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CHARITY PROJECTS LIMITED

FINANCIAL STATEMENTS

30 JUNE 1990

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Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

EXECUTIVE COMMITTEE AND OFFICERS

EXECUTIVE COMMITTEE

TJL Bell
RWA Curtis
MR Harris
LG Henry
CM Howes
KP Jackson
JC Makinson
A Parker

SECRETARY

CM Howes

REGISTERED OFFICE

14 Hanover Square
London W1R OBE

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

BANKERS

Charterhouse Bank Limited
1 Paternoster Row
St. Pauls
London EC4M 7PH

National Westminster Bank plc
104 Tottenham Court Road
London W1P OEN

SOLICITORS

Harbottle and Lewis
14 Hanover Square
London W1R OBE

CHAIRMANS REPORT

So how have we spent 1989/90? Well, we have spent much of the year distributing the £26 million from Red Nose Day II, and preparing for Red Nose Day III. Not surprisingly this has increased the organisational pressure on Charity Projects which produced the first Comic Relief event in 1988.

The paramount need to maintain our high standard of effective money distribution has necessitated a doubling in size of both the UK and African grant making teams. The costs of these departments are met out of bank interest and I am delighted to report that this totalled less than 4% of all interest earned. All our other costs continue to be sponsored separately.

Distributing such a large sum of money responsibly does take time. This is a continuous process for both our grant making departments. Although large sums are being distributed, bank interest has in the course of the year added a further £4 million to the total. This in turn has to be given away and so it goes on.

Before we can distribute any money, however, we have to raise it. This is something which we must never lose sight of. I am particularly pleased therefore to report that beneath the big headline of Red Nose Day there are some new fundraising stories.

The film premiere of Lenny Henry's 'Lenny Live and Unleashed' raised over £18,000. Our small but perfectly formed marathon team raised a staggering (perhaps literally!) £14,000. Well done to Ian Russell.

Also at ground level came Feet First for homeless people. A truly original and innovative fundraising event which encouraged people in London to walk home and donate their fare to London's homeless young people. Fifteen small agencies working in this area benefitted from the £60,000 which was raised. Launched by HRH Prince Edward this event carried all the classic Charity Projects hallmarks. It was fun, original, raised awareness, and created new money, every penny of which went directly to the heart of the problem.

These, the founding principles of Charity Projects, epitomise why it was started and contributed to its now spectacular success. Generating new monies in this way must always be the focus of our attention.

To help us focus more clearly on everything we do, the structure of Charity Projects has continued to evolve. This year saw a major change in our Council of Management. This was split firstly into an eight person Executive Committee who are now the trustees of the charity and meet every month. In addition, we created a members advisory council to maintain as a valuable resource those people who have agreed to serve on it. This new structure is still in its infancy. However, whilst the Executive Committee meetings happen more often and last just as long I am confident that we are now far more efficient and effective in our duties as trustees.

CHAIRMANS REPORT

Money as we know can help alleviate problems but does not by itself eradicate them. It is significant then that in this year we have established an education department within Charity Projects. Kevin Cahill joined as education director and already has a major project underway for all schools in the U.K. This is clearly a very long term investment but we believe that it will in time produce long term benefits.

For similar reasons, we placed great emphasis on the need to report back to the widest possible audience about Red Nose Day II. 'Follow Your Nose' was a series of five programmes on BBC1 which provided an update on the final total that had been raised and how it was being spent.

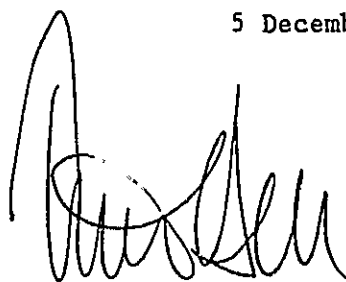
As mentioned in my last report, Charity Projects has been on the move. Two temporary moves within six months created much disruption. However, at long last the organisation is now settled all in one place in Great Russell Street. All the members of staff are to be thanked and congratulated for their hard work and perseverance in difficult times. Our thanks also go to Dewynters, Action Aid and Brunswick P.R. for providing accommodation so readily when it was most needed.

I have made reference in my report to the importance of actually raising money before it can be distributed. In my previous chairman's statement I set as a challenge the need to promote new and different fund raising events. We have made a start. We have much further to go. This must remain as one of our core objectives for the future.

Let me finish by thanking all the staff of Charity Projects and all our many friends for making the whole thing possible. In particular let me thank our Director Jane Tewson who had the original idea and is still the major driving force.

TJL BELL

5 December 1990



REPORT OF THE EXECUTIVE COMMITTEE

The members of the Executive Committee submit their report and the financial statements of Charity Projects for the year ended 30 June 1990.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to raise and distribute money for specific charitable purposes.

REVIEW OF THE BUSINESS

During the year the company received £2,512,439 (1989: £27,571,828) for its specific charitable purposes. A more detailed review of the company's activities is given 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 7. The position at the end of the year is shown in the balance sheet on page 8.

COUNCIL OF MANAGEMENT

The company has no directors this function being performed by the Council of Management. On 18 January 1990, the Council of Management was replaced by an Executive Committee the members of which now act as the charity's trustees and are also the only directors of the two subsidiary trading companies. A Members Advisory Council was formed on the same date. All members of the executive are members of the Members Advisory Council.

Therefore the following all resigned as members of the Council of Management on 18 January 1990: P Bennett-Jones, SM Blacker RCN Branson, M Butterfield, T Cook, R Evans, NJ Hinton OBE, Lady Marre CBE, S Mirman, A. Ptaszynski, A Pye-Jeary, MD Russell Hills, S Samuelson CBE and M Smith.

The following held office as members of the Executive Committee at the year end:

TJL Bell	
RWA Curtis	(appointed 13 July 1989)
MR Harris	
LG Henry	(appointed 18 January 1990)
CM Howes	
KP Jackson	
JC Makinson	(appointed 18 January 1990)
A Parker	

DIRECTORS' REPORT

INTERESTS OF THE EXECUTIVE COMMITTEE

The company does not have a share capital and is limited by guarantee. Each executive member is a member of the company and, in the event of the company being wound up, is liable to contribute a maximum of £1.

FIXED ASSETS

The significant changes in fixed assets during the year are explained in note 5 to the financial statements.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

CM HOWES

Secretary



5 December 1990

AUDITORS' REPORT TO THE MEMBERS OF CHARITY PROJECTS LIMITED

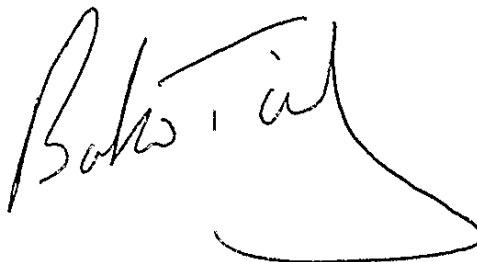
We have audited the financial statements on pages 7 to 13 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 1990 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

5 December 1990

A large, stylized handwritten signature, likely reading 'Baker Tilly', is written in dark ink. The signature is fluid and cursive, with a long horizontal stroke at the bottom.

INCOME AND EXPENDITURE ACCOUNT
for the year ended 30 June 1990

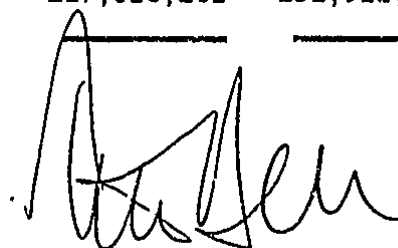
	Notes	1990	1989
INCOME		<u>£ 2,512,439</u>	<u>£27,571,928</u>
OPERATING (DEFICIT)/SURPLUS	1	(9,959,726)	19,960,030
Interest receivable		<u>4,363,181</u>	<u>265,474</u>
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR	3	(5,596,545)	20,225,504
INCOME AND EXPENDITURE ACCOUNT BROUGHT FORWARD		<u>32,922,827</u>	<u>12,697,323</u>
INCOME AND EXPENDITURE ACCOUNT CARRIED FORWARD		<u>£ 27,326,282</u>	<u>£32,922,827</u>

BALANCE SHEET
30 June 1990

	Notes	1990	1989
FIXED ASSETS			
Tangible assets	5	25,590	2,640
Investments	6	102	101
		<u>25,692</u>	<u>2,741</u>
CURRENT ASSETS			
Debtors	7	768,800	2,018,920
Cash at bank and in hand		26,627,128	30,956,494
		<u>27,395,928</u>	<u>32,975,414</u>
CREDITORS			
Amounts falling due within one year	8	(95,338)	(45,328)
NET CURRENT ASSETS		<u>27,300,590</u>	<u>32,930,086</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		27,326,282	32,932,827
CREDITORS			
Amounts falling due after more than one year	9	-	10,000
		<u>£27,326,282</u>	<u>£32,922,827</u>
CAPITAL AND RESERVES			
Income and expenditure account		£27,326,282	£32,922,827

Approved by the board on
5 December 1990

TJL BELL)
) Council Members
MR HARRIS)



M.R. Harris

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 30 June 1990

	1990	1989
RESULTS OF OPERATIONS		
(Deficit)/surplus for the financial year	(5,596,545)	20,225,504
Items not involving the movement of funds:		
Depreciation	10,126	2,374
Transfer of share in Comic Relief Limited	(1)	-
FUNDS (ABSORBED)/GENERATED BY OPERATIONS	(5,586,420)	20,227,878
APPLICATION OF FUNDS		
Purchase of tangible fixed assets	(33,076)	(1,628)
	<u>£(5,619,496)</u>	<u>£(20,226,250)</u>
THE NET (APPLICATION)/SOURCE OF FUNDS IS REPRESENTED BY THE FOLLOWING CHANGES IN WORKING CAPITAL		
Debtors	(1,250,120)	468,031
Creditors	(40,010)	(20,559)
	<u>(1,290,130)</u>	<u>447,472</u>
Movements in net liquid funds	(4,329,366)	19,778,778
	<u>£(5,619,496)</u>	<u>£20,226,250</u>

Financial statements for the year ended 30 June 1990

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and Statement of Recommended Practice Number 2, "Accounting by Charities".

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Computer equipment	25%
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INCOME

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

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 and professional fees to office space is in excess of £200,000.

CONSOLIDATED ACCOUNTS

Consolidated accounts have not been prepared as the members of the Executive Committee do not consider the accounts of the subsidiaries, Charity Projects Trading Limited and Comic Relief Limited, to be material.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 1990

	1990	1989
1. OPERATING DEFICIT/SURPLUS		
Income	2,512,439	27,558,954
Costs		
Other operating charges	373,714	151,893
Grants given to organisations	12,098,451	7,447,031
	<u>£ 12,472,165</u>	<u>£ 7,598,924</u>
Operating (deficit)/surplus	<u>£(9,959,726)</u>	<u>£19,960,030</u>
2. 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 1988.		
	1990	1989
3. DEFICIT/SURPLUS FOR THE YEAR		
This is stated after charging		
Depreciation	10,126	2,374
Auditor's remuneration	1,000	1,000
	<u> </u>	<u> </u>
4. EMPLOYEES		
The average weekly number of persons employed by the company during the year was:	No.	No.
Directors office	2	2
Fundraising	1	1
Finance and administration	2	-
Education	1	-
Grant giving	11	5
	<u>17</u>	<u>8</u>
Staff costs for the above persons were:-		
Wages and salaries	268,152	119,835
Social security costs	27,222	12,523
	<u>£ 295,374</u>	<u>£ 132,358</u>
DIRECTORS REMUNERATION		
No director received any remuneration during the year (1989 - NIL).		

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 1990

5. TANGIBLE FIXED ASSETS

	Computer Equipment
Cost:	
1 July 1989	8,147
Additions	33,076
30 June 1990	<u>41,223</u>
Depreciation:	
1 July 1989	5,507
Charged in the year	10,126
30 June 1990	<u>15,633</u>
Net book value:	
30 June 1990	<u>£ 25,590</u>
30 June 1989	<u>£ 2,640</u>

6. FIXED ASSET INVESTMENTS

	Unlisted
Cost and net book values:	
1 July 1989	101
Additions	1
	<u>£ 102</u>

On 6 December 1989, one £1 ordinary share in Comic Relief Limited was transferred from Charity Projects Trading Limited to Charity Projects Limited as part of a group re-organisation. No amount was paid in respect of this transfer.

The Executive Committee consider that the value of the investments is equal to cost.

	Country of Incorporation	Principal Activity	Class of shares	Percentage of share capital held
Charity Projects Trading Limited	England	Fundraising	Ordinary £1	100%
Comic Relief Limited	England	Fundraising	Ordinary £1	100%

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 1990

Charity Projects Limited and Comic Relief Limited are not treated as subsidiary companies as the Executive Committee do not consider their accounts to be material.

At 30 June 1990, the aggregate capital and reserves of Charity Projects Trading Limited amounted to £(1,979) (1989 - £(1,979) and its results for the year then ended £(NIL) (1989 - £(333)).

At 30 June 1990, the aggregate capital and reserves of Comic Relief Limited amounted to £(5,024) (1989 - £(3,562) and its (loss)/profit for the year then ended £(1,462) (1989 - £3,488).

	1990	1989
7. DEBTORS		
Due within one year:		
Amount due from Charity Projects Trading Limited	46,929	62,434
Other debtors	131,601	129,375
Taxation recoverable	548,645	1,827,111
Prepayments and accrued income	41,625	-
	<u>£ 768,800</u>	<u>£ 2,018,920</u>
8. CREDITORS		
Amounts falling due within one year:		
Amount due to Comic Relief Limited	37,504	37,753
Taxation and social security	21,057	5,425
Other creditors	14,537	1,150
Accruals and deferred income	22,240	1,000
	<u>£ 95,338</u>	<u>£ 45,328</u>
9. CREDITORS		
Amounts falling due in more than one year:		
Loan	£ -	£ 10,000
10. 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 8 members at 30 June 1990.

INCOME AND EXPENDITURE ACCOUNT
for the year ended 30 June 1990

	1990	1989
INCOME TO MEET OVERHEAD EXPENDITURE		
Other income - bank deposit		
interest received	168,886	49,365
Sponsorship of running costs	127,903	102,528
	<u>296,789</u>	<u>151,893</u>
OVERHEAD EXPENDITURE		
Salaries	295,374	132,358
Staff recruitment	6,315	3,502
Stationery	1,893	2,229
Audit and accountancy	750	2,338
Depreciation	10,126	2,374
Travel	1,658	703
Book and publications	2,045	540
Miscellaneous	5,356	3,891
Telephone	7,422	3,749
Conference expenses	1,058	209
Computer rental	16,255	-
Rent and rates	23,200	-
Legal and professional	2,262	-
	<u>373,714</u>	<u>151,893</u>
DEFICIT FOR THE YEAR	(76,925)	-
SURPLUS OF INCOME OVER EXPENDITURE		
BROUGHT FORWARD	52,126	52,126
(DEFICIT)/SURPLUS OF EXPENDITURE OVER INCOME		
CARRIED FORWARD	<u>£(24,799)</u>	<u>£ 52,126</u>
NET INCOME FROM EVENTS		
Deed of covenant - Comic Relief		
1989	924,487	6,305,563
Deed of covenant - Holborn Great		
Investment Race II	18,214	812,379
The Day and Night of Comic Relief		
1988	-	2,160,355
The Day and Night of Comic Relief		
1989	1,373,739	18,178,129
Grand Knockout Tournament	5,663	12,974
Feet First for Homeless People	62,433	-
	<u>2,384,536</u>	<u>27,469,400</u>
Bank interest received	4,194,295	216,109
Carried forward	<u>6,578,831</u>	<u>27,685,509</u>

This page does not form part of the statutory financial statements.

INCOME AND EXPENDITURE ACCOUNT
for the year ended 30 June 1990

	1990	1989
Carried forward	6,578,831	27,685,509
GRANTS MADE FOR CHARITABLE PURPOSES		
Grants paid in period	(12,098,451)	(7,460,005)
	<u>(5,519,620)</u>	<u>20,225,504</u>
INCOME FROM EVENTS - BROUGHT FORWARD	32,870,701	12,645,197
INCOME FROM EVENTS - CARRIED FORWARD	<u>£ 27,351,081</u>	<u>£ 32,870,701</u>
INCOME AND EXPENDITURE ACCOUNTS		
CARRIED FORWARD	<u>£ 27,326,282</u>	<u>£ 32,922,827</u>
		1990
Grants paid since the year end		<u>5,079,627</u>
Monies committed but not drawn		
Save the Children Fund		2,654,795
Oxfam		794,203
Other		<u>1,220,431</u>
Africa		<u>4,669,429</u>
UK		<u>3,466,071</u>
		<u>£ 8,135,500</u>

This page does not form part of the statutory financial statements.