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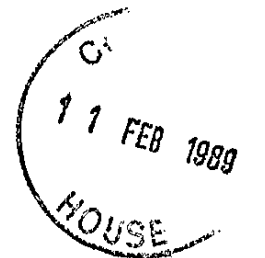
CHARTERED ACCOUNTANTS
BAKER TILLY
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CHARITY PROJECTS LIMITED

FINANCIAL STATEMENTS

30 APRIL 1988



BAKER TILLY
Commonwealth House
1 New Oxford Street
LONDON WC1A 1PF

CHARITY PROJECTS LIMITED

COUNCIL MEMBERS

T J L Bell

P Bennett-Jones

S M Blacker

(appointed 21 April 1988)

R C N Branson

M Butterfield

T Cook

R Evans

M Harris

N J Hinton OBE

Lady Marre CBE

C M Howes

A Ptaszynski

A J Pye-Jeary

M D Russell Hills

S Samuelson CBE

M Smith

CHARITY PROJECTS LIMITED

CHAIRMAN'S REPORT

A fantastic year. That quite simply summarises every aspect of Charity Projects during our 1987/88 financial year.

We have raised more money than ever before. Over £14 million from Charity Project's major event Comic Relief, over £3/4 million from the First Holborn Great Investment Race, and £1 million from the Grand Knockout Tournament which Charity Projects helped administrate.

These are the amazing fund raising headlines, but behind every project there are people whose help has been invaluable. Prudential Unit Trust Managers made the Holborn Great Investment Race a reality by their interest free loan of £210,000, which has been increased to £495,000 for Race number two. Their support and that of the Financial Times and, most importantly the teams themselves, contributed to the overwhelming success of this project, and I am sure will make the second race equally successful.

It is quite impossible to summarise here the story of The Day of Comic Relief, which culminated in 7 hours of prime time television on BBC1. The event caught the public's imagination in a way quite beyond our wildest hopes. I must make special mention of the exhaustive amount of work put in by the Comic Relief Board of Directors, and, most notably, Paul Jackson, Anthony Pye-Jeary and Richard Curtis. 80% of the total raised is being donated to specific projects run by Save the Children Fund and Oxfam in the Horn of Africa. The remaining 20% is being distributed by Charity Projects.

This huge sum of money started to pour in from 5 February, 1988 and still has not stopped. In total, nearly 8 times the original forecast was raised. Oxfam and Save the Children Fund had immediate plans to spend the amount of money we had hoped to raise. However, we quickly had to ask them to present new projects and ideas to be funded. Both they and Charity Projects understandably take great care with the distribution of money. This process proceeds as quickly as possible, but the sheer size of the task means that it does take time. Therefore, when our auditors took this financial snapshot at our year end, just over two months after The Day of Comic Relief, and with money still arriving with every post, we still had £12 million in the bank.

Because we raised more money than ever before, we have distributed more than ever before. Judy Graham, who is Director of this most vital part of Charity Projects activities, has had her work cut out dealing with more than 50 applications per week. Bolstered by the addition of Jennifer Gould, and most lately, Niki Steinke, she has continued to build one of the most efficient and respected grant making bodies in the world of charities.

CHARITY PROJECTS LIMITED

CHAIRMAN'S REPORT (continued)

This professionalism is key to Charity Projects. We continue to attract a calibre of staff which would be the envy of most commercial organisations. It was with tearful joy that we said a temporary goodbye to Fiona Halton, who is now busy with her baby son. We are delighted to welcome Annie Williams who brings her formidable organisational expertise to the role of projects co-ordinator.

Not surprisingly, all this incredible growth has not happened without some growing pains. Accommodation is the most crucial, and so shortly the Charity Projects office, together with Comic Relief staff, will be moving to larger premises. The fundamentals do not change though. Every single overhead is either donated or paid for by sponsorship.

Finally, none of the above would have happened without the help and support of so many people. Simply saying thank you seems somehow inadequate for all that has been done. I must make special mention of major sponsors including Richard Branson for sponsoring the salaries, along with Wogen Resources, the Paul Weiland Film Company, Howard Guard Films, Corporate Communications Consultants, and Fidelity Investments Services Ltd, Baker Tilly for their auditing and never forgetting Harbottle and Lewis who are tirelessly involved in every single aspect of our work.

As we begin a new year, we might ask, how do you follow that? We are determined to continue with the fundamental principles established when we started Charity Projects:

All costs will be sponsored

New fund raising techniques are paramount

Fund raising should be fun

Next year already has the look of another great year in both fund raising and grant distribution and I look forward to reporting to you in twelve months time.

CHARITY PROJECTS LIMITED

REPORT OF THE COUNCIL

The members of the Council present their report and financial statements of the company for the year ended 30 April 1988.

ACTIVITIES

The company's principal activity is to create and distribute money for specific charitable purposes.

REVIEW OF ACTIVITIES

During the year, the company received £16,410,572 for its specific charitable purposes. A more detailed review of the company's activities is contained in the Chairman's report on pages 2 and 3.

FINANCIAL RESULTS

The results for the year are set out in the income and expenditure account on page 6. The position at the end of the year is shown in the balance sheet on page 7.

COUNCIL MEMBERS

The names of the individuals who held office as members of the Council of Management during the year are as set out on page 1. The company has no directors and the Council performs the functions of a board of directors.

TAXATION STATUS

The company is a registered charity and as such, for taxation purposes, is entitled to exemption from United Kingdom taxation under the Income and Corporation Taxes Act 1970.

AUDITORS

The company's auditors, who are now practising as Baker Tilly, Chartered Accountants have signified their willingness to be re-appointed and a resolution to this effect will be proposed at the Annual General Meeting.

By Order of the Board

14 Hanover Square
LONDON W1R 0BE

C M HOWES

Secretary

20 October 1988

AUDITORS' REPORT TO THE MEMBERS OF

CHARITY PROJECTS LIMITED

We have audited the financial statements on pages 6 to 12 in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraph.

This charity, in common with many others of similar size and organisation, derives a substantial proportion of its income from voluntary donations which cannot be fully controlled until they are entered in the accounting records, and are not therefore susceptible to independent audit verification.

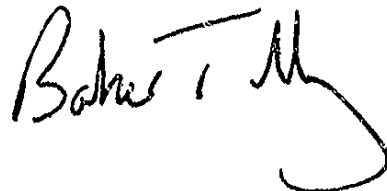
Subject to the above, in our opinion, the financial statements give a true and fair view of the state of the company's affairs at 30 April 1988 and of its surplus and source and application of funds for the year then ended and comply with the Companies Act 1985.

BAKER TILLY

Chartered Accountants

Commonwealth House
1 New Oxford Street
LONDON WC1A 1PF

20 October 1988

A handwritten signature in dark ink, appearing to read 'Baker Tilly', with a large, sweeping flourish at the end.

CHARITY PROJECTS LIMITED
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 30 APRIL 1988



	<u>Note</u>	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
INCOME		<u>£16,410,572</u>	<u>£855,513</u>
OPERATING SURPLUS	7	12,413,538	16,821
Investment income and interest receivable	10	<u>32,466</u>	<u>10,250</u>
SURPLUS FOR THE FINANCIAL YEAR		12,446,004	27,141
Income and expenditure account brought forward		<u>251,319</u>	<u>224,178</u>
INCOME AND EXPENDITURE ACCOUNT CARRIED FORWARD		<u>£12,697,323</u>	<u>£251,319</u>

CHARITY PROJECTS LIMITED

BALANCE SHEET AT 30 APRIL 1988

	<u>Note</u>	£	<u>1988</u>	£	£	<u>1987</u>	£
FIXED ASSETS							
Tangible assets	2			3,386			4,516
Investments	2			102			100
				<u>3,488</u>			<u>4,616</u>
CURRENT ASSETS							
Debtors	3	1,550,889			221,732		
Cash at bank and in hand			11,177,716			130,562	
			<u>12,728,605</u>			<u>352,294</u>	
CREDITORS: amounts falling due within one year	4		<u>27,270</u>			<u>95,591</u>	
NET CURRENT ASSETS				12,701,335			256,703
CREDITORS: amounts falling due after one year	5			(7,500)			(10,000)
				<u>£12,697,323</u>			<u>£251,319</u>
RESERVES							
Income and expenditure account				<u>£12,697,323</u>			<u>£251,319</u>

T J L BELL)
M R HARRIS) COUNCIL
MEMBERS

These financial statements were approved by the Council of Management on 20 October 1988.

CHARITY PROJECTS LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
YEAR ENDED 30 APRIL 1988

	<u>1988</u> £	<u>1987</u> £
RESULTS OF OPERATIONS		
Surplus for the financial year	12,446,004	27,141
Adjustment for items not involving the movement of funds - depreciation	1,629	1,504
APPLICATION OF FUNDS		
Purchase of fixed assets	(499)	(6,020)
Purchase of investments	(2)	-
	<u>£12,447,132</u>	<u>£ 22,625</u>
MOVEMENT IN WORKING CAPITAL		
Debtors	1,329,157	215,596
Creditors	70,821	(76,552)
	1,399,978	139,044
Movement in net liquid funds	<u>11,047,154</u>	<u>(116,418)</u>
TOTAL ABSORBED BY INCREASE IN WORKING CAPITAL	<u>£12,447,132</u>	<u>£ 22,626</u>

CHARITY PROJECTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1988

1. ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared under the historical cost convention.

b) Income

Income represents monies received from charitable donations. All income is generated within the United Kingdom.

c) Donated services

No provision is made in these financial statements for goods and services donated to the company. It is estimated that the total amount of donated goods and services, from postage stamps, professional fees to office space is in excess of £60,000.

d) Consolidated Accounts

Consolidated accounts have not been prepared as the members of the Council of Management do not consider the accounts of the subsidiary, Charity Projects Trading Limited, to be material.

e) Depreciation

Tangible fixed assets are written off over the estimated lives of the assets at the following rates:

Computer equipment	-	25%
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CHARITY PROJECTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1988

2. i) TANGIBLE ASSETS

	<u>Equipment</u> £
Cost brought forward 1 May 1987	6,020
Additions	499
	<u>£6,519</u>
Cost carried forward 30 April 1988	
Depreciation brought forward 1 May 1987	1,504
Charge for year	1,629
	<u>£3,133</u>
Depreciation carried forward 30 April 1988	
Net Book Value 30 April 1988	<u>£3,386</u>

ii) INVESTMENTS HELD AS FIXED ASSETS

Shares held in unlisted companies:

Cost at 1 May 1987	100
Additions in year	2
	<u>102</u>
Cost at 30 April 1988	

The Council of Management consider that the value of the investment is the same as cost.

The investment held by Charity Projects Limited at 30 April 1988 is as follows:

	<u>Country of incorporation</u>	<u>Class of shares</u>	<u>Percentage of share capital held</u>
Charity Projects Trading Limited	England	Ordinary £1 shares	100%

CHARITY PROJECTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1988

2. i) TANGIBLE ASSETS

	<u>Equipment</u> £
Cost brought forward 1 May 1987	6,020
Additions	499
Cost carried forward 30 April 1988	<u>£6,519</u>
Depreciation brought forward 1 May 1987	1,504
Charge for year	1,629
Depreciation carried forward 30 April 1988	<u>£3,133</u>
Net Book Value 30 April 1988	<u>£3,386</u>

ii) INVESTMENTS HELD AS FIXED ASSETS

Shares held in unlisted companies:

Cost at 1 May 1987	100
Additions in year	2
Cost at 30 April 1988	<u>102</u>

The Council of Management consider that the value of the investment is the same as cost.

The investment held by Charity Projects Limited at 30 April 1988 is as follows:

	<u>Country of incorporation</u>	<u>Class of shares</u>	<u>Percentage of share capital held</u>
Charity Projects Trading Limited	England	Ordinary £1 shares	100%

CHARITY PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 1988

3. DEBTORS

	<u>1988</u>	<u>1987</u>
	£	£
Other debtors	1,098,689	-
Taxation recoverable	320,377	221,732
Amount due from Charity Projects Trading Limited	46,779	-
Amount due from Comic Relief Limited	85,044	-
	<u>£1,550,889</u>	<u>£221,732</u>

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1988</u>	<u>1987</u>
	£	£
Taxation and social security	2,329	2,455
Other creditors	22,691	3,520
Amount due to Charity Projects Trading Limited	-	46,771
Deferred income	2,250	1,500
Amount due to Comic Relief Limited	-	41,345
	<u>£ 27,270</u>	<u>£ 95,591</u>

5. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

These comprise:
Amounts repayable within five years

Loan	<u>£ 7,500</u>	<u>£ 10,000</u>
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6. MEMBERS' LIABILITY

The company does not have a share capital and is limited by guarantee. In the event of the company being wound up, the maximum amount which each member is liable to contribute is £1. There were fifteen members at 30 April 1987.

7. OPERATING SURPLUS

	<u>1988</u>	<u>1987</u>
	£	£
Income	£16,410,572	£855,513
Costs		
Staff costs: wages and salaries	59,285	45,792
social security costs	6,055	4,744
	<u>65,340</u>	<u>50,536</u>
Grants given to organisations	3,924,810	782,055
Other operating charges (note 8)	6,884	6,031
	<u>£ 3,997,034</u>	<u>£838,622</u>
Operating surplus	<u>£12,413,538</u>	<u>£ 16,891</u>

CHARITY PROJECTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1988

8. EMPLOYEES

The average weekly number of employees during the year was as follows:

	<u>Number</u> <u>1988</u>	<u>Number</u> <u>1987</u>
Charity co-ordinators	3	3
Administration and secretarial	1	1
	<u>4</u>	<u>4</u>

9. OTHER OPERATING INCOME AND CHARGES

The surplus is after charging:

Auditors' remuneration

<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
£ 1,000	£ 1,000

10. INVESTMENT INCOME AND INTEREST RECEIVABLE

Interest receivable

<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
£ 32,466	£ 10,250

11. TAXATION

The company is a registered charity and as such, for taxation purposes, is entitled to exemption from United Kingdom taxation under the Income and Corporation Taxes Act 1970.

CHARITY PROJECTS LIMITED

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 30 APRIL 1988

	£	1988	£	1987	£
INCOME TO MEET OVERHEAD EXPENDITURE					
Donations			-		39,452
Other income - bank deposit interest received			32,466		13,699
Sponsorship of running costs			75,261		13,274
			<u>107,727</u>		<u>66,425</u>
OVERHEAD EXPENDITURE					
Salaries	65,340				50,536
Stationery	1,945				955
Audit and accountancy	1,012				2,000
Miscellaneous expenses	565				749
Depreciation	1,629				1,504
Travel	710				204
Books and publications	226				269
Office expenses	662				350
Conference expenses	135				-
			<u>12,224</u>		<u>56,567</u>
			35,503		9,858
SURPLUS FOR THE YEAR					
SURPLUS OF INCOME OVER EXPENDITURE			16,623		6,765
BROUGHT FORWARD					
SURPLUS OF INCOME OVER EXPENDITURE			£ 52,126		£ 16,623
CARRIED FORWARD			<u><u>52,126</u></u>		<u><u>16,623</u></u>
NET INCOME FROM EVENTS					
Deed of Covenant - Comic Relief	1,236,709				782,762
Deed of Covenant - Holborn Great Investment					-
Race	785,427				-
The Grand Knockout Tournament	1,070,742				16,576
The Financial Times Readers' Race	26,001				-
The Day and Night of Comic Relief	13,216,432				-
			<u>16,335,311</u>		<u>799,338</u>
GRANTS MADE FOR CHARITABLE PURPOSES					
Grants paid in year			3,924,810		782,055
INCOME FROM EVENTS			12,410,501		17,283
INCOME FROM EVENTS - BROUGHT FORWARD			234,696		217,413
INCOME FROM EVENTS - CARRIED FORWARD			<u>£12,645,197</u>		<u>£234,696</u>
INCOME AND EXPENDITURE ACCOUNTS - CARRIED FORWARD			<u><u>£12,697,323</u></u>		<u><u>£251,319</u></u>