

COMPANIES HOUSE

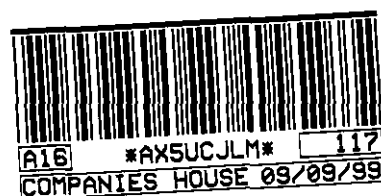
Company NO. 2510318

**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 1998**



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

<b>Trustees</b>	Hugh Arbuthnott (Chairman) Blossom Jackson (Vice Chairman) Teresa Bestard (Treasurer) Paul Curno Bill Feinstein Himu Gupta Don Harding Judith Marsh Dorothy Pine-McLarty Prof. Helen Simons
<b>Secretary</b>	Elizabeth Ann Cooper
<b>Company Number</b>	2510318 (England and Wales)
<b>Charity Number</b>	803602
<b>Business Address</b>	4 Coldbath Square London EC1R 5HL
<b>Registered Office</b>	4 Coldbath Square London EC1R 5HL
<b>Auditors</b>	Citroen Wells Devonshire House 1 Devonshire Street London W1N 2DR
<b>Bankers</b>	Coutts & Co 440 Strand London WC2R 0QS
<b>Solicitors</b>	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 1998**

The trustees present their report and the financial statements for the year ended 31 December 1998.

**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 1998, 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**

1998 was again a successful year for CES. We were able to contribute to the development of the voluntary sector by making various presentations, writing articles and delivering seminars on evaluation and quality. In total, CES provided ten articles, three paper presentations and eight workshops at the conferences of other organisations, and we held nine seminars of our own.

During the year, we held bi-monthly lunch-time seminars on a variety of issues associated with evaluation and its application in the voluntary sector in order to help disseminate the work of CES. This culminated in a conference in October, called 'Self-evaluation in the voluntary sector', at which we launched a set of discussion papers on evaluation in the voluntary sector. Alun Michael, who was Minister of State, Home Office, and responsible for the voluntary sector at that time, was the key-note speaker.

Our strategy has been to maintain grant income sufficient to meet our mission of strengthening small organisations and to meet our general commitment as a charity. In accordance with this, throughout the year CES distributed 141 'Do-It-Yourself' evaluation packs to small organisations. In addition, more than 1,200 participants received training packs on how to implement self-evaluation in their organisations. Ninety-two organisations received free technical assistance on the implementation of evaluation, management standards and quality systems.

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**Trustees' report for the year ended 31 December 1998**

Training is one of CES' most important activities. CES' training is about helping to develop practical skills in monitoring, evaluation and implementing quality systems that will help voluntary sector organisations use time and resources more effectively. During the year, we ran 135 courses that were either openly advertised or tailored to meet the needs of specific organisations. A range of topics was covered on monitoring and evaluation, quality, project development and management. A total of 1,624 participants from 1,031 organisations attended these courses. Participants came from a very wide range of organisations and their feedback continues to show high satisfaction levels.

External evaluations and consultancy are CES' main areas for income generation. At the same time, CES is concerned to concentrate on exemplary work that reflects its principles of strengthening the sector and enhancing its reputation. We acquired 13 new external evaluations and 25 consultancies during the year (compared to 7 evaluations and 7 consultancies in the previous year) and only two of the tenders we made were lost. In addition, work continued on long-term evaluations (one, two or three years) begun previously.

CES continued to conduct a wide variety of studies – some of them for very small organisations, others for funders, umbrella organisations or international bodies. Studies included reviewing the evaluation approaches adopted by funders (for the National Audit Office); evaluating a conflict resolution in schools programme; creating an audit function for an international development agency; developing the evaluation policy of a funder; and supporting the self evaluation of a youth information shop.

During the year, the Quality in Charities programme was developed into the Excellence in Funding Charities (EiFC) programme. The programme is based upon a partnership with the British Quality Foundation, the implementing body for the UK/European Quality Award (Excellence Model). Three seminars were held to make the Excellence Model more known to charities. Presentations were given at the conferences of other organisations and articles were written to disseminate our learning. A number of charities were given support on implementing the model and four charities worked with CES to test out how useful the Model was for helping charities and their funders work together on the Model with particular reference to the 'Impact on Society' part of the Model. A 'common interest group' for charities has now been developed from this programme to take the work forward.

CES is the leading body helping voluntary sector organisations with quality issues. Even though we have developed our own product (PQASSO), we always work in the client's interest and seek to inform them of the range of alternative systems available to them. We have worked well with the British Quality Foundation and they have informed us that we have influenced their approach to the voluntary sector. We have investigated a variety of techniques and informed the sector of developments. CES continued to sit on the Quality Task Group for the sector and has contributed to the production of its White Paper. We worked with NCVO to develop a new conference and seminars on quality and standards for 1999.

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On the international side, CES completed its 'Training of Trainers' management programme for NGOs in both Serbia and Romania. A small programme also started in Croatia, which is helping to develop a totally new organisation whose main aim is to stimulate the participation of citizens in the development of their communities.

CES' strategy includes working in partnership with umbrella organisations that can help us to reach more small and medium sized organisations. During the year, we promoted our services through the Councils for Voluntary Service and continued our partnership with the National Association of Volunteer Bureaux (NAVb). CES' training has been given free to local Volunteer Bureaux. The programme for Volunteer Bureaux should result in sectoral development by creating a sound and consistent evaluation system through the network. We also continued our successful partnership with the British Quality Foundation. We worked with NCVO to develop a joint conference and seminars for 1999, to which two Trustees have agreed to contribute.

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 1998.

Incoming Resources

Total incoming resources amounted to £530,621, a decrease of £78,443 compared to the previous year.

The decrease is largely attributable to the lower level of self-generated fee income, which decreased to £382,651 compared to £449,589 for the previous year, because the number of CES service delivery staff went down.

Funding from grants and donations fulfilled the target of £137,526.

Interest receivable fell somewhat to £10,444 as opposed to £12,200 owing to a fall in rates.

Resources Expended

Total expenditure in the year amounted to £518,340.

Direct charitable expenditure fell substantially to £453,572 from £542,267 reflecting the reduced levels of services delivered.

The costs of managing and administering the company amounted to £64,768, an increase of £4,770 compared to the previous year.

Summary of Accounts

The results show a surplus of incoming resources over resources expended of £12,281. This contrasts with a surplus last year of £6,799 and is a very satisfactory outcome for the year.

**CHARITIES EVALUATION SERVICES**  
**A Company Limited by Guarantee and not having a Share Capital**  
**Trustees' report for the year ended 31 December 1998**

Assets and Liabilities

The balance sheet on page 9 of the financial statements shows the financial position of CES at 31 December 1998.

Total assets less liabilities amounted to £177,539 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.

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 Unit (renamed the Active Community Unit in 1999) 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 (Chairman)	Don Harding (appointed 22/7/98)
Blossom Jackson (Vice Chairman)	Dieter Kessell (resigned 22/7/98)
Teresa Bestard (Treasurer – appointed 22/7/98)	Judith Marsh
Victor Adebawale (resigned 4/11/98)	Nicholas Martin (resigned 22/7/98)
Paul Curno (appointed 22/7/98)	Dorothy Pine-McLarty
Dorothy Dalton (resigned 12/5/98)	Prof. Helen Simons
Bill Feinstein (appointed 4/11/98)	Peter Williams (resigned 22/7/98)
Himu Gupta	

**CHARITIES EVALUATION SERVICES**  
**A Company Limited by Guarantee and not having a Share Capital**  
**Trustees' Report for the year ended 31 December 1998**

**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.

**Year 2000 Compliance**

The Trustees are reviewing and updating where necessary the systems to deal with the year 2000. There may be a requirement to incur additional costs, but this is not expected to be material.


**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 28 April 1999.

  
.....  
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 17 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 1998 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

25 June 1999

**CHARITIES EVALUATION SERVICES**  
**A Company Limited by Guarantee and not having a Share Capital**  
**Statement of Financial Activities**  
**for the year ended 31 December 1998**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 1998 £	Total Funds 1997 £
<b>Income and Expenditure</b>					
<b>Incoming Resources</b>					
Donations and gifts	2	-	24,700	24,700	39,000
less: deferred income		-	-	-	(1,700)
Grants receivable	3	112,826	-	112,826	109,975
Fees receivable and similar income	4	382,651	-	382,651	449,589
Bank interest receivable		10,444	-	10,444	12,200
<b>Total Incoming Resources</b>		<u><b>505,921</b></u>	<u><b>24,700</b></u>	<u><b>530,621</b></u>	<u><b>609,064</b></u>
<b>Resources Expended</b>					
Direct charitable expenditure	5	432,577	20,995	453,572	542,267
Management and administration of the company	6	61,063	3,705	64,768	59,998
<b>Total Resources Expended</b>	7	<u><b>493,640</b></u>	<u><b>24,700</b></u>	<u><b>518,340</b></u>	<u><b>602,265</b></u>
<b>Net Incoming Resources for the Year</b>					
	8	12,281	-	12,281	6,799
Fund balances brought forward at 1 January 1998		165,258	-	165,258	158,459
<b>Fund balances carried forward at 31 December 1998</b>		<u><b>177,539</b></u>	<u><b>-</b></u>	<u><b>177,539</b></u>	<u><b>165,258</b></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.

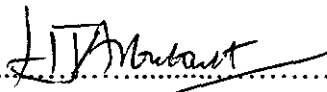
**The notes on pages 10 to 17 form an integral part of these financial statements.**

**CHARITIES EVALUATION SERVICES**  
**A Company Limited by Guarantee and not having a Share Capital**  
**Balance Sheet**  
**as at 31 December 1998**

		1998		1997	
<b>Fixed Assets</b>	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible assets	9		9,833		9,109
<b>Current Assets</b>					
Stocks	10	7,455		5,382	
Debtors	11	90,157		93,138	
Cash at bank and in hand		100,500		175,883	
		<u>198,112</u>		<u>274,403</u>	
<b>Deduct:</b>					
<b>Current Liabilities</b>					
Creditors falling due within one year	12	(30,406)		(118,254)	
<b>Net Current Assets</b>			167,706		156,149
<b>Total Assets Less Current Liabilities</b>			<u>177,539</u>		<u>165,258</u>
<b>Represented by:</b>					
<b>Funds</b>					
Unrestricted			177,539		165,258
			<u>177,539</u>		<u>165,258</u>

**The notes on pages 10 to 17 form an integral part of these financial statements.**

Approved by the Board of Trustees on 28 April 1999 and signed on behalf of the Board by

  
 .....  
 Hugh Arbuthnott

  
 .....  
 Teresa Bestard

**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 1998**

**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.

**CHARITIES EVALUATION SERVICES**  
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**Notes to the Financial Statements**  
**for the year ended 31 December 1998**

**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 1998**

**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 of £24,700 are the balance of funds to be recognised as income, in respect of a gift of £115,000 received over a number of years from an anonymous donor.

**3. Grants Receivable**

Grants receivable were received from the following entities:-

City Parochial Foundation  
 Coutts & Co.  
 The Forbes Trust  
 Halifax Plc  
 Kellogg Marketing & Sales Co. (UK) Limited  
 Marks & Spencer  
 Voluntary & Community Unit, Home Office  
 The Wates Foundation

**4. Fees Receivable and Similar Income**

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

	1998 £	1997 £
Evaluation	258,385	275,026
Training	124,266	174,563
	<u>382,651</u>	<u>449,589</u>

Fees receivable and similar income derived from overseas entities amounted to £8,551 (1997: £109,412).

**CHARITIES EVALUATION SERVICES**  
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**5. Direct Charitable Expenditure**

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

	Unrestricted Funds £	Restricted Funds £	Total 1998 £	Total 1997 £
Evaluation	222,572	8,645	231,217	312,292
Training	210,005	12,350	222,355	229,975
	<u>432,577</u>	<u>20,995</u>	<u>453,572</u>	<u>542,267</u>

**6. Management and Administration of the Company**

	Unrestricted Funds £	Restricted Funds £	Total 1998 £	Total 1997 £
Salaries and office costs	49,892	3,705	53,597	48,718
Legal and professional fees	7,234	-	7,234	7,754
Audit fees	2,800	-	2,800	2,500
Cost of Trustees' Meetings (including travel costs)	1,137	-	1,137	1,026
	<u>61,063</u>	<u>3,705</u>	<u>64,768</u>	<u>59,998</u>

**7. Total Resources Expended**

	External Evaluation/ Training Costs £	Staff Costs £	Other Costs £	Total 1998 £	Total 1997 £
Direct charitable expenditure	123,964	225,559	104,049	453,572	542,267
Management and administration of the Company	-	39,805	24,963	64,768	59,998
	<u>123,964</u>	<u>265,364</u>	<u>129,012</u>	<u>518,340</u>	<u>602,265</u>

**CHARITIES EVALUATION SERVICES**  
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**for the year ended 31 December 1998**

**7. Total Resources Expended (continued)**

	1998	1997
	£	£
<b>Staff Costs:</b>		
Wages and salaries	229,243	209,369
Social security costs	22,948	20,871
Pension costs	13,173	9,123
	<u>265,364</u>	<u>239,363</u>

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

	1998	1997
£40,000 - £49,999	<u>1</u>	<u>1</u>

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

	1998	1997
Administration	3	3
Evaluation and training	5	6
	<u>8</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**

	1998	1997
	£	£
Property costs	28,541	28,748
Telephone and fax	5,862	5,241
Postage and stationery	12,150	11,139
Advertising and marketing	16,388	7,704
Legal and professional charges	7,234	7,754
Audit fees	2,800	2,500
Irrecoverable VAT	2,345	5,257
Depreciation	7,999	7,662
Travel and meetings	3,792	3,890
Publications	10,716	19,070
Recruitment	3,338	6,943
Miscellaneous	27,847	21,698
	<u>129,012</u>	<u>127,606</u>



**CHARITIES EVALUATION SERVICES**  
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**Notes to the Financial Statements**  
**for the year ended 31 December 1998**

**8. Net Incoming Resources for the Year**

This is stated after charging:-	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration	2,800	2,500
Depreciation of owned fixed assets	7,999	7,662
Operating lease rentals:-		
Land and buildings	20,000	19,107
Hire of plant and machinery	-	500
	<u>          </u>	<u>          </u>

**9. Tangible Fixed Assets**

	<b>Fixtures, fittings and equipment</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost:</b>			
At 1 January 1998	26,848	41,212	68,060
Additions	991	7,732	8,723
At 31 December 1998	<u>27,839</u>	<u>48,944</u>	<u>76,783</u>
<b>Depreciation:</b>			
At 1 January 1998	23,681	35,270	58,951
Charge for year	2,029	5,970	7,999
At 31 December 1998	<u>25,710</u>	<u>41,240</u>	<u>66,950</u>
<b>Net book value at</b>			
31 December 1998	<u>2,129</u>	<u>7,704</u>	<u>9,833</u>
<b>Net book value at</b>			
31 December 1997	<u>3,167</u>	<u>5,942</u>	<u>9,109</u>

**CHARITIES EVALUATION SERVICES**  
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**Notes to the Financial Statements**  
**for the year ended 31 December 1998**

<b>10. Stocks</b>	<b>1998</b>	<b>1997</b>
	£	£

Publication stocks	<u>7,455</u>	<u>5,382</u>
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<b>11. Debtors</b>	<b>1998</b>	<b>1997</b>
	£	£

Trade debtors	61,941	60,191
Other debtors	4,895	4,710
Prepayments and accrued income	11,321	16,237
	<u>78,157</u>	<u>81,138</u>

**Debtors: Amounts due after more than  
one year**

Rent deposit	12,000	12,000
	<u>90,157</u>	<u>93,138</u>

<b>12. Creditors: Amounts falling due within one year</b>	<b>1998</b>	<b>1997</b>
	£	£

Bank overdraft	10,016	-
Taxation and social security	11,527	11,587
Accruals and deferred income	8,863	106,667
	<u>30,406</u>	<u>118,254</u>

**13. Financial Commitments**

At 31 December 1998, the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and Buildings 1998 £</b>	<b>Land and Buildings 1997 £</b>
Over 5 years	<u>20,000</u>	<u>20,000</u>

**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 1998**

**14. Pension Fund**

The company contributes to the personal pension schemes of certain employees. Payments made into their schemes during the year amounted to £13,173 (1997 : £9,498).