praxis Care Group £41,083 (2005: £99,782).

During the year Praxis Care Group charged Secret Garden (Hillsborough) Limited £15,212 (2005: £14,102) for management fees and shared resources and paid £277,968 on behalf of Secret Garden (Hillsborough) Limited for various expenses. During the year Praxis Care Group received £190,233 for the provision of day care services. Praxis Care Group paid Secret Garden (Hillsborough) Limited £190,233 by way of a grant to provide these day care services on behalf of Praxis Care Group.

At the year end Praxis Care Group was owed £171,562 (2005: £68,062) by Secret Garden (Hillsborough) Limited.

During the year WJ Canning, a director of Praxis Care Group was also a director of Praxis Housing Association Limited, a company incorporated in the Republic of Ireland. During the year Praxis Care Group charged Praxis Housing Association Limited £10,995 (2005: £9,896) for management fees and shared resources. In addition Praxis Care Group loaned Praxis Housing Association £472,751 during the year to assist with the renovation of various properties.

At the period end £1,062,940 (2005:£579,194) was owed to Praxis Care Group Limited by Praxis Housing Association.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

**22. Company limited by guarantee**

Praxis Care Group Limited is a company limited by guarantee and does not have a share capital. The liability of each of its members is limited to £1.

**23. Comparative figures**

Some comparative amounts have been changed for presentational purposes only. The changes made have had no effect on the surplus in the year.

**PRAXIS CARE GROUP LIMITED  
COMPANY LIMITED BY GUARANTEE**

**Notes to the financial statements**

**Year ended 31 March 2006**

**24. Reconciliation of operating surplus to  
Net cash inflow from operating activities**

	2006	2005
	£	£
Operating surplus	10,299	215,156
Income from investments	(362)	(24,142)
Interest payable	54,085	53,636
Depreciation	419,180	357,910
Loss on disposal of fixed assets	–	1,979
Increase in debtors	(539,434)	(507,435)
Increase in creditors	98,814	739,623
	<u>42,582</u>	<u>836,727</u>

**25. Reconciliation of net cash flow movement to movement In net debt**

	2006	2005
	£	£
Decrease in cash in the period	(524,514)	(409,772)
Cash inflow/outflow from bank loans	(538,101)	732
Net outflow from other long-term creditors	–	143,622
	<u>(538,101)</u>	<u>144,354</u>
Change in net debt	(538,101)	144,354
Net debt at 1 Apr 2005	(44,954)	220,464
Net debt at 31 Mar 2006	<u>(1,107,569)</u>	<u>(44,954)</u>

**26. Analysis of changes in net debt**

	1 Apr 05	Cash flows	31 Mar 06
	£	£	£
Cash in hand, at bank	625,162	(491,505)	133,657
Overdrafts	(8,967)	(33,009)	(41,976)
		<u>(524,514)</u>	
Debt due within 1 year	(473,854)	(48,675)	(522,529)
Debt due after 1 year	(187,295)	(489,426)	(676,721)
		<u>(538,101)</u>	
	<u>(44,954)</u>	<u>(1,062,615)</u>	<u>(1,107,569)</u>