

## COMPANIES HOUSE COPY

**CRUSAID**  
(a company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED**

**31 MARCH 2004**



**CRUSAID (a company limited by guarantee)**

**Annual report and financial statements for the year ended 31 March 2004**

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## **CRUSAID (a company limited by guarantee)**

### **Patrons, board members and professional advisers**

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#### **Patrons**

Peter Alward  
Prof R Barbour  
Sir Michael Bishop CBE  
Sir Louis Blom-Cooper QC  
Sir Christopher Booth  
Tyler Brûlé  
Simon Callow CBE  
Sir Robert Carnwath  
Countess of Dalkeith  
Dame Judi Dench  
Jonathan Dimbleby  
Rupert Everett  
Pamela Lady Harlech  
Stephen Hendry MBE  
Howard Hodgkin  
Nicholas Hytner  
Lord Kilmarnock  
Glenys Kinnock MEP  
Sir Gavin Laird CBE  
Joanna Lumley OBE  
Sir Cameron Mackintosh  
Jane McDonald  
Madonna  
Alison Moyet  
Baroness Nicholson  
Lord Nolan  
Bruce Oldfield OBE  
Rt Hon Chris Patten CH  
Josh Rafter  
Ned Sherrin CBE  
Rt Hon Chris Smith MP  
Sharleen Spiteri  
Matthew Williamson

#### **Directors (Trustees)**

Iain Renwick (Chairman)  
Liz Airey (Treasurer)  
Dr Billy Bischoff (resigned 19 July 2004)  
Guy Chapman  
David Collins  
Gail Cookson  
Deborah Fitzgerald  
Laurence Gilmore  
Angus Hamilton  
Laurence Isaacson CBE  
Chris Latter (resigned 3 August 2004)  
Simon Lomas  
David Macfarlane (Vice Chairman)  
Colin Tweedy LVO OBE (resigned 8 March 2004)  
Bob West  
Christine Wheeler OBE

#### **Secretary and registered office**

David Lyon, 1-5 Curtain Road, London EC2A 3JX

#### **Auditors**

UHY Hacker Young, St Alphage House, 2 Fore Street London EC2Y 5DH

#### **Solicitors**

Hamblins Solicitors, Roxburghe House, 273-287 Regent Street, London, W1A 4SQ

#### **Bankers**

HSBC, 166 Vauxhall Bridge Road, London, SW1V 2RB.

#### **Company number**

2693725

#### **Registered charity number**

1011718

**CRUSAID (a company limited by guarantee)**

**Chairman's statement for the year ended 31 March 2004**

Once again, we have had the opportunity to reflect on the year that has been and to look forward to the year ahead. Taking stock of the increase in HIV in the UK and the world during the past year is a sobering process. Last year saw heterosexual transmission rise to be the main route of infection in new cases diagnosed in the UK. As levels of HIV-related poverty worsened, we published a report together with THT on the lessons we had learned from the National Hardship Fund, entitled Poverty and HIV.

The Hardship Fund is the mainstay of our work in the UK and helps us achieve one of our charitable objectives, namely relief of poverty. However, demand is increasing and the needs of many of our clients are getting increasingly complex. We will, in the year to come, look at how we can improve the services we provide under the Hardship Fund to better support and help those who find themselves in poverty and struggling with an HIV diagnosis. It is no longer sufficient that all we provide are small grants to HIV positive people in poverty when there is so much more that is needed.

The UK HIV epidemic can no longer be seen in isolation from the worldwide impact of HIV on humanity. Globally, the epidemic continues unchecked with women becoming the most impacted group and 2.1 million children living with the virus. Our work in Africa has already produced results and we will assess our international disbursement policy in 2006/07 to see how we can better achieve our objectives through our international grant making programme. It is important, at all times, that we have a balance between our UK work and our international work, as the many lessons learned in each area greatly informs the other.

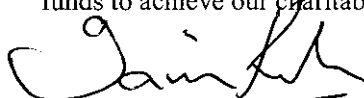
Our commitment to awareness, education and research towards a vaccine are resolute and this year we hope to focus some of our fundraising on young people in an effort to help educate them about HIV and raise their awareness of safer sex. It is crucial that we consider how best to help young people and children as they are our society's future and we are in a position to guide them to a safer, more informed, less prejudiced future that will benefit the UK, Europe and the world.

Our ongoing funding of the international AIDS Vaccine Initiative is contributing to the development of a number of potential candidates for a vaccine. We have also had exploratory discussions with the International Partnership for Microbicides to see whether we can help with the very promising work being done to provide women with a safer and effective form of protection that they can self-administer.

We will continue to make the world a better place because of the work that we do.

However, being a national fundraising organisation is no easy task. As the UK's HIV epidemic attracts less and less funding, Robin and his team are investing in improving our ability to fundraise and communicate our message to a wider audience despite the very difficult fundraising climate currently in the UK. A successful fundraising strategy requires ongoing investment, research and communication with our donors. In 2004/05 we will develop a substantially revitalised strategy to be put into place for 2005/06 and beyond. The strategy will be designed to engage our existing supporters and attract new ones to the charity. This extremely challenging fundraising climate is seen as an opportunity by Crusaid to re-engage its core support group and develop new supporters from every walk of life over the next 24 months.

A successful fundraising organisation needs to be flexible, adaptable and focused. The change process that has been initiated at Crusaid will see the charity re-energised and focused on its work of raising and distributing funds to achieve our charitable objectives in pursuit of our vision: a world without AIDS.



**Iain Renwick**

**Chairman**

21 September 2004

**CRUSAID (a company limited by guarantee)**

**Chief Executive's statement for the year ended 31 March 2004**

It is clear that in the last year at Crusaid we have been ensuring that we become a more efficient organisation, able to respond to the changing needs of people living with HIV.

In a difficult fundraising environment this has meant we are able to raise much needed funds and help more people to live positively with the virus.

The Hardship Fund paid out £745,452 in personal grants to those positive people who are in poverty. Demand on the fund was so great that we had to re-define the criteria and the time period during which we can help our clients, to ensure that the fund remained sustainable and we could manage its growth and help those in dire hardship.

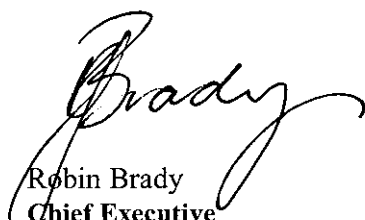
Across the UK Crusaid helped HIV organisations extend their services to people living with HIV. We funded The Terence Higgins Trust's pilot community testing project that brings testing out of the clinic and into the community. This project's success has meant that the Department of Health is considering taking up the funding for the programme on a national scale. Together with Barnardo's, we funded the creation of a new family centre at Body Positive Strathclyde. Recognising that HIV can often destroy families, the centre will help families to continue to operate as a successful unit. Other organisations we have worked with include Ealing Hospital, The Royal Free NHS Trust, Oasis North London, The Globe Centre, LEAN and Bedfordshire Body Positive.

Internationally, we made a significant impact through our flagship project, The Hannan Crusaid Treatment Centre. The treatment protocol developed there has been adopted by the South African Government for their national operational plan to roll out treatment to 5 million people. Our experiences with this project has led the Board to restrict our international funding to southern Africa for three years in order to make the best possible impact on the epidemics in those countries. Other countries helped by our funding include Rwanda and Zambia, where dire poverty and illness compound the problems of living with HIV.

Funding all this work takes considerable financial resources. To provide these resources we worked to improve our fundraising efforts by greater refinement of our appeals and direct marketing initiatives, sponsored events (including the Walk for Life) and our fundraising events held throughout the year. The Walk was our most successful ever and has provided a platform on which we can develop and grow the event. However, as developing more effective means of fundraising takes time and effort, our main aim now will be in fundraising development and improving the charity's resources allocated to this. The process, which began in 2003/04 will continue during 2004/05.

Every year the challenge increases. And every year we rise to that challenge. The coming year will be no different, perhaps it will be even more significant as we work to increase our income and improve the way we do things. And that's where you come in. Without our supporters and regular monthly donations we would not be able to invest in any of our funding programmes that make such a difference or invest in improving our fundraising efforts further so that we can help even more people in the years to come.

As always, our staff and volunteers have been the mainstay of the charity and its work. Without them we would not be able to provide the support and assistance we do. My deep gratitude goes to all of them.



Robin Brady  
Chief Executive  
21 September 2004

**CRUSAID (a company limited by guarantee)**

**Report of the directors for the year ended 31 March 2004**

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The directors present their report together with the audited financial statements for the year ended 31 March 2004.

**Crusaid**

The objectives of Crusaid are as follows:

- (a) the relief of sickness and the protection and preservation of health particularly in relation to Acquired Immune Deficiency Syndrome ("AIDS") and symptomatic infection with the HIV virus ("HIV")
- (b) the promotion for the public benefit of research (including the publication of the useful results of such research) into medical science and treatment, with particular references to Aids and HIV.
- (c) the relief of poverty amongst persons suffering from Aids or HIV related illnesses

Crusaid is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**Review of activities**

The consolidated statement of financial activities shows a net reduction of resources in the year of £331,923 (2003- £395,316). The cumulative surplus of unrestricted funds has decreased in the year by £315,194 to £345,612.

Further details are contained on pages 2 and 3.

**Crusaid (Enterprises) Ltd**

Crusaid has a 100 per cent holding in its subsidiary, Crusaid (Enterprises) Ltd, whose objects are to trade and stage fundraising events in order to raise money for Crusaid, to whom all profits are covenanted. During the year ended 31 March 2004, Crusaid (Enterprises) Limited made a profit of £56,871 (2003: £232,657).

## **CRUSAID (a company limited by guarantee)**

### **Report of the directors for the year ended 31 March 2004**

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#### **Directors**

The directors holding office during the year are shown below:

Iain Renwick (Chairman)  
Liz Airey (Treasurer)  
Dr Billy Bischoff (resigned 19 July 2004)  
Guy Chapman  
David Collins  
Gail Cookson  
Deborah Fitzgerald  
Laurence Gilmore  
Angus Hamilton  
Laurence Isaacson CBE  
Chris Latter (resigned 3 August 2004)  
Simon Lomas  
David Macfarlane (Vice Chairman)  
Colin Tweedy OBE (resigned 8 March 2004)  
Bob West  
Christine Wheeler OBE

#### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the charity company's incoming resources and application of resources during the year and of its state of affairs at the end of the year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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. 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 breaches of law and regulations.

Directors of the charitable company are *de facto* trustees of the charitable funds. Directors are recruited by invitation and their appointment ratified by the other directors at a meeting of the board. The board of directors makes strategic and policy decisions, and appoints a Chief Executive Officer to fulfil those decisions and manage the operations of the charity. The Crusaid Council constitutes the membership of the company and comprises all current directors, and individuals who currently or in the past have contributed significantly to the furtherance of the charity. The Council meets at least once a year, as the company in general meeting, to approve the accounts and appoint the auditors.

**CRUSAID (a company limited by guarantee)**

**Report of the directors for the year ended 31 March 2004**

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**Reserves**

In order to ensure that sufficient funds are held at all times to enable the charity to meet its commitments, and take advantage of fundraising opportunities as a going concern, the Board of Trustees has an objective of retaining an amount of free reserves. The amount of these reserves represents between three and six months of the normal unrestricted expenditure of the charity, plus an amount to permit staging of a significant fundraising event. The Finance & General Purposes committee of Crusaid reviews the level of these reserves regularly, and at least annually.

**Risk management**

In the interests of best practice, Crusaid has fully reviewed the risk assessment of the charity's operations as part of an ongoing process. The principal risks have been assessed, controls identified and implemented, and an action plan developed for controls not yet in place. The process and plan will continue to be reviewed and updated.

The risk analysis is carried out under the auspices of the Finance & General Purposes committee, which meets monthly and reports its findings to the Board of Trustees. For each risk area appropriate controls are noted, reviewed, and changes implemented.

The analysis has identified key risks in the following areas: external risks, including significant changes in the HIV epidemic in the UK and worldwide and the effect of greater demand on the hardship fund caused by political changes to the benefits system; and internal risks such as the reliance on key personnel and volunteers, and the possibility of loss caused by one of those key individuals acting *ultra vires*.

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that UHY Hacker Young, formerly known as Hacker Young, be reappointed as auditors of the company will be put to the Annual General Meeting.

**By order of the Board**



David Lyon  
Secretary  
21 September 2004



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF CRUSAID FOR THE YEAR ENDED 31 MARCH 2004**

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We have audited the financial statements of Crusaid on pages 8 to 25 for the year ended 31 March 2004 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for ensuring that the Directors' report and the financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' responsibilities.

We report to you our opinion as to whether the financial statements 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 Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

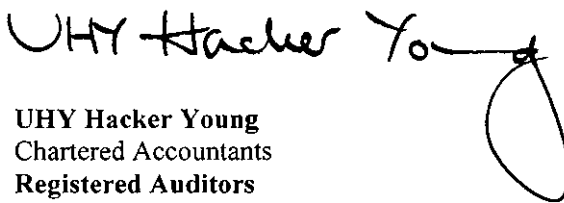
**Basis of opinion**

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the trust'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 affairs of the charitable company and of the group as at 31 March 2004 and of the incoming resources and application of resources, including the group's income and expenditure account, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
UHY Hacker Young  
Chartered Accountants  
Registered Auditors  
21 September 2004

**CRUSAID (a company limited by guarantee)**

**Consolidated statement of financial activities (including income & expenditure account) for the year ended 31 March 2004**

	Note(s)	Unrestricted funds £	Restricted funds £	Total 2004 £	Total 2003 £
<b>Incoming resources</b>					
Gifts and donations		403,792	544,168	947,960	971,279
Legacies		22,699	-	22,699	18,300
Activities for generating funds:					
Trading subsidiary	2	302,147	-	302,147	602,387
Walk for Life		257,561	116,113	373,674	264,465
Interest receivable		<u>24,256</u>	<u>-</u>	<u>24,256</u>	<u>46,383</u>
		1,010,455	660,281	1,670,736	1,902,814
<b>Resources expended</b>					
Costs of generating funds:					
Fund raising		400,337	30,793	431,130	354,575
Trading subsidiary	2	245,276	-	245,276	369,730
Charitable expenditure:					
Grants payable	13	49,113	968,877	1,017,990	1,317,025
Grant administration		-	137,175	137,175	121,322
Management and administration		<u>196,849</u>	<u>-</u>	<u>196,849</u>	<u>112,132</u>
	3	<u>891,575</u>	<u>1,136,845</u>	<u>2,028,420</u>	<u>2,274,784</u>
Net incoming resources (resources expended) for the year before transfers		118,880	(476,564)	(357,684)	(371,970)
Transfers between funds	13	<u>(459,835)</u>	<u>459,835</u>	<u>-</u>	<u>-</u>
Net resources expended before revaluations	5	(340,955)	(16,729)	(357,684)	(371,970)
Gains (losses) on revaluations					
Investment assets		<u>25,761</u>	<u>-</u>	<u>25,761</u>	<u>(23,346)</u>
Net movement in funds		(315,194)	(16,729)	(331,923)	(395,316)
Fund balances brought forward at 1 April 2003		<u>660,806</u>	<u>117,077</u>	<u>777,883</u>	<u>1,173,199</u>
<b>Fund balances carried forward at 31 March 2004</b>	12,13	<u>345,612</u>	<u>100,348</u>	<u>445,960</u>	<u>777,883</u>

All amounts relate to continuing activities.

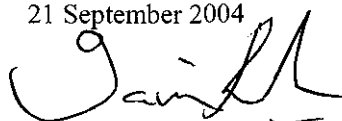
All recognised gains and losses are included in the consolidated statement of financial activities.

The notes on pages 11 to 25 form part of these financial statements

**CRUSAID (a company limited by guarantee)****Consolidated balance sheet at 31 March 2004**

	Note	2004 £	2004 £	2003 £	2003 £
<b>Fixed assets</b>					
Tangible assets	7	33,857		32,545	
Investments	8	60,733		34,972	
			<b>94,590</b>		<b>67,517</b>
<b>Current assets</b>					
Stocks	9	3,917		-	
Debtors	10	202,691		308,492	
Cash at bank and in hand - restricted		4,564		14,228	
- unrestricted		181,391		121,426	
Short term deposits - restricted		293,320		612,321	
- unrestricted		45,963		235,246	
		<b>731,846</b>		<b>1,291,713</b>	
<b>Creditors: amounts falling due within one year</b>	11	<b>380,476</b>		<b>581,347</b>	
<b>Net current assets</b>			<b>351,370</b>		<b>710,366</b>
<b>Total assets less current liabilities</b>			<b>445,960</b>		<b>777,883</b>
<b>Financed by:</b>					
<b>Unrestricted funds:</b>	12				
- Designated funds			70,612		442,684
- Other charitable funds			275,000		218,122
			<b>345,612</b>		<b>660,806</b>
<b>Restricted funds</b>	13		<b>100,348</b>		<b>117,077</b>
			<b>445,960</b>		<b>777,883</b>

The financial statements were approved by the Board on  
21 September 2004



Iain Renwick  
Director

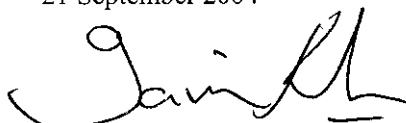
The notes on pages 11 to 25 form part of these financial statements

**CRUSAID (a company limited by guarantee)**

**Balance sheet at 31 March 2004**

	Note	2004 £	2004 £	2003 £	2003 £
<b>Fixed assets</b>					
Tangible	7	31,296		27,995	
Investments	8	110,733		84,972	
			142,029		112,967
<b>Current assets</b>					
Debtors	10	259,724		496,193	
Cash at bank and in hand- restricted		4,564		14,228	
- unrestricted		60,368		42,492	
Short term deposits - restricted		293,320		612,321	
- unrestricted		45,963		235,246	
		663,939		1,400,480	
<b>Creditors: amounts falling due within one year</b>	11	360,008		735,564	
<b>Net current assets</b>			303,931		664,916
<b>Total assets less current liabilities</b>			445,960		777,883
<b>Financed by:</b>					
<b>Unrestricted funds:</b>	12				
- Designated funds			70,612		442,684
- Other charitable funds			275,000		218,122
			345,612		660,806
<b>Restricted funds</b>	13		100,348		117,077
			445,960		777,883

The financial statements were approved by the Board on  
21 September 2004



Iain Renwick  
Director

The notes on pages 11 to 25 form part of these financial statements

## 1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and are in accordance with applicable accounting standards, the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) issued by the Charity Commission in October 2000 and the Companies Act 1985. The following principal accounting policies have been applied:

### *Basis of consolidation*

The consolidated accounts incorporate the financial statements of Crusaid and its subsidiary undertaking to 31 March 2004 using acquisition accounting.

### *Income recognition*

All income is accounted for gross when receivable, as long as it is capable of financial measurement.

All gifts and donations are included in income except where the donor required the sum to be invested to provide income for the company's purposes, in which case it is treated as an endowment.

Income derived from any other activities is exclusive of any value added tax.

Legacy income is accounted for when notification is received or when payment is made, whichever is earlier. Estimates of value are included when amounts have not been realised.

### *Expenditure*

All expenditure is accounted for gross, and when incurred.

### *Commitments*

No provision has been made for grants which have been, or may be, approved after the year end.

### *Fund raising expenditure*

Fund raising expenditure comprises costs incurred in inducing people or organisations to contribute financially to the company's work. As well as a share of head office overheads, it includes the costs of advertising for funds and the cost of mounting appeals and staging special events.

### *Grant administration*

Grant administration expenditure comprises costs incurred in the administration of charitable distributions. As well as a share of office overheads, it includes the costs of processing grant applications, direct staff costs and travel.

**CRUSAID (a company limited by guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2004 (continued)**

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*Grant-making*

Hardship grants are disbursed according to a set of criteria, issued by the Board of Trustees, and based on the applicant's financial situation and recourse to public funds. Grants are deemed payable when an individual's application is shown to have met these criteria. As part of the Walk for Life fundraising event, individuals and teams may elect to raise money for approved charities, and 25% of the money raised this way is retained by Crusaid. Other grants to organisations are agreed by the Board of Trustees and become payable when agreed in this way.

*Administration expenditure*

Administration expenditure includes that expenditure not directly allocated as fund raising or grant administration expenditure and includes financial expenses and professional fees.

*Designated funds*

Designated funds are those amounts of unrestricted funds set aside by the Board of Crusaid for a specific purpose or to meet future specific commitments.

*Restricted funds*

Restricted funds comprise funds subject to specific trusts, i.e. where specific conditions which are legally binding on the Board of Crusaid as to how the funds should be used have been externally imposed, usually by the donor(s).

*Liabilities*

Charitable grants not yet paid out are recorded as liabilities if they have been formally approved by the Board of Crusaid and the grant recipient has been notified on or before the balance sheet date.

*Cost allocations*

Office administration costs are allocated on the basis of a 'basket' of factors, comprising floor space, staff numbers and information technology equipment.

*Fixed assets*

All expenditure on the acquisition, enhancement, production or installation of material fixed assets, and all such assets received by way of gift are capitalised and included in the balance sheet. Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rate:

Fixtures, fittings and equipment      -    25% per annum straight line

*Valuation of investments*

Investments held as fixed assets are stated at market value. Any gains and losses on revaluation are taken to the consolidated statement of financial activities.

**CRUSAID (a company limited by guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2004 (*continued*)**

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*Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less further costs to completion and disposal.

*Foreign currency*

Transactions in foreign currencies are translated into sterling at the rates of exchange current at the date of the transactions. Foreign currency monetary assets and liabilities in the balance sheet are translated into sterling at the rates of exchange ruling at the end of the year. Resulting exchange gains and losses are taken to the consolidated statement of financial activities.

*Leased assets*

All leases are treated as operating leases and their annual rentals are charged to the statement of financial activities on a straight line basis over the term of the lease.

**CRUSAID (a company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2004 (continued)****2 Trading subsidiary**

The charity has one wholly owned trading subsidiary, Crusaid (Enterprises) Limited, which organises events and conducts general trading activities in order to raise funds for charitable purposes. This company covenants its taxable profits to Crusaid. A summary of its audited trading results is shown below.

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Turnover	<b>300,395</b>	601,285
Cost of sales	<b>212,646</b>	347,142
Gross profit	<b>87,749</b>	254,143
Administration expenses	<b>32,630</b>	22,588
	<b>55,119</b>	231,555
Interest received	<b>1,752</b>	1,102
Net profit	<b>56,871</b>	232,657
Amount covenanted to Crusaid	<b>56,871</b>	232,657
Retained in subsidiary	-	-



**CRUSAID (a company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2004 (continued)****3 Analysis of total resources expended**

	<b>Staff costs £</b>	<b>Premises costs £</b>	<b>Grants payable £</b>	<b>Other £</b>	<b>2004 Total £</b>	<b>2003 Total £</b>
Charitable expenditure						
Fundraising - parent	154,471	16,248	-	260,411	<b>431,130</b>	354,575
Trading subsidiary	85,790	41,308	-	118,178	<b>245,276</b>	369,730
Grants payable	-	-	1,017,990	-	<b>1,017,990</b>	1,317,025
Grants administration	83,151	14,904	-	39,120	<b>137,175</b>	121,322
Professional fees	-	6,251	-	13,087	<b>19,338</b>	14,641
Office administration	105,148	51,793	-	20,570	<b>177,511</b>	97,491
	<u>428,560</u>	<u>130,504</u>	<u>1,017,990</u>	<u>451,366</u>	<u><b>2,028,420</b></u>	<u>2,274,784</u>

**4 Employee information**

<b>Group</b>	<b>2004 £</b>	<b>2003 £</b>
Employment costs:		
Gross wages and salaries	<b>388,317</b>	277,609
Social security costs	<b>40,243</b>	25,761
	<u><b>428,560</b></u>	<u>303,370</u>

The average monthly number of full-time equivalent employees (excluding directors, but including casual and part-time employees) during the year was 15 (2003- 13).

No employee earned over £50,000 during the year (2003 - 1).

The trustees were not paid or reimbursed for expenses during the year.

**CRUSAID (a company limited by guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2004 (continued)**

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**5 Net resources expended before revaluations**

	<b>2004</b>	<b>2003</b>
	£	£
<b>Group</b>		
This is stated after charging:		
Auditors' remuneration	<b>9,400</b>	11,730
Depreciation	<b>13,986</b>	14,864
Operating leases - hire of plant and machinery	<b>5,891</b>	3,800
- hire of other assets	<b>26,232</b>	60,160
	<hr/>	<hr/>

None of the directors received any remuneration or expense reimbursement during this or the previous year.

**6 Taxation**

The company is a registered charity and as such no provision is made for taxation as the directors consider that all the company's activities are exempt from taxation by virtue of Section 505(1) Income and Corporation Taxes Act 1988. The subsidiary undertaking's profits are donated to the charity under deed of covenant. Accordingly, there is no provision for taxation on its profit for the year.

**CRUSAID (a company limited by guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2004 (continued)**

**7 Tangible fixed assets**

<b>Group</b>	<b>Fixtures, fittings and equipment £</b>
Cost	
At 1 April 2003	104,185
Additions	15,298
	<hr/>
At 31 March 2004	<b>119,483</b>
	<hr/>
Depreciation	
At 1 April 2003	71,640
Provided for the year	13,986
	<hr/>
At 31 March 2004	<b>85,626</b>
	<hr/>
Net book value	
At 31 March 2004	<b>33,857</b>
	<hr/>
At 31 March 2003	<b>32,545</b>
	<hr/>

**CRUSAID (a company limited by guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2004 (continued)**

**7 Tangible fixed assets (Continued)**

<b>Company</b>	<b>Office equipment £</b>
Cost	
At 1 April 2003	92,499
Additions	15,298
	<hr/>
At 31 March 2004	<b>107,797</b>
	<hr/>
Depreciation	
At 1 April 2003	64,504
Provided for the year	11,997
	<hr/>
At 31 March 2004	<b>76,501</b>
	<hr/>
Net book value	
At 31 March 2004	<b>31,296</b>
	<hr/>
At 31 March 2003	27,995
	<hr/>

The net book value at 31 March 2004 represents fixed assets used for administration and general purposes.

**8 Fixed asset investments**

<b>Group</b>	<b>Accumulation fund £</b>
Market value at 1 April 2003	34,972
Change in market value during the year	25,761
	<hr/>
Market value at 31 March 2004	<b>60,733</b>
	<hr/>

The accumulation fund comprises units in the Quilter global growth fund and Quilter global income fund which are stated at market value.

**CRUSAID (a company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2004 (continued)****8 Fixed asset investments (Continued)****Company**

	<b>Subsidiary undertakings £</b>	<b>Accumulation fund £</b>	<b>Total £</b>
As at 1 April 2003	50,000	34,972	84,972
Change in market value during the year	-	25,761	25,761
As at 31 March 2004	<b>50,000</b>	<b>60,733</b>	<b>110,733</b>

The investment in subsidiary undertaking represents a 100% shareholding in Crusaid (Enterprises) Limited, a company registered in England & Wales.

In the opinion of the directors the aggregate value of the company's investment in its subsidiary undertaking is not less than the amount included in the balance sheet.

**9 Stocks**

	<b>2004 £</b>	<b>2003 £</b>
<b>Group</b>		
Goods for resale	<b>3,917</b>	-

The directors consider that the replacement cost of stock is not significantly different from the above.

**10 Debtors**

	<b>2004 Group £</b>	<b>2004 Company £</b>	<b>2003 Group £</b>	<b>2003 Company £</b>
Trade debtors	16,965	-	36,380	-
Recoverable VAT	-	-	879	-
Amount due from subsidiary:	-	39,619	-	-
Deed of Covenant	-	56,871	-	232,657
Other debtors	2,878	1,978	73,985	72,428
Prepayments and accrued income	182,848	161,256	197,248	191,108
	<b>202,691</b>	<b>259,724</b>	<b>308,492</b>	<b>496,193</b>

All amounts shown under debtors fall due for payment within one year.

**CRUSAID (a company limited by guarantee)**Notes forming part of the financial statements for the year ended 31 March 2004 (*continued*)**11 Creditors: amounts falling due within one year**

	<b>2004</b>	<b>2004</b>	<b>2003</b>	<b>2003</b>
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	14,464	-	10,734	-
Other taxes and social security	13,046	11,836	7,048	7,048
Grants payable	297,884	297,884	509,378	509,378
Other creditors	36,531	36,531	40,037	40,037
Accruals	18,551	13,757	14,150	7,708
Amounts due to subsidiary	-	-	-	171,393
	<u>380,476</u>	<u>360,008</u>	<u>581,347</u>	<u>735,564</u>

**12 Unrestricted funds**

	<b>Designated funds 'HIV Millennium Fund' £</b>	<b>Other charitable funds £</b>	<b>Total £</b>
<b>Group and company</b>			
Balance brought forward	442,684	218,122	660,806
Net movement	(372,072)	56,878	(315,194)
	<u>70,612</u>	<u>275,000</u>	<u>345,612</u>

Funds designated 'HIV Millennium Fund' represents the remainder of two large legacies received from Leonard Halcrow and Katie Hannan between 1999 and 2001. As expected, the bulk of these funds have now been disbursed.

Following extensive consultation, the Board of Directors decided to increase the level of free reserves (shown here as "other charitable funds") to better reflect the reserves required to maintain Crusaid's ability to function as a going concern.

**CRUSAID (a company limited by guarantee)**

Notes forming part of the financial statements for the year ended 31 March 2004 (*continued*)

13 Restricted funds	Hardship fund (see note i) £	Walk for life (see note ii) £	Star appeal (see note iii) £	Climb4kids Appeal (see note iv) £	UK projects (see note v) £	International (see note vi) £	Gugulethu (see note vii) £	IAVI (see note viii) £	Total £
Balance brought forward at 1 April 2003	-	-	69,120	-	-	18,836	29,121	-	117,077
Income	486,067	64,540	16,103	1,756	3,862	6,261	57,284	24,408	660,281
Transfers from unrestricted Funds	382,558	-	-	-	143,388	19,112	-	-	545,058
Transfers to unrestricted Funds	-	-	(85,223)	-	-	-	-	-	(85,223)
Less expenses	(100,796)	(16,135)	-	-	(23,355)	(19,112)	(8,570)	-	(167,968)
Less: Grants	767,829	48,405	-	1,756	123,895	25,097	77,835	24,408	1,069,225
	(767,829)	(48,405)	-	-	(123,895)	(4,340)	-	(24,408)	(968,877)
Balance carried forward at 31 March 2004	-	-	-	1,756	-	20,757	77,835	-	100,348

As a fundraising Charity, Crusaid disburses support to other charities and individuals through a variety of restricted funds set up for purposes which reflect the charity's objectives. Crusaid offers donors the opportunity to restrict their donations to one or more of these funds. The majority of Crusaid's income, however, is unrestricted, so the charity transfers resources from our unrestricted fund to these restricted ones as required to meet our obligations.

**CRUSAID (a company limited by guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2004 (continued)**

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**13 Restricted funds (Continued)**

- (i) This fund exists for the purpose of offering financial assistance to individuals in need as a result of HIV disease. In England, Wales and N Ireland it was administered and funded during 2003/04 in partnership with Terrence Higgins Trust, Elton John AIDS Foundation and the MAC AIDS Foundation. In Scotland, it is administered in partnership with PHACE Scotland, and Crusaid made a grant of £22,677 to PHACE Scotland to this end during the year.
- (ii) Participants in Walk for Life may instruct the charity to use the funds they raise to support either other UK AIDS Charities or a particular area of Crusaid's work. Crusaid retains a proportion of these funds to cover administrative costs.
- (iii) Funds raised by the STAR Appeal for the Crusaid Research Institute at Chelsea & Westminster Hospital. The charity's commitment to the project is now fulfilled, and the capital project completed. Following consultation with the donors (both past and present) to this fund, it was agreed that restricted monies could be released to unrestricted funds.
- (iv) Funds raised by participants in the "Climb 4 Kids" sponsored bike ride towards a children's HIV/Aids project in Tanzania.
- (v) Funds given by donors who asked that they be used to support Crusaid's work with projects in the UK.
- (vi) Funds given by donors who asked that they be used to support projects in the developing world.
- (vii) Funds given by donors to support the Usapho Lwethu project in Guguletu Township, Cape Town, South Africa.
- (viii) Funds given by donors to support the development of an AIDS vaccine. Crusaid disburses these annually to projects through the International AIDS Vaccine Initiative, a charity based in New York City.



**CRUSAID (a company limited by guarantee)**Notes forming part of the financial statements for the year ended 31 March 2004 (*continued*)**14 Analysis of group net assets between funds**

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2004 are represented by:			
Tangible fixed assets	33,857	-	33,857
Investments	60,733	-	60,733
Current assets	338,178	393,668	731,846
Current liabilities	(87,156)	(293,320)	(380,476)
	<hr/>	<hr/>	<hr/>
Total net assets	<b>345,612</b>	<b>100,348</b>	<b>445,960</b>
	<hr/>	<hr/>	<hr/>

**15 Commitments under operating leases**

At 31 March 2004 the group had annual commitments under non cancellable operating leases as set out below:

	2004 Land and buildings £	2004 Other £	2003 Land and buildings £	2003 Other £
Operating leases which expire:				
In one year	-	-	9,638	-
In two to five years	<b>58,154</b>	<b>6,334</b>	<b>20,800</b>	<b>3,800</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**CRUSAID (a company limited by guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2004 (continued)**

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**16 Analysis of grants payable**

Included in grants payable were grants made to individuals through the National Hardship Fund. The total disbursed was £745,452, representing 4,732 grants made to 3,530 individuals.

In addition, grants over £1,000 were made to the following institutions:

	£
Terrence Higgins Trust	31,949
International Aids Vaccine Initiative	23,062
Body Positive Strathclyde	23,000
Phace Scotland	22,677
Ealing Hospital	20,106
Howick Hospice, South Africa	20,020
Oasis North London	16,000
Globe Centre	14,383
London East Aids Network	6,410
Royal Free NHS Trust	5,976
EURO RSCG WNEK Gosper (poster campaign)	5,000
Bedfordshire Body Positive	5,000
Positive Help	5,000
Tumaini Children's Home	5,000
MADAboutArt	5,000
Positively Women	4,590
REDESO	4,340
East London OP	4,230
The Food Chain	4,171
UK Coalition of People Living with HIV / Aids	3,522
Mildmay Hospice	3,333
London Lesbian & Gay Switchboard	3,005
All Party Parliamentary Group on Aids	3,000
Mortimer Market, UCH London	2,937
Thames Valley Positive Support	2,178
Tyddyn Bach Trust	1,800
Jewish Aids Trust	1,741
MADAboutArt	1,629
St Stephen's Aids Trust	1,555
Thoubal and Guntar	1,200
HIV / Aids Association of Zambia	1,064

**CRUSAID (a company limited by guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2004 (continued)**

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**17 Net movements in funds**

The charity has taken advantage of the exemption allowed under S230 of the Companies Act 1985 and paragraph 304 of SORP 2000 not to present its own income & expenditure account and statement of financial activities. The consolidated net movements in funds for the year includes £331,923 (2003 - £395,316) which is dealt with in the financial statements of the parent company.

**18 Commitments**

At 31 March 2004 the company had approved grants to be paid in the next 12 months of £297,884 (2003 - £509,378). A provision has been made in these financial statements for these grants.

**19 Cash flow statement**

The group has taken advantage of the exemption allowed under Financial Reporting Standard No. 1 'Cash Flow Statements' not to produce a cash flow statement as it qualifies as a small group.

**20 Related party transactions**

During the year, the charity paid £12,570 (2003 - £1,116) for legal services to Hamlin Slowe Solicitors where Laurence Gilmore, a director of Crusaid, is a partner. All transactions with this director's firm were made on an arm's - length basis.

None these amounts were outstanding at 31 March 2004 (2003 - £1,116).

**21 Income derived from public authorities**

Included in Gifts and donations is £15,000 received from local authorities in England & Wales towards the work of the Hardship Fund.