

THE DAME HILARY CROPPER CHARITABLE
FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL ACCOUNTS
for the year ended
31st January 2006

Company Registration No: 5015106
Charity Registration No: 1101905

HW, CHARTERED ACCOUNTANTS
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS



THE DAME HILARY CROPPER CHARITABLE FOUNDATION LIMITED
(A company limited by guarantee)

ANNUAL ACCOUNTS
For the Year ended 31 January 2006

DIRECTORS' REPORT

Reference and administrative details

Registered charity no. 1101905

Company no. 5015106

Directors: Peter Cropper
Liz Pickard

Secretary Peter Cropper

Registered Office: Sterling House
19-23 High Street
Kidlington
Oxfordshire
OX5 2DH

Accountants: HW Chartered Accountants
Sterling House
19-23 High Street
Kidlington
Oxfordshire
OX5 2DH

Bankers: Lloyds TSB Private Bank
50 Grosvenor Street
London
W1K 3LF

Solicitors: Wilsons
Steynings House
Summerlock House
Salisbury
Wiltshire
SP2 7RJ

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DIRECTORS REPORT

Structure, Governance and Management

Governing document

The charity is a company limited by guarantee and a registered charity. Its governing documents are the Memorandum and Articles of Association dated 14th January 2004.

Risks Review

The Trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate these risks.

Organisational structure and decision-making

The Trustees set out the organisation objectives and aims, and agrees the strategy and policy needed to deliver on those aims.

Appointment of Trustees

Trustees are appointed by a method of search and invitation by the chairman on the basis of a trustee resolution.

Objectives and activities

The objects of the charity are:

To hold the trust fund and its income upon trust to apply them anywhere in the world, directly, or through grants to other established charities, for the primary object of the advancement of education and the relief of poverty of young people in any part of the world in such manner as the trustees in their absolute discretion may from time to time determine.

The emphasis will be on helping young people who are disadvantaged through poverty, illness or the lack of family support (e.g. Orphaned) by providing them with education and care, thereby assisting them to become self sufficient, in order that they can better lead a fulfilling and productive life in their communities.

The focus will be on developing countries, especially those which are struggling with abject poverty and debilitating diseases such as AIDS.

Grants may be made to other established charities in order that they can achieve critical mass and thereby better promote their own, similar, charitable objectives. The choice of organisations selected to receive such grants will be influenced by their efficiency and effectiveness in fulfilling their stated objectives and by the extent to which they foster self-help among disadvantaged young people.

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Achievements and Performance

The Charity has completed its first operational year having supported activities in South Africa through four well established charitable organisations there. These are :

The Homestead in central Cape Town & Khyalethsha working with street children

Lily of the Valley Children's Home at Eston between Durban and Pietermaritzburg

Dominican Convent School in Jeppestown, Johannesburg

Kgosi Neighbourhood Foundation also in Jeppestown, Johannesburg

Financial Review

The charity achieved a net loss for the year ended 31 January 2006 of £11,897. Further details of its financial performance are set out in the Statement of Financial Activities and accompanying notes.

As at 31 January 2006, total funds amounted to £1,787,741 of which £27,264 were non endowment funds and £1,760,477 were expendable endowment funds.

Reserves Policy

The Trustees consider that it is desirable to establish a level of reserves which would allow the Foundation to support substantial projects without recourse to the endowment fund which nonetheless remains available to them for use if a particularly worthwhile major project arises. To that end the intention is to expend up to 90% of the charity's annual income in furtherance of its objectives, retaining 10% in order to establish free reserves.

Investment Policy

The capital fund held as expendable endowment is to be invested by the charity's fund manager, Bank of Scotland Portfolio Management, on a low risk basis, to achieve a steady annual income and modest capital growth.

Plans for future periods

The Foundation will continue to research the charity arena in South Africa, seeking those actively involved in areas compatible with our own objectives, and who can be evaluated as being efficiently operated, well organised with professional staff and well managed. We will then expand our involvement, not only by looking at increasing our involvement with the charities named above but by adding new collaborators to that list.

Directors

The directors who served during the period and to date were:

Peter Cropper

Liz Pickard

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DIRECTORS REPORT

Trustees

The Trustees who served during the year and to date were:

Peter Cropper
David Best
Liz Pickard
Neil Hood (Died on 31 January 2006)
Ian Stephenson

Statement of Directors Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the income and expenditure of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Accountants

HW, Chartered Accountants, have indicated their willingness to be re-appointed and a resolution to that effect will be proposed at the Annual General Meeting for 2006.

This report, which has been prepared in accordance with the special provisions of part VII of the Companies Act 1985, applicable to small companies was approved by the Board on 5/10. 2006 and signed on its behalf.

By Order of the Board,

Chairman

THE DAME HILARY CROPPER CHARITABLE FOUNDATION LIMITED
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ANNUAL ACCOUNTS
For the Year ended 31 January 2006

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS

We report on the accounts for the year ended 31 March 2006 set out on pages 1 to 11.

Respective responsibilities of Directors (who are trustees of the charity for charity law purposes) and reporting accountants

As described on the balance sheet, the company's directors, being the charity's trustees, are responsible for the preparation of the accounts and they consider that the company is exempt from audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- a) the accounts are in agreement with the accounting records kept by the company under section 221 of the companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act: and
 - ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act as modified by section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

HW

HW, Chartered Accountants
Sterling House
19/23 High Street
Kidlington
OX5 2DH

Date: 5 OCTOBER 2006

THE DAME HILARY CROPPER CHARITABLE FOUNDATION LIMITED
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Statement of Financial Activities
For the Year ended 31 January 2006

	2006		2005	
	Unrestricted Funds and Income & Expenditure Account	Expendable Endowment	TOTAL	TOTAL
	£	£	£	£
Incoming Resources				
Donations (Note 4)	16,087	-	16,087	1,715,290
Investment income	28,021	-	28,021	47
Total incoming resources	<u>44,108</u>	<u>-</u>	<u>44,108</u>	<u>1,715,337</u>
Resources Expended				
Charitable expenditure	12,144	-	12,144	-
Administration (Note 5)	54,338	-	54,338	15,699
Total resources expended	<u>66,482</u>	<u>-</u>	<u>66,482</u>	<u>15,699</u>
Net (Outgoing) Resources before transfers	(22,374)	-	(22,374)	1,699,638
Transfers	50,000	(50,000)	-	-
Net Incoming/(outgoing) Resources before other recognized gains and losses (Note 6)	27,626	(50,000)	(22,374)	-
Gains on investment assets (Note 7)	-	10,477	10,477.00	100,000
Net Movement in Funds	<u>27,626</u>	<u>(39,523)</u>	<u>(11,897)</u>	<u>1,799,638</u>
Funds Balance at 31 January 2005	<u>(362)</u>	<u>1,800,000</u>	<u>1,799,638</u>	<u>-</u>
Fund Balance at 31st January 2006	<u>27,264</u>	<u>1,760,477</u>	<u>1,787,741</u>	<u>1,799,638</u>

There were no recognised gains or losses other than those shown above.

All of the Company's activities are continuing.

The Notes on pages 8 – 11 form part of these financial statements.

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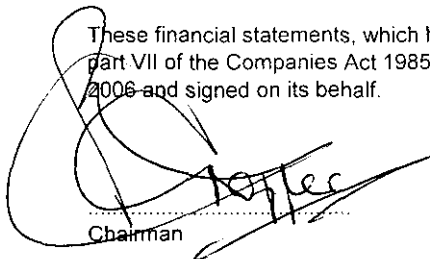
Balance Sheet as at 31 January 2006

	2006 £	2005 £
FIXED ASSETS		
Investments (Note 7)	1,760,477	-
CURRENT ASSETS		
Investments (Note 8)	-	1,800,000
Debtors (Note 9)	2,108	-
Cash at bank and in hand	54,141	1,401
	<u>56,249</u>	<u>1,801,401</u>
CREDITORS: Amounts falling due within one year (Note 10)	<u>3,985</u>	<u>1,763</u>
NET CURRENT ASSETS	<u>52,264</u>	<u>1,799,638</u>
CREDITORS: Amounts falling due after one year (Note 11)	(25,000)	-
NET ASSETS	<u><u>1,787,741</u></u>	<u><u>1,799,638</u></u>
FINANCED BY:		
RESERVES (Note 13)		
Unrestricted Funds	27,264	(362)
Expendable Endowment	1,760,477	1,800,000
	<u><u>1,787,741</u></u>	<u><u>1,799,638</u></u>

In preparing these financial statements:

- a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985:
- b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- c) The Directors acknowledge their responsibilities for:
 - i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the Board on 5 OCTOBER 2006 and signed on its behalf.


Chairman

THE DAME HILARY CROPPER CHARITABLE FOUNDATION LIMITED
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Notes to the Accounts
For the Year ended 31 January 2006

1 Accounting Policies

- a) The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (Effective June 2002), the Companies Act 1985 and Statement of Recommended Practice: *Accounting and Reporting by Charities* issued in March 2005. The company's activities are all continuing.
- b) Donations – All Donations included in the Statement of Financial Activities have been recognised when receivable.
- c) The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cashflow statement on the grounds that it is a small company.
- d) Foreign currency translation - Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the Statement of Financial Activities.
- e) Investments - Fixed asset investments are stated at market value and the gain or loss taken to the Statement of Financial Activities.

2 Liability of Members

The Company is limited by guarantee, not having a share capital. The liability of members for the payment of debts in a winding up is limited to £1 per member.

3 Taxation

As a registered charity, the Company is exempt from United Kingdom Corporation Tax on its income applied for charitable purposes.

4 Donations

	2006	2005
	£	£
Donations by P Cropper	8,587	1,715,290
Other Donations	7,500	-
	<u>16,087</u>	<u>1,715,290</u>

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Notes to the Accounts
For the Year ended 31 January 2006

5 Administration

	2006	2005
	£	£
Legal & Professional Fees	46,064	2,998
Property Costs	6,139	10,938
Accountancy Costs	1,175	1,763
Travel Costs	1,803	-
Exchange Gains	(1,018)	-
Bank Charges	175	-
	<u>54,338</u>	<u>15,699</u>

6 Net Incoming resources

	2006	2005
	£	£
This is stated after charging:		
Accountants' remuneration (excluding VAT)	<u>1,000</u>	<u>1,500</u>

Fixed Asset Investments

	2006
	£
Additions	1,750,000
Gain during year	10,477
Market Value at 31 January 2006	<u>1,760,477</u>

From the proceeds of the sale of the Flat in London, £1.75 Million was invested with Bank of Scotland Portfolio management service.

8 Current Asset Investments

	2006
	£
Market Value at 1 February 2005	1,800,000
Disposals	(1,800,000)
Market Value at 31 January 2006	<u>-</u>

During the year the property was sold for £1.8 Million (Before estate agent fees).

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9 Debtors

	2006	2005
	£	£
Other debtors	2,108	-
	<u>2,108</u>	<u>-</u>

10 Creditors: Amounts Falling Due Within One Year

	2006	2005
	£	£
Other Creditors and Accruals	3,985	1,763
	<u>3,985</u>	<u>1,763</u>

Included in other creditors is £1,047 of travel expenses to be reimbursed to David Best, a trustee of the charity. No other trustee or director received any remuneration or reimbursement of expenses from the company during the year.

11 Creditors: Amounts Falling Due After One Year

	2006	2005
	£	£
Loan	25,000	-
	<u>25,000</u>	<u>1,763</u>

During the year, Peter Cropper made an interest free loan of £25,000 to the charity which is to be repaid by August 2010.

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Notes to the Accounts
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12 Related Party Transactions

In addition to the loan of £25,000 made by Peter Cropper to the charity during the year, he also personally bore costs of the charity which amounted to £10,659.

13 Funds

	Balance at 1 February 2005	Incoming Resources	Outgoing Resources	Transfer Between Funds	Balance at 31 January 2006
	£	£	£	£	£
Unrestricted Funds	(362)	44,108	(66,482)	50,000	27,264
Expendable Endowment	1,800,000	10,477	-	(50,000)	1,760,477
Total	<u>1,799,638</u>	<u>54,585</u>	<u>(66,482)</u>	<u>-</u>	<u>1,787,741</u>

Details of Unrestricted funds are as follows:

General – these are funds that are available for use as the Trustees see fit in relation to the activities of the charity.

Details of the Expendable Endowment are as follows:

The donated property and its subsequent proceeds are to be held as an expendable endowment fund, the income from which will be credited to unrestricted funds.