

Charter 88

(Company limited by guarantee no. 2440899)

REPORT and ACCOUNTS for the year ended 31st March 2005



Charter 88

Executive Committee	Debbie Chay	from 14th July 2004	Chair
	Anthony Barnett		
	Paul Farthing		
	Sue Goss	until 30th June 2004	
	Vicki Harris	until 30th June 2004	
	Vicky Seddon		
	Philip Starr	until 30th September 2004	
	Stuart Weir		
	Terry Myers	from 1st May 2004	
	Robin Anderson	from 24th April 2004	
	Peter Facey	from April 2005	
	Ron Bailey	from April 2005	
Secretary	Dolapo Tewogbade	until 30th June 2004	
	Robin Anderson	from 1st July 2004	
Registered Office	6, Cynthia Street, London N1 9JF		
Auditors	Gotham Erskine Friendly House 52-58, Tabernacle Street London EC2A 4NJ		

Charter 88 (known publicly as Charter88) is registered as a company limited by guarantee (without share capital) no. 2440899; its governing instrument is its memorandum and articles of association. Every member of the company undertakes to contribute to its assets in the event of its being wound up while s/he is a member such amount as may be required not exceeding £10.

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Executive Committee's report for the Year Ended 31st March 2005

The Executive Committee (which is the board of directors for company law purposes) presents its report and the audited accounts for the year ended 31 March 2005.

OBJECTS

The object for which the company is established is to encourage constitutional and democratic changes inspired by the arguments and demands of its Charter, entitled Charter88, published in 1988. It is principally involved in educative, informative, campaigning and lobbying activities for constitutional reform in the UK.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Governance:

After a difficult and traumatic year, it was agreed at the Council meeting in April 2004, that Charter88 was in need of organisational reform if it was to continue. Through the tireless efforts of the Chair of Charter88, Phil Starr, an interim Executive and Council was formed with the aim of drafting a new constitution and to consider the possibility of Charter88 becoming a membership organisation. Phil Starr subsequently took on the role of Executive Director with Debbie Chay acting as Chair. Unfortunately, by September, Phil felt unable to continue in this role and resigned, both as Director and from the Executive itself, although he stayed on as a member of the Council.

At the AGM in November, Council voted in favour of Charter88 becoming a membership organisation by June 2005. The Executive was charged with overseeing this task and set up a working group to draft general principles for a new constitution and to start planning for a consultative meeting for those supporters who will be deemed to be members during the transitional period.

Staff:

A decision was taken at the AGM to appoint Peter Facey, (Director of NPN), and Ron Bailey, (Director of ACT), as co-directors of Charter88 for the duration of the partnership agreements with each organisation, i.e. until April 2006. They were appointed on the basis of contracts for services from December 2004. James Blanchard started work as campaigns and press officer in March 2005, alongside Adrian Ball, who had been responsible for maintaining the Charter88 website and database since 2003 (Adrian resigned in June 2005 and later in the year Bernard Knight was appointed taking over the role Adrian had undertaken).

Charter88 continues to be based at Cynthia Street where it rents office space from NPN for its two staff members.

Campaigning

During 2004/5, the bulk of Charter's resources were focussed on joint projects with NPN and ACT. The Democracy Project with NPN is concerned with campaigns for a predominantly elected second chamber, voting reform, citizenship and issues around the European constitution. NPN had also taken over publishing Central Lobby. The key campaigns for the Charter88/ACT partnership are sustainable communities; legislation giving local communities the option of choosing their own electoral system; and a Bill of Rights that combines traditional and environmental rights. Although the NPN/Charter88 partnership is working well, by the beginning of 2005 there was a recognised need to increase joint activity with ACT. This reached a critical stage by March 2005, but has started to improve since then.

Concern about limited resources meant that prior to the Council meeting in November, any independent Charter88 activities were undertaken by members of the Executive. Phil Starr and Debbie Chay attended

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Executive Committee's report for the Year Ended 31st March 2005

Campaigning, continued

the party conferences and other meetings to give Charter88 a 'presence' responding to increasing requests for comment from the media wherever possible. Vicki Seddon maintained links with representatives from local groups and organised a local groups conference on 23rd October. Paul Farthing took on responsibility for mailings and marketing. Robin Anderson worked with Ron Hoyle, consultant accountant, on producing the annual accounts and reports for the financial year up to 31st March 2005. Stuart Weir advised on policy and campaigns whilst Terry Myers liaised with Charter88 Scotland and the Scottish Civic Fora in stepping up the campaign for a written constitution for the United Kingdom.

In a deliberate attempt to maintain a distinct and separate identity, Charter88 also initiated a specific project, the 'War Powers' Bill, designed to limit the way in which the Prime Minister exercises the prerogative power of the Crown to commit troops abroad in times of conflict. Neil Gerrard MP, who came 12th in the Private Members' Ballot for 2004/5, agreed to sponsor the Bill through parliament. Unfortunately, the increasing likelihood of the general election in May severely limited its prospects of success, but with growing cross-party support for the principles behind the Bill it is hoped that this campaign will continue well into the present parliamentary session.

The year up to 31st March 2005 is probably best described as one of consolidation for Charter88, with steady progress being made towards much needed organisational reform. This was combined with a corresponding increase in campaigning activity, largely prompted by work being conducted as part of the joint projects with NPN and ACT.

ORGANIZATION

The Council: The Council is the ultimate policy-making body of Charter88. It sets the broad outline areas of policy on which Charter88 campaigns and delegates the day-to-day running of the organization (i.e. the putting of that policy into action) to the Executive Committee. Any formal policy documents approved by the Executive have to be presented to and ratified by the Council. The Council should meet 3 times a year.

The Executive Committee: The Executive Committee is the board of directors of Charter88. It debates policy formulation (which is then presented to Council) and is responsible for the running of the organization. It normally delegates responsibility for day-to-day finance and administration to the Finance and Fundraising Committee but this was not possible this year because of staffing problems. For the present the Executive Committee itself carries out the tasks of this Committee with one member having special responsibility for this aspect. The Executive Committee meets monthly.

EXECUTIVE COMMITTEE MEMBERS AND THEIR INTERESTS

The members of the Executive Committee serving during the year are shown on page 1. The company has no issued share capital or debentures, hence there are no directors' interests requiring disclosure.

VOLUNTARY HELP AND DONATIONS IN KIND

Over the course of the year a number of volunteers worked for Charter88. Small amounts of travel and subsistence expenses were reimbursed at cost against receipts but the volunteers' time was given freely.

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Executive Committee's report for the Year Ended 31st March 2005

FINANCIAL REVIEW

Although the company is not eligible for charity status because of its campaigning activities, its method of operation is similar to many charities of like size. In the interests of greater openness, the Committee therefore presents the accounts of Charter88 in accordance with the provisions of the Statement of Recommended Practice for Charities insofar as considered appropriate to the company's operations. The accounts comply with current statutory requirements and the company's Articles of Association.

Full details of the incoming and outgoing resources for the year are given in the Statement of Financial Activities on page 8. All assets are held for the purpose of furthering the company's objects.

The company adopted a reserves policy in January 2005. This policy states that it is our aim to hold at any one time £30,000 as unrestricted funds in a general reserve. At present this is being achieved

The company has a subsidiary, Charter 88 Enterprises Limited, which carries out trading in support of Charter88's campaigning activities. The purpose of the subsidiary is to support Charter88 rather than to generate profits. There was no activity this year. A summary of the state of affairs at the year end is given in Note 7 on page 11.

AUDITORS

The company's auditors, Gotham Erskine, have indicated their willingness to accept re-appointment under Section 384 of the Companies Act 1985.

Executive Committee's Responsibilities Statement

The Executive Committee members are required by law to prepare accounts for each financial year, which give a true and fair view of the financial activities of the company and of its financial position at the end of that year. In preparing those accounts, the Executive Committee members are required to:

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

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


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Executive Committee's report for the Year Ended 31st March 2005

Preparation of the Report

This report has been prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Committee



Debbie Chay
Chair

Date 7/12/05



PAUL RASMUSSEN
COMMITTEE CHAIR

7/12/05

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHARTER 88 FOR THE YEAR ENDED 31ST MARCH 2005

We have audited the accounts of Charter 88 for the year ended 31 March 2005 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Executive Committee members and auditors

As described in the Executive Committee's Responsibilities Statement on page 4, the Executive Committee members, who are also the directors of Charter 88 for the purposes of company law, are responsible for the preparation of the 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 Executive Committee's Report is not consistent with the accounts, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the Executive Committee's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgments made by the Executive Committee 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 assurances 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.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 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.



Gotham Erskine
Chartered Accountants
and Registered Auditors

Date..... 13 12 05

Friendly House
52-58 Tabernacle Street
London
EC2A 4NJ

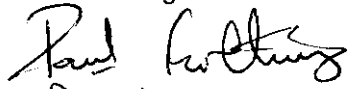
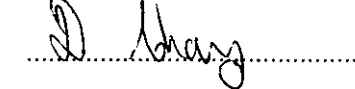
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Balance Sheet at 31st March 2005

		2005	2004
		£	£
Fixed Assets			
Tangible fixed assets	note 6	4,983	7,273
Investments	note 7	100	100
		5,083	7,373
Current Assets			
Debtors & prepayments	note 8	7,651	8,142
Cash		92,247	30,229
		99,898	38,371
Less: Creditors falling due within one year	note 9a	36,086	20,251
Net Current Assets		63,812	18,120
Total Assets less Current Liabilities		68,895	25,493
Less: Creditors falling due after one year	note 9b	1,482	8,033
Net Assets		67,413	17,460
Funds			
Restricted funds	note 10	2,941	3,344
Unrestricted funds		64,472	14,116
Total Funds		67,413	17,460

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Executive Committee on the 7/12/05
2005 and signed on its behalf by:

Paul Fothering

Debbie Chay

COUNCIL CHAIR

Chair

The notes on pages 9 to 12 form part of these financial statements.

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Statement of Financial Activities for the year ended 31st March 2005

Incoming Resources	Restricted £	Unrestricted £	Total £	2004 £
Donations		221,387	221,387	260,472
Legacies		2,000	2,000	27,350
Bank interest receivable		1,152	1,152	259
Management charges			-	1,975
Recovery of bad debts		1,213	1,213	
Miscellaneous income		1,130	1,130	
Fundraising and publications sales			-	2,392
Total Incoming Resources	-	226,882	226,882	292,448
Resources Expended	Note 4			
Costs of generating funds - fundraising		51,646	51,646	27,663
Activities in furtherance of objectives:				
Direct campaigning	403	91,581	91,984	151,360
Signatory services		1,388	1,388	53,588
Management and administration		31,911	31,911	65,987
Total Resources Expended	403	176,526	176,929	298,598
Net Income (Expenditure)	(403)	50,356	49,953	(6,150)
Fund balances brought forward at 1 April 2004	3,344	14,116	17,460	23,610
Fund balances carried forward 31 March 2005	2,941	64,472	67,413	17,460

All transactions are derived from continuing activities

All recognised gains and losses are included in the Statement of Financial Activities

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Notes to the Accounts for the year ended 31st March 2005

1 Accounting Policies

Basis of Preparation of Accounts

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Financial Reporting Standard for Smaller Entities (effective June 2002), and having regard to the Statement of Recommended Practice for Charities (SORP) insofar as considered appropriate to the company's operations. Although not eligible for registration as a charity due to the nature of some of its campaigning activities, the company operates on a not-for-profit basis and the Executive Committee considers it appropriate to apply most of the provisions of the SORP.

Incoming Resources

All donations are included in full in the Statement of Financial Activities as they are received. Grants are accounted for in the period specified for their use by the donors provided that any conditions for receipt have been met. Other income is accounted for on a receivable basis.

Subsidiary Company

As explained in Note 7 the company has a subsidiary. Group accounts are not prepared because they would not be materially different from the accounts of the company: there is no requirement to prepare them by virtue of the Group qualifying as a 'small group' under the Companies Acts. Details of the subsidiary are given in Note 7.

Local Groups

These accounts include the transactions of Charter88 only and not those of its local groups which operate regionally to support its campaigning aims. This is because the local group licence agreement entered into by all the groups makes it clear that they are entirely independent of the company, that all transactions are carried out in their own name and that they do not represent to be contracting on behalf of the company. Transactions with local groups during the year totalled £403 funded from the Andrew Wainwright Reform Trust (2004 nil).

Fund Accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Executive Committee in furtherance of the general campaigning objectives.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the company for specific purposes. The cost of raising or administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in Note 10

Resources Expended

All expenditure is accounted for gross, and when incurred. Staff costs and other costs directly attributable to functional cost categories have been allocated to those categories. Management and administration comprises those costs relating to the company's central management and administration as opposed to its campaigning and research activities. Shared costs, ie. overheads applicable to the organisation as a whole, have been allocated to categories proportionately to the time spent by the staff directly employed on those categories.

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives of 4 years.

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Notes to the Accounts for the year ended 31st March 2005

2 Net Movement in Funds	2005	2004
	£	£
The net movement in funds is stated after charging:		
Auditors remuneration - statutory audit	3,055	3,290
Gotham Erskine - consultancy costs	-	1,034
Depreciation	4,196	3,721

3 Employees and Staff Costs	2005	2004
	Number	Number
In aggregate the monthly average of full and part time persons employed during the year was:		
Direct campaigning	-	2
Signatory services	-	1
Fundraising	-	0.5
Shared services	1	2.5
	1	6

Staff costs were as follows:	£	£
Salaries and wages	33,379	135,689
National insurance	3,282	9,876
Honorarium	3,000	-
Redundancy payments	1,350	3,372
	41,011	148,937

4 Analysis of Total Resources Expended

	Staff costs	Direct costs	Shared costs	Total 2005	Total 2004
	£	£	£	£	£
Costs of Generating Funds	-	11,186	40,460	51,646	27,663
Activities in furtherance of objects:					
Direct campaigning	338	91,646	-	91,984	151,360
Signatory services	-	1,388	-	1,388	53,588
Shared costs	40,673	25,857	(66,530)	-	-
Management & administration	-	5,841	26,070	31,911	65,987
	41,011	135,918	-	176,929	298,598

Details of staff costs are given in Note 3. Shared costs are overheads which cannot be directly allocated to any individual activity - these have been apportioned according to the estimated staff and volunteer time for those activities.

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Notes to the Accounts for the year ended 31st March 2005

5 Executive Committee Remuneration and Reimbursed Expenses

Expenses relating to travel and subsistence totalling £3,417 (2004 - £60) were reimbursed to 9 members (2004 - 1). One previous member of the Executive Committee received an honorarium of £3,000 during the year (2004 - £ nil).

6 Tangible Fixed Assets - Computer Equipment	2005	2004
	£	£
Cost		
1 April 2004	20,454	135,300
Additions	1,906	-
Disposals	-	(114,846)
31 March 2005	22,360	20,454
Depreciation		
1 April 2004	13,181	110,948
Charge for the year	4,196	3,721
Disposals	-	(101,488)
31 March 2005	17,377	13,181
Net Book Value	4,983	7,273

7 Investments	2005	2004
	£	£
Shares in Subsidiary	100	100

The Company owns 100 ordinary shares of £1 each, the entire issued share capital, in Charter 88 Enterprises Limited, a company incorporated in England. The subsidiary, which carries out incidental trading activities compatible with the campaigning activities of the Company, operates from the same premises.

The subsidiary did not carry out any political operations during the year nor were there any trading or financial activities except for minor accounting charges. Details of its state of affairs at the year end are as follows:

	2005	2004
	£	£
Opening capital and reserves	265	383
Profit (loss) for the year	(80)	(118)
Closing capital and reserves	185	265

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Notes to the Accounts for the year ended 31st March 2005

8 Debtors	2005	2004
	£	£
Trade debtors	-	348
Other debtors	6,000	5,744
Prepayments	1,651	2,050
	7,651	8,142
9 Creditors	2005	2004
a. Amounts falling due within one year	£	£
Trade creditors	8,039	3,088
Accruals	10,302	4,385
Other taxes and social security	801	1,091
Charter 88 Enterprises Ltd	4,640	4,720
Loan, New Politics Network	7,397	6,967
Loan, Ron Bailey Ltd	2,453	-
Loan, Charles Secrett	2,454	-
	36,086	20,251
b. Amounts falling due later than one year		
Loan, New Politics Network	636	8,033
Loan, Ron Bailey Ltd	423	-
Loan, Charles Secrett	423	-
	1,482	8,033

The loans are repayable over a 2 year period commencing in June 2004

10 Restricted Funds	Balance at 1 April 2004 £	Incoming resources £	Resources expended £	Balance at 31 March 2005 £
Local groups	3,344	-	403	2,941

Local groups expenditure is funded from a grant received from the Andrew Wainwright Reform Trust

11 Corporation Tax

No tax liability arises on the Company's voluntary income. Corporation tax is charged at the small companies rate of 0% (2004 - 0%) on the Company's investment income. The tax charge for the year was £ nil (2004 - £ nil).