

COMPANIES HOUSE

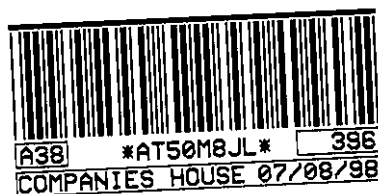
company no. 2510318

CHARITIES EVALUATION SERVICES

A Company Limited by Guarantee and not having a Share Capital

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 1997



CHARITIES EVALUATION SERVICES
A Company Limited by Guarantee and not having a Share Capital
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CHARITIES EVALUATION SERVICES
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Company Information

Trustees	Hugh Arbuthnott (Chairman) Blossom Jackson (Vice Chairman) Nicholas Martin (Treasurer) Dorothy Dalton Himu Gupta Dieter Kessell Judith Marsh Dorothy Pine-McLarty Prof. Helen Simons Peter Williams Victor Adebowale
Secretary	Elizabeth Ann Cooper
Company Number	2510318 (England and Wales)
Charity Number	803602
Business Address	4 Coldbath Square London EC1R 5HL
Registered Office	4 Coldbath Square London EC1R 5HL
Auditors	Citroen Wells Devonshire House 1 Devonshire Street London W1N 2DR
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Solicitors	Sinclair Taylor & Martin 9 Thorpe Close Portobello Road London W10 5XL

CHARITIES EVALUATION SERVICES
A Company Limited by Guarantee and not having a Share Capital
Trustees' Report for the year ended 31 December 1997

The trustees present their report and the financial statements for the year ended 31 December 1997.

Mission Statement

Charities Evaluation Services (CES) is a charitable company, established in 1990, with the overall mission of increasing the effectiveness of the voluntary sector by developing its use of evaluation and quality systems.

Statement of Objectives

During 1997, CES has been successful in achieving its main objectives of: developing partnerships with umbrella organisations in order to make contact with a wide range of small organisations; training voluntary organisations to develop practical skills in monitoring, evaluating and implementing quality systems to enable them to use their time and resources more effectively; providing information and technical assistance on evaluation and quality; and conducting external evaluations on behalf of voluntary organisations and their funders.

Review of the Developments, Activities and Achievements of CES

1997 was a very successful year for CES. We were able to contribute to the development of the voluntary sector by various presentations, articles and seminars on evaluation and quality. These varied from a keynote speech at the Australian International Evaluation Conference, made by the Director, to a seminar on benchmarking in London. In total, CES provided sixteen articles, four paper presentations and eight workshops at conferences, and we held six seminars of our own. Various aspects of our work were also reported by the charity and quality press.

CES also contributed to the strategic development of the sector by our own research, such as that on the applicability of particular quality modes for charities, and by disseminating our knowledge of evaluation through a programme of lunch-time seminars. The strategic development of a very new voluntary sector – that in Eastern Europe – has been strongly supported by the work of CES there.

Continuing our tradition of paying especial attention to small charities, we produced a self-evaluation resource pack. Councils for Voluntary Services helped ensure that these reached across the country, and we have had a variety of thank-you letters. We also ensure that all participants at our (low-cost) training courses receive packs helping them to spread their knowledge in their own organisations. Over 80 organisations, often small ones, received technical assistance on the implementation of evaluation, management or quality systems.

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Trustees' report for the year ended 31 December 1997

CES's training, which is about the practical skills of monitoring and evaluation and using quality systems, was even more successful than previously. We ran 98 courses, some open to all, and some tailored to the needs of specific organisations or groups. 1,292 participants attended (552 up on the previous year). They came from 966 organisations and learned about many aspects of monitoring, evaluation and quality. It is clear from client feedback that we are accurately meeting needs and that overall satisfaction with our material, trainers and style was high.

External evaluations and consultancy are another important area of CES's work. We began seven new evaluations and seven consultancies during the year, and had to decline other similar work because of lack of capacity. With the advent of two new staff members, there should be a reduction in the amount of work that needs to be turned away.

CES continued to lead with a range of work on quality issues. Our three year Quality in Charities Programme was in its final year, and we reported on its success in bringing an important quality system (the Business Excellence Model) carefully to the attention of the sector. Several charities have embarked on using the Model, its strengths for the sector are clearer, and we have documented where some problems of 'fit' remain. CES's very productive partnership with the British Quality Foundation in this work will continue, including advising on modifications to documents to make the Model yet more accessible to the sector.

As in all our work, when advising on quality, CES works with a number of approaches, from the implementation of a simple monitoring and evaluation system through to various 'known' systems. CES strongly believes that the sector needs well-informed objective help in understanding what various systems will and will not provide, and have worked hard on this. CES wrote A Map of Quality Standards (published by NCVO) to help organisations find their own route, and we have responded to numerous requests for advice, articles and presentation. The series of seminars we ran with NCVO throughout 1997 were well-attended.

CES made a further contribution to the use of quality systems by launching a new quality system developed specifically for small charities; PQASSO. We see this as a very significant development.

Partnerships are an important way of working for CES in order to reach right through the sector and combine expertise. In 1997, partnership with the Councils for Voluntary Service helped CES disseminate information about monitoring and evaluation to small organisations. Working with the National Association of Volunteer Bureaux brought our training free to local bureaux. Working with Oxfam helped bring a particularly interesting technique – participative evaluation – from its origins in the developing world to the attention of small rural groups in England. We linked with NCVO on quality seminars and our partnership with the British Quality Foundation continues to help the development of the Business Excellence Model.

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Trustees' report for the year ended 31 December 1997

The Statement of Financial Activities set out on page 8 of the financial statements shows how CES' incoming resources have been expended in the year to 31 December 1997.

Incoming Resources

Total incoming resources amounted to £609,064, an increase of £58,759 compared to the previous year.

The increase is attributable to the higher level of self-generated fee income which increased to £449,589 compared to £382,903 for the previous year.

Funding from grants and donations fell to £147,275 from £161,981.

Interest receivable was considerably higher at £12,200 as opposed to £5,421.

Resources Expended

Total expenditure in the year amounted to £602,265.

Direct charitable expenditure increased substantially to £542,267 from £470,579 reflecting the higher levels of services delivered to a large number of beneficiaries.

The costs of managing and administering the company amounted to £59,998 a small increase of £3,494 compared to the previous year.

Summary of Accounts

The results show a surplus of incoming resources over resources expended of £6,799. This contrasts with a surplus last year of £20,897 but remains a very satisfactory outcome for the year.

Assets and Liabilities

The balance sheet on page 9 of the financial statements shows the financial position of CES at 31 December 1997.

Total assets less liabilities amounted to £165,258 which is represented by the accumulated balance on unrestricted funds.

The accumulated funds represent approximately 6 months running costs which is in line with good organisational practice.

CHARITIES EVALUATION SERVICES
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Trustees' report for the year ended 31 December 1997

Financial Outlook

CES' financial position continues to remain strong so that it is well placed to meet all current and future commitments. CES relies to an important extent on the continued support of the Voluntary and Community Division of the Home Office, to whom we wish to express our thanks.

Legal Status

CES is a company limited by guarantee and is governed by its Memorandum and Articles of Association. The company is also a registered charity in accordance with the provisions of the Charities Act 1993.

Trustees and Administration

Company policy is set by the Board of Trustees, who delegate day to day management of the organisation to the Director, Elizabeth Ann Cooper. She is assisted by two Deputy Directors, two Training Officers, a Personal Assistant, an Administrator and Assistant Administrator.

The Board meets at regular intervals to discuss and review planning, development, financial and administrative matters.

The Trustees who served during the year were as shown below:

Hugh Arbuthnott (Board Member – appointed 30/4/97	
Chairman – appointed 23/7/97)	Himu Gupta
Blossom Jackson (Vice Chairman)	Dieter Kessell
Nicholas Martin (Treasurer)	Judith Marsh
Dorothy Dalton	Dorothy Pine-McLarty
Victor Adebowale (appointed 29/1/97)	Prof. Helen Simons
Sir Alan Goodison (resigned 23/7/97)	Peter Williams

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Citroen Wells be reappointed as auditors of the company will be put to the Annual General Meeting.

CHARITIES EVALUATION SERVICES
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Trustees' Report for the year ended 31 December 1997


Trustees' Responsibilities

Company law requires the trustees 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 the surplus or deficit of the company for that period. In preparing those financial statements, 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 financial statements 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 company and which 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.

This report was approved by the Board on 7 May 1998.


Elizabeth Ann Cooper
Secretary

CHARITIES EVALUATION SERVICES
A Company Limited by Guarantee and not having a Share Capital
Auditor's Report
to the members of Charities Evaluation Services

We have audited the financial statements on pages 8 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 10,11 and 12.

Respective responsibilities of trustees and auditors

As described in the Report of the Trustees the company's trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees 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.

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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Charitable Company's state of affairs at 31 December 1997 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.



Citroen Wells
Chartered Accountants
And Registered Auditor
Devonshire House
1 Devonshire Street
London
W1N 2DR

8 May 1998

CHARITIES EVALUATION SERVICES
A Company Limited by Guarantee and not having a Share Capital
Statement of Financial Activities
for the year ended 31 December 1997

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 1997 £	Total Funds 1996 £
Income and Expenditure					
Incoming Resources					
Donations and gifts	2	-	39,000	39,000	40,000
less: deferred income		-	(1,700)	(1,700)	(7,000)
Grants receivable	3	109,975	-	109,975	128,981
Fees receivable and similar income	4	449,589	-	449,589	382,903
Bank interest receivable		12,200	-	12,200	5,421
Total Incoming Resources		<u>571,764</u>	<u>37,300</u>	<u>609,064</u>	<u>550,305</u>
Resources Expended					
Direct charitable expenditure	5	510,241	32,026	542,267	470,579
Fundraising and publicity		-	-	-	2,325
Management and administration of the company	6	54,724	5,274	59,998	56,504
Total Resources Expended	7	<u>564,965</u>	<u>37,300</u>	<u>602,265</u>	<u>529,408</u>
Net Incoming /(Outgoing) Resources for the Year					
	8	6,799	-	6,799	20,897
Fund balances brought forward at 1 January 1997		158,459	-	158,459	137,562
Fund balances carried forward at 31 December 1997		<u>165,258</u>	<u>-</u>	<u>165,258</u>	<u>158,459</u>

The results shown above are attributable to continuing operations only.

The Company has no recognised gains or losses other than those included in the results stated above and therefore no separate statement of total recognised gains and losses has been prepared.

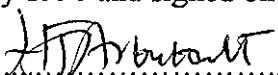
The notes on pages 10 to 18 form an integral part of these financial statements.

CHARITIES EVALUATION SERVICES
A Company Limited by Guarantee and not having a Share Capital
Balance Sheet
as at 31 December 1997

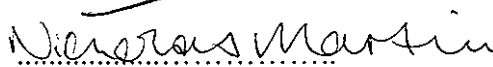
		1997		1996	
Fixed Assets	Note	£	£	£	£
Tangible assets	9		9,109		4,752
Current Assets					
Stocks	10	5,382		10,913	
Debtors	11	93,138		86,341	
Cash at bank and in hand		175,883		129,406	
		<u>274,403</u>		<u>226,660</u>	
Deduct:					
Current Liabilities					
Creditors falling due within one year	12	<u>(118,254)</u>		<u>(72,953)</u>	
Net Current Assets			156,149		153,707
Total Assets Less Current Liabilities			<u>165,258</u>		<u>158,459</u>
Represented by:					
Funds					
Unrestricted			165,258		158,459
			<u>165,258</u>		<u>158,459</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

Approved by the Board of Trustees on 7 May 1998 and signed on behalf of the Board by



 Hugh Arbuthnott



 Nicholas Martin

CHARITIES EVALUATION SERVICES
A Company Limited by Guarantee and not having a Share Capital
Notes to the Financial Statements
for the year ended 31 December 1997

1. Accounting Policies

1.1 Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, and Statement of Recommended Practice (SORP) 'Accounting by Charities' issued in October 1995.

1.2 Income

Grants are accounted for on a receivables basis. Fees receivable and similar income are accounted for when invoiced.

Donations and gifts, subject to restrictions and pre-conditions imposed by the donor, are initially credited to deferred income and subsequently, recognised as income on the pre-conditions imposed being fulfilled.

1.3 Resources Expended

Resources expended are allocated between the following sub-headings:-

- Direct charitable expenditure
- Fundraising and publicity
- Management and administration of the company.

Resources expended that are attributable to more than one sub-heading are apportioned accordingly. The apportionment is based on an estimate of the resources expended in each area.

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Notes to the Financial Statements
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1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Assets	Depreciation rate
Computer Equipment	33 1/3 % Straight line
Fixtures, fittings and equipment	33 1/3 % Straight line

1.5 Publication Stocks

Stocks are stated at the lower of cost and net realisable value.

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Pension Costs

The company contributes to the personal pension schemes of certain employees. The company's contributions are charged to the profit and loss account as incurred.

1.8 Taxation

No liability arises as the company is a registered charity and is therefore exempt.

1.9 Fund accounting

Unrestricted funds consist of funds to be used for the purposes of the company at its discretion.

CHARITIES EVALUATION SERVICES
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Notes to the Financial Statements
for the year ended 31 December 1997

1.10 Cash Flow

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

2. Donations and Gifts

Donations and gifts relate to a gift of £115,000 receivable over three years from an anonymous donor. Total funding to 31 December 1997 amounted to £115,000, of which £39,000 was received in the year to 31 December 1997 (Year to 31 December 1996: £40,000; Year to 31 December 1995: £36,000).

The donor has stipulated that the gift is to be used solely for the purposes of funding the salary of an Assistant Director and initiating a three year programme to disseminate the work of CES throughout the voluntary sector in the United Kingdom.

There is also an implied pre-condition that the recognition of the gift as income is dependent on the related expenditure being incurred.

As a result of this pre-condition, £24,700 (1996: £23,000) of funding received to the balance sheet date has been credited to deferred income and is included within creditors in the balance sheet.

3. Grants Receivable

Grants receivable were received from the following entities:

The Allen Lane Foundation
Charity Projects
City Parochial Foundation
Coutts & Co.
The Esmée Fairbairn Charitable Trust
The Forbes Trust
Foreign and Commonwealth Office
Halifax plc
The Kellogg Co. (UK) Ltd
Voluntary & Community Division, Home Office
The Wates Foundation

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for the year ended 31 December 1997

4. Fees Receivable and Similar Income

Fees receivable and similar income comprise self-generated fees derived from the following services:-

	1997 £	1996 £
Evaluation	275,026	161,046
Training	174,563	221,857
	<u>449,589</u>	<u>382,903</u>

Fees receivable and similar income derived from overseas entities amounted to £109,412 (1996: £26,574).

5. Direct Charitable Expenditure

Direct charitable expenditure relates to expenditure incurred in providing the following services:-

	Unrestricted Funds £	Restricted Funds £	Total 1997 £	Total 1996 £
Evaluation	297,843	14,449	312,292	210,060
Training	212,398	17,577	229,975	260,519
	<u>510,241</u>	<u>32,026</u>	<u>542,267</u>	<u>470,579</u>

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6. Management and Administration of the Company

	Unrestricted Funds	Restricted Funds	Total 1997	Total 1996
	£	£	£	£
Salaries and office costs	43,444	5,274	48,718	46,881
Legal and professional fees	7,754	-	7,754	6,770
Audit fees	2,500	-	2,500	2,200
Cost of Trustees' Meetings (including travel costs)	1,026	-	1,026	653
	<u>54,724</u>	<u>5,274</u>	<u>59,998</u>	<u>56,504</u>

7. Total Resources Expended

	External Evaluation/ Training Costs	Staff Costs	Other Costs	Total 1997	Total 1996
	£	£	£	£	£
Direct charitable expenditure	235,296	203,459	103,512	542,267	470,579
Fundraising and publicity	-	-	-	-	2,325
Management and administration of the Company	-	35,904	24,094	59,998	56,504
	<u>235,296</u>	<u>239,363</u>	<u>127,606</u>	<u>602,265</u>	<u>529,408</u>

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7. Total Resources Expended (continued)

	1997	1996
	£	£
Staff Costs:		
Wages and salaries	209,369	213,448
Social security costs	20,871	21,507
Pension costs	9,123	9,498
	<u>239,363</u>	<u>244,453</u>

The number of employees whose emoluments exceeded £40,000 p.a. was:

	1997	1996
£40,000 - £49,999	<u>1</u>	=

The average monthly number of employees, analysed by function, was:

	1997	1996
Administration	3	3
Evaluation and training	6	6
	<u>9</u>	<u>9</u>

The above numbers do not take account of Trustees as they do not receive any emoluments from the company.

Other Costs:

	1997	1996
	£	£
Property costs	28,748	29,762
Telephone and fax	5,241	6,443
Postage and stationery	11,139	6,717
Advertising and marketing	7,704	7,155
Legal and professional charges	7,754	6,770
Audit fees	2,500	2,200
Professional fundraising charges	-	2,325
Irrecoverable VAT	5,257	4,411
Depreciation	7,662	4,454
Travel and meetings	3,890	2,693
Publications	19,070	1,765
Recruitment	6,943	-
Miscellaneous	21,698	11,791
	<u>127,606</u>	<u>86,486</u>

CHARITIES EVALUATION SERVICES
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Notes to the Financial Statements
for the year ended 31 December 1997

8. Net Incoming/(Outgoing) Resources for the Year

This is stated after charging:-	1997 £	1996 £
Auditor's remuneration	2,500	2,200
Depreciation of owned fixed assets	7,662	4,454
Operating lease rentals:-		
Land and buildings	19,107	19,984
Hire of plant and machinery	500	-
	<u> </u>	<u> </u>

9. Tangible Fixed Assets

	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost:			
At 1 January 1997	22,453	33,588	56,041
Additions	4,395	7,624	12,019
At 31 December 1997	<u>26,848</u>	<u>41,212</u>	<u>68,060</u>
Depreciation:			
At 1 January 1997	19,414	31,875	51,289
Charge for year	4,267	3,395	7,662
At 31 December 1997	<u>23,681</u>	<u>35,270</u>	<u>58,951</u>
Net book value at			
31 December 1997	<u>3,167</u>	<u>5,942</u>	<u>9,109</u>
Net book value at			
31 December 1996	<u>3,039</u>	<u>1,713</u>	<u>4,752</u>

CHARITIES EVALUATION SERVICES
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Notes to the Financial Statements
for the year ended 31 December 1997

10. Stocks	1997	1996
	£	£

Publication stocks	<u>5,382</u>	<u>10,913</u>
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11. Debtors	1997	1996
	£	£

Trade debtors	60,191	66,575
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Other debtors	4,710	772
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Prepayments and accrued income	16,237	6,994
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	<u>81,138</u>	<u>74,341</u>
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**Debtors: Amounts due after more than
one year**

Rent deposit	12,000	12,000
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	<u>93,138</u>	<u>86,341</u>
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12. Creditors: Amounts falling due within one year	1997	1996
	£	£

Taxation and social security	11,587	10,433
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Accruals and deferred income	106,667	62,520
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	<u>118,254</u>	<u>72,953</u>
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13. Financial Commitments

At 31 December 1997, the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 1997	Land and Buildings 1996
	£	£
Over 5 years	<u>20,000</u>	<u>19,833</u>

CHARITIES EVALUATION SERVICES
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Notes to the Financial Statements
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14. Pension Fund

The company contributes to the personal pension schemes of certain employees. Payments made into their schemes during the year amounted to £9,498 (1996 : £9,123).