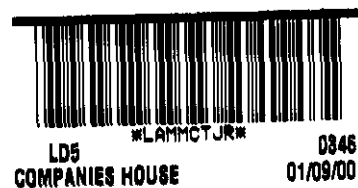


## **CHILDREN'S PROMISE**

Registered Charity No. 1073761

Registered Company No. 3664126

**Report and financial statements  
for the period from 3<sup>rd</sup> November 1998  
to 31<sup>st</sup> March 2000**



# **CHILDREN'S PROMISE**

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# **CHILDREN'S PROMISE**

## **Legal and Administrative Information**

### **Trustees**

Clara Freeman (Chair)	Appointed 1 <sup>st</sup> December 1998
Roger Aldridge OBE	Appointed 1 <sup>st</sup> December 1998 (Resigned 19 <sup>th</sup> May 2000)
Cheri Lofland	Appointed 25 <sup>th</sup> July 2000
Dame Margaret Booth	Appointed 5 <sup>th</sup> April 1999
Liam Kane	Appointed 1 <sup>st</sup> December 1998
Niels de Vos	Appointed 1 <sup>st</sup> December 1998

Robert Ivens (Company Secretary)

### **Principal Office**

Gate 1  
Drawdock Road  
Greenwich  
London SE10 0AX

### **Registered Office**

Michael House  
Baker Street  
London W1U 8EP

### **Solicitors**

Bates, Wells & Braithwaite  
138 Cheapside House  
London EC2V 6BB

### **Bankers**

HSBC Bank plc  
90 Baker Street  
London W1N 2AX

### **Honorary Auditors**

PricewaterhouseCoopers  
1 Embankment Place  
London WC2N 6NN

### **Investment Manager**

Scottish Widows Investment Partnership Ltd  
10 Fleet Place  
London EC4M 7RH

# **CHILDREN'S PROMISE**

## **Trustees' Report for the period ended 31<sup>st</sup> March 2000**

The Trustees of Children's Promise, who are also Directors for Companies Act purposes, present their first report and audited financial statements for the period from 3<sup>rd</sup> November 1998 to 31<sup>st</sup> March 2000.

### **Origin of the Appeal**

Children's Promise ("the Appeal") is a shared vision of Marks and Spencer p.l.c. ("Marks & Spencer") and the New Millennium Experience Company Limited ("NMEC"). It aims to form a unique alliance of children's charities behind a shared promise to the children of the next millennium – a promise to give every child the basic right to enjoy happy, healthy, safe and fulfilling lives. The Company was incorporated on 3<sup>rd</sup> November 1998 and is registered in the United Kingdom as a charity, number 1073761, and a registered company, number 3664126. A subsidiary trading company, Children's Promise Trading Limited, was incorporated on 26 November, 1999.

### **Objectives of the Appeal**

The Charity's objects are to 'advance any purpose which is exclusively charitable under the laws of England and Wales which relates to children and young persons at the Trustees' absolute discretion'.

These objects have been fulfilled by Children's Promise seeking to:

- ◆ maximise fundraising by inviting everyone in the UK to donate the value of their final hour's earnings of the last millennium
- ◆ maximise donations through payroll giving
- ◆ encourage those not at work (pensioners, students etc) to make an equivalent final hour donation
- ◆ raise awareness of Children's Promise through advertising, PR and Marks & Spencer in-store promotion
- ◆ establish and deliver simple and accessible ways of giving
- ◆ leave a legacy.

### **Review of Activities**

Children's Promise is a unique private, public and voluntary sector partnership – a once in a lifetime opportunity to help create a better future for the children of the new millennium. Seven of the UK's major charities that work with children (Barnardos, BBC Children In Need, ChildLine, The Children's Society (working with Aberlour Child Care Trust in Scotland, and EXTERN in Northern Ireland), Comic Relief, NCH Action For Children and NSPCC (working with CHILDREN 1<sup>st</sup> in Scotland), will receive an equal amount of monies raised through the Appeal which will fund a wide range of children's projects and charities in the UK and overseas. The registered offices of these charities are shown on Pages 20 and 21 of the accounts.

### **Fundraising**

Between January and September 1999, the emphasis was on encouraging companies and organisations to adopt Children's Promise as their millennium appeal and to enable their employees to donate one hour's earnings through payroll giving schemes. Some 5,600 companies supported Children's Promise through this route.

# CHILDREN'S PROMISE

## Trustees' Report

### for the period ended 31<sup>st</sup> March 2000 (continued)

Between September and December 1999, the Appeal concentrated on recruiting as many individual donors as possible. This was achieved by increasing awareness of the Appeal through television and print advertising and numerous strong stories in the regional and national press. The BBC's quiz game *2000 to 1* played an important role in raising awareness of the Appeal as well as generating donations. During this period, promotions at banks and building societies encouraged donations at counters.

Marks & Spencer played a major role in promoting the Appeal on their carrier bags, lorries and in their customer magazine. In addition to bold in-store promotion, the company offered their customers the opportunity to donate at store tills. For those customers with Marks & Spencer chargecard accounts, special arrangements were made for them to donate to the Appeal via deductions from their account. A range of merchandise was sold with a percentage of the profits directed to Children's Promise.

A Children's Promise "Golden Envelope" was distributed to all Post Offices and many postal workers voluntarily distributed these to households. Marks & Spencer Financial Services processed the cheques and postal orders that were received with the Golden Envelope.

#### (i) *Commercial Participator Agreements*

Children's Promise entered into a number of Commercial Participator Agreements with third parties resulting in additional fundraising from donations of proceeds from the sale of products or services. The Trustees would like to thank all those companies who arranged to produce merchandising in support of Children's Promise.

#### (ii) *Gifts in Kind*

The Appeal benefited from overheads paid for by gifts in kind. Where an equivalent financial value of these gifts in kind has been assessed and identified they have been included within the financial statements. The Trustees particularly would like to thank Marks & Spencer, NMEC and PricewaterhouseCoopers for the support they have provided to Children's Promise.

Children's Promise has also benefited from gifts in kind from the BBC, the Post Office, HSBC, Waddington & Ledger Ltd, ICL, Peterborough Software UK Limited and Rebus Human Resource Services Ltd. These organisations have provided broadcast, distribution, banking, printing, internet and payroll software services to the Appeal. The Trustees would like to thank these organisations for their support. The value of these benefits has not been included in the accounts as it is not practicable to quantify them.

#### (iii) *Voices of Promise*

The Voices of Promise initiative, supported by Marks & Spencer and part of NMEC's Learning Experience, was a part of Children's Promise enabling thousands of children and young people to compose and perform a song for the new millennium. 7,000 schools registered and 2,000 schools composed songs. The 22 finalists recorded their songs on CD and performed in concert at the Dome. The CDs are on sale in Marks & Spencer stores and at the Dome with all profits going to the Children's Promise Appeal.

## **CHILDREN'S PROMISE**

### **Trustees' Report for the period ended 31<sup>st</sup> March 2000 (continued)**

#### *(iii) Voices of Promise (continued)*

From January to March 2000, donations were collected, donor details were processed and thank you certificates were mailed to those companies whose employees donated to the Appeal.

The Trustees wish to record their gratitude to the members of the public and companies who have contributed so generously.

#### ***Distribution of Appeal Proceeds***

The Trustees will distribute the proceeds of the Appeal to the seven participating charities quarterly, commencing on 31<sup>st</sup> March 2000. All Appeal proceeds will have been distributed by 31<sup>st</sup> March 2001. These organisations represent some of the UK's leading charities which work with children. Together they will share knowledge and expertise in order to increase the overall impact of Children's Promise throughout the UK and overseas.

#### **Governance**

The Company was incorporated on 3<sup>rd</sup> November 1998. The charity is constituted under a Trust Deed dated 3<sup>rd</sup> November 1998.

#### ***Trustees during the period***

Clara Freeman (Chair)	Marks & Spencer
Roger Aldridge OBE	Marks & Spencer
Dame Margaret Booth	
Liam Kane	NMEC
Neils de Vos	NMEC

Two Trustees are appointed by Marks & Spencer and two Trustees are appointed by NMEC. A further independent Trustee is appointed by the seven beneficiary charities. There are no restrictions to the period of office.

#### ***Investment Sub-Committee***

The Trustees established an Investment Sub-Committee to be responsible for developing and implementing Children's Promise's investment policies in accordance with the decisions of the Trustees; making recommendations concerning priorities and criteria for investments; making recommendations concerning the appointment of the Investment Advisors and Managers; keeping the performance of Investment Managers under review in accordance with the contractual arrangements and reporting the outcome to the Trustees.

#### **Membership**

At least one Marks & Spencer appointed Trustee  
At least one NMEC appointed Trustee  
Dame Margaret Booth

# **CHILDREN'S PROMISE**

## **Trustees' Report**

**for the period ended 31<sup>st</sup> March 2000 (continued)**

### ***The Steering Group***

The Trustees appointed a management steering group to advise the Trustees on the Millennium Final Hour Appeal and to make recommendations on strategy. Scotland and Northern Ireland have their own advisory groups which feed into the UK Steering Group.

### **Membership**

At least one senior representative from each of the beneficiary charities, NMEC and Marks & Spencer.

### ***Investments***

The Trustees are empowered to 'invest and deal with the Charity's money not immediately required for its objects in or upon any investments, securities, or property'.

The Trustees instructed the Investment Managers to invest in a number of fixed and/or floating rate, low risk securities. The managers were further informed that the main aim of the fund was to preserve its capital value whilst also maximising available returns. Further to this, liquidity was also stated as a key requirement, in order to allow Children's Promise to be able cover its scheduled disbursements whilst also being able to react to any possible changes in disbursement dates.

Included within permitted investments are bank and building society deposits, certificates of deposit, UK gilt edged stocks along with medium term floating rate notes. All investments must be denominated in sterling and where fixed rate bonds are held they must be quoted on a recognised stock exchange. The maximum holding allowed in any one institution is 10% of the total value of the fund, with the exception of UK government securities. The maturity limit set for any investment is December 2001.

### **Advisors**

The names and addresses of the advisors to Children's Promise are shown on page 3.

### **Group Structure**

Children's Promise and its wholly owned subsidiary company, Children's Promise Trading Limited comprise "the Group". Children's Promise carries out the charitable activities and the trading activities are operated through Children's Promise Trading Limited.

### **Review of Transactions and Financial Position**

Children's Promise received income during the period amounting to £22.2million including monetary donations of £17.3million. Monetary donations can be split into several streams. The success of the payroll giving campaign was shown with the receipt of £7.7million. Donations generated through Marks & Spencer, at their till points, with Marks & Spencer chargecards and through the sale of Children's Promise merchandise amounted to £2.5million. The Golden Envelope encouraged £1.7million donations and £1.1million was received through donations given over the Children's Promise donation telephone line. Income raised through commercial participator agreements amounted to £500,000. Funds continue to be received both from payroll giving and from individual donors. The Trustees are therefore confident that the fundraising total will grow.

# **CHILDREN'S PROMISE**

## **Trustees' Report**

**for the period ended 31<sup>st</sup> March 2000 (continued)**

### **Review of Transactions and Financial Position (continued)**

The Trustees would like particularly to express their thanks to Sir Cliff Richard who donated £1 million from the royalties of his Christmas single Millennium Prayer and the profits from his New Year's Eve concert in Birmingham.

In line with Children's Promise Agreements with the partnership charities, all monetary donations received by Children's Promise are payable to the seven participating charities in line with an agreed timetable. Initial payment amounting to 35% of the monetary donations received was made in early April 2000. Further distribution of grants will be made in line with the agreement with the participating charities with all funds received prior to 31 March 2000 being distributed before 31

December 2000.

The Consolidated net assets at 31<sup>st</sup> March 2000 amounted to £14,000.

### **Children's Promise overseas**

The Trustees have responded positively to requests from overseas organisations to adopt the Children's Promise objectives and branding. A Children's Promise style campaign has been launched independently from the UK in Australia, New Zealand, South Africa, Guernsey and Jersey under license from Children's Promise. These campaigns follow the UK model but the UK Trustees have no governance responsibilities.



# CHILDREN'S PROMISE

## Trustees' Report

for the period ended 31<sup>st</sup> March 2000 (continued)

### Plans for future developments

Since March 2000 following extensive consultation with the seven participating charities and a public survey conducted by MORI, the Trustees have decided to continue fundraising and run a Final Hour Appeal at the end of 2000 benefiting the existing seven participating charities. Arrangements are currently being made to bring this to fruition. The long-term future of Children's Promise is still under consideration.

### Year 2000

A programme, carried out by NMEC on the Appeal's behalf, to assess, manage and contain the risk arising from the Year 2000 issue has been in operation since 1998. This programme, which was adequately resourced and supported, reduced the residual risk to acceptable limits on what was a crucial time for the Appeal. The Trustees are pleased to report that, to date, the Appeal has not suffered any problems and that monitoring of the system will continue.

### Trustees' Responsibilities

The Trustees are required by the Companies Act 1995 to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the charity as at the end of the financial period and of the resources received and expended by Children's Promise for that period.

The Trustees confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 31<sup>st</sup> March 2000. The Trustees also confirm that applicable United Kingdom accounting standards have been followed and that it is appropriate for the financial statements to be prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records, for safeguarding the assets of Children's Promise and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

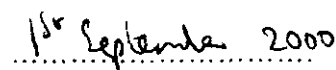
### Auditors

The Trustees appointed PricewaterhouseCoopers to be the first Auditors to Children's Promise. PricewaterhouseCoopers have indicated their willingness to continue in office.

### On behalf of the Trustees



Trustee



Date

CHILDREN'S PROMISE

# **CHILDREN'S PROMISE**

**Period ended 31 March 2000**

## **Report of the auditors to the members of Children's Promise Limited**

We have audited the financial statements on pages 10 to 21.

### **Respective responsibilities of directors and auditors**

The directors who also act as trustees for the charitable activities of Children's Promise Limited are responsible for preparing the Annual Report. As described on page 8, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company or group 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 directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and group'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 the group at 31 March 2000 and of the net incoming resources and cash flows of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**London**

**1 September 2000**

**Children's Promise Limited**

**Consolidated Statement of Financial Activities  
for the period ended 31 March 2000**

	Notes	Restricted Funds -Charitable Grants £000	Restricted Funds -Operational £000	Unrestricted Funds £000	Total Funds £000
<b>Income and Expenditure</b>					
<b>Incoming Resources</b>					
Donations & Gifts	2	17,304	4,670	-	21,974
Investment Income	3	-	-	140	140
Net Income of Trading Subsidiary	9	41	-	-	41
<b>Total Incoming Resources</b>		<b>17,345</b>	<b>4,670</b>	<b>140</b>	<b>22,155</b>
<b>Resources Expended</b>					
Direct Charitable Expenditure	4	17,345	-	-	17,345
Fundraising & Publicity	5	-	4,081	66	4,147
Management & Administration	6	-	589	60	649
<b>Total Resources Expended</b>		<b>17,345</b>	<b>4,670</b>	<b>126</b>	<b>22,141</b>
<b>Net Outgoing resources before transfers</b>		<b>-</b>	<b>-</b>	<b>14</b>	<b>14</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Outgoing resources</b>		<b>-</b>	<b>-</b>	<b>14</b>	<b>14</b>
<b>Funds brought forward</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2000</b>		<b>-</b>	<b>-</b>	<b>14</b>	<b>14</b>

All of the Charity's income and expenditure is derived from continuing activities, which commenced during the period.

The Group has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.


There is no difference between the net movement in funds stated above, and its historical cost equivalent.

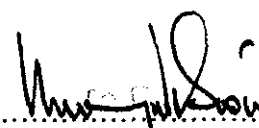
**Children's Promise Limited**

**Balance Sheet at 31 March 2000**

	Notes	Group £000	Charity £000
<b>Fixed Assets</b>			
Investment in subsidiary undertaking	9	-	-
<b>Current Assets</b>			
Investment deposits	10	7,842	7,842
Debtors	11	2,340	2,340
Cash		7,566	7,564
		<u>17,748</u>	<u>17,746</u>
Creditors: amounts falling due within one year	12	(17,734)	(17,732)
<b>Net Assets</b>		<u><u>14</u></u>	<u><u>14</u></u>
<b>Funds</b>			
Unrestricted Funds		14	14
Restricted Funds	13	-	-
		<u><u>14</u></u>	<u><u>14</u></u>

The financial statements on page 10 to 21 were approved by the trustees on 31<sup>st</sup> August 2000 and were signed on their behalf by:

  
.....  
Trustee

  
.....  
Trustee

**Children's Promise Limited**

**Consolidated cash flow statement  
for the period ended 31 March 2000**

	£000	£000
<b>Cash flow from operating activities</b>		
Net outgoing resources before transfers	14	
Investment Income	(140)	
Increase in debtors	(2,340)	
Increase in creditors	17,734	
	<hr/>	
<b>Net cash inflow from operating activities</b>		<b>15,268</b>
<b>Returns on investments and servicing of finance</b>		
Investment income received	140	
	<hr/>	
<b>Net cash inflow from returns on investments and servicing of finance</b>		<b>140</b>
<b>Capital expenditure and financial investment</b>		
Purchase of deposits	(14,493)	
Sale of deposits	6,652	
	<hr/>	
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(7,842)</b>
<b>Increase in cash</b>		<hr/> <b>7,566</b>
<b>Cash at 31 March 2000</b>		<hr/> <b>7,566</b>

**Analysis of changes in net funds**

	At 4 November 1998 £000	Cash Inflows £000	At 31 March 2000 £000
<b>Cash at bank</b>	<hr/> -	<hr/> 7,566	<hr/> 7,566

## **Children's Promise Limited**

### **Notes to the Financial Statements For the period ended 31 March 2000**

#### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice on Accounting by Charities ("SORP") issued by in October 1995. A summary of the principal accounting policies, which have been applied consistently, is set out below.

##### **Basis of Accounting**

The financial statements have been prepared in accordance with the historical cost convention.

##### **Comparative figures**

The financial statements cover the Charity's first period of operation. Consequently, no comparative figures have been presented.

##### **Basis of consolidation**

The consolidated financial statements comprise the Charity and its subsidiary undertaking, Children's Promise Trading Limited.

The result of the subsidiary undertaking is included in the consolidated statement of financial activities as "net income of trading subsidiary". The assets and liabilities of the subsidiary undertaking are combined with those of the Charity in the consolidated balance sheet on a line by line basis.

##### **Fund accounting**

Restricted Funds comprise donations to the charity which are subject to conditions imposed by the donors.

Unrestricted Funds comprise monies which may be used to meet the objectives of the Charity at the discretion of the Trustees.

##### **Donations**

Donations are included in the consolidated statement of financial activities on a cash received basis or where they are assured with certainty as receivable at the balance sheet date.

##### **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Charity is recognised in the consolidated statement of financial activities at their value to the Charity, as determined by the Trustees, in the period in which they are receivable, and where the benefit is both quantifiable and material.

Gift in Kind items have been included in the financial statements as both incoming and outgoing resources.

## **Children's Promise Limited**

### **Notes to the Financial Statements**

**For the period from ended 31 March 2000 (continued)**

#### **1. Principal accounting policies (continued)**

##### **Investment Income and Interest receivable**

Investment income and interest receivable are included in the consolidated statement of financial activities on an accruals basis.

##### **Expenditure**

Direct charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the Charity, including grants payable.

Fundraising and publicity costs comprise expenditure incurred in raising and processing donations received. It also includes an appropriate allocation of support costs.

Management and administration costs include expenditure on general administration, management and compliance with constitutional and statutory requirements. It also includes staff costs incurred in administering the charity.

Overhead costs have been allocated to the expense categories on the basis of time incurred on these activities.

##### **Grants Payable**

Grants payable are recognised in full in the period in which they are agreed and communicated to the recipient, irrespective of the period that the grant is for. This is the point at which the charity has an obligation, legal or constructive, to meet this expenditure. Grants are not dependent on any conditions being met by the recipient.

##### **Investments**

Investments in subsidiary undertakings are stated at cost less any provision for permanent diminution in value.

Current asset investments are stated at the lower of cost and net realisable value.

##### **Taxation**

The fund is a registered charity and accordingly is exempt from direct taxation on its charitable activities. Indirect taxation suffered is included in the expenditure to which it relates.

# Children's Promise Limited

## Notes to the Financial Statements

For the period from ended 31 March 2000 (continued)

### 2 Donations and gifts

	Restricted Funds -Charitable Grants £000	Restricted Funds -Operational £000
Monetary donations		-
- Payroll Giving	7,698	
- Donations via Marks and Spencer	2,471	
- Public Giving	2,363	
- Golden Envelope	1,685	
- Telephone & Internet donations	1,181	
- Cliff Richard donation	1,000	
- Other Giving	488	
- Gift Aid	418	
- Net Trading Income	41	
Donated services and gifts in kind	-	4,670
	<u>17,345</u>	<u>4,670</u>

The donated services and gifts in kind referred to above were applied to the activities of the Charity as follows:

	£000
Advertising & Public Relations	1,623
Voices of Promise Production Costs	1,151
Publications	492
Donations Processing	482
Staff Costs	414
Irrecoverable VAT	164
Agency & Other Support Costs	158
Advisory Services	70
Banking Services	43
Audit Services	30
Legal & Professional Costs	21
Investment Management Services	13
Premises Costs	9
	<u>4,670</u>

Included in the above table are Gift in Kind contributions received from Marks and Spencer plc to the value of £4,248k. Of this amount, £3,911k was provided for Fundraising and Publicity, £179k for Management and Administration and £158k for Staff Costs.

In addition, the New Millennium Experience Company provided £22k in staff costs which have been recorded as Gifts in Kind. Further to its contributions stated above Marks and Spencer provided an additional £234k in staff costs, relating to the operation of its Millennium Office Project team. These items have been accounted for as Gift in Kind.



# **Children's Promise Limited**

## **Notes to the Financial Statements** **For the period ended 31 March 2000 (continued)**

### **3 Interest Receivable**

	<b>Restricted Funds £000</b>	<b>Unrestricted Funds £000</b>	<b>Total £000</b>
Investment deposit interest	-	130	130
Bank current account interest	-	10	10
	<u>-</u>	<u>140</u>	<u>140</u>

### **4 Direct Charitable Expenditure**

<b>Grants payable</b>	<b>£000</b>
Barnardos	2,478
ChildLine	2,478
BBC Children in Need	2,478
The Children's Society	2,478
Comic Relief	2,478
NCH Action for Children	2,478
NSPCC	2,478
<b>Total</b>	<u><b>17,345</b></u>

### **5 Fundraising and publicity**

	<b>Monetary Expenditure £000</b>	<b>Donated services And gifts in kind £000</b>	<b>Total £000</b>
Advertising & public relations	-	1,623	1,623
Voices of Promise production costs	-	1,151	1,151
Publications	-	492	492
Donations processing	-	482	482
Staff costs	-	169	169
Irrecoverable VAT	-	164	164
2000-1 competition payment	66	-	66
	<u>66</u>	<u>4,081</u>	<u>4,147</u>

# Children's Promise Limited

## Notes to the Financial Statements For the period ended 31 March 2000 (continued)

### 6 Management and Administration of Fund

	Monetary Expenditure £000	Donated services And gifts in kind £000	Total £000
Staff costs	-	245	245
Agency & other support costs	-	158	158
Advisory services	-	70	70
Banking services	10	43	53
Audit services	-	30	30
Legal & professional costs	-	21	21
Asset management services	-	13	13
Premises costs	-	9	9
Other audit services	50	-	50
	<u>60</u>	<u>589</u>	<u>649</u>

### 7 Staff costs

Staff costs of the Charity during the period were as follows:

	£000
Wages and salaries	376
Social security costs	38
Total	<u>414</u>

All staff costs have been donated to the Group. Children's Promise Limited and its subsidiary have no employees.

Staff costs, analysed by function, were as follows:

	£000
Fundraising and Publicity	169
Management and Administration	245
Total	<u>414</u>

## Children's Promise Limited

### Notes to the Financial Statements For the period ended 31 March 2000 (continued)

#### 8 Trustees

No trustee received remuneration in respect of their services to the Group during the period, nor did they receive any reimbursement of expenses.

#### 9 Investment in subsidiary undertaking and Share Capital

Children's Promise Trading Limited was incorporated in the UK on the 30 November 1999. On this date Children's Promise Limited acquired 100% of the voting rights and ordinary share capital of Children's Promise Trading Limited.

	Group	Charity
	£	£
Cost at 31 March 2000	-	2

The ordinary share capital of Children's Promise Trading Limited has the following features:

- (i) No rights to dividends other than those that may be recommended by the directors.
- (ii) No redemption rights
- (iii) Unlimited right to share in the surplus remaining on a winding up after all liabilities and participation rights of other classes of shares have been satisfied
- (iv) One vote per share

Children's Promise Trading Limited's main activity is the collection of royalties due on Children's Promise branded merchandise and other income due in relation to Commercial Participator Agreements set up between the company and third parties.

The subsidiary covenanted 100% of its taxable profits to the Charity. A summary of its trading results is shown below.

Profit and Loss account	Children's Promise Trading Limited £000
Turnover	41
Cost of Sales	-
<b>Gross Profit</b>	<b>41</b>
Net operating expenses	-
<b>Net income of trading subsidiary</b>	<b>41</b>
Covenant payable	(41)
<b>Retained in subsidiaries</b>	<b>-</b>

Children's Promise Trading Limited benefited during the period from services provided by Marks and Spencer PLC, consequently the company incurred no direct expenditure. These services covered management & administration, fundraising & publicity and provision of office facilities.

## Children's Promise Limited

### Notes to the Financial Statements For the period ended 31 March 2000 (continued)

#### 10 Current Asset Investments

	<b>Group £000</b>	<b>Charity £000</b>
Cost and market value at 31 March 2000	7,842	7,842

The investments consist of a number of fixed term bank and building society deposits held with a selection of differing institutions along with certificates of deposit also issued by a variety of different institutions.

#### 11 Debtors

	<b>Group £000</b>	<b>Charity £000</b>
Accrued Income	2,340	2,299
Amounts due from subsidiary undertaking	-	41
	<b>2,340</b>	<b>2,340</b>

#### 12 Creditors: amounts falling due within one year

	<b>Group £000</b>	<b>Charity £000</b>
Grants Payable	17,345	17,345
Accruals	226	226
VAT	163	161
Investment in subsidiary unpaid	-	-
	<b>17,734</b>	<b>17,732</b>

#### 13 Restricted Funds

##### Charitable Grant

All monies received by the charity (other than retained Investment Income) are restricted in that a commitment has been made to pay 100% of funds received to the seven participating charities in the form of grants, over an agreed period of time.

##### Operational

Items included within this fund relate to donated and honorary services provided to the Charity during the period.

## **Children's Promise Limited**

### **Notes to the Financial Statements For the period ended 31 March 2000 (continued)**

#### **14 Related Party Transactions**

The directors consider Marks and Spencer p.l.c. ('M&S'), New Millennium Experience Company Limited ('NMEC'), the directors themselves, and the seven participating charities to be related parties.

The directors confirm that no transactions occurred between themselves and the Group during the period.

Details of transactions between the named related parties are referred to in Note 2 to the financial statements.

The registered offices of these organisations are :

Marks and Spencer p.l.c.  
Michael House  
Baker Street  
London W1U 8EP

New Millennium Experience Company  
Gate 1  
Drawdock Road  
Greenwich  
London SE10 0AX

Children's Promise Group  
Michael House  
Baker Street  
London W1U 8EP

The registered offices of the partnership charities are:

Barnardos  
Tanner's Lane  
Barkingside  
Ilford  
Essex IG6 1QG

BBC Children in Need  
PO76  
London  
W6SF

ChildLine  
Royal Mail Building  
Stud Street  
London  
N1 0QW

**Children's Promise Limited**

**Notes to the Financial Statements  
For the period ended 31 March 2000 (continued)**

**14 Related Party Transactions (continued)**

The Children's Society  
Edward Rudolf House  
Margery Street  
London  
WC1X 0JL

Working with the following two organisations in Scotland and Northern Ireland:

Aberlour Child Care Trust  
36 Park Terrace  
Stirling  
FK8 2JR

Extern  
Graham House  
1-5 Albert Square  
Belfast  
BT1 3EQ

Comic Relief  
5<sup>th</sup> Floor  
89 Albert Embankment  
London  
SE1 7TP

NCH Action for Children  
85 Highbury Park  
London  
N5 1UB

NSPCC  
National Centre  
42 Curtain Road  
London  
EC2A 3NH

Working with the following organisation in Scotland:

Children 1<sup>st</sup>  
41 Polwarth Terrace  
Edinburgh  
EH11 1NU