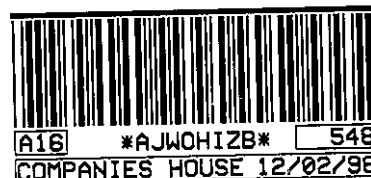


CARE International UK

(formerly CARE Britain)

Report and Accounts

30 June 1995



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CARE International UK

(formerly CARE Britain)

Registered No. 1911651

COUNCIL

President

J Michael Bowers OBE

Chairman

Sir Harold Walker KCMG

Vice Chairman

Ian McIsaac FCA

Richard Cox TD

Lord Deedes PC MC DL

Robert Devereux C.Eng

Sandra Hepburn

Sir Peter Leslie

Dame Anne Mueller DCB

J Patrick Phillips QC

Michael Priestley CMG

Sir William Ryrie KCB

Jack Willett

Sir David Elliott KCMG CB

SECRETARY

Charles Tapp

AUDITORS

Ernst & Young

Chartered Accountants

Rolls House

7 Rolls Buildings

Fetter Lane

London EC4A 1NH

BANKERS

Barclays Bank PLC

357 Strand

London WC2R 0NX

SOLICITOR

Ashurst Morris Crisp

Broadwalk House

5 Appold Street

London EC2A 3HA

REGISTERED OFFICE

36/38 Southampton Street

London WC2E 7HE

REGISTERED CHARITY NUMBER

292506

CARE International UK

(formerly CARE Britain)

REPORT OF THE COUNCIL OF MANAGEMENT

NAME CHANGE

The company changed its name from CARE Britain to CARE International UK on 13 January 1995.

ACCOUNTS

The members of the Council submit their report and the audited accounts for the year ended 30 June 1995.

The surplus for the year amounts to £19,809 (deficit 1994 - £87,543) which together with the surplus brought forward leaves £306,592 (1994 - £286,783) to carry forward. The whole of this surplus is unrestricted.

PRINCIPAL ACTIVITIES

The principal activities of the company are to work with the world's poorest people in their efforts to achieve sustainable social and economic well-being. The company is a registered charity.

REVIEW OF PRESENT AND FUTURE BUSINESS DEVELOPMENTS

The company has supported projects in the geographical regions as shown in note 17 to the accounts on page 15 and will be providing further funds to some of these projects in the course of the coming year.

MEMBERS OF COUNCIL

The members of Council are directors for the purposes of the Companies Act 1985. The members of the Council who served during the year are those listed on page 2. Ian McIsaac was appointed Vice-Chairman on 4 May 1995.

Sir Peter Preston resigned on 28 February 1995, and Sir David Elliott was appointed on 16 August 1995. Pamela Dixon resigned as Company Secretary on 20 September 1995 and Charles Tapp was appointed Company Secretary on 20 September 1995.

FIXED ASSETS

The changes in fixed assets during the year are summarised in note 6 to the accounts.

AUDITORS

The Auditors, Messrs Ernst & Young, Chartered Accountants, are willing to be re-appointed and a resolution to that effect will be proposed at the Annual General Meeting.

By order of the Council

Charles Tapp
Secretary

11 October 1995

CARE International UK

(formerly CARE Britain)

STATEMENT OF RESPONSIBILITIES OF MEMBERS OF THE COUNCIL IN RESPECT OF THE ACCOUNTS

Company law requires the members of the Council to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those accounts, the members of the Council are required to:

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

The members of the Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS
to the members of CARE International UK
(formerly CARE Britain)

We have audited the accounts on pages 6 to 15 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 4 the members of the Council are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

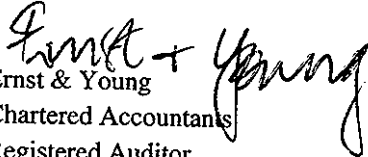
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by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

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30 June 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion CARE International UK is entitled for the year ended 30 June 1995 to the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts.


Ernst & Young
Chartered Accountants
Registered Auditor
London

11 October 1995

CARE International UK

(formerly CARE Britain)

INCOME AND EXPENDITURE ACCOUNT

for the year ended 30 June 1995

	Notes	1995 £	1994 £
Grants received for overseas projects	1	14,969,611	15,838,100
Contributions received in kind	1	1,715,632	8,221,665
Donations - restricted	1	1,404,726	283,214
	17	18,089,969	24,342,979
Funds received for general purposes	1	695,566	616,159
Donations - unrestricted	1	1,452,032	1,368,665
Interest receivable and foreign exchange	2	199,347	122,130
TOTAL INCOME		20,436,914	26,449,933
Grants paid for overseas projects		16,482,138	16,355,233
Contributions paid in kind	1	1,715,632	8,221,665
	17	18,197,770	24,576,898
Grant paid to CARE International		46,002	58,022
Administration expenses	14	1,189,739	1,084,474
Fundraising expenses	15	983,594	818,082
TOTAL EXPENDITURE		20,417,105	26,537,476
SURPLUS/(DEFICIT) FOR THE YEAR	3	19,809	(87,543)
Reserves brought forward		286,783	374,326
RESERVES CARRIED FORWARD		306,592	286,783

There are no recognised gains or losses for the year other than the surplus above (1994 - deficit).

CARE International UK
(formerly CARE Britain)

BALANCE SHEET

at 30 June 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Tangible assets	6	131,532	110,288
Investment	7	2	2
		<u>131,534</u>	<u>110,290</u>
CURRENT ASSETS			
Debtors	8	1,036,783	689,669
Cash at bank and in hand		4,209,059	2,683,627
		<u>5,245,842</u>	<u>3,373,296</u>
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	9	<u>5,070,784</u>	<u>3,196,803</u>
NET CURRENT ASSETS		<u>175,058</u>	<u>176,493</u>
		<u>306,592</u>	<u>286,783</u>
RESERVES			
Income and expenditure account	10	<u>306,592</u>	<u>286,783</u>

On behalf of the Council of Management

Sir Harold Walker

Ian McIsaac

11 October 1995



CARE International UK
(formerly CARE Britain)

STATEMENT OF CASH FLOWS
for the year ended 30 June 1995

	<i>Notes</i>	<i>1995</i> £	<i>1994</i> £
OPERATING ACTIVITIES			
Grants and donations received		18,505,635	17,651,258
Grants paid		(15,047,257)	(15,923,470)
		<u>3,458,378</u>	<u>1,727,788</u>
Administration and other costs paid		(1,085,044)	(851,382)
Fundraising costs paid		(973,224)	(788,136)
		<u></u>	<u></u>
Net cash inflow from operating activities	16(a)	<u>1,400,110</u>	<u>88,270</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		203,816	119,908
Interest paid		(1,775)	(292)
		<u></u>	<u></u>
Net cash inflow from returns on investments and servicing of finance		<u>202,041</u>	<u>119,616</u>
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(73,679)	(29,546)
Payments to subsidiary undertaking		(3,040)	(9,522)
		<u></u>	<u></u>
Net cash outflow from investing activities		<u>(76,719)</u>	<u>(39,068)</u>
FINANCING ACTIVITIES			
Capital element of finance lease payments		—	(3,073)
		<u></u>	<u></u>
Increase in cash and cash equivalents	16(b)	<u>1,525,432</u>	<u>165,745</u>

NOTES TO THE ACCOUNTS
at 30 June 1995

1. ACCOUNTING POLICIES

Accounting convention

These accounts comply with the Statement of Recommended Practice (No. 2) for Accounting by Charities (SORP 2).

The accounts are prepared under the historical cost convention in accordance with applicable accounting standards.

Grants and donations received

All contributions are considered unrestricted unless specifically restricted by the donor. Both restricted and unrestricted contributions are recognised as income when received. Credit is not taken for administration retention until funds are used by the mission overseas.

Grants received from Overseas Development Administration and the European Community represent funds received in the year and funds called forward at 30 June 1995. Funds committed by them but not called forward at that date are not included.

Contributions in kind

Agricultural commodities and medicines received at no cost from the European Community for distribution under contracts related to special relief programmes are recorded at an ascribed amount representing the valuation. Other contributions/donations-in-kind are recorded at fair values on the date of contribution.

Bequests

Bequests are recorded when the amounts are determinable and collection is reasonably assured.

Property and equipment

Expenditure for buildings, equipment and leasehold improvements are capitalised at their original cost. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets as follows:

Leasehold Premises - short leasehold	-	11 years
Computers, systems, and office equipment	-	5 years

Leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest is charged to the income and expenditure account over the period of the contract calculated on the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income over the term of the lease.

Foreign currencies

Monetary Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at 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 operating surplus or deficit.

CARE International UK
(formerly CARE Britain)

NOTES TO THE ACCOUNTS
at 30 June 1995

1. ACCOUNTING POLICIES (continued)

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

2. INTEREST RECEIVABLE AND FOREIGN EXCHANGE

	1995 £	1994 £
Interest receivable	202,932	120,136
Net foreign exchange (loss)/gain	(3,585)	1,994
	<u>199,347</u>	<u>122,130</u>

3. SURPLUS/(DEFICIT) FOR THE YEAR is stated after charging:

	1995 £	1994 £
Depreciation of tangible fixed assets	52,435	43,099
Hire of plant and equipment	23,367	24,386
Auditors' remuneration	8,108	8,608
Staff costs (note 4)	823,696	784,564
Interest paid	2,735	238
	<u>823,696</u>	<u>784,564</u>

4. STAFF COSTS

The average number of employees in each week in the year was 34 (1994 - 34). All were engaged in project support, fundraising, and administrative duties.

	1995 £	1994 £
Wages and salaries	776,234	733,520
Social security costs	36,391	35,866
Pension costs	11,071	15,178
	<u>823,696</u>	<u>784,564</u>

None of the members of Council received any remuneration. Expenses reimbursed to the Council members for travelling undertaken on CARE's behalf amounted to £4,613 (1994 - £5,068).

5. PENSION COSTS

Pension contributions payable by the company to the pension fund amounted to £11,071 (1994 - £15,178).

CARE International UK

(formerly CARE Britain)

NOTES TO THE ACCOUNTS

at 30 June 1995

6. TANGIBLE FIXED ASSETS

	<i>Equipment overseas</i>	<i>Leasehold premises</i>	<i>Office equipment</i>	<i>Total</i>
	£	£	£	£
Cost at 1 July 1994	48,876	20,506	179,770	249,152
Additions for the year	—	—	73,679	73,679
Cost at 30 June 1995	48,876	20,506	253,449	322,831
Depreciation at 1 July 1994	16,459	11,184	111,221	138,864
Charge for the year	9,775	1,864	40,796	52,435
Depreciation at 30 June 1995	26,234	13,048	152,017	191,299
Net book value:				
At 30 June 1995	22,642	7,458	101,432	131,532
At 1 July 1994	32,417	9,322	68,549	110,288

7. INVESTMENT

The company's investment is in 100% of the issued share capital of CARE Britain Trading Limited, which is registered in England and Wales. The company's principal activity continued to be the sale of christmas cards and other items. CARE Britain Trading Limited's profit for the year was £9 (1994 - £4) and the accumulated capital and reserves at 30 June 1995 were £21 (1994 - £12). In the opinion of the members of the Council of Management, the value of the investment is not below the amount stated at the balance sheet date.

CARE International UK is taking advantage of the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

CARE International UK

(formerly CARE Britain)

NOTES TO THE ACCOUNTS

at 30 June 1995

8. DEBTORS

	1995 £	1994 £
Due from Overseas Development Administration	297,770	76,757
Due from EC	371,589	433,310
Due from other CARE offices	235,525	76,650
Due from subsidiary undertaking	17,385	14,341
Sundry debtors	31,673	27,467
Prepayments and accrued income	82,841	61,144
	<u>1,036,783</u>	<u>689,669</u>

The net amount due from subsidiary undertaking includes a short-term loan of £5,000. Interest is chargeable at Barclays Bank base rate plus 1% per annum.

9. CREDITORS: amounts falling due within one year

	1995 £	1994 £
CARE missions overseas and suppliers	4,588,330	3,145,032
Taxation and social security	48,084	16,060
Sundry creditors	6,048	3,840
Accruals and provisions	105,855	30,162
Deferred income	322,467	1,709
	<u>5,070,784</u>	<u>3,196,803</u>

10. RESERVES

	1995 £	1994 £
Income and expenditure account		
Retained reserves are held as follows:		
Restricted funds	—	—
Unrestricted funds	306,592	286,783
	<u>306,592</u>	<u>286,783</u>

11. LIMITED LIABILITY

The company is limited by guarantee, the liability of each member being limited to £1.

12. TAXATION

The company is a charity and is, therefore, not liable to pay UK taxation on its income or capital gains.

CARE International UK

(formerly CARE Britain)

NOTES TO THE ACCOUNTS

at 30 June 1995

13. COMMITMENTS

(a) Annual commitments under non-cancellable operating leases are as follows:

	<i>Leasehold Premises</i>		<i>Equipment</i>	
	<i>1995</i>	<i>1994</i>	<i>1995</i>	<i>1994</i>
	£	£	£	£
Leases expiring:				
within one year	—	28,065	1,173	169
within two to five years	148,678	—	18,781	11,708
after five years	—	115,000	—	8,909
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(b) CARE International UK enters into multi-year contracts jointly with the EC on certain development projects. At the balance sheet date, CARE International UK was committed to contribute £62,398 (1994 - £198,873) under such contracts extending up to two years.

14. ADMINISTRATION EXPENSES

	<i>1995</i>	<i>1994</i>
	£	£
Salaries, national insurance and pension	571,891	551,552
Other staff costs	52,981	35,058
Rent, rates, insurance and electricity	189,647	190,910
Telephone, telex, courier and postage	56,753	71,627
Equipment rentals and computer maintenance	47,787	36,663
Office supplies and stationery	14,361	12,168
Travel	52,930	49,647
Professional fees	27,043	24,966
Depreciation	52,434	43,099
Office alterations, repairs and maintenance	70,023	13,568
Project procurement costs and fees	15,485	15,188
Bank charges and interest paid	22,010	19,181
Other expenses	16,394	574
International recruitment costs	—	20,273
	<u>1,189,739</u>	<u>1,084,474</u>

15. FUNDRAISING EXPENSES

	<i>1995</i>	<i>1994</i>
	£	£
Salaries, national insurance and pension	251,805	233,012
Other staff costs	11,178	11,363
Direct mail and other fundraising	720,611	573,707
	<u>983,594</u>	<u>818,082</u>

CARE International UK

(formerly CARE Britain)

NOTES TO THE ACCOUNTS

at 30 June 1995

16. CASH FLOW

(a) Reconciliation of surplus/(deficit) for the year to net cash inflow/(outflow) from operating activities

	1995	1994
	£	£
Surplus/(deficit) for the year	19,809	(87,543)
Interest received	(202,932)	(120,136)
Interest paid	2,735	238
	(180,388)	(207,441)
Depreciation charges	52,435	43,099
Increase in debtors	(343,915)	(172,339)
Increase in creditors	1,871,978	424,951
Net cash inflow from operating activities	1,400,110	88,270

(b) Analysis of changes in cash and cash equivalents during the year

Balance at 1 July 1994	2,683,627	2,517,882
Net cash inflow	1,525,432	165,745
Balance at 30 June 1995	4,209,059	2,683,627

NOTES TO THE ACCOUNTS
at 30 June 1995

17. GRANTS INCOME AND EXPENDITURE FOR OVERSEAS PROJECTS BY SECTOR

	Emergency relief		Food aid		Health		Agriculture/Environment		Skills development/SEAD	
	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure
	£	£	£	£	£	£	£	£	£	£
Latin America	380,808	380,808	6,873	6,873	351,041		216,832		7,720	7,720
Middle East and Eastern Europe	239,264	239,264	360,702	360,702	74,286					
Asia	237,550	237,550	1,553,810	1,553,810	609,203		759,975		182,701	182,701
East and Southern Africa	6,380,805	6,380,805	3,739,137	3,739,137	438,744		435,044		688,806	702,848
West Africa	7,097	7,097			585,657		487,821		346,093	346,093
Sub-total	7,245,524	7,245,524	5,660,522	5,660,522	2,058,931		1,899,672		1,225,320	1,239,362
TOTALS	Income	18,089,969								
	Expenditure	18,197,770								