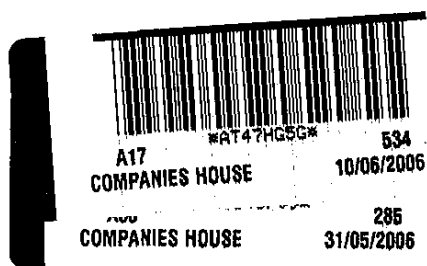


Company no. 3663181  
Charity no. 1072612

# **The United Kingdom Committee for UNICEF**

## **Trustees' Report and Financial Statements**

**31 December 2005**



**Sayer Vincent**  
consultants and auditors

**The United Kingdom Committee for UNICEF  
Report of the Trustees  
For the year ended 31 December 2005**

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**Legal and administrative details**

**Status**

The United Kingdom Committee for UNICEF (also known as UNICEF UK) is a charitable company limited by guarantee, incorporated on 5 November 1998 and registered as a charity on 26 November 1998. This was the successor body to the former unincorporated committee founded in 1956.

**Governing document**

The organisation was established under a memorandum of association that established the objects and powers of the organisation and is governed under its articles of association.

**Company number** 3663181

**Charity number** 1072612

**Registered office and operational address**

Africa House, 64-78 Kingsway, London WC2B 6NB

**Officers**

Lord Puttnam CBE	President
Mr David L Stanton	Chair
Lady Crofton	Vice-Chair
Ms Alison Richards	Vice-Chair
Mr Brian Smith	Treasurer
Mr David Bull	Executive Director

**Principal bankers**

HSBC  
133 Regent Street, London W1A 4BQ

**Solicitors**

Russell-Cooke  
2 Putney Hill, London SW15 6AB

**Auditors**

Sayer Vincent  
Chartered accountants and registered auditors  
8 Angel Gate, City Road, London EC1V 2SJ

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The Trustees present their annual report and the audited financial statements for the year ended 31 December 2005.

Legal and administrative information set out on page 2 forms part of this report. The financial statements comply with the current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

**Objects of the charity**

UNICEF UK's objects are to further the charitable work throughout the world of UNICEF (the United Nations Children's Fund) for the relief of children who are poor or in need of care and attention, the protection, education and training of children, and the promotion of the health of children.

UNICEF UK works to change attitudes and win support for children and children's rights worldwide by campaigning on UK and international children's issues, working with partners in local organisations, schools, hospitals and business, and raising money to support UNICEF's programmes internationally.

**Review of activities**

**Highlights**

Given UNICEF's responsibility to respond to emergencies, 2005 was an extraordinary year for the organisation. The Tsunami at the end of December 2004 had a massive impact on the activities and income of UNICEF UK in 2005. In addition, the emergencies in Niger and South Asia generated further needs for which our donors contributed generously. In total, UNICEF UK raised £22.3 million more than it had budgeted for emergencies: £16.1 million for the Tsunami alone.

UNICEF UK's total income, excluding income from UNICEF HQ for fundraising development, in 2005 was £61.5 million compared to £36.2 million in 2004, a total increase of £25.3 million. In addition to the donations for the three emergencies, a further £6.0 million was raised for both additional specific field programmes and for UNICEF's ongoing regular programmes.

In 2000, UNICEF UK set itself four primary objectives: increasing the funds available for UNICEF programmes around the world; raising awareness of the needs and rights of the world's children and of UNICEF's work with them; increasing supporter numbers; and increasing UNICEF UK's influence in relation to UK policies and practices affecting children's rights globally. The specific income target for the five-year plan was to double base voluntary income, which is defined as all income except that from government grants, exceptional emergencies and business development. In 2003 there was a dip in the upward trend, but in 2004 the results exceeded budget. In 2005 the non-emergency income was greater than expected, so the five-year target was met. This growth has been achieved despite many challenges, including the competing demands on our supporters (rising house prices, care costs, pension provision, student fees, uncertain stock markets and the general business environment for key corporate supporters).

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In total, in addition to the £7.6 million from Government for emergency programmes, UNICEF UK contributed a vital £39.6 million of voluntary funding towards both emergency work and ongoing programmes in 155 countries. In addition, in the UK, we continued to be the leading provider of educational resources and training on children's rights in schools, and to promote improved infant nutrition through our Baby Friendly health care initiative.

In October 2005, UNICEF's campaign *Unite for Children, Unite against AIDS* was launched globally. In London, UK Ambassador Jemima Khan and two young people involved in UNICEF programmes in the field explained how children have been disproportionately affected by the AIDS pandemic yet have been largely missing from global initiatives.

The global campaign aims to raise at least US\$1 billion over five years, one-third from voluntary sources through UNICEF National committees. Of this \$330 million UNICEF UK aims to raise £15 million. Additionally, the campaign will leverage the resources required globally, to fully fund programmes to protect, care and support vulnerable children and those orphaned by AIDS; to significantly reduce new HIV infections in young people through comprehensive education; to increase access to appropriate paediatric treatment; and to increase access to interventions that prevent mother-to-child transmission.

*Uniquely, this campaign also aims to change global policies and processes to ensure children's needs are adequately met.*

As always, all of our achievements in 2005 reflect the successful development of relationships with both new and existing donors and supporters, be they individuals, celebrities, trusts, organisations, statutory bodies or companies. Details of these achievements follow.

**Private individuals**

Private individuals, giving in response to direct mail and other appeals organised by the direct marketing team, were the biggest single source of voluntary income, donating £22.0 million in 2005, £7.2 million more than in 2004. UNICEF supporters responded in their tens of thousands to the Tsunami, Niger Food Crisis and South Asia earthquake emergencies to meet the needs of children caught up in the crises.

As well as donations to our emergency campaigns, we are pleased that increasing numbers of supporters are choosing to contribute on a regular basis by direct debit. Such income brings stability and enables us to predict more accurately how we can meet the many demands we face. We are also grateful to the many supporters who have used Gift Aid, allowing us to reclaim tax on their gifts which brought in £3.8 million in 2005.

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**Corporate partnerships**

Partnerships with companies raised £8.3 million in 2005, including £3.5 million for the Tsunami. The response to the Tsunami was phenomenal and brought significant donations from both our current partners and new ones such as Pinnacle Vision and Revolver Entertainment, PricewaterhouseCoopers, Prudential and Fremantle Media Ltd. British Airways donated valuable cargo space for emergency relief items in addition to a significant corporate donation. Orange raised more than £330,000 from its UK customers for the Tsunami and South Asia earthquake through a simple SMS text messaging mechanism.

Our longest running partnerships continue to provide significant income. The Change for Good programme raised more than £3.4 million, largely due to the overwhelming response from British Airways, its staff and customers. More than £21 million has been raised since the partnership began 11 years ago. More than £300,000 was also raised from the HSBC Change for Good Appeal, which ran in early 2005.

In 2005, our Check Out for Children programme with Starwood Hotels & Resorts celebrated its tenth anniversary with a record income of £729,000 from Starwood guests in Europe, Africa and the Middle East to support our immunisation work around the world.

The United for UNICEF partnership with Manchester United continues to go from strength to strength. The partnership was renewed for a third term until 2009, at which time it will be ten years old and the longest-standing partnership of its kind for an English Premiership football team.

Our long-term partnerships with FTSE, Kodak, United International Pictures (UIP), EMI, Turner Broadcasting System (TBS) Europe and The Pier continue to provide much valued support. We are delighted to have developed a new partnership with Barclays, which raised more than £500,000 to support girls' education projects in Africa, and with Amway who are supporting our immunisation work for the next three years. A new three-year partnership was also formed with TNS (Taylor Nelson Sofres) who first contacted us during the Tsunami and are supporting a pre-school education project in Cambodia over a three-year period.

**Government support**

Included in the UNICEF UK accounts are contributions of £7.4 million from DFID, £128,000 from Jersey, £24,000 from Guernsey and £20,000 from the Isle of Man. The DFID contributions are those for humanitarian emergencies in which UNICEF UK was active in 2005 – both in discussions with DFID and in raising public awareness and funds. DFID's contributions consist of £6.3 million for the Tsunami, £120,000 for Niger, and £1 million for the earthquake in South Asia.

DFID also made other contributions to UNICEF HQ of £83.1 million (2004: £87.6 million) which are not shown in UNICEF UK's accounts. Therefore, DFID's total contribution to UNICEF in 2005 was £90.5 million for UNICEF programmes, compared to £94.9 million in 2004. The UK government was the fourth largest governmental donor to UNICEF.

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**Charitable trusts and grant-making foundations**

During 2005, extraordinary generosity was shown by charitable trusts and foundations in response to UNICEF's three major emergency appeals – for the Asian Tsunami, the Niger Food Crisis, and the South Asia earthquake – and in support of UNICEF's ongoing long-term programmes for children in many countries. Overall, more than 250 trusts and foundations contributed more than £6 million to support UNICEF's work worldwide. These included 104 trusts and foundations that gave a donation to UNICEF for the first time during 2005.

The Parthenon Trust continued its immensely generous support for UNICEF's work for children by giving outstanding emergency assistance as well as funding a wide range of ongoing programmes worldwide. The Band Aid Trust gave generous grants to fund immunisation, community health initiatives, care for orphans and vulnerable children, and education projects in Ethiopia, as well as water and sanitation work in Malawi. We also received outstanding support from the Hunter Foundation to assist children in conflict in Uganda, and a generous joint grant from the Band Aid Trust and the Hunter Foundation for the Niger Food Crisis. The Big Lottery Fund continued its valuable support for the elimination of maternal and neonatal tetanus in Cambodia.

Other significant support was received in 2005 from: The J L Beckwith Charitable Trust, The Philip Breeze Charity, The Clara E Burgess Charity, The A & S Burton 1960 Charitable Trust, William A. Cadbury Charitable Trust, The Alice Ellen Cooper Dean Charitable Trust, Michael Crawford Children's Charity, The Dalgety Charitable Trust, The Dinning Charitable Trust, The Douglas Charitable Trust, The E D Charitable Trust, Constance Green Foundation, C A How Discretionary Trust, Joffe Charitable Trust, Lloydspharmacy Charitable Fund, The Kate MacAskill Foundation, The Marr-Munning Trust, The Material World Foundation Limited, Mazars Charitable Trust, November Trust, The Shantilal Monhanlal Shah Settlement, Thornton Charitable Trust, Tolkien Trust, The Constance Travis Charitable Trust, The Valentine Charitable Trust, Vision Charity, The Volant Charitable Trust, World Jewish Aid, and other trusts and foundations who wish to remain anonymous.

**Legacy achievements in 2005**

Legacies income exceeded previous levels, bringing £2.1 million for UNICEF's work for children. This is an increase of 375 per cent since 1995. In addition, 305 people pledged to leave UNICEF something in their will, helping us guarantee income in years to come. A further 1,700 people asked for more information as to how best to support us in this way.

We were particularly fortunate to receive a £600,000 legacy gift one week after the South Asia earthquake, which meant that UNICEF UK could react immediately.

Legacies remain an important source of income for UNICEF, particularly since there are no restrictions on its use. It therefore gives UNICEF the flexibility to respond wherever and whenever the need is greatest.

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**Fundraising Initiatives**

In 2005, the Regional Fundraising Team was re-organised in order to better support community-based activities by schools, faith groups, organisations and volunteers. UNICEF regional groups are now supported by the new Fundraising Initiatives Team, which became fully operational at the end of November 2005. The team will provide advice and support for people and organisations who "do": whether the "doing" involves running a marathon, organising a coffee morning or undertaking a church collection.

Despite 2005 being a year of change, the team vastly exceeded its target, raising more than £7.6 million – owing mainly to the exceptional response to the emergencies.

A number of events took place during the year. "UNICHEF", a mass event in which more than 200 UK restaurants donated more than 50 per cent of their takings on one night for UNICEF's Tsunami response, raised more than £300,000. UNICEF was the beneficiary of the annual Park Lane Ball organised by Merryn Corcoran and her committee, the Property Industry Foundation Ball, the Loans Market Annual Dinner organised by *Euroweek*, and a charity gala performance of *Guys and Dolls* hosted by Ewan McGregor.

Day for Change 2005, a schools fundraising and educational initiative, had another successful year with donations going towards food and nutrition in Ethiopia and Tajikistan. In June 2005, the Jar of Grace annual harvest appeal was once again a great success, this time raising vital funds for UNICEF's immunisation projects.

Soroptimists International began a year of support for UNICEF in which they aimed to raise approximately £20,000 for School-in-a-Box (education kits with supplies for at least 80 children, used in temporary schools). We also gained the support of the Network of Executive Women in Hospitality, which is hoping to raise approximately £40,000 – also for School-in-a-Box. The Lions Clubs International raised over £20,500, and the Inner Wheel's three-year adoption is coming to a successful end: they are hoping to reach a target of £130,000 by April 2006.

London Marathon runners raised nearly £120,000, of which £73,000 was thanks to Sir Digby Jones.

**Cards and gifts**

Total income from greeting cards, gifts and related sales, including donations received with orders, was nearly £2.5 million, which was consistent with income in the previous year.

Whilst income from consumer sales fell overall by almost 6 per cent, reflecting a difficult retail environment, online sales continued to grow by almost 40 per cent to more than £250,000, and sales of corporate cards grew by just over 20 per cent to £440,000, clawing back much of the loss experienced in 2004.

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Our new range of Inspired Gifts, encouraging donations for specific purposes such as immunisation, generated income of more than £150,000 in a matter of weeks.

**High-profile support**

The year 2005 was particularly busy for the High-Profile Support (HPS) team, starting with the Tsunami appeal.

High-profile support for the Tsunami appeal came from Trudie Styler (field trip to Sri Lanka), Jemima Khan and Ewan McGregor (media activity and donations), and Martin Bell (who travelled to Sri Lanka and undertook an extensive round of media interviews and attended various fundraising events – see the Media section for further details).

UNICEF was a key partner in the Make Poverty History (MPH) campaign and delivered high-profile support from Robbie Williams, David Beckham, Jemima Khan, Trudie Styler and Ewan McGregor. In particular, Ewan recorded an Orange cinema advert and travelled to Scotland (alongside young violinist Nicola Benedetti and UNICEF's Scottish Ambassador Kaye Adams) for the launch of C8, the children's forum organised by UNICEF (for further details of C8, please see the Youth and Media sections).

The year 2005 also saw the final stages of the End Child Exploitation (ECE) campaign, with Jemima Khan launching the report *Child labour today*, linking issues of child exploitation to the MPH campaign.

UNICEF UK played a key role in providing high-profile support for the *Unite for Children, Unite against AIDS* campaign. David Beckham and Robbie Williams recorded a short film that has been used around the globe to promote awareness of the campaign. This film provided the model for the recording of other messages by pairs of Ambassadors, all featuring the UNICEF black hoodie developed by the HPS team and now sold worldwide in aid of the campaign. It also resulted in a global photo syndication initiative that generated funds and further awareness for the campaign.

Following an Ambassador briefing at 11 Downing Street, we witnessed a rising tide of high-profile support including: Jemima Khan travelling to Kenya and launching the campaign in London; Ralph Fiennes hosting a screening of *The Constant Gardener* for major donors; and filmed messages featuring Claudia Schiffer, Sir Roger Moore, Rio Ferdinand, Ralph Fiennes, Jemima Khan, Maxim Vengerov, Nicola Benedetti and Ewan McGregor. A mock school photograph brought together Ambassadors and other high-profile supporters to highlight education as the "social vaccine" to HIV/AIDS. Ewan McGregor raised £320,000 at a charity performance of *Guys and Dolls* and then generated significant media coverage on a field visit to Malawi to see how HIV/AIDS is devastating the lives of children.

Ambassador Andrew O'Hagan secured a donation of £1 million from a personal contact, demonstrating how Ambassadors are playing a key role in peer networking on behalf of UNICEF.



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All of these activities took place against a backdrop of other high-profile support for ongoing UNICEF UK communications and fundraising activities, including Miquita Oliver's support for Day for Change and Elle Macpherson launching an initiative to make London's health services more "baby friendly".

**Media relations**

The year 2005 was a busy and extremely successful one for UNICEF UK in terms of the amount and quality of media coverage, as well as the breadth of media outlets reached. We are immensely grateful to our media partners for all their support in covering UNICEF stories in 2005. Their interest in the world's children is vital to our efforts to improve lives and to ensure that children's rights are respected.

The first quarter was dominated by the Tsunami, and the Media team worked to focus attention on the immediate survival of children affected by the crisis, as well as efforts to reunite separated children with their families. Hundreds of interviews and briefings were given and the team worked with several regional papers on joint appeals that were successful in raising funds to support UNICEF's emergency response.

For the second consecutive year, the Media team worked to draw attention to the crisis in Darfur, Sudan, with a trip by Martin Bell, BBC's *Newsnight* and *The Observer* newspaper. On his return, Martin conducted several interviews with CNN, ITV, BBC TV and BBC radio. The team held two media briefings on Darfur, including launching the *Child Alert* report at the Frontline Club in December.

Highlights of the media coverage for the other two big emergencies – the Niger Food Crisis and the South Asia earthquake - included an interview with UNICEF Deputy Executive Director Rima Salah on BBC Radio 4's *Today* programme to publicise the nutritional crisis for children in Niger.

During 2005, the Media Team developed and delivered media strategies for a wide range of fundraising activities and corporate partnerships. For example, during Manchester United's tour of the Far East, United's support for UNICEF China's anti-trafficking programme was covered by both UK and Chinese media, carrying key messages around the prevention of trafficking. Other media coverage of the United for UNICEF partnership included a GMTV programme on James Nesbitt's visit to India to see how the partnership's support for primary education has improved the lives of more than 1 million children as well as a BBC Radio 5 Live documentary and interview with Manchester United player Quinton Fortune on the impact of HIV/AIDS in South Africa.

A media highlight of the year was the C8 Children's Forum. As well as the Forum itself (see Youth section for details), child participants from around the world also held a press conference and gave numerous interviews to encourage G8 leaders to commit themselves to making child poverty history. C8 achieved an extremely high level of media attention with clear messages and branded coverage on a regional, national and international level. An analysis of 111 pieces of UK media showed that 85 per cent carried the message that "C8 is an opportunity for young people to have their opinions heard by the public leaders" and a third of all coverage included the message that "G8 leaders must commit to making child poverty history".

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Coverage highlights included BBC Radio 4's *Today* programme, SKY, BBC Breakfast News, CNN, *Sunday Times* and the *Times Educational Supplement*.

On 25 October, the Media team launched UNICEF's *Unite for Children, Unite against AIDS* campaign with a press conference and interviews from Reitumetse Phooko (a 13-year-old girl from Lesotho), Yaroslav Oreshkin (a 17-year-old boy from Russia), Jemima Khan (UNICEF UK Ambassador) and UNICEF staff members. Media work on the launch focused on the message that children are "missing" out on education, parental care, treatment, childhood and life as a result of the pandemic. The event generated widespread coverage and interest was sustained with pieces on the launch of a Public Service Announcement by David Beckham and Robbie Williams on World AIDS Day, and a trip to Malawi by Ewan McGregor, which generated coverage on the BBC's 6 and 10 O'Clock News, News 24, CNN, ITV, BBC Radio channels 1, 2 and 5, BBC TV's *Newsround*, the *Evening Standard* and the *Saturday Telegraph*.

**New Media and Resources**

For the New Media and Resources (NMR) team, 2005 was dominated by emergency response – first to the Asian Tsunami in the early part of the year, then the Niger Food Crisis in June/July, and finally the South Asia earthquake in October. For the first time, donations through the web were substantial – £1.2 million was raised online for the Tsunami, £60,000 for Niger, and around £370,000 for South Asia. The team was involved in many aspects of the emergency response – from maintaining up-to-date information on the website and broadcasting mass emails to the production of a range of literature in support of several teams' fundraising efforts (for example, logo and leaflets for UNICEF).

Alongside all this activity, the NMR team also supported the Committee's campaigning activities in a number of important ways. For the "End Child Exploitation" campaign, we produced and published a third and final report – *Child labour today* – as well as publishing the *Child labour resource guide* on our website. We produced both print and online versions of a petition action "Message to Tony" prior to the G8 summit in July, as well as creating the branding for, and building a website section around, the C8 event. In addition, we worked with the Public Affairs team and UNICEF HQ on the launch report for the new *Unite for Children, Unite against AIDS* campaign, a document that was finally published in October. Also in support of the launch of the new campaign, we created various materials (leaflets, display panels and posters) plus a new website section that included a petition action encouraging supporters to sign up to show their commitment.

Other website developments included the building of an online registration system for people applying for jobs at UNICEF, and the creation of special microsites for our corporate partnerships (British Airways' Change for Good programme, Starwood's Check Out for Children programme, TNS and Amway).

In line with general trends, the increase in both online donations and website traffic was marked: online donations totalled around £2 million for the year (more than double the total in 2004), and overall website traffic increased by 300 per cent compared to the previous year.

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Finally, our publishing team produced a wide range of additional printed products including materials for direct marketing, youth roadshows, the Annual Review, the Inspired Gifts brochure, booklets for our corporate partnerships (including Kodak and British Airways), as well as programmes and leaflets in support of major fundraising events.

**Public Affairs**

The year began with our contribution to Tsunami efforts – we sent regular communications to all MPs, keeping them informed of UNICEF's response to the disaster. This ensured that politicians were aware of the need for the UK government to act decisively and generously in their response.

We created a Research and Policy role within the team, which was quickly seconded to UNICEF HQ to help write the Children and HIV/AIDS launch report. However, the role has proved to be pivotal in the preparation of high-quality material that the team uses to promote UNICEF UK messages around Westminster, Whitehall and within the development sector.

The team name changed from Advocacy to Public Affairs to better reflect our remit and align with organisations in the third sector. This year, with the increased capacity in the team, we were able to allocate Public Affairs time specifically to promote UNICEF UK programme work.

Highlights of the year included joining Make Poverty History (MPH) to promote the issues of trade, aid and debt as they affect children across the world. The whole Public Affairs team contributed their skills and knowledge to MPH working groups.

Public Affairs also helped to enable C8 children to meet the Chancellor Gordon Brown in advance of the G8 summit, network with children from other development NGOs as part of MPH Children's Day and promote their recommendations to Jack McConnell, Scotland's First Minister. The recommendations were also sent to the Prime Minister Tony Blair, who responded warmly to their concerns.

As part of our international advocacy contribution, we encouraged our colleagues in other National Committees to lobby their Finance Ministers to make decisions on funding and development and to place children at the heart of their government's agenda. We also participated in the planning and execution of several international meetings for UNICEF and the global campaign on HIV/AIDS.

The global campaign *Unite for Children, Unite against AIDS* was the first time that UNICEF worldwide had worked together on a single campaign to simultaneously promote UNICEF messages to key decision-makers.

In the UK, we used the campaign launch report to engage newly elected MPs and encouraged more members of the public to take action for UNICEF UK via a postcard campaign.

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We also maintained a strong UK profile by holding packed fringe meetings at party conferences. The meetings, focusing on children and AIDS and the Millennium Development Goals, were organised jointly with the Overseas Development Institute (ODI), the StopAIDS campaign and the Institute for Public Policy Research (IPPR).

Our work this year was very much underpinned by significant networking, especially with AIDS coalitions and we undertook to engage more deeply with think tanks, teaching and health organisations.

### **Education**

The year 2005 saw the piloting of our new Rights Respecting School Award scheme in 30 schools. The scheme encourages schools to undertake to place the UN Convention on the Rights of the Child (UNCRC) at the heart of their school ethos. The award is underpinned by benchmarks to be achieved at two levels. Schools log their starting position in an audit and make an Action Plan. Pupil Focus Groups then provide validation of the school's progression to being child friendly and rights respecting. Specially designed certificates were awarded to six schools in 2005. The relationship with Hampshire Local Education Authority (LEA) and schools has been crucially important since their Rights, Respect and Responsibility initiative has provided substantial proof of the benefits of the rights respecting approach. We also intensified our networking with relevant government departments to raise the profile of the UNCRC and to seek its inclusion into the National Curriculum in England.

In Scotland, the Enterprising Global Citizen (EGC) approach will be adopted as part of the Rights Respecting School Award. The activities of the EGC mean that teachers have already started to learn about and implement the UNCRC. In Wales, children's rights are already taught as part of personal and social education and Carmarthenshire LEA is the first to seek to be one of our partners to develop the Hampshire model within the Welsh educational framework and to integrate children's rights and the award into the whole school ethos across the LEA. This model of working with LEAs represents a very efficient use of our resources, and is thus being pursued strongly.

In Northern Ireland, the curriculum is currently under review. There is considerable interest in the Convention and it will be taught in the post-primary "Local and Global Citizenship Strand" soon to become a statutory requirement and to be rolled out in September 2007 to pupils in Year 8 upwards. Nigel Williams, Commissioner for Children, and young people are lobbying to have the UNCRC included at primary level.

The Teacherzone website, [www.unicef.org.uk/tz](http://www.unicef.org.uk/tz), is increasingly central to all our education work. In 2005, with the construction phase complete, the website saw significant growth with a new homepage and many more activities to download.

### **Youth**

In January, the youth team was heavily involved in the launch of DFID's girls' education strategy facilitating and hosting involvement with young people from UNICEF projects globally.

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February saw the first UNICEF UK Young People's field visit: five young Advisers and Representatives spent eight days in Ethiopia. This international focus continued throughout the year, and in September we participated in the Global Networking Participation Forum in New York.

In 2005, eight new people age 12–18 were recruited from all over the UK as Youth Advisers and Representatives. The group, now 14 strong, met throughout the year at six Young People's Meetings. One Adviser delivered a presentation at the Northern Ireland Supporters' Conference, while another Adviser ran a Global Awareness day for a school for young deaf people in Birmingham. Workshops and programmes were also run at the British Youth Council's annual conference and the Scout Association's European Jamboree, "EuroJam", which was attended by more than 12,000 young people.

Towards the end of the year, we held a series of road shows in Cardiff and Newcastle attended by more than 150 young people. Local MP (and former Head of Advocacy at UNICEF UK) Jenny Willott visited the Cardiff event. The UNICEF Youth Voice road shows are local events aimed at engaging young people in international issues.

Two youth consultants compiled UNICEF UK's Youth Strategy, designed to help the committee expand its work in and with the "youth market". The result of this consultation will see the establishment of a new Youth Team to develop and implement the Youth Strategy throughout the organisation.

## **C8**

The C8 is a children and young people's version of the G8 summit. In July 2005, C8 was held for the first time. It met in Scotland and was timed to coincide with the G8 meeting held in Gleneagles. Young people from around the globe travelled to Scotland to debate and take action on the most pressing issues facing young people today.

Young people from eight of the world's poorest countries (Bhutan, Lesotho, Bolivia, Sierra Leone, Yemen, Cambodia, Moldova and Guinea) met with young people from five G8 industrialised countries (UK, Italy, Russia, Germany and France), to debate, discuss and table their own recommendations to the G8 leaders.

UNICEF worked closely with young people to determine the agenda and format of the first C8 event, holding preparation meetings and one-day forums where young participants debated and made recommendations. The participants took part in a four-day programme to produce and launch their recommendations and a three-day programme of promoting the recommendations and responding to the G8 leaders' Communiqué. The C8 participants' voices were heard in many local, national and international newspapers and television shows.

C8 coincided with the Make Poverty History (MPH) movement, and was UNICEF UK's principal contribution to the MPH campaign. Events surrounding MPH and the G8 provided a number of opportunities for C8 participants, such as appearing on stage at the Murrayfield Stadium as part of the MPH concert.

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The objectives of C8 were

- To provide a genuine forum and platform for the world's poorest and most marginalised children
- To empower the children to express their views and to state the issues they think the G8 leaders should address
- To ensure their voices and views are heard by the G8 leaders
- To bring further pressure to bear on the G8 leaders by ensuring the children's voices and views receive high-profile media coverage in G8 countries

Drawing on the success of the first C8, work began for C8 2006 in St Petersburg, Russia.

**Baby Friendly Initiative**

UNICEF UK continues to play an active part in the global UNICEF programme by working with health professionals to promote breastfeeding by introducing the "Baby Friendly" best-practice standard in the UK.

Four new Baby Friendly awards were made during 2005, to hospitals and community health care facilities which were assessed and could show that they had fully adopted these standards. The Baby Friendly accreditation programme for universities was also finalised. This programme aims to encourage universities to provide high-quality education for students, midwives and health visitors to enable them to implement best practice for breastfeeding. The first Certificate of Commitment was awarded to Paisley University at the Baby Friendly annual conference in November which was attended by more than 700 health professionals.

The Baby Friendly Initiative education programme was reviewed in 2005. A revised three-day course to teach health professionals how to support breastfeeding mothers was launched, as well as new workshops for key workers on auditing practice for breastfeeding and developing an in-house education programme for breastfeeding. A two-day course for non-professional health service staff was also introduced.

A comprehensive staffing and effectiveness review took place within the Baby Friendly team in order to identify and work towards best practice in staff well-being and organisation, while also ensuring that services were delivered in the most effective manner possible.

**Support functions**

**a) Billericay**

UNICEF UK's fulfillment and customer service centre in Kingfisher House, Billericay, continues to provide a quality service to supporters and colleagues in the UK.

All Support Services teams have taken on additional responsibility during this year, giving support to the Baby Friendly Initiative, People and Development, Direct Marketing and the Fundraising Initiatives Team.

We enable these teams to concentrate their time and effort on their field of expertise.

**The United Kingdom Committee for UNICEF  
Report of the Trustees  
For the year ended 31 December 2005**

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**b) London**

At our London Headquarters, we continue to maintain professional and effective administrative services at minimum costs. To maintain a high standard of efficiency, we regularly review our processes. Health and safety training for all staff takes place regularly, encouraging an awareness of a health and safety culture.

Business continuity practice sessions were held for the first time for our business continuity emergency team. These sessions helped to enhance our risk management plan. Events in London on 7 July demonstrated the importance of having such a plan. In keeping with our commitment to improving customer service, we reviewed the services provided by Reception at Africa House, our London office, and the office now opens one hour earlier every day.

The IT Team has continued to improve the service it provides to all staff through the introduction and training of new productivity tools. For example, an upgrade to our diary and email management environment has enabled staff to become more effective in time management and communications. The team continues to be collaborative in decision making, ensuring that IT projects align with the organisational goals, for example consolidation of our mobile phone contracts are delivering cost savings plus increased levels of service. IT is working closely with the New Media and Resources team to deliver an effective and integrated IT and web strategy, particularly through the Web Acceleration Group that is encouraging the understanding and use of new media across the committee.

Our People and Development team continues progressively to improve policies and procedures in order to engage and support our valuable staff and to develop their skills in a supportive and empowering culture, in line with the values of UNICEF. We introduced a number of training programmes such as Dignity at Work and Child Protection, designed to improve the awareness of our staff. Our staff survey continued to highlight high staff-satisfaction levels, helped by activities such as the launch of a new flexible working policy for all staff. Finally, we continued to improve our internal systems by piloting a Competency Framework programme designed to manage the recruitment of all vacancies, both staff and volunteer, to ensure that the most effective and cost-efficient methods are adopted, and to provide improvements to the Performance Management process.

**Costs of generating funds**

Charities have to spend money to raise money. Over the past five years, for all donations, UNICEF UK has spent on average 18 pence for every pound raised. While for every one pound's worth of sales of cards and gifts, the average cost has been 48 pence. In 2005 total fundraising costs were £9.2 million, compared to £7.9 million in 2004, most of the increase was spent on extra investment in acquiring new donors to grow long-term support. This has contributed to the additional donations raised through regular giving by direct debit to UNICEF UK in 2005, and has secured the support of many committed donors whose monthly contributions continue to provide a firm foundation for future income.

**The United Kingdom Committee for UNICEF**  
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**For the year ended 31 December 2005**

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**Charitable expenditure**

Of the total income raised in 2005, £50.4 million was for programmes to benefit children: £41.3 million for specific country or thematic programmes chosen by UNICEF UK or its donors; £5.8 million for UNICEF core programmes and £3.3 million for the charity's advocacy and education programmes in this country, including those of the Baby Friendly Initiative.

On average, over the last five years, 78 per cent of UNICEF UK's gross income was the surplus, after fundraising, sales and administration costs, for programmes.

**Management and administration and governance costs**

In 2005 management and administration costs, calculated in compliance with the previous Charities Statement of Recommended Practice (SORP 2000), amounted to £977,000 compared to £832,000 in 2004. A large part of this increase was due to the costs of recruitment and training associated with our investment in new staff. As a percentage of income (excluding government grants, which are transferred to UNICEF without any deduction for administration, and including an adjustment to remove the distorting effect of the Tsunami in the year under review), management and administration costs have averaged 2.8 per cent over the past five years. When government grants are included in the total income, this falls to 2.0 per cent.

Under the revised Charities Statement of Recommended Practice issued in 2005 (SORP 2005), which has been adopted for the preparation of these financial statements, management and administration support costs are allocated to the functional activities or to governance costs. As a percentage of total income, governance costs amounted to 0.6 per cent in 2005.

**UNICEF UK Enterprises Limited**

The charity's wholly owned trading subsidiary carries out non-charitable trading activities for the charity. During the year, income of £953,000 (2004: £387,000) was raised from events, corporate sponsorship, commission and royalties. After allowing for associated expenditure and management charges, £909,000 (2004: £370,000) was covenanted under Gift Aid to UNICEF UK.

**Reserves**

UNICEF UK's policy on reserves is to:

1. Retain an emergency fund to allow for an immediate response to the humanitarian needs of children during an emergency, even if income from the relevant appeals has not yet been received. At the end of 2005, following a year in which we responded to three high-profile emergencies, the emergency fund was increased from £100,000 to £500,000. The three major emergencies highlighted the need to be able to make swift and substantial contributions of resources in such situations.



**The United Kingdom Committee for UNICEF**  
**Report of the Trustees**  
**For the year ended 31 December 2005**

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2. Maintain a general fund of £500,000 to finance the working capital needs and cover the resources invested in fixed assets. UNICEF UK has no need for reserves to provide for future programmes, as these are the commitment of UNICEF HQ. Also, the charity's diversified sources of income render unnecessary any large provision for a sudden reduction in donations.

At the year end, there was also £106,000 of restricted funds relating to income that has been allocated to UK programmes and hence has not been paid to UNICEF HQ, and a designated fund of £55,000 for specific IT projects being carried out in 2006.

**Investment policy**

Other than holding money on deposit at the bank for short periods, UNICEF UK has no investments. Except for funds held for expenditure in the following year, the entire surplus from the year's activities is transferred to UNICEF HQ.

**Changes in assets**

The movements in fixed assets are set out in note 13 to the financial statements. The cash at bank held by the group at the year end amounted to £7.5 million, compared to £4.9million at the end of 2004. This increase was largely due to the receipt of funds for the South Asia earthquake which struck in October 2005, and a few large donations where the specific projects to which those funds were to be applied were being identified in conjunction with the donor. Regular transfers are sent to UNICEF HQ and by the end of March 2006 most of the funds relating to 2005 income had been transferred.

**Structure, governance and management**

UNICEF UK is a charitable company limited by guarantee and governed by a Board of Trustees that consists of no less than seven nor more than 16 other elected Board Members, who are concurrently Directors of the company. The Board selects from amongst themselves the following officers: a Chair, two Vice-Chairs and a Treasurer, and has a power to co-opt not more than six further Trustees for a maximum of one year. The maximum term of service for an elected Trustee is six consecutive years; officers of the charity can serve for nine consecutive years. Thereafter, a year must elapse before re-election or re-appointment to the Board.

The Board of Trustees meets quarterly. A Management Committee of up to seven of the Trustees meets more frequently to receive and consider recommendations for approval by the whole Board of Trustees.

Trustees regularly review the composition of the Board to ensure that Trustees bring the skills and perspectives needed for effective governance, taking account of the need for political impartiality, gender balance and representation of the structure of the UK population. During 2005, new Trustees were elected at the AGM following a nomination by the Board after consideration of the skills and experience required (for example, in health and education). UNICEF UK provides an annual budget for training and support to Trustees, who receive regular briefings on their legal responsibilities and duties.

**The United Kingdom Committee for UNICEF**  
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**For the year ended 31 December 2005**

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The Board considers and adopts the strategic and annual plans for the charity, receives and examines regular reports on the financial affairs, programmes and activities, and considers policies and practice in areas such as risk management, equal opportunities and legal compliance. During 2005, five Trustees visited UNICEF field offices and programmes.

**Related parties and connected organizations**

UNICEF UK has a wholly owned trading subsidiary, UNICEF UK Enterprises Limited, that carries out non-charitable trading activities for the charity.

**Statement of responsibilities of the trustees**

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and group and the incoming resources, including the net income or expenditure, of the group for the year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charity will continue in operation.

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

They include:

- a strategic plan and an annual budget approved by the Trustees.
- Regular consideration by the Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

**Risk management**

The Trustees have, with advice from their auditors, employed a formal risk-management process to assess business risks and implement management strategies as part of UNICEF UK's five-year plan.

**The United Kingdom Committee for UNICEF**  
**Report of the Trustees**  
**For the year ended 31 December 2005**

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A "Risk Working Group" reviews potential risk on an ongoing basis. This involves identifying the major risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and putting into place systems to mitigate these risks. Risk management is now an integral part of our planning process both at a strategic and a departmental level. The group reports at least twice a year to the Trustees. Also, as part of this process, the Trustees have reviewed the adequacy of the charity's current internal controls. The Trustees are pleased to report that UNICEF UK's internal financial controls, in particular, conform to the guidelines issued by the Charity Commission.

**The Trustees**

The Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

Lord Puttnam CBE	President	(Stood down as a Trustee in July 2005, whilst continuing as President)
Mr David L Stanton	Chair	
Lady Crofton	Vice-Chair	
Ms Alison Richards	Vice-Chair	
Mr Brian Smith	Treasurer	
Baroness Anelay of St Johns DBE		
Dr M A Zaki Badawi KBE		(deceased 24 January 2006)
Professor Lynn Davies		(appointed July 2005)
Professor Sir David Hall		(retired July 2005)
Ms Mehr Khan Williams		
Ms Gerison Lansdown		
Mr Christopher Lovell		
Ms Sue MacGregor CBE		
Mr Bruce Mauleverer, QC		
Mr David Sibbald		
Professor Andrew Tomkins		(appointed July 2005)
Baroness Walmsley		
Baroness Whitaker		

**The United Kingdom Committee for UNICEF**  
**Report of the Trustees**  
**For the year ended 31 December 2005**

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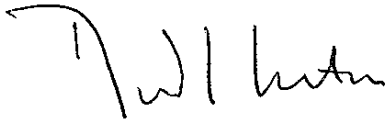
Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2005 was 16 (2004 – 18).

The Trustees have no beneficial interest in the group or charity.

**Auditors**

Sayer Vincent was appointed as the group and charity's auditors during the year and expressed their willingness to continue in that capacity.

Approved by the Board of Trustees on 16 May 2006 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'D L Stanton', is written over a horizontal line.

David L Stanton  
Chairman

## **The Independent Auditor's Report To the Members of the United Kingdom Committee for UNICEF**

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We have audited the group and parent charitable company financial statements (the "financial statements") of The United Kingdom Committee for UNICEF for the year ended 31 December 2005, which comprise the consolidated statement of financial activities, balance sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005).

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and 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 the trustees and auditors**

The trustees (who are also directors of The United Kingdom Committee for UNICEF for the purposes of company law) are responsible for preparing the annual report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005). The responsibilities of the trustees are set out in the statement of responsibilities of the trustees.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 annual report of the trustees is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the trustees' remuneration and other transactions is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the report of the trustees, the chair's report and the treasurer's report. 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 any other information.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**The Independent Auditor's Report  
To the Members of the United Kingdom Committee for UNICEF**

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It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of financial statements, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations that 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, in accordance with United Kingdom Generally Accepted Accounting Practice, as modified by the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005), of the state of the group's and charitable company's affairs as at 31 December 2005 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



**SAYER VINCENT**  
Chartered Accountants  
and Registered Auditor

26 May 2006

**The United Kingdom Committee for UNICEF**

**Consolidated statement of financial activities**  
(incorporating an income and expenditure account)

**For the year ended 31 December 2005**

	Notes	Unrestricted £'000	Restricted £'000	2005 Total £'000	2004 Total £'000
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	11,378	39,201	<b>50,579</b>	25,408
Government grants	3	-	7,592	<b>7,592</b>	7,559
UNICEF development programmes	11	-	854	<b>854</b>	768
UNICEF cards and gift sales	4	2,434	-	<b>2,434</b>	2,438
Investment income		325	-	<b>325</b>	203
<i>Incoming resources from charitable activities:</i>					
Advocacy programmes		39	570	<b>609</b>	632
<b>Total incoming resources</b>		<b>14,176</b>	<b>48,217</b>	<b>62,393</b>	<b>37,008</b>
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income	5	(3,758)	(5,448)	<b>(9,206)</b>	(7,853)
UNICEF development programmes	11	-	(854)	<b>(854)</b>	(768)
UNICEF cards and gifts costs	4	(1,140)	-	<b>(1,140)</b>	(1,229)
		(4,898)	(6,302)	<b>(11,200)</b>	(9,850)
<i>Charitable activities</i>					
Core UNICEF programmes	6	(5,823)	-	<b>(5,823)</b>	(4,108)
Specific UNICEF programmes	6,8	-	(41,345)	<b>(41,345)</b>	(20,301)
Advocacy programmes	6,7	(2,686)	(573)	<b>(3,259)</b>	(2,536)
		(8,509)	(41,918)	<b>(50,427)</b>	(26,945)
Governance costs	6	(364)	-	<b>(364)</b>	(323)
<b>Total resources expended</b>		<b>(13,771)</b>	<b>(48,220)</b>	<b>(61,991)</b>	<b>(37,118)</b>
<b>Net movement in funds before transfers</b>		<b>405</b>	<b>(3)</b>	<b>402</b>	<b>(110)</b>
<b>Net transfer between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds after transfers</b>		<b>405</b>	<b>(3)</b>	<b>402</b>	<b>(110)</b>
Funds at the start of the year		<b>650</b>	<b>109</b>	<b>759</b>	<b>869</b>
<b>Funds at the end of the year</b>		<b>1,055</b>	<b>106</b>	<b>1,161</b>	<b>759</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 18 to the financial statements.

**The United Kingdom Committee for UNICEF**

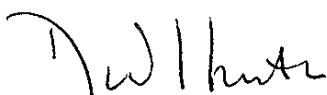
**Balance sheets**

**31 December 2005**

	Note	The group		The committee	
		2005 £'000	2004 £'000	2005 £'000	2004 £'000
<b>Fixed assets</b>					
Tangible fixed assets	13	324	368	324	368
Investments	14	-	-	20	20
		<u>324</u>	<u>368</u>	<u>344</u>	<u>388</u>
<b>Current assets</b>					
Debtors	15	1,560	1,771	1,729	2,092
Cash at bank and in hand		<u>7,457</u>	<u>4,925</u>	<u>7,268</u>	<u>4,584</u>
		9,017	6,696	8,997	6,676
<b>Creditors: amounts due within one year</b>					
Creditors and accrued charges	16	1,535	1,038	1,535	1,038
Amounts due to UNICEF		<u>6,645</u>	<u>5,267</u>	<u>6,645</u>	<u>5,267</u>
		<u>8,180</u>	<u>6,305</u>	<u>8,180</u>	<u>6,305</u>
<b>Net current assets</b>		<u>837</u>	<u>391</u>	<u>817</u>	<u>371</u>
<b>Net assets</b>	17	<u>1,161</u>	<u>759</u>	<u>1,161</u>	<u>759</u>
<b>Funds</b>	18				
<b>Unrestricted funds</b>					
General funds		500	550	500	550
Designated funds - Emergency Reserve		500	100	500	100
- Other		55	-	55	-
<b>Restricted funds</b>		<u>106</u>	<u>109</u>	<u>106</u>	<u>109</u>
<b>Total funds</b>		<u>1,161</u>	<u>759</u>	<u>1,161</u>	<u>759</u>

The notes on pages 26 to 37 form part of these financial statements.

These financial statements were approved by the Trustees on 16 May 2006 and were signed on their behalf by:



**David L. Stanton**  
Chairman



**Brian Smith**  
Treasurer



**The United Kingdom Committee for UNICEF**

**Consolidated cash flow statement**

**For the year ended 31 December 2005**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net incoming / (outgoing) resources for the year</b>	<b>402</b>	<b>(110)</b>
Interest received	(325)	(203)
Depreciation of tangible fixed assets	201	204
Decrease / (increase) in debtors	211	1,503
(Decrease) / increase in creditors	<u>1,875</u>	<u>(56)</u>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>2,364</b>	<b>1,338</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	325	203
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(157)	(247)
<b>Increase / (decrease) in cash</b>	<u><b>2,532</b></u>	<u><b>1,294</b></u>
<b>Reconciliation of net cash flow to movement in net cash</b>		
	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Increase / (decrease) in cash	2,532	1,294
Net cash at 1 January	<u>4,925</u>	<u>3,631</u>
<b>Net cash at 31 December</b>	<u><b>7,457</b></u>	<u><b>4,925</b></u>

## The United Kingdom Committee for UNICEF

### Notes to the financial statements

#### For the year ended 31 December 2005

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##### 1. Accounting policies

###### a) Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in March 2005, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

###### b) Basis of consolidation

UNICEF UK Enterprises Limited is a subsidiary undertaking of UNICEF UK as defined in the SORP and therefore all its transactions have been accounted for gross in these financial statements.

###### c) Incoming resources and resources expended

All income and expenditure is shown in the Statement of Financial Activities.

###### Incoming resources

All incoming resources are included in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Legacy income is recognised when it becomes reasonably certain that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability. Grants are recognised in full in the SOFA in the year in which they are receivable. The value of services provided by volunteers has not been included.

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. Restricted funds are to be used for specific purposes as laid down by the donor.

###### Costs of Generating Funds

Resources expended are accounted for on an accruals basis. They include attributable VAT, which cannot be recovered. Costs of generating funds comprise those operational costs directly attributable to fundraising and sales of UNICEF cards and gifts. These include direct costs, which are allocated on an actual basis to the relevant expense heading, salaries and other overhead expenses. Added to this is an allocation (based on space, usage or time spent) of the salaries and overhead costs of support:

Fundraising	58%
Cards and Gifts	6%
Advocacy Programmes	26%
Governance	10%

###### Charitable Expenditure

Charitable expenditure is the cost of activities carried out by UNICEF UK in the furtherance of its objectives and includes the funds sent to programmes to benefit children:

Core UNICEF programmes are financed by unearmarked (unrestricted) donations which are used for UNICEF general programmes such as immunisation and education.

## The United Kingdom Committee for UNICEF

### Notes to the financial statements

#### For the year ended 31 December 2005

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##### 1. Accounting policies (continued)

Specific UNICEF programmes are specific project or country programmes, chosen by UNICEF UK or its donors.

Advocacy programmes are UNICEF UK's advocacy and education programmes in the UK, including those of the Baby Friendly Initiative.

Governance costs are incurred in the general running of the charity to provide the governance structure which allows the charity to operate and generate the information required for public accountability. These costs include the strategic planning process, external audit, costs relating to trustee meetings and legal advice for trustees. Also included is an allocation of indirect costs involved with supporting the governance activities.

##### d) Tangible fixed assets

Fixed assets are shown at cost less depreciation. Individual fixed assets costing £1,000 or more are capitalised at cost.

Depreciation is calculated so as to write off the cost of fixed assets on a straight line basis over their estimated useful lives as follows:

Leasehold property	20%
Office equipment	20%
Computer hardware	33 $\frac{1}{3}$ %

##### e) Grants

Included in the UNICEF UK accounts are contributions from DFID, Jersey, Guernsey and the Isle of Man. The DFID contributions are those to humanitarian emergencies in which UNICEF UK was active in 2005 both in discussions with DFID and in raising public awareness and funds.

The UK Government also made other contributions to UNICEF HQ which are not shown in UNICEF UK's accounts on the basis that the above criteria were not met.

##### f) Pensions

The charity operates two defined contribution pension schemes. The assets of the schemes are held separately from the charity in independently administered funds. The charge in the SOFA is the amount of contributions payable to the pension scheme in respect of the accounting period.

##### g) Rental

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

# **The United Kingdom Committee for UNICEF**

## **Notes to the financial statements**

**For the year ended 31 December 2005**

### **1. Accounting policies (continued)**

#### **h) Foreign currency**

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date.

### **2. Voluntary income**

	Unrestricted £'000	Restricted £'000	2005 Total £'000	2004 Total £'000
Direct marketing	7,356	14,669	22,025	14,837
Change for Good	-	3,403	3,403	1,427
Check Out for Children	-	729	729	678
Corporate partnerships	520	3,677	4,197	1,581
Major supporters, charitable trusts and foundations	780	8,990	9,770	2,817
Legacies	2,120	17	2,137	1,635
Regional fundraising	595	6,799	7,394	2,022
Special events	-	765	765	278
"Inspired Gifts" donations	-	152	152	-
Other fundraising	7	-	7	133
<b>Total</b>	<b>11,378</b>	<b>39,201</b>	<b>50,579</b>	<b>25,408</b>

### **3. Government grants**

	2005 Total £'000	2004 Total £'000
The Department for International Development (DFID)	7,420	7,267
The States of Guernsey & Jersey and the Isle of Man	172	292
<b>Total</b>	<b>7,592</b>	<b>7,559</b>

All government grants are treated as restricted funds.

### **4. UNICEF cards and gifts**

	2005 Total £'000	2004 Total £'000
Sales of UNICEF cards and gifts	2,125	2,170
Donations with orders	309	268
<b>Total</b>	<b>2,434</b>	<b>2,438</b>
Less: Costs of selling UNICEF cards and gifts		
Staff costs	(152)	(208)
Direct costs	(770)	(890)
Support costs	(218)	(131)
	<b>(1,140)</b>	<b>(1,229)</b>
	<b>1,294</b>	<b>1,209</b>

All income from the sales of cards and gifts is treated as being unrestricted.

The United Kingdom Committee for UNICEF

Notes to the financial statements

For the year ended 31 December 2005

5. Fundraising costs

	Staff costs	Direct costs	Support costs (note9)	2005 Total	2004 Total
	£'000	£'000	£'000	£'000	£'000
Direct marketing	306	4,412	873	5,591	4,758
Change for Good	40	298	87	425	417
Check Out for Children	21	144	44	209	224
Corporate partnerships	223	191	175	589	421
Special events	53	115	87	255	201
Major supporters, charitable trusts and foundations	218	120	217	555	446
Regional fundraising	494	343	567	1,404	1,252
Legacies	36	98	44	178	134
Total	1,391	5,721	2,094	9,206	7,853

6. Charitable expenditure

	Staff costs	Direct costs	Support costs (note9)	2005 Total	2004 Total
	£'000	£'000	£'000	£'000	£'000
Core UNICEF programmes	-	5,823	-	5,823	4,108
Specific UNICEF programmes (note 8)	-	41,345	-	41,345	20,301
Advocacy programmes (note 7)	1,490	809	960	3,259	2,536
Governance costs	174	190	-	364	323
Total	1,664	48,167	960	50,791	27,268

The direct costs of core programmes and specific programmes are transfers to UNICEF. Specific programme transfers are detailed in note 8.

7. Advocacy programmes

	Staff costs	Direct costs	Support costs (note9)	2005 Total	2004 Total
	£'000	£'000	£'000	£'000	£'000
Development education	387	257	175	819	666
Baby Friendly Initiative	346	340	173	859	742
Management of information resources	261	(15)	175	421	349
Communication of UNICEF's programmes	241	6	175	422	363
Management of high profile supporters	90	122	87	299	123
Campaign and parliamentary work	165	99	175	439	293
Total	1,490	809	960	3,259	2,536

The United Kingdom Committee for UNICEF

Notes to the financial statements

For the year ended 31 December 2005

8. Supplementary programmes

£41,345,000 was transferred for supplementary programmes (2004: £20,301,000). The main components of expenditure are identified below:

	2005 £'000	2004 £'000
Emergency relief	27,007	12,445
Child protection	2,517	2,581
Health including immunisation	2,557	2,173
Water and sanitation	723	948
Education	3,871	630
HIV/AIDS	494	600
Early childhood development	3,657	447
Other	519	477
	<b>41,345</b>	<b>20,301</b>

9. Support costs

	Fundraising and sales costs	Advocacy programmes	Governance	2005 Total	2004 Total
	£'000	£'000	£'000	£'000	£'000
Finance	365	152	57	574	498
Information technology	324	135	51	510	513
People and development	221	92	35	348	222
Office management	545	226	86	857	844
Support services	552	229	87	868	696
Directorate	305	126	48	479	451
	<b>2,312</b>	<b>960</b>	<b>364</b>	<b>3,636</b>	<b>3,224</b>

	Staff costs	Other costs	2005 Total	2004 Total
	£'000	£'000	£'000	£'000
Finance	177	397	574	498
Information technology	227	283	510	513
People and development	310	38	348	222
Office management	119	738	857	844
Support services	600	268	868	696
Directorate	307	172	479	451
	<b>1,740</b>	<b>1,896</b>	<b>3,636</b>	<b>3,224</b>

**The United Kingdom Committee for UNICEF**

**Notes to the financial statements**

**For the year ended 31 December 2005**

**10. Staff costs**

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2005 No.	2004 No.
Fundraising	77	68
Advocacy programmes	61	51
Support and governance	13	12
	<u>151</u>	<u>131</u>

Staff costs were as follows:

	2005 £'000	2004 £'000
Salaries and wages	3,920	3,141
Social security costs	362	314
Pension contributions	181	169
Total salaries' costs	<u>4,463</u>	<u>3,624</u>
Other staff costs	<u>310</u>	<u>282</u>
Total staff Costs	<u>4,773</u>	<u>3,906</u>
Total emoluments paid to staff were:	<u>4,101</u>	<u>3,310</u>

	No.	No.
Employees with emoluments over £50,000 were as follows:		
£70,001 - £80,000	1	1
£50,001 - £60,000	2	1

There were 3 Directors in the year (2004: 2 Directors) with emoluments over £50,000 who accrued retirement benefits under the charity's defined contribution scheme(s).

**Pension and retirement benefits**

The charity operates two defined contribution pension schemes with Scottish Mutual and NPI. The pension cost charge for the period represents contributions payable to the schemes and amounted to £181,000 (2004: £169,000).

There were £nil outstanding contributions at the end of the financial year (2004: £nil).

# The United Kingdom Committee for UNICEF

## Notes to the financial statements

For the year ended 31 December 2005

### 11. UNICEF fundraising development programme

Expenditure on trading activities and fundraising is undertaken with the following financial support provided by UNICEF Headquarters for market development, research and development, and fundraising development programmes.

	2005 £'000	2004 £'000
Market development programme		
Greeting card operation	197	179
Research and development programme		
Donor recruitment	56	59
Fundraising development programme		
Donor recruitment	601	530
	<u>854</u>	<u>768</u>

#### Movements on UNICEF development programme funds

	Market development programme £'000	Research and development programme £'000	Fundraising development programme £'000	2005 £'000	2004 £'000
At the start of the year	218	76	84	378	425
Funding received	<u>197</u>	<u>56</u>	<u>601</u>	<u>854</u>	<u>768</u>
Funding available	415	132	685	1,232	1,193
Funding utilised	<u>(197)</u>	<u>(56)</u>	<u>(601)</u>	<u>(854)</u>	<u>(815)</u>
At the end of the year	<u>218</u>	<u>76</u>	<u>84</u>	<u>378</u>	<u>378</u>

The balance at the end of the year is included under 'Amounts due to UNICEF' in the balance sheet.



**The United Kingdom Committee for UNICEF**

**Notes to the financial statements**

**For the Year Ended 31 December 2005**

**12. Net incoming resources for the year**

This is stated after charging:

	2005 £'000	2004 £'000
Depreciation	201	204
Trustees' reimbursed expenses	5	4
Trustees' remuneration	Nil	Nil
Auditors' remuneration:		
▪ Audit	21	21
▪ Other services	-	16
Operating lease rentals:		
▪ Property	463	440
Loss on foreign exchange	-	3
	<u>          </u>	<u>          </u>

**13. Tangible fixed assets**

**The Committee and Group**

	Short leasehold property £'000	Office equipment £'000	Computer hardware £'000	Totals £'000
<b>Cost</b>				
At the start of the year	333	376	600	1,309
Additions in the year	-	19	138	157
	<u>333</u>	<u>395</u>	<u>738</u>	<u>1,466</u>
At the end of the year				
<b>Depreciation</b>				
At the start of the year	286	246	409	941
Charge for the year	14	64	123	201
	<u>300</u>	<u>310</u>	<u>532</u>	<u>1,142</u>
At the end of the year				
<b>Net book value</b>				
At 31 December 2005	<u>33</u>	<u>85</u>	<u>206</u>	<u>324</u>
At 1 January 2005	<u>47</u>	<u>130</u>	<u>191</u>	<u>368</u>

# **The United Kingdom Committee for UNICEF**

## **Notes to the financial statements**

### **For the Year Ended 31 December 2005**

#### **14. Fixed asset investment**

The charitable company (UNICEF UK) owns the whole of the issued ordinary share capital of the subsidiary (UNICEF UK Enterprises Limited), a company registered in England and Wales:

	2005 £'000	2004 £'000
20,000 £1 ordinary shares UNICEF UK Enterprises Limited at cost	<u>20</u>	<u>20</u>

UNICEF UK Enterprises Limited is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are covenanted to UNICEF UK. A summary of the results of the subsidiary is shown below:

#### **Summary profit and loss account (UNICEF UK Enterprises Ltd)**

	2005 £'000	2004 £'000
Turnover	953	387
Cost of sales	<u>(29)</u>	<u>-</u>
Gross profit	924	387
Administrative expenses	(21)	(21)
Interest receivable	<u>6</u>	<u>4</u>
Operating profit / (loss)	909	370
Amount covenanted to the charity	<u>(909)</u>	<u>(370)</u>
Retained in the subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Current assets	446	599
Creditors: amounts falling due within one year	<u>(426)</u>	<u>(579)</u>
Total net assets	<u>20</u>	<u>20</u>
Aggregate share capital and reserves	<u>20</u>	<u>20</u>

**The United Kingdom Committee for UNICEF**

**Notes to the financial statements**

**For the Year Ended 31 December 2005**

**15. Debtors**

	<b>The group</b>		<b>The committee</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	972	607	972	607
Other debtors	588	1,164	331	906
Amounts due from subsidiary undertaking	-	-	426	579
	<u>1,560</u>	<u>1,771</u>	<u>1,729</u>	<u>2,092</u>

**16. Creditors and accrued charges**

	<b>The group</b>		<b>The committee</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	298	122	298	122
Other creditors and accruals	1,237	916	1,237	916
	<u>1,535</u>	<u>1,038</u>	<u>1,535</u>	<u>1,038</u>

**17. Analysis of group net assets between funds**

	<b>General funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Tangible fixed assets	324	-	-	324
Net current assets	176	555	106	837
<b>Net assets at the end of the year</b>	<u>500</u>	<u>555</u>	<u>106</u>	<u>1,161</u>

The United Kingdom Committee for UNICEF

Notes to the financial statements

For the Year Ended 31 December 2005

18. Movements in funds

	At the start of the year £'000	Total income £'000	Total expenditure £'000	At the end of the year £'000
<b>Unrestricted funds:</b>				
General funds	550	13,721	(13,771)	500
<i>Designated funds:</i>				
IT Projects Fund	-	55	-	55
Emergency fund	100	400	-	500
<i>Total designated funds</i>	100	455	-	555
<b>Total unrestricted</b>	<b>650</b>	<b>14,176</b>	<b>(13,771)</b>	<b>1,055</b>
<b>Restricted funds:</b>				
Supplementary programmes	-	46,793	(46,793)	-
Advocacy programmes	109	570	(573)	106
UNICEF development programmes	-	854	(854)	-
<b>Total restricted funds</b>	<b>109</b>	<b>48,217</b>	<b>(48,220)</b>	<b>106</b>
<b>Total funds</b>	<b>759</b>	<b>62,393</b>	<b>(61,991)</b>	<b>1,161</b>

Purposes of funds

The general unrestricted fund of £500,000 is to finance the purchase of fixed assets and working capital for current needs.

The designated Emergency fund of £500,000 is held to enable rapid transfers to be made to UNICEF HQ for immediate needs before appeals are made to donors and funds received in response to those emergency appeals.

Restricted funds are used for specific purposes as laid down by the donor. £106,000 is a restricted fund retained for expenditure on 2005/6 programmes. It is specifically for the Baby Friendly Initiative to project manage an Interagency Group on Breastfeeding Monitoring (IGBM) in four African countries.

UNICEF development programme funds are provided by UNICEF headquarters for market development, research and development and fundraising development programmes.

**The United Kingdom Committee for UNICEF**

**Notes to the financial statements**

**For the Year Ended 31 December 2005**

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**19. Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary UNICEF UK Enterprises Ltd covenants available profits to the charity. There was no charge to corporation tax in 2005.

**20. Annual review**

The figures disclosed in these financial statements are included, in summary, in the annual review of UNICEF UK, which gives details of the support to UNICEF programmes provided by UNICEF UK and detailed narrative analysis of the charity's activities during the year.

Copies of the annual review may be obtained from:

UNICEF UK  
The Helpdesk  
Kingfisher House  
2 Woodbrook Crescent  
Billerica  
Essex  
CM12 0EQ.

Telephone 0870 606 3377.  
Email: [helpdesk@unicef.org.uk](mailto:helpdesk@unicef.org.uk)