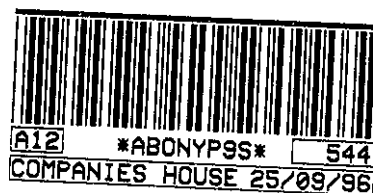


MAGIC ME LIMITED

REPORTS AND FINANCIAL STATEMENTS

31 March 1996

Richard F Hopper  
Chartered Accountant  
2 East Road  
Stratford  
London E15 3QR



MAGIC ME LIMITED

Company Registration No.	2394189
Charity Registration No.	328331
Directors	Jacqui Christian Emma McFarland Pat Topley Geoffrey Wykurz
Company Secretary	Susan Langford
Registered Office	33 Stroudley Walk London E3 3EW
Bankers	Royal Bank of Scotland 40 Islington High Street London N1 8XJ
Auditor	Richard F Hopper Chartered Accountant 2 East Road Stratford London E15 3QR

INDEX	<u>Page</u>
Report of the Trustees	2 - 3
Report of the Auditor	4
Statement of Financial Activities & Income and Expenditure Account	5
Balance Sheet	6
Notes to the Financial Statements	7 - 9
Detailed Income and Expenditure Account (not part of the statutory financial statements)	10

## MAGIC ME LIMITED

(Company limited by guarantee and not having a share capital)

### REPORT OF THE TRUSTEES

The Trustees present their annual report and the audited financial statements of the company for the year ended 31 March 1996.

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its income and expenditure for that period. In preparing the financial statements the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors 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 financial statements 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.

#### PRINCIPAL ACTIVITY

The principal activity, which has continued throughout the year, is to promote, maintain, improve and advance the education of children and adults towards a better understanding of the needs of hospitalised infirm and aged in hospitals, convalescent homes and old peoples homes and methods by which those may be best met.

#### TRUSTEES

The Trustees set out below have held office during the whole of the period from 1 April 1995 to the date of this report, unless otherwise stated. As the company does not have a share capital, the Trustees have no shares in the company.

Jacqui Christian

David Kennett (resigned 20 April 1996)

Daniel Kossoff (resigned 11 August 1995)

Emma McFarland (appointed 19 September 1995)

Patricia O'Dwyer (resigned 19 September 1995)

Caroline Perkins (resigned 19 September 1995)

Pat Topley

Elizabeth Alison Webster (resigned 19 September 1995)

Geoffrey Wykurz

In accordance with the Articles of Association, all the current Trustees retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

MAGIC ME LIMITED

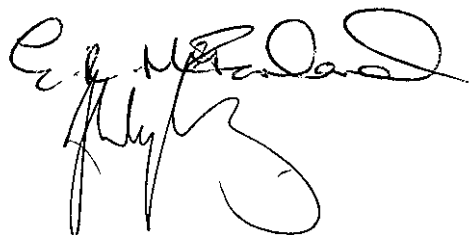
(Company limited by guarantee and not having a share capital)

REPORT OF THE TRUSTEES (continued)

AUDITOR

Richard F Hopper, Chartered Accountant, has signified his willingness to continue in office and a resolution to reappoint him will be put to the forthcoming Annual General Meeting.

Advantage has been taken in the preparation of the Report of the Trustees of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985. This report was approved by the Trustees on 17 September 1996 and signed on their behalf:



)  
)  
) Trustees  
)  
)

**MAGIC ME LIMITED**

(Company limited by guarantee and not having a share capital)

**REPORT OF THE AUDITOR TO THE MEMBERS**

I have audited the financial statements on pages 5 - 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of the Trustees and Auditor**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those financial statements and to report my opinion to you.

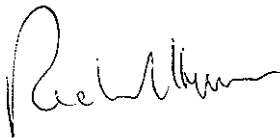
**Basis of opinion**

I conducted my 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 financial statements. It also includes an assessment of the significant estimates and judgements used by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

**Opinion**

In my opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1996 and of its income and expenditure for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Richard F Hopper  
Chartered Accountant and Registered Auditor  
2 East Road  
Stratford  
London E15 3QR

21 September 1996

**MAGIC ME LIMITED**

(Company limited by guarantee and not having a share capital)

**STATEMENT OF FINANCIAL ACTIVITIES &  
INCOME AND EXPENDITURE ACCOUNT  
For the Year Ended 31 March 1996**

				1996	1995
		Restricted Funds	General Fund	Total	
	Notes	£	£	£	£
<b>INCOMING RESOURCES</b>					
Grants and donations	2	34,653	31,441	66,094	69,401
Fees		-	1,275	1,275	503
Sale of work etc.		-	52	52	266
Interest		-	440	440	494
		<hr/>	<hr/>	<hr/>	<hr/>
		34,653	33,208	67,861	70,664
		<hr/>	<hr/>	<hr/>	<hr/>
<b>RESOURCES EXPENDED</b>					
<b>Direct charitable expenses</b>					
Salaries and fees	3	24,044	25,046	49,090	52,782
Other project costs		14,017	4,128	18,145	3,010
Staff recruitment and training		-	518	518	2,234
Premises costs		-	1,875	1,875	4,782
Office costs and travel		180	2,768	2,948	2,727
Depreciation of equipment		-	551	551	1,363
		<hr/>	<hr/>	<hr/>	<hr/>
		38,241	34,887	73,128	66,898
<b>Fundraising and publicity</b>		-	-	-	101
<b>Administrative expenses</b>	3	-	515	515	1,206
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL RESOURCES EXPENDED</b>		38,241	35,402	73,643	68,205
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET SURPLUS (DEFICIT) FOR THE YEAR</b>					
		(3,588)	(2,194)	(5,782)	2,459
<b>FUNDS AT 1 APRIL</b>		10,000	4,482	14,482	12,023
		<hr/>	<hr/>	<hr/>	<hr/>
<b>FUNDS AT 31 MARCH</b>		£6,412	£2,288	£8,700	£14,482
		=====	=====	=====	=====

The company's income and expenditure all relate to continuing operations.  
The company had no recognised gains or losses other than the surplus (deficit)  
for the year shown above.

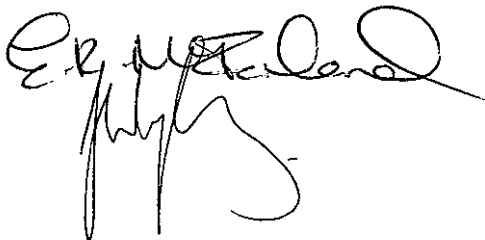
MAGIC ME LIMITED

(Company limited by guarantee and not having a share capital)

BALANCE SHEET  
31 March 1996

	Notes	1996	1995
		£	£
FIXED ASSETS			
Tangible assets	4	560	1,111
CURRENT ASSETS			
Debtors	5	4,180	-
Bank and cash balances		6,965	18,514
		<hr/>	<hr/>
		11,145	18,514
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	6	3,005	5,143
		<hr/>	<hr/>
NET CURRENT ASSETS		8,140	13,371
		<hr/>	<hr/>
NET ASSETS		£8,700	£14,482
		=====	=====
CAPITAL AND RESERVES			
General fund		2,288	4,482
Restricted funds	7	6,412	10,000
		<hr/>	<hr/>
		£8,700	£14,482
		=====	=====

Advantage is taken of the exemptions conferred by Parts I and II of Schedule 8 to the Companies Act 1985. In the Trustees' opinion the company is entitled to those exemptions having met the qualifications for a small company specified in sections 246 and 247 of the Companies Act 1985. The financial statements were approved by Trustees on 7 September 1996 and signed on their behalf


 )  
 )  
 ) Trustees  
 )  
 )

# MAGIC ME LIMITED

(Company limited by guarantee and not having a share capital)

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 1996

### 1 ACCOUNTING POLICIES

The following accounting policies are consistently used by the company in the preparation of its financial statements.

#### a) Basis of accounting

The financial statements are prepared under the historical cost convention and in compliance with the requirements of Statement of Recommended Accounting Practice 2 -- Accounting by Charities. This has necessitated amending the layout of the Income & Expenditure Account and in the Balance Sheet the reclassification of Restricted Funds which were previously included in Creditors: amounts falling due within one year. The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company.

#### b) Income

Income is included in the accounts when it is received.

#### c) Depreciation

Depreciation is provided on all tangible fixed assets and is calculated to write off the cost less estimated residual value of each asset over its expected useful life. The estimated useful lives are:

Computers and other equipment 3 years

### 2 GRANT AND DONATION INCOME

Grants and donations for the year were received from:

	1996	1995
	£	£
L B of Tower Hamlets	17,649	21,295
Anonymous	10,000	-
Greytree Trust	4,400	7,697
London Dockland DC	9,950	6,510
Wakefield Trust	2,500	5,000
William Sutton Trust	6,081	3,000
St Katharine & Shadwell	3,500	-
London Arts Board	3,200	2,941
Royal Court Theatre	2,223	-
Aldgate and Allhallows	1,000	1,432
Youth Matters	1,000	-
Others under £1,000 each	4,591	3,283
Others £1,000 and over	-	18,243
	<hr/>	<hr/>
	£66,094	£69,401
	=====	=====



MAGIC ME LIMITED

(Company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 1996

3 EXPENDITURE

	1996	1995
	£	£
Salaries and fees include employee costs of	19,903	21,569
Administrative expenses include audit fee	364	294
	=====	=====

None of the Trustees received any emoluments from the company for the year.  
The average number of employees during the year was one (1995: one).

4 TANGIBLE FIXED ASSETS

	Office Equipment
COST	
At 1 April 1995	5,463
Additions	-
	-----
At 31 March 1996	5,463
	-----
ACCUMULATED DEPRECIATION	
At 1 April 1995	4,352
Charge for the year	551
	-----
At 31 March 1996	4,903
	-----
NET BOOK VALUES	
At 31 March 1996	£ 560
	=====
At 31 March 1995	£1,111
	=====

# MAGIC ME LIMITED

(Company limited by guarantee and not having a share capital)

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 1996

### 5 DEBTORS

	1996	1995
	£	£
Grants receivable	3,200	-
Prepaid expenses	980	-
	<hr/>	<hr/>
	£4,180	£ -
	=====	=====

### 6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996	1995
	£	£
Taxation and social security costs	708	1,143
Other creditors	160	1,250
Accrued expenses	2,137	2,750
	<hr/>	<hr/>
	£3,005	£5,143
	=====	=====

### 7 RESTRICTED FUNDS

The restricted fund assets are all included in bank and cash balances and represent grants received for specific projects which will not be fully spent until the next year.

### 8 DONATION IN KIND

The income and expenditure figures shown in the accounts do not include about £14,000 which represents the approximate value of work donated by B&T Reclamation Ltd for the George Green's Garden Project, this being about two-thirds of the total cost of their work for the project.