

Charity Registration No. 1099682

Company Registration No. 4677253 (England and Wales)

PRISM THE GIFT FUND
TRUSTEES REPORT REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005



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COMPANIES HOUSE 20/10/2005

PRISM THE GIFT FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lord Bhatia Lord Stone of Blackheath M N Waiman
Charity number	1099682
Company number	4677253
Registered office	20 Seymour Mews London W1H 6BQ
Auditors	The Gallagher Partnership LLP P O Box 698, 2nd. Floor Titchfield House 69/85 Tabernacle Street EC2A 4RR London

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PRISM THE GIFT FUND

TRUSTEES REPORT REPORT FOR THE YEAR ENDED 30 JUNE 2005

The Trustees present their report and accounts for the year ended 30 June 2005.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

Objects of the charity

The charity is incorporated as a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

The objective of the charity is to encourage donors to give funds to the charity in an efficient manner, beneficial to the recipients.

Trustees

Lord Bhatia
Lord Stone of Blackheath
M N Waiman

The directors of the charity are its trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The articles of association of the charity provide that the first Trustees shall retire at the following Annual General Meeting of the charity. Future Trustees shall be appointed for a fixed term of three years. If the charity at the meetings at which a Trustee retires does not fill the vacancy, the retiring Trustee shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Trustee is put to the meeting and lost.

Review of financial position

The income of the charity for the year was £1,371,460 (2004, £82,820) and the expenditure in furtherance of the charitable objectives was £138,783 (2004, £28,527). The charity reserves at the 30 June 2005 £798,910 (2004, £52,048) of which £797,523 (2004, £51,928) was restricted funds and £1,387 (2004, £120) was unrestricted funds.

A substantial proportion of the income of the charity was in the form of AIM listed shares. The shares dropped in value from the time of the receipt of the income to the balance sheet date and accordingly the accounts show a loss on the investment of £425,000. The Trustees note that the value of the shares can go up and down.

Reserves policy

The charity has no direct costs and therefore reserves are not required.

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TRUSTEES REPORT REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

Risk factors

The Trustees review the strategic activities and financial position of the charity at its regular board meetings. They consider potential risks to which the charity is exposed.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that The Gallagher Partnership LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of Trustees



Trustee

Dated: 3.10.2005

PRISM THE GIFT FUND

STATEMENT OF TRUSTEES REPORT RESPONSIBILITIES

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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.

PRISM THE GIFT FUND

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRISM THE GIFT FUND

We have audited the accounts of Prism The Gift Fund for the year ended 30 June 2005 set out on pages 6 to 12. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 9.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 3, the Trustees, who are also the directors of Prism The Gift Fund 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 accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Trustees Report 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 read other information contained in the Trustees Report 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 United Kingdom 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 Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable 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 as to whether 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.

PRISM THE GIFT FUND

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF PRISM THE GIFT FUND

Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 30 June 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.

Gallagher

The Gallagher Partnership LLP

Chartered Accountants

Registered Auditor

P O Box 698, 2nd. Floor

Titchfield House

69/85 Tabernacle Street

EC2A 4RR

London

Dated: *4.10.2005*

PRISM THE GIFT FUND

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2005

	Notes	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
<u>Incoming resources</u>					
Donations and legacies	2	-	1,366,193	1,366,193	82,700
Investment income	3	1,267	-	1,267	120
Other incoming resources	4	4,000	-	4,000	-
Total incoming resources		5,267	1,366,193	1,371,460	82,820
<u>Resources expended</u>					
Charitable expenditure					
Grants payable		-	138,783	138,783	28,527
Administrative expenses		4,000	56,815	56,815	2,245
Total resources expended	5	4,000	195,598	199,598	30,772
Net incoming resources		1,267	1,170,595	1,171,862	52,048
(Losses)/gains on investment assets		-	(425,000)	(425,000)	-
Net movement in funds		1,267	745,595	746,862	52,048
Fund balances at 1 July 2004		120	51,928	52,048	-
Fund balances at 30 June 2005		1,387	797,523	798,910	52,048

PRISM THE GIFT FUND

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2005

	2005 £	2004 £
Total income	1,371,460	82,820
Total expenditure from income funds	199,598	30,772
Net income for the year	1,171,862	52,048

The summary income and expenditure account is derived from the statement of financial activities on page 6 which, together with the notes on pages 9 to 12, provides full information on the movements during the year on all funds of the charity.

STATEMENT OF RECOGNISED GAINS AND LOSSES

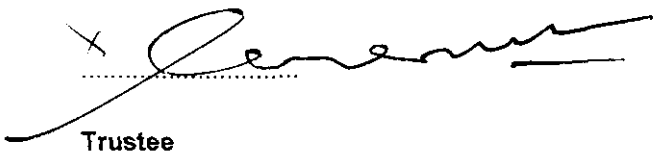
Net income for the year	1,171,862	52,048
Unrealised gains on investment assets held by income funds	(425,000)	-
	746,862	52,048

PRISM THE GIFT FUND

BALANCE SHEET AS AT 30 JUNE 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Investments	8		731,572		-
Current assets					
Debtors	9	-		8,462	
Cash at bank and in hand		67,338		43,586	
Net current assets			67,338		52,048
Total assets less current liabilities			798,910		52,048
Income funds					
Restricted funds			797,523		51,928
 Unrestricted funds			1,387		120
			798,910		52,048

The accounts were approved by the Board on 3.10.2005


Trustee

PRISM THE GIFT FUND

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2005

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding period, is set out below.

1.1 Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

1.2 Incoming resources

Income from donations and is included in incoming resources when these are receivable. When donors specify that donations are for a particular restricted purpose, which does not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when received.

1.3 Investments

During the year the charity received donations in two AIM listed companies. The value of the holdings have been disclosed at the mid-market rate pertaining on 30 June 2005.

2 Donations and legacies

	2005 £	2004 £
Donations and gifts	<u>1,366,193</u>	<u>82,700</u>

3 Investment income

	2005 £	2004 £
Interest receivable	<u>1,267</u>	<u>120</u>

4 Other incoming resources

	2005 £	2004 £
Other income	<u>4,000</u>	<u>-</u>

PRISM THE GIFT FUND

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

5 Total resources expended

	Total 2005 £	Total 2004 £
Charitable expenditure:		
Grants payable	138,783	28,527
Administrative expenses	56,815	2,245
Management and administration	4,000	-
	<u>199,598</u>	<u>30,772</u>

During the year the charity made 43 grants to institutions.

Administration expenses include fees of £600 plus Value Added Tax for the preparation of the audited accounts.

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or expenses during the year.

7 Employees

Number of employees

There were no employees during the year.

PRISM THE GIFT FUND

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

8 Fixed asset investments

	Unrestricted £	Restricted £	Total £
Market value at 1 July 2004	-	-	-
Acquisitions at cost	-	1,156,572	1,156,572
Change in value in the year	-	(425,000)	(425,000)
Market value at 30 June 2005	-	731,572	731,572
Historical cost:			
At 30 June 2005	-	731,572	731,572

During the year the charity received donations in two AIM listed companies. The value of the holdings have been disclosed at the mid-market rate pertaining on 30 June 2005.

9 Debtors

	2005 £	2004 £
Other debtors	-	8,462

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

10 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 30 June 2005 are represented by:			
Investments	-	731,572	731,572
Current assets	1,387	65,951	67,338
	<u>1,387</u>	<u>797,523</u>	<u>798,910</u>
Unrealised gains included above:			
On investments (see below)	-	(425,000)	(425,000)
	<u>-</u>	<u>(425,000)</u>	<u>(425,000)</u>
Reconciliation of movements in unrealised gains on investment assets			
Net gains on revaluations in year	-	(425,000)	(425,000)
Unrealised gains at 30 June 2005	<u>-</u>	<u>(425,000)</u>	<u>(425,000)</u>