

Company No. 2132178 (England and Wales)

Charity No. 327461

THE KARUNA TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

**KARUNA TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INFORMATION

Trustees

Dr William Stones, Chairman
Ulla Brown
Ruth Hartlein
Dominic Houlder
David Lloyd
David Zukas

Director

Jonathan Clark

Patrons

Dame Judi Dench DBE
Professor David Morley MD, FRCP

Office Address

72 Holloway Road, London N7 8JG

Charity Number: 327461

Auditors:

Carter Backer Winter
Enterprise House
21 Buckle Street
London
E1 8NN

Bankers:

Clydesdale Bank PLC
91 Gresham Street
London
EC2V 7NX

Abbey National
Abbey House
Carfax
Oxford
OX1 1HB

Solicitors:

Bates Wells and Braithwaite
Cheapside House
138 Cheapside
London
EC2V 6BB

Edward Harte and Co
6 Pavilion Parade
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East Sussex
BN2 1RA

**KARUNA TRUST
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**KARUNA TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005**

Report of the trustees for the year ended 31st December 2005

The trustees present their report along with the financial statements of the charity for the year ended 30th December 2005. The financial statements comply with the charity's trust deed, the Charities Act 1993 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

Structure, Governance and Management

The charity is a company limited by guarantee and is registered with the Charity Commission as a charity. The registration number is 327461. It was founded in 1987 to raise money for social, humanitarian and religious projects working especially with the dalit Buddhist communities of Maharashtra and other parts of India. The Trust's main activities are fundraising and grant making to overseas project partners working to provide educational opportunities to people from the most deprived communities in India and Bangladesh.

The Trustees who are also the directors give their time on a voluntary basis to the management and governance of the charity. They meet quarterly to review the progress of the charity in all its activities, and to make major decisions regarding direction, policy, staffing and grants to project partners.

The Trustees liaise closely with the Management Team, Fundraising team, Admin Team and Project Management team who are paid staff and are responsible for ensuring that the standard of care required by the trustees is carried out in the areas of grant management, administration, fund-raising and publicity. The day to day running of the Charity is overseen by a Management Team of three more experienced staff members, including the Director who acts as the main link with the trustee body.

The Trustees and management are all Members of the Western Buddhist Order.

Risk management

The charity trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

Objectives and activities

The Trust's Mission is to support and enable the most disadvantaged children, women and men in South Asia to meet their needs, access their rights and participate fully in society.

To achieve this mission the following activities are carried out.

Fundraising

Through door to door appeals, through applications to Charitable Trusts and other Institutional Donors. We currently have roughly 5,000 individual donors who give to our charity through standing orders- and more than 60 Trusts and Foundations who give on a regular basis. In the last year we have also secured major grants from DFID, and the National Lottery

Grantmaking

To a range of different Partner NGOs focussing particularly on increasing access to education among people from the poorest, most marginalised communities in India and Bangladesh. Our main beneficiary group are the dalits. We also fund projects focussing on Tribal communities in the Indian Himalayas and in the Chittagong Hill Tracts of Bangladesh. KARUNA Trust is staffed and administered by Western Buddhists but its projects reach out to people of all backgrounds and beliefs.

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Capacity building- as well as funding projects we also aim to help our project partners develop their capacity so that they can become independent, autonomous organisations. This is a particular need for those partners who are themselves from dalit backgrounds and have therefore been deprived of educational opportunities. A proportion of our funding goes towards training and capacity building for our overseas partners.

Buddhist Activities- roughly 20% of our funding goes towards providing facilities to enable people from poor Buddhist communities to practice their religion. These activities are funded separately through earmarked donations.

Awareness Raising - through our newsletter and other activities we aim to raise awareness in the UK of the issues facing our project partners.

Grant making policy

The Charity's policy is to award grants to Indian and Bangladeshi NGOs whose work is in line with Karuna's mission, to support and enable the most disadvantaged children, women and men in South Asia to meet their needs, access their rights and participate fully in society.

All grants to partners are subject to the following funding criteria as agreed by the trustees.

1. Initiative for the Project

Must:

- (1.1) arise as an appropriate response to the real needs of a beneficiary community; needs that are not being sufficiently met elsewhere, e.g. by statutory bodies
- (1.2) have been developed in consultation with the beneficiary community and have their support

Ideally:

- (1.3) innovative
- (1.4) based upon analysis of previous project experience

2. Project Objectives

Must:

- (2.1) include helping disadvantaged people, especially those vulnerable to the negative effects of caste, to develop the confidence and skills to take positive initiative in their lives
- (2.2) be clearly and specifically stated and appropriate to the identified social need
- (2.3) convey ethical values compatible with Karuna's principles
- (2.4) take an active approach to overcoming caste barriers between people
- (2.5) include a clear and credible strategy for long-term project funding from non-Karuna sources

Ideally:

- (2.6) have the potential to create a positive 'ripple effect' within beneficiary community

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005**

3. Project implementation

Must:

- (3.1) include clear and logical planning of how objectives will be achieved, including timescale
- (3.2) demonstrate cost effectiveness, using the minimum infrastructure necessary
- (3.3) include defined standards of conduct and care for beneficiaries and staff

Ideally:

- (3.4) allows members of local community to have input into project activities

4. Our Evaluation and Development requirements are:

- (4.1) that project activities be regularly assessed for effectiveness against stated objectives using measurable indicators. This information should feed a creative process of ongoing project development
- (4.2) that regular progress reports, at least annual, are provided and that they should demonstrate this process
- (4.3) that sufficient information should be recorded to allow for an impact assessment at the end of the grant period

5. The Organisation managing the project

Must:

- (5.1) be able to exhibit effective project management
- (5.2) demonstrate effective financial management, based on accurate and regular financial monitoring and reporting (externally audited at least annually)
- (5.3) have working arrangements that reflect and support the breaking down of caste barriers
- (5.4) manifest independence and initiative

Ideally:

- (5.5) has a culture informed by some higher vision compatible with Karuna's values and resulting in (for example) high ethical standards and harmonious staff relationships.
- (5.6) demonstrates commitment to staff development, e.g. through training
- (5.7) networks effectively with other NGOs

At the start of each grant we require every partner to sign a funding agreement which governs the terms of the grant and is legally enforceable. As part of this agreement the partners are obliged to provide regular progress reports and audited financial information. This enables the Trustees to ensure that grant funding is being used in a way consistent with the Trusts' strategic aims.

**KARUNA TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005**

Achievements and Performance

Since our founding in 1987 we have:

- Become one of the leading organisations working with people from dalit communities
- Funded projects that have enabled hundreds of thousands of people from poor and marginalized communities to change their lives
- Helped establish an effective dalit-run spiritual and social movement in India
- Established links with a wide range of effective and committed partner organisations in India and Bangladesh
- Promoted and embodied values of Buddhist-inspired social change
- Established a substantial and stable funding base and a loyal group of supporters in the UK
- Pioneered face-to-face fundraising in the UK

The primary beneficiaries that the trust supports are members of the Indian Dalit community. In 2005 we were able to help 82,500 boys, girls and adults through our support of 299 projects run by 33 Indian and Bangladeshi partner NGOs.

The Karuna trust believes in forming strong, long term partnerships with our project partners. As well as funding projects we have also provided capacity building support to a number of our partner charities. It is our aim to continue to seek out projects of excellence and support them over the long term.

In 2005 the charity's income was £1,175,583 and Karuna was able to contribute £912,137 to projects

Financial Review

Income for the year 2005 was £1,175,583 compared to £1,105,274, an increase of 6.4%. We anticipated a 5% increase at the start of the year and I am pleased to report that our income has exceeded our expectations. The main sources of fundraising were door to door campaigns and applications to Charitable Trust and Foundations. This year our Trust fundraising was £136,955 compared to £77,939 in 2004, the increase of £59,016 was largely as a result of Trust fundraising for the Gaya Rescue project which provides educational and medical assistance to vulnerable children who live on and around Gaya railway station.

Donors who had been donating to the charity for more than 2 years were asked to consider increasing their donations. As a result 265 donors increased their monthly donations and this amounted to an increase of £21,638 for the year.

As regards the Door to Door campaigns we experienced difficulties in obtaining sufficient fundraisers for the appeals therefore the number of new donors this year was 493 compared to 688 in 2004.

Governance costs of £97,758 are higher than the previous years total of £77,998 which was due to increased staff and our strategic review costs. Fundraising costs have increased by 5.2% from £174,554 in 2004 to £183,649 in 2005. This year a fundraiser was employed to raise funds from large Institutional donors which has resulted in increased costs. I would report that we have secured funding from National Lottery and the DFID.

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005**

Investment Policy and Performance

The charity's surplus funds are held on interest bearing accounts with our Bankers.

Reserves Policy

The accounts show a reserve of £495,946 compared with £513,907 for the previous year 2004. Of these reserves they are analyzed as follows:

Restricted funds £126,705 given for specific projects in 2005.

Designated funds £75,242 is against a long-term property used by the organization.

Committed funds are £141,780 for grants approved for projects in 2005.

The balance £152,219 represents unrestricted funds which are mainly held as a reserve to cover fluctuations in expected income and take into account other variables like exchange rate movements, as the majority of our funding is in foreign currency.

Plans for the Future

The Trustees have identified 5 strategic aims to guide the charity's activities for the next 5 years these priorities are

1. To develop and implement a strategy based on measurable long term goals for social impact.
2. To increase our impact by enhancing our project partners' sustainability, autonomy and independence
3. To support the empowerment of girls and women
4. To increase our effectiveness by sharing, learning and working with a broader range of stakeholders
5. To raise our profile and increase our fundraising income

The staff team have developed a set of detailed objectives and work plans to enable the charity to achieve these strategic aims. This strategic planning process will be reviewed annually.

Approved by the trustees on and signed on their behalf by:

Dr William Stones
Chairman

**KARUNA TRUST
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**STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2005**

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year.

In preparing accounts giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 1985. They 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.

**KARUNA TRUST
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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE KARUNA TRUST
FOR THE YEAR ENDED 31 DECEMBER 2005**

We have audited the accounts on pages 8 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 11.

This report is made solely to the trustees of the charity, 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 trustees those matters we are required to state to them in our 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 6, the trustees who are also the directors of Karuna Trust for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustee's Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Trustee's Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Trustee's Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

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

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

**KARUNA TRUST
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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE KARUNA TRUST (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005**

Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 31 December 2005 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Carter Backer Winter
Chartered Accountants
Registered Auditor
Enterprise House
21 Buckle Street
London E1 8NN

Dated:

KARUNA TRUST
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	Unrestricted funds £	Restricted funds £	2005 £	2004 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income:					
Donations		997,654	114,622	1,112,276	1,049,973
Gifts		47,709	5,191	52,900	43,480
Investment Income	2	10,407	-	10,407	11,821
		<u>1,055,770</u>	<u>119,813</u>	<u>1,175,583</u>	<u>1,105,274</u>
Total incoming resources		1,055,770	119,813	1,175,583	1,105,274
Resources expended					
Costs of generating funds:					
Fundraising costs of grants and donations					
	3	183,649	-	183,649	174,554
Charitable Activities:					
Payments of grants	4	872,340	39,797	912,137	887,067
Governance costs	5	97,758	-	97,758	77,998
		<u>1,153,747</u>	<u>39,797</u>	<u>1,193,544</u>	<u>1,139,619</u>
Total Resources expended		1,153,747	39,797	1,193,544	1,139,619
Net movement of funds in the year		(97,977)	80,016	(17,961)	(34,345)
Reconciliation of funds					
Total funds brought forward		467,218	46,689	513,907	548,252
		<u>467,218</u>	<u>46,689</u>	<u>513,907</u>	<u>548,252</u>
Total funds carried forward		369,241	126,705	495,946	513,907
		<u><u>369,241</u></u>	<u><u>126,705</u></u>	<u><u>495,946</u></u>	<u><u>513,907</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

**KARUNA TRUST
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BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	£	2005 £	2004 £
Fixed assets				
Tangible assets	9		294,398	313,077
			<u>294,398</u>	<u>313,077</u>
Current assets				
Debtors	10	278,054		178,782
Cash at bank and in hand		167,210		283,514
		<u>445,264</u>		<u>462,296</u>
Liabilities				
Creditors: Amounts falling due within one year	11	(35,387)		(42,311)
Net current assets			<u>409,877</u>	<u>419,985</u>
Creditors: Amounts falling due after one year	12		(208,329)	(219,155)
Net Assets			<u>495,946</u>	<u>513,907</u>
The funds of the charity				
Restricted funds			<u>126,705</u>	<u>46,689</u>
Unrestricted funds			<u>369,241</u>	<u>467,218</u>
Total Charity Funds	14		<u>495,946</u>	<u>513,907</u>

The notes on pages 9 to 15 form part of these accounts

The accounts were approved by the trustees on and signed on its behalf by:

**D Zukas
Trustee**

**W Stones
Trustee**

**KARUNA TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are recorded at current market value.

The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are set out below.

1.2 Incoming resources

Donations, subscriptions, functions and interest income are recognised as incoming resources when received.

In common with many other charities of similar size and organization, a proportion of voluntary income is derived from donations and events outside the control of the trustees. The trustees make every effort to ensure that all sums are properly accounted for and in the opinion of the trustees this does not constitute a significant uncertainty in the preparation of the accounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	not depreciated
Freehold buildings	2% Straight line
Plant and Machinery	Straight line 3 – 5 Years
Fixtures fittings and equipment	Straight line 3 – 5 Years
Motor Vehicles	Straight line 3 Years

1.4 Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

2 Investment Income

All of the charities investment income comes from interest bearing bank accounts and dividends.

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005

3 Fundraising Costs of Grants and donations

	2005	2004
	£	£
Publications	2,735	3,443
Salaries and Wages	71,930	64,806
Fundraisers' expenses	67,574	57,820
Depreciation	7,184	6,990
Loan interest	7,902	7,347
Newsletters	23,173	30,711
General costs	3,151	3,437
	<u>183,649</u>	<u>174,554</u>
	<u><u>183,649</u></u>	<u><u>174,554</u></u>

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005

4 Payment of Grants

	Grants	Support Costs	2005 £	2004 £
Bahujan Hitay Western India	94,874	5,118	99,992	67,792
TBMSG Western India	188,000	10,141	198,141	211,312
BH Nagpur	43,561	2,350	45,911	68,079
Samata Mahila Society	20,689	1,116	21,805	18,922
Nagaloka	19,286	1,040	20,326	24,162
BH Amravati	16,920	913	17,833	21,358
BH Warha	11,639	628	12,267	10,071
Triratna Institute	24,739	1,335	26,074	14,354
Sadhamma Pradeep Centre	32,584	1,758	34,342	58,146
Jambudvipa Trust	89,362	4,821	94,183	38,974
Women's Computer Project	6,410	346	6,756	10,746
SUSWM	23,381	1,261	24,642	27,202
Pragya Trust	39,502	2,131	41,633	56,105
India Sponsorship Committee	16,902	912	17,814	17,368
ITBCI School	16,965	915	17,880	14,744
Centre for Learning Resources	21,923	1,183	23,106	-
The Society for Educational Exploration	4,311	233	4,544	2,842
People First International	13,841	747	14,588	20,074
CRY	16,018	864	16,882	13,670
Mahabodhi Meditation Centre	12,964	699	13,663	13,335
MPSSM	11,181	603	11,784	11,683
Moanogar	4,190	226	4,416	4,424
PBM-Parbhatya Bh Mission	18,106	977	19,083	14,023
National Institute for Sustainable Dev	7,605	410	8,015	7,455
Golden Net	709	38	747	-
MLT-Muyal Liang Trust	5,923	320	6,243	9,052
Saathi	2,356	127	2,483	2,339
Dr Ambedkar Memorial Trust	5,412	292	5,704	-
Manas Vikas	5,926	320	6,246	-
KDS Godnasekara	1,594	86	1,680	-
SECMOL	12,864	694	13,558	-
Capacity Building	74,984	4,045	79,029	41,612
Miscellaneous Charges	730	37	767	4,474
B H Gujarat	-	-	-	27,377
Sadhana Institute	-	-	-	3,941
Women's Development project	-	-	-	51,431
	865,451	46,686	912,137	887,067

All charitable expenditure relates to grants given to other organisations. Karuna Trust does not run charitable projects of its own.

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005

5 Governance Costs

	2005	2004
	£	£
Salaries	39,793	22,482
Office costs	31,900	30,429
Motor and travel	843	1,903
Bank charges	492	635
Legal and professional fees	7,001	314
Audit fees	3,449	5,828
Depreciation	11,323	11,897
Loan interest	4,741	5,510
Recharge of expenses to Aid to India	(1,000)	(1,000)
Profit on disposal of fixed assets	(784)	-
	<u>97,758</u>	<u>77,998</u>
	<u><u>97,758</u></u>	<u><u>77,998</u></u>

6 Number of employees

The average monthly number of employees during the year was:

	2005	2004
Grant management	2	2
Management and administration	4	3
Fundraising	5	6
Project workers	1	1
	<u>12</u>	<u>12</u>
	<u><u>12</u></u>	<u><u>12</u></u>
Employment costs		
Wages and salaries	<u>145,985</u>	<u>119,052</u>
	<u><u>145,985</u></u>	<u><u>119,052</u></u>

There were no employees whose annual emoluments were £50,000 or more were:

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**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005**

7 Movement in total funds for the year

This is stated after charging:

	2005 £	2004 £
Depreciation	20,731	21,303
Auditors remuneration	3,449	5,828
	=====	=====

8 Taxation

The company is a registered charity and no provision is considered necessary for taxation.

9 Tangible fixed assets

	Land and Buildings	Plant and machinery £	Fixtures, Fittings and Equipment £	Motor Vehicles £	Total £
Cost					
At 1 January 2005	295,100	48,165	40,188	3,295	386,748
Additions in the year	-	823	2,145	-	2,968
Disposals in the year	-	(2,667)	-	(3,295)	(5,962)
Cost at 31 December 2005	<u>295,100</u>	<u>46,321</u>	<u>42,333</u>	<u>-</u>	<u>383,754</u>
Depreciation					
At 1 January 2005	25,562	24,185	21,820	2,104	73,671
Charge for the year	4,202	9,031	7,223	275	20,731
On disposal	-	(2,667)	-	(2,379)	(5,046)
At 31 December 2005	<u>29,764</u>	<u>30,549</u>	<u>29,043</u>	<u>-</u>	<u>89,356</u>
Net book value					
At 31 December 2005	<u>265,336</u>	<u>15,772</u>	<u>13,290</u>	<u>-</u>	<u>294,398</u>
At 31 December 2004	<u>269,538</u>	<u>23,980</u>	<u>18,368</u>	<u>1,191</u>	<u>313,077</u>

KARUNA TRUST
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

10 Debtors

	2005	2004
	£	£
Amounts recoverable on Income tax	117,898	136,124
Amounts owed by connected undertakings	1,526	22,237
Other Debtors	12,334	13,400
Prepayments and accrued income	146,296	7,021
	<u>278,054</u>	<u>178,782</u>
	<u><u>278,054</u></u>	<u><u>178,782</u></u>

11 Creditors amounts falling due within one year

	2005	2004
	£	£
Bank Loans	10,826	10,096
Taxes and Social Security costs	3,770	4,032
Other creditors	8,194	6,180
Accruals	12,597	22,003
	<u>35,387</u>	<u>42,311</u>
	<u><u>35,387</u></u>	<u><u>42,311</u></u>

12 Creditors amounts falling due after one year

	2005	2004
	£	£
Bank loan	208,329	219,155
	<u>208,329</u>	<u>219,155</u>

Analysis of loans

Not wholly repayable within five years	219,155	229,251
Included in current liabilities	(10,826)	(10,096)
	<u>208,329</u>	<u>219,155</u>
	<u><u>208,329</u></u>	<u><u>219,155</u></u>

Loan maturity analysis

Debt due in one year or less	10,826	10,096
In more than one year but not more than two years	21,652	22,435
In more than two years but not more than five years	32,478	40,108
In more than five years	154,199	156,612
	<u>219,155</u>	<u>229,251</u>
	<u><u>219,155</u></u>	<u><u>229,251</u></u>

KARUNA TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

12 Creditors amounts falling due after one year (cont)

The loan is secured by a first legal mortgage over the freehold property, 72 Clissold Crescent, Stoke Newington, London, N16 9AT.

13 Control

The charity is controlled by the trustees.

14 Reserves

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fund balances at 31 December 2005			
Tangible fixed assets	-	294,398	294,398
Current assets	385,802	59,462	445,264
Creditors amounts falling due within one year	(16,561)	(18,826)	(35,387)
Creditors amounts falling due after one year	-	(208,329)	(208,329)
	<hr/>	<hr/>	<hr/>
	369,241	126,705	495,946
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

15 Contingent Liabilities

The trust has contingent liabilities on charitable projects of £141,780 at the year end.