



[www.varietyclub.org.uk](http://www.varietyclub.org.uk)

**Trustees 2007**

Hugo Amaya-Torres  
Keith Andrews  
Jarvis Astaire OBE  
Philip Austin  
John Barnett  
Charles Beddow  
Gary Beckwith  
Philip Burley  
Stephen Crown JP  
Raymond Curtis  
Laurence Davis  
Manuel Fontenla Novoa  
Alan Fraser  
Richard Freeman  
Anthony Harris  
Tony Hatch  
Russell Kahn  
Norman Kaphan  
Paul Lawrence  
Kenneth Mustoe  
Ronnie Nathan  
John Ratcliff CBE  
Lionel Rosenblatt  
Jonathan Shalit  
Anthony Simmonds  
Pamela Sinclair

**Administrative Information**

**Secretary and registered office**

Anthony Simmonds  
Variety Club House, 93 Bayham Street,  
London, NW1 0AG

**Company number**

509811

**Charity number**

209259

**Auditors**

Saffery Champness  
Lion House, Red Lion Street  
London WC1R 4GB

**Bankers**

Royal Bank of Scotland  
3rd Floor Cavell House  
2a Charing Cross Road  
London WC2H 0NN



The Trustees submit the annual report and financial statements of The Variety Club Children's Charity (Variety Club), a company limited by guarantee, for the year ended 31 December 2006.

### Objectives and activities

Variety Club exists to aid children who are sick, disabled and disadvantaged.

Its Memorandum of Association, the governing document of the charity, includes the following purposes:

- to promote and provide for the care and upbringing of children suffering from physical or mental illness or from injury or other physical or mental disability or affliction and those deprived of parental care or of a stable home environment;
- the relief of poverty and the advancement of education of children of any race, colour or creed;
- the relief of sickness and physical and mental disability or affliction among children;
- the provision of facilities for recreation and other leisure time occupation for children in the interest of their social welfare;
- the support of associations, organisations, institutions or other bodies (whether incorporated or not) whose objects shall be solely of a charitable nature.

### Fundraising

Variety Club raises money in a number of ways including annual events and one-off activities. Variety Club covers the whole of the United Kingdom and has eight regional committees, all of which have the same aims. Fundraising comes principally through the following activities:

- sale of Gold Hearts
- various functions
- Corporate Bonds and donations
- the Golfing Society
- wills and legacies

The fundraising events of Variety Club are all carried out through its wholly owned subsidiary Variety Club Events Limited.

The results for the year are presented in the form of a statement of financial activities which incorporates the traditional income and expenditure account. The company's net profit is donated by way of Gift Aid to The Variety Club Children's Charity.

A number of the above events are supported by Variety Club's regular sponsors.

### Structure, Governance and Management

Variety Club and its business is governed by its Trustees and is assisted in its activities by the Variety Club of Great Britain (Tent 36). Variety Club of Great Britain (Tent 36) is affiliated to Variety International, the Children's Charity and its affairs are managed by its Crew, who are ipso facto members of Variety Club. Variety Club of Great Britain (Tent 36) has 670 members under the leadership of the Chief Barker. The Chief Barker is elected on an annual basis and normally the position is held for one year.

The Trustees retain total control of Variety Club. They delegate the task of organising events, raising funds and allocating funds to a number of committees on which various Trustees may sit. The main committees for the allocation of funds are the Appeals, Sunshine Coaches and Easy Riders Wheelchair Committees. All decisions made by these committees have to be ratified by the Trustees. There is also the Variety at Work Committee whose main task is to entertain the children. All Variety at Work programmed events are either sponsored or donated free of charge. Intangible income from this source is estimated to be worth £989,670 (2005: £1,029,980). This is included within the Statement of Financial Activities with an equivalent amount also included within expenditure.

Trustees are recruited from the membership of the Variety Club of Great Britain. They are active members who have proved themselves to be dedicated and committed to the cause of the charity. The Trustees are subject to election in accordance with the Articles of Association. Under Article 30, Trustees shall commonly be appointed annually by notice in writing to Variety Club signed by three of the officers of the Variety Club of Great Britain (Tent 36). Casual vacancies may be filled at any time by similar notice. Office as a Trustee shall be vacated under the provisions of Article 37.

All Trustees, by nature of the recruitment process, are already familiar with the work and procedures of the charity. Before being put forward for election the Chief Barker explains what will be expected from them, and once appointed they attend one or two Crew meetings before officially taking on the role. They are also sent a copy of the Charity Commission paper

<sup>1</sup> Responsibilities of Trustees' and asked to sign a paper confirmation confirming they understand this.

Day-to-day organisational and operational decisions are taken by a sub-committee of the Trustees which coordinates the activities of the various committees.

Alongside the Trustees, of which there were 24 during the year, there is an advisory board which has an advisory role.

### Trustees

The Trustees during the year were:

Hugo Amaya-Torres  
Jarvis Astaire OBE  
John Barnett  
Charlie Beddow  
Gary Beckwith  
Stephen Crown JP  
Raymond Curtis  
Laurence Davies  
Alan Fraser  
Richard Freeman  
Anthony Harris  
Tony Hatch  
Russell Kahn  
Norman Kaphan  
Paul Lawrence  
Charles Murray (died 23 May 2006)  
Kenneth Mustoe  
Ronnie Nathan  
Manuel Fontenla Novoa  
John Ratcliff CBE  
Lionel Rosenblatt  
Jonathan Shalit  
Anthony Simmonds  
Pamela Sinclair

Keith Andrews, Philip Austin and Philip Burley were appointed on 1 January 2007.

### Statement of Trustees' Responsibilities

The Trustees, who are also directors of the Charity for the purposes of company law, are responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that Variety Club will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of Variety Club and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of Variety Club and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware, there is no relevant information that has not been disclosed to the Charity's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

Variety Club is committed to being a quality organisation and maintaining high standards throughout its work.

The Trustees have the authority conferred by the Memorandum and Articles of Association to invest the monies of Variety Club not immediately required for its purposes in such investments as may be thought fit.

The Trustees have overall responsibility for Variety Club's financial control. Such control can provide reasonable assurances against errors or fraud. The control includes clearly documented accounting procedures and an understood delegation of the authority of the Trustees to the rest of the Charity.

The Trustees have assessed the major risks to which Variety Club is exposed, in particular those related to the operations and finances of Variety Club, and are satisfied that systems are in place to mitigate our exposure to the major risks.

Variety Club operates an annual planning and budgeting system with an annual budget approved by the Trustees. Any significant changes to those plans are subject to specific approval. Revised forecasts are undertaken during the course of the year. There is a financial reporting system which compares results with the plan on a monthly basis.

### Achievements and performance

The Trustees are immensely grateful to the membership of The Variety Club of Great Britain who, in the spirit of fellowship, work to raise money for the sick, disabled and disadvantaged children of Great Britain.

2006 was an outstanding year for Variety Club. Variety Club's calendar of events was packed with great occasions, including Gold Hearts Day, the Golfing Society events, the Annual Dinner and Ball, Showbusiness Awards as well as celebrity and special lunches of which the Property Industry Committee figures prominently. The Property Awards Lunch alone raised nearly £600,000 and Annual Dinner and Ball over £500,000. Regional committee events took place throughout the country raising substantial and vitally-needed funds, all of which are spent on appeals in their own areas.

This dedicated effort from our unique membership is the cornerstone of our ability to influence and improve the lives of many thousands of children. The funds raised enabled us to supply 145 Sunshine Coaches to schools, homes and other institutions. We gave 174 electric wheelchairs and buggies, and with them the gift of mobility, to children previously reliant on others. 35,600 children enjoyed days out with our Variety at Work committees at exciting locations.

We are grateful to the many leisure industry proprietors and the Armed Services who have given so many children memorable experiences at their very special establishments. In addition to the foregoing, the institutions that we have supported during the year can be found on Pages 17 to 19.

### Plans for Future Periods

Looking to the future, Variety Club looks to continue and consolidate its work in helping sick, disabled and disadvantaged children in an increasingly competitive field. The Trustees acknowledge the dedication of our hard-working employees.

Without their enthusiasm these results could not have been achieved.

The Trustees have planned on increased programme of fundraising initiatives for future periods to sustain and ensure income thus increase grants.

### Financial Commentary

The accounts cover the activities of The Variety Club Children's Charity and its trading subsidiary, Variety Club Events Limited, for the year ended 31 December 2006. The results are set out on page 7. A summary of the results of the subsidiary is set out in note 2 to the financial statements.

Incoming resources rose by 10% to £11,201,196 over the previous year (£10,172,444). Of this, £3,629,764 was generated through the trading subsidiary (2005: £3,281,474). Donations received totalled £5,767,416 (2005: £5,348,124) and legacy income was £651,772 (2005: £366,295). Intangible income was £1,238,246 including Variety at Work of £989,670 (2005: £1,029,980) being gift-in-kind value placed on donated outings given for children under our Variety at Work programme and other donated services (including £248,317 in Variety Club Events Limited).

During the year, grants and donations of £5,391,523 were made (2005: £4,569,403) of which £4,766,108 was applied for the purchase of Sunshine Coaches and Electric Wheelchairs and £625,415 for grants to individuals, children's hospitals and other organisations to help children who are sick, disabled or disadvantaged.

The freehold property was revalued on 23 October 2006, giving rise to its current existing use value of £2.375m.

The valuation was independent and external and was carried out by Cushman & Wakefield, Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The freehold property was previously included in the accounts at its historical cost less depreciation.

### Financial Position and Reserves Policy

Variety Club works on the basis that future commitments are conditional upon the raising of specific funds. In addition, the Trustees have written into the Charity's Terms of Reference that at least one year's overheads must be held at all times in cash general reserves. As part of the annual budgeting process the Trustees set an appropriate level of unrestricted reserves.

These are monitored on a monthly basis in conjunction with cash flow reports.

Variety Club had a surplus before unrealised gains on revaluation of assets of £677,072 in 2006, compared to a surplus of £994,639 in 2005.

By the end of the year, total funds amounted to £5,676,794, of which cash balances represented £4,132,486.

Unrestricted funds were £3,529,784, of which tangible fixed assets, net of the mortgage secured on our Bayham Street head office and a bank loan, represented £1,301,090. Thus cash unrestricted reserves at 31 December 2006 amounted to £2,228,693.

### **Employees**

Variety Club employs 36 people (both full-time and part-time) in its offices. The Trustees depend on the commitment and hard work of these staff, who are highly valued. In addition, Variety Club relies heavily on volunteer involvement for the organising of its many events, particularly Variety at Work events. The Trustees are enormously indebted to these volunteers for their continued support.

### **Equal Opportunities**

Variety Club is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. The Variety Club's employment policy aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of sex, marital status, ethnic origin, disability, age (within the constraints of the retirement policy), class, colour, HIV/AIDS status, personal circumstances, sexual orientation or any other grounds which are unjustifiable in terms of equality of opportunity for all.

### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be reappointed will be put to the Annual General Meeting.

**Ronnie Nathan**  
Trustee and Chief Barker 2006

16 May 2007

### **Independent Auditors' Report to the Members**

We have audited the financial statements on pages 7 to 21. These financial statements have been prepared in accordance with the accounting policies set out therein.

### **Respective responsibilities of trustees and auditors**

The Trustees' (who are also directors of the Charity for the purpose of company law) responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' responsibilities as shown on Page 3.

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

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 and whether, in our opinion, the information given in the Trustees' report is consistent with the financial statements. We also report to you if, in our opinion, the Trustees' report is consistent with the financial statements. We also report to you if the company has not kept proper accounting records, if we have not received all the information and explanation we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of opinion**

We conducted our audit in accordance with International Standards of 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. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 as to whether 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, of the state of affairs of the company as at 31 December 2006 and of its profits for the year ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' report is consistent with the financial statements.

**Saffery Champness**  
**Chartered Accountants & Registered Auditors**  
**London**

16 May 2007

Notes	Unrestricted funds	Restricted funds	Total 2006	Total 2005 Restated	
	£	£	£	£	
<b>Income and expenditure</b>					
<b>Incoming Resources from generating funds</b>					
<b>Voluntary income</b>					
	Donations, including tax credits	1,330,652	4,436,764	5,767,416	5,348,124
13	Legacies and bequests	651,772	-	651,772	366,295
	Intangible income	989,929	-	989,929	1,037,626
<b>Activities for generating funds</b>					
2	Turnover of trading subsidiary	3,270,659	359,105	3,629,764	3,281,474
<b>Investment income</b>					
	Rental income	55,663	-	55,663	52,033
3	Investment income and interest	68,471	38,181	106,652	86,892
<b>Total incoming resources</b>					
	<u>6,367,146</u>	<u>4,834,050</u>	<u>11,201,196</u>	<u>10,172,444</u>	
<b>7 Resources expended</b>					
<b>Costs of generating funds</b>					
Cost of generating voluntary income:					
7	Fundraising and publicity	1,023,189	1,897	1,025,086	1,044,792
2	Cost of sales of trading subsidiary	2,139,656	100,993	2,240,649	1,838,771
7	Support costs of trading subsidiary	419,195	-	419,195	307,316
	<u>3,582,040</u>	<u>102,890</u>	<u>3,684,930</u>	<u>3,190,879</u>	
<b>7 Charitable activities</b>					
21	Sunshine Coaches	744,567	3,495,084	4,239,651	3,269,270
	Wheelchairs	63,077	715,311	778,388	542,696
	Appeals	620,815	80,000	700,815	1,034,110
	Variety at Work activities	1,057,594	-	1,057,594	1,082,054
	<u>2,486,053</u>	<u>4,290,395</u>	<u>6,776,448</u>	<u>5,928,130</u>	
<b>Governance costs</b>					
	65,782	-	65,782	57,676	
<b>Total resources expended</b>					
	<u>6,133,875</u>	<u>4,393,285</u>	<u>10,527,160</u>	<u>9,176,685</u>	
<b>Net incoming resources before transfers</b>					
	233,271	440,765	674,036	995,759	
<b>Net incoming resources before other recognised gains and losses</b>					
	233,271	440,765	674,036	995,759	
<b>Other recognised gains and losses</b>					
Realised gains on disposal of investments					
	3,036	-	3,036	(1,120)	
	<u>236,307</u>	<u>440,765</u>	<u>677,072</u>	<u>994,639</u>	
Unrealised gains on:					
	revaluation of fixed assets	714,639	-	714,639	-
	revaluation of investments	-	-	-	105
<b>Net movement in funds</b>					
	<u>950,946</u>	<u>440,765</u>	<u>1,391,711</u>	<u>994,744</u>	
Fund balances brought forward at beginning of year					
	2,578,838	1,706,245	4,285,083	3,290,339	
<b>17,18 Fund balances carried forward at the end of year</b>					
	<u>3,529,784</u>	<u>2,147,010</u>	<u>5,676,794</u>	<u>4,285,083</u>	

All amounts relate to continuing activities.

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

The notes on pages 11 to 21 form part of these financial statements.

Notes		2006 £	2005 £
	<b>Fixed assets</b>		
10	Tangible assets	2,379,317	1,710,736
	<b>Current assets</b>		
12	Debtors	828,980	836,256
13	Investments	600,000	8,610
	Cash at bank and in hand	<u>4,132,486</u>	<u>3,787,673</u>
		5,561,466	4,632,539
14	<b>Creditors: amounts falling due within one year</b>	<u>1,293,495</u>	<u>979,661</u>
	<b>Net current assets</b>	4,267,971	3,652,878
	<b>Total assets less current liabilities</b>	6,647,288	5,363,614
15	<b>Creditors: amounts falling due after more than one year</b>	970,494	1,078,531
		<u>5,676,794</u>	<u>4,285,083</u>
	<b>Funds</b>		
17	Unrestricted funds	3,529,784	2,578,838
18	Restricted funds	2,147,010	1,706,245
		<u>5,676,794</u>	<u>4,285,083</u>

These financial statements were approved by the Board of Trustees on 16 May 2007

**Trustees**

Anthony Simmonds

Ronnie Nathan

The notes on pages 11 to 21 form part of these financial statements

Notes		2006 £	2005 £
<b>Fixed assets</b>			
10	Tangible assets	2,379,317	1,710,736
11	Investments	100	100
		<u>2,379,417</u>	<u>1,710,836</u>
<b>Current assets</b>			
12	Debtors	2,008,649	1,747,269
13	Investments	600,000	8,610
	Cash at bank and in hand	<u>2,501,947</u>	<u>2,584,261</u>
		5,110,596	4,340,140
14	<b>Creditors: amounts falling due within one year</b>	<u>842,725</u>	<u>687,362</u>
	<b>Net current assets</b>	<u>4,267,871</u>	<u>3,652,778</u>
	<b>Total assets less current liabilities</b>	<b>6,647,288</b>	<b>5,363,614</b>
15	<b>Creditors: amounts falling due after more than one year</b>	<b>970,494</b>	<b>1,078,531</b>
		<u>5,676,794</u>	<u>4,285,083</u>
<b>Funds</b>			
17	Unrestricted funds	3,529,784	2,578,838
18	Restricted funds	2,147,010	1,706,245
		<u>5,676,794</u>	<u>4,285,083</u>

These financial statements were approved by the Board of Trustees on 16 May 2007

**Trustees**

Anthony Simmonds

Ronnie Nathan

The notes on pages 11 to 21 form part of these financial statements

Notes	2006 £	2005 £
24 <b>Net cash inflow from operating activities</b>	<b>337,536</b>	688,738
<b>Returns on investments and servicing of finance</b>		
Interest received	106,652	86,892
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(2,984)	(14,672)
<b>Management of liquid resources</b>		
Sale of current asset investments	11,646	11,130
<b>Financing</b>		
Decrease in debt	(108,037)	(71,525)
25 <b>Increase in cash and cash equivalents</b>	<b>344,813</b>	700,563

The notes on pages 11 to 21 form part of these financial statements.

## 1 Accounting Policies

1.1 The financial statements have been prepared under the historical cost convention, subject to the revaluation of freehold property and are in accordance with applicable accounting standards and Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), and the Companies Act 1985. In accordance with FRS 18 Accounting Policies, the Statement of Financial Activities (SOFA) has been restated to ensure consistent presentation.

The following principal accounting policies have been applied:

### 1.2 Income and expenditure

All incoming resources, including legacies, are accounted for on a receivable basis, except for pledges and donations, which are accounted for on a receipts basis.

1.3 Intangible income has been included in the financial statements at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

1.4 Costs of generating funds are those costs which are incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

1.5 Charitable activities include grants and donations applied for the purchase of Sunshine Coaches and Electric Wheelchairs, appeals for the benefit of individuals, hospitals and other organisations to help sick and disabled children. These include both the direct costs and support costs relating to the various activities.

1.6 Support costs include central activities and have been allocated to activity costs categories on a basis consistent with the use of resources e.g. costs allocated by time spent per member of staff.

1.7 Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

### 1.8 Basis of consolidation

The consolidated accounts incorporate the financial statements of The Variety Club Children's Charity (Variety Club) and its subsidiary undertaking, Variety Club Events Limited (Events).

### 1.9 Restricted funds

Where a donor has specified a particular purpose for a donation, all transactions have been reflected within restricted funds. Movements in these funds are detailed in note 18 to the financial statements.

### 1.10 Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated on the original cost of the assets at the following rates:

Office equipment	-	20% to 33% per annum
Freehold building	-	2% per annum
Motor vehicles	-	25% per annum

### 1.11 Investments

Investments are included in the balance sheet at market value. Surpluses or deficits on sales of investments are credited or charged to the statement of financial activities.

### 1.12 Pension costs

Contributions to Variety Club's money purchase group personal pension plan are charged to the income and expenditure account in the accounting period in which they are paid.

## 2 Net income from trading activities of subsidiary

The principal activity of the subsidiary, Variety Club Events Limited, is the organisation and promotion of fund-raising activities and the sale of Gold Hearts on behalf of Variety Club. A summary of the results is set out below. Audited accounts have been filed with the Registrar of Companies.

Profit and loss account	2006 £	2005 £
Turnover	3,629,764	3,281,474
Cost of sales	2,240,649	1,838,771
Gross profit	1,389,115	1,442,703
Fundraising and publicity	223,072	219,791
Management and administration	9,000	8,650
Net profit	1,157,043	1,214,262
Gift aid donation to Charity	1,157,043	1,214,262
Retained profit	-	-

The aggregate of the assets, liabilities and funds was:

Assets	2,108,121	1,568,111
Liabilities	(2,108,021)	(1,568,011)
Funds (representing 100 ordinary shares of £1 each)	100	100

## 3 Investment income

	2006 £	2005 £
Interest	106,652	86,892
	106,652	86,892

## 4 Employees

Staff costs	2006 £	2005 £
Wages and salaries	832,347	757,496
Social security costs	78,200	74,888
Other pension costs	49,235	34,928
	959,782	867,312

The average number of employees during the year was as follows:

	2006	2005
Fundraising	11	12
Events	6	6
Sunshine Coaches	1	1
Wheelchairs	1	1
Appeals	1	1
Variety at Work activities	1	1
Support	6	5
Governance	1	1
	28	28

The number of employees whose total remuneration exceeded £60,000 and above was as follows:

	Number 2006	Number 2005
£60,000 to £69,999	-	-

## 5 Trustees

None of the members of the Board of Trustees received either remuneration or reimbursed expenditure during this financial year or the last financial year.

Variety Club purchased insurance costing £2,500 (2005: £2,500) to protect it from loss arising from neglect or default of the Trustees and to indemnify the Trustees against the consequences of neglect or default on their part.

## 6 Transactions with trustees and connected persons

During the year, as permitted, the Group entered into the following arrangements in which the following Trustees had an interest:

- Printing fees of £647 payable to EVC Graphic Design & Print, a firm of which Mr Raymond Curtis is the proprietor
- Event production fees of £70,323 payable to Blitz Communication Ltd, a firm of which Mr Charles Beddow is a shareholder.

## 7 Analysis of total resources expended

Staff costs are apportioned using estimates of time spent by employees on the respective activities. Depreciation has been apportioned based on staff numbers. Other costs have been directly allocated where applicable, e.g. cost of sales of trading subsidiary, grants and donations made and Variety at Work activities. Other costs have been apportioned to fundraising and publicity, governance costs and charitable activities according to staff numbers by activity.

	Staff costs (£)			Other costs (£)			Depreciation (£)	Grants (£)	2006		
	Direct	Apportion basis (staff numbers)	Allocated Support costs	Total Staff costs	Direct	Apportion basis (staff numbers)			Allocated Support costs	Total Other costs	Total
<i>Costs of generating funds</i>											
Fundraising	392,767	41.5%	76,747	469,514	39,263	41.5%	495,673	534,936	20,636	1,025,086	1,044,792
Cost of sales of trading subsidiary	-		-	-	2,240,649		-	2,240,649	-	2,240,649	1,838,771
Support costs of trading subsidiary	211,293	34.7%	64,103	275,396	-	34.7%	126,967	126,967	16,832	419,195	307,316
	604,060		140,850	744,910	2,279,912		622,640	2,902,552	37,468	3,684,930	3,190,879
<i>Charitable activities</i>											
Sunshine Coaches	35,311	5.4%	9,903	45,214	40,014	5.4%	19,614	59,628	2,600	4,239,651	3,269,270
Wheelchairs	30,962	5.4%	9,903	40,865	81,410	5.4%	19,614	101,024	2,600	778,388	542,696
Appeals	43,228	5.4%	9,919	53,147	-	5.4%	19,649	19,649	2,604	700,815	1,034,110
Variety at Work activities	35,807	5.4%	9,903	45,710	-	5.4%	19,614	19,614	2,600	1,057,594	1,082,054
	145,308		39,628	184,936	121,424		78,491	199,915	10,404	6,776,448	5,928,130
<i>Governance costs</i>											
	25,479	2.4%	4,456	29,936	25,850	2.4%	8,826	34,676	1,170	65,782	57,676
	774,848	100.0%	184,934	959,782	2,427,186	100.0%	709,957	3,137,143	49,042	10,527,160	9,176,685

An analysis of 2006 grants and donations is contained in note 21 to the financial statements.

Total resources expended includes £1,238,246 an equivalent amount being described as intangible income in the Statement of Financial Activities. This comprises £989,670 in respect of Variety at Work activities (part of direct charitable expenditure) and £248,576 in cost of sales.

## 8 Net outgoing resources is arrived at after charging:

	2006 £	2005 £
Depreciation		
- office equipment	18,142	20,480
- freehold building	30,900	30,000
Auditors' remuneration - audit	25,850	26,154
Auditors' remuneration - other services	<u>15,852</u>	<u>22,910</u>

## 9 Parent charity

The parent charity has taken advantage of the legal dispensation not to present its own income and expenditure account as permitted under Section 230(3) of the Companies Act 1985.

The trading subsidiary does not retain any profits for the year. Hence the consolidated movement in funds is the same as for the parent company.

## 10 Tangible assets

Group and company	Freehold land and buildings £	Office equipment £	Total £
Cost			
1 January 2006	1,929,743	242,459	2,172,202
Additions	-	2,984	2,984
Revaluation	714,639	-	714,639
31 December 2006	<u>2,644,382</u>	<u>245,443</u>	<u>2,889,825</u>
Depreciation			
1 January 2006	244,381	217,085	461,466
Charge for the year	30,900	18,142	49,042
31 December 2006	<u>275,281</u>	<u>235,227</u>	<u>510,508</u>
<b>Net book value at 31 December 2006</b>	<u><b>2,369,101</b></u>	<u><b>10,216</b></u>	<u><b>2,379,317</b></u>
Net book value at 31 December 2005	1,685,362	25,374	1,710,736

The freehold property was revalued on 23 October 2006, giving rise to its current existing use value of £2.375m. The valuation was independent and external and was carried out by Cushman & Wakefield, Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The freehold property was previously included in the accounts at its historical cost less depreciation.

## 11 Fixed asset investments

Company	£
Cost at beginning and end of year	<u>100</u>

Variety Club owns all the shares (100 at £1 each) in Variety Club Events Limited, a company which is registered and operates in England and whose main activity is the organisation and promotion of fund-raising activities and the sale of Gold Hearts on behalf of Variety Club.

## 12 Debtors

	Group 2006 £	Company £	Group 2005 £	Company £
Trade debtors	576,198	277,026	480,514	198,622
Amounts due from subsidiary undertaking	-	1,657,249	-	1,265,768
Other debtors	43,653	25,698	42,597	23,706
Prepayments and accrued income	209,129	48,676	313,145	259,173
	<u>828,980</u>	<u>2,008,649</u>	<u>836,256</u>	<u>1,747,269</u>

All debtors are due within one year.

### 13 Current asset investments

Group and company	Market Value		Cost	
	2006 £	2005 £	2006 £	2005 £
UK equities	-	8,610	-	11,500
Investment Property	600,000	-	600,000	-
	<b>600,000</b>	<b>8,610</b>	<b>600,000</b>	<b>11,500</b>

During the year, a residential property in Dorset was left as a legacy to the charity. At the year end, this was shown as investment property at the trustees' best estimate of the market value of £600,000. On behalf of the trustees, the valuation was carried out by Neil Sinclair, a qualified chartered surveyor and Ronnie Nathan, a property developer and investor.

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

	Group		Company	
	2006 £	2005 £	2006 £	2005 £
Mortgage (secured - see note 15)	52,497	52,497	49,240	49,240
Bank loan (see note 15)	55,235	55,235	52,341	52,341
Trade creditors	419,069	217,357	249,132	58,916
Amounts due to The Variety Club of Great Britain	-	-	52,523	62,467
Other creditors	91,626	35,508	93,484	21,019
Accruals and deferred income	251,879	58,939	108,111	68,549
Creditors for grants and donations	423,189	423,189	374,830	374,830
	<b>1,293,495</b>	<b>842,725</b>	<b>979,661</b>	<b>687,362</b>

The movement in creditors for grants and donations is as below:

	2005 £	Charge for the year £	Payments less amounts written back £	2006
				£
Wheelchairs	142,818	667,887	(627,584)	183,121
General appeals	232,012	460,094	(452,038)	240,068
	374,830	1,127,981	(1,079,622)	423,189

### 15 Creditors: amounts falling due after one year

Group and company	2006 £	2005 £
Mortgage (secured)	884,385	936,883
Bank Loan	86,109	141,648
	<b>970,494</b>	<b>1,078,531</b>

#### Mortgage (secured)

The mortgage is secured on Variety Club's freehold land and building and is repayable over a remaining period of 12 years at an interest rate of 6.4% per annum as follows:

	£	£
In more than one year but not more than two years	55,973	52,498
In more than two years but not more than five years	191,142	179,277
In more than five years	637,270	705,108
	<b>884,385</b>	<b>936,883</b>

The proportion of the loan to the value of the assets charged is:

40% 59%

#### Bank Loan

The bank loan is repayable over a remaining period of 28 months at an interest rate of 1.5% over Barclays Base Rate which is currently 5.25%.

	£	£
In more than one year but not more than two years	58,275	55,220
In more than two years but not more than five years	27,834	86,428
	<b>86,109</b>	<b>141,648</b>

## 16 Analysis of group net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	2,379,317	-	2,379,317
Current assets	3,249,684	2,311,782	5,561,466
Current liabilities	(1,128,723)	(164,772)	(1,293,495)
Long-term liabilities	(970,494)	-	(970,494)
Total net assets	<u>3,529,784</u>	<u>2,147,010</u>	<u>5,676,794</u>

The Trustees confirm that sufficient resources in the form of liquid assets, including cash balances, are held so as to enable the funds to be applied in accordance with their restrictions, as applicable.

## 17 Unrestricted funds

Group and company	£
At 1 January 2006	2,578,838
Net incoming resources for the year before transfers	233,271
Gains and losses on investments	3,036
Revaluation Reserves	714,639
At 31 December 2006	<u>3,529,784</u>

## 18 Restricted Funds

Group and company	Opening Balance £	Income £	Expenditure £	Closing Balance £
Sunshine Coaches	130,666	1,764,043	(1,822,855)	<b>71,854</b>
Easy Riders Wheelchairs	634,060	556,872	(710,714)	<b>480,218</b>
VCCH at Kings College Hospital	274,253	660,571	(80,000)	<b>854,824</b>
Variety Club Golfing Society	553,921	1,112,751	(1,046,301)	<b>620,371</b>
Regions	113,345	739,813	(733,415)	<b>119,743</b>
	<u>1,706,245</u>	<u>4,834,050</u>	<u>(4,393,285)</u>	<u>2,147,010</u>

### Sunshine Coaches Fund

The fund comprises monies raised specifically to provide Sunshine Coaches which are presented to schools, hospitals, children's homes and other such organisations throughout the UK.

### Easy Riders Wheelchairs Fund

The Easy Riders Wheelchair Committee raises funds specifically to deal with the heavy demand for indoor/outdoor electric wheelchairs and sports/lightweight wheelchairs since 1991 which are not currently provided by the DSS.

### Variety Club Children's Hospital at Kings College Hospital

Funds to facilitate the refurbishment of the existing children's hospital opened in 1987. The children's hospital specialises in liver transplants, neuro-surgery and the treatment of Sickle Cell Anaemia.

### Variety Club Golfing Society

The Variety Club Golfing Society assists Variety Club by organising golfing events, the funds of which are used to purchase Sunshine Coaches.

## 18 Restricted Funds (continued)

### Regions

Variety Club's regional committees in the UK make grants and donations for Sunshine Coaches and Easy Riders Wheelchairs from their own funds as well as general appeals from unrestricted funds. The balance transferred establishes the restricted funds which existed at 31 December 2006.

## 19 Taxation status

Variety Club is a registered charity and as such is exempt from corporation tax.

The subsidiary undertaking's profits are donated to Variety Club under Gift Aid. Accordingly there is no provision for taxation on its profits for the year.

## 20 Share capital

As Variety Club is limited by guarantee, there is no share capital. At 31 December 2006, there were twentyfive members (2005 - 24), each of whom has undertaken to contribute to the assets in the event of Variety Club being wound up, such amount as may be required, not exceeding £1.

## 21 Grants and donations

	Individuals		Institutions		Total	
	£	No	£	No	£	No
Appeals	221,554	155	403,861	130	625,415	285
Sunshine Coaches	-	-	4,132,209	145	4,132,209	145
Wheelchairs	613,913	171	19,986	3	633,899	174
	<u>835,467</u>	<u>326</u>	<u>4,556,056</u>	<u>278</u>	<u>5,391,523</u>	<u>604</u>

Analysis of grants £5,000 and over made to institutions:

	£
Kings College Hospital, London	80,000
Queen Elizabeth II Silver, Horsham, West Sussex	64,274
Army Benelovent Fund, London	50,000
Upper Springfield Development, Belfast	38,924
Rotherham College, Rotherham, South Yorkshire	38,454
Step-by-Step, London	38,395
The Camden Society, London	38,395
Team Oasis, Toxteth	37,878
Downside Fisher Youth Club, London	37,761
Royal Surrey County Hospital, Surrey	37,685
Wren Spinney School, Kettering, Northamptonshire	33,647
Upper Dales Childcare Partnership, Hawes, North Yorkshire	33,627
Brentwood School, Altrincham, Cheshire	33,317
Franche First School, Kidderminster, Worcestershire	33,300
Jack Taylor School, London	33,230
Langdon School, East Ham, London	33,230
Tor Bank Special School, Belfast, County Antrim	33,127
Hadrian School, Newcastle Upon Tyne, Tyne and Wear	32,777
Oakfield Park School, Pontefract, West Yorkshire	32,777
Springwood Heath Primary School, Liverpool, Merseyside	32,757
St Roses School, Stroud, Gloucestershire	32,747
Ysgol Gyfun Ewlyn, Newcastle Emllyn, Dyfed	32,747
St Nicholas Special School, Canterbury, Kent	32,727
The Avenue School, Reading, Berkshire	32,727
The Coseley School, Bilston, West Midlands	32,727
Fiveways Special School, Yeovil, Somerset	32,712
Kingsweaton School, Bristol, Avon	32,712
Jigsaw, Helensburgh, Dumbartonshire	32,687
Balance carried forward	<u>1,055,341</u>

**21 Grants and donations** (continued)

£

Balance brought forward	1,055,341
Eresby Special School, Spilsby, Lincolnshire	32,687
Old Hall School, Walsall, West Midlands	32,687
Ridgeway School, Bedford, Bedfordshire	32,687
Greenvale School, Forest Hill, London	32,677
Priory School, South Norwood, London	32,677
The Chalfonts Community College, Gerrards Cross, Buckinghamshire	32,677
Williams C Harvey School, Tottenham, London	32,257
Abbey Hill School & Tech College, Stockton-on-Tees, Cleveland	32,237
Black Moss School, Skelmersdale, Lancashire	32,237
Elms Bank Specialist, Whitefield, Manchester, Lancashire	32,237
Haycliffe School, Bradford, West Yorkshire	32,237
Kingsley High School, Edgware, Middlesex	32,237
Ravenswood School, Bristol, Avon	32,207
Queens Park School, Lincoln, Lincolnshire	32,187
Saxon Hill Special School, Linchfield, Staffordshire	32,187
Addington School, Reading, Berkshire	32,172
Holway Park Community School, Taunton, Somerset	32,172
John Fielding School, Boston, Lincolnshire	32,152
Lancaster School, Westcliff-on-Sea, Essex	32,152
Anwell View School, Ware, Hertfordshire	32,147
Marlborough School, St. Albans, Hertfordshire	32,147
Marshfield School, Peterborough, Cambridgeshire	32,147
North Becton Primary School, London	32,147
Tettenhall Wood School, Wolverhampton, West Midlands	32,147
Kirklees Duke of Edinburgh Awards SC, Huddersfield	32,147
Heathfield School, Fareham, Hampshire	32,137
Bolton Wanderers Football in the community, Bolton, Lancashire	30,556
Corpus Christi Youth Centre, Belfast	29,698
BARCA Leeds, Leeds, West Yorkshire	29,581
Northumberland Travellers Childrens, Morpeth, Northumberland	29,569
Endevour Training Ltd, Chesterfield, Derbyshire	29,510
The Young Lewisham Project, Forest Hill, London	29,463
Rockbourne Youth Club, Forest Hill, London	29,287
The Jigsaw Trust, Guildford, Surrey	29,240
Victory Community Childrens, London	29,169
Woodstock School, Kilmarnock, Scotland	28,939
Mavisbank School, Airdire, Lanarkshire	28,649
Stranraer Academy, Stanrear, Wigtownshire	28,649
Cromwell High School, Dukinfield, Cheshire	28,599
Hawthorns Community School, Manchester, Lancashire	28,599
Millstead Primary School, Liverpool, Merseyside	28,599
Beacon Hill School, South Ockendon, Essex	28,519
Lindon Bennett, Fletham, Middlesex	28,519
Campsie View School, Lenzie	27,799
Kilpatrick School, Clydebank, Dumbartonshire	27,799
Redburn School, Glasgow, Lanarkshire	27,799
Cheyne Day Centre, London	27,719
Brent Knoll School, Forest Hill, London	27,669
Five Acre Wood School, Maidstone, Kent	27,669
Hazel Court School, Langney, Eastbourne, East Sussex	27,669
The Shooting Star Children's Hospice, Hampton Hill, Hampton, Middlesex	27,669
Valley School, Stockport, Cheshire	27,539
Cauldeen Primary School, Inverness, Inverness-Shire	27,459
Haysholm School, Irvine, Ayrshire	27,439
Ashgate Specialist Support, Manchester, Lancashire	27,409
Greenhall School, Manchester, Lancashire	27,409
Lydgate School, Holmfirth, West Yorkshire	27,409
Balance carried forward	<u>2,776,724</u>

**21 Grants and donations** (continued)

£

Balance brought forward	1,055,341
Eresby Special School, Spilsby, Lincolnshire	32,687
Old Hall School, Walsall, West Midlands	32,687
Ridgeway School, Bedford, Bedfordshire	32,687
Greenvale School, Forest Hill, London	32,677
Priory School, South Norwood, London	32,677
The Chalfonts Community College, Gerrards Cross, Buckinghamshire	32,677
Williams C Harvey School, Tottenham, London	32,257
Abbey Hill School & Tech College, Stockton-on-Tees, Cleveland	32,237
Black Moss School, Skelmersdale, Lancashire	32,237
Elms Bank Specialist, Whitefield, Manchester, Lancashire	32,237
Haycliffe School, Bradford, West Yorkshire	32,237
Kingsley High School, Edgware, Middlesex	32,237
Ravenswood School, Bristol, Avon	32,207
Queens Park School, Lincoln, Lincolnshire	32,187
Saxon Hill Special School, Linchfield, Staffordshire	32,187
Addington School, Reading, Berkshire	32,172
Holway Park Community School, Taunton, Somerset	32,172
John Fielding School, Boston, Lincolnshire	32,152
Lancaster School, Westcliff-on-Sea, Essex	32,152
Anwell View School, Ware, Hertfordshire	32,147
Marlborough School, St. Albans, Hertfordshire	32,147
Marshfield School, Peterborough, Cambridgeshire	32,147
North Becton Primary School, London	32,147
Tettenhall Wood School, Wolverhampton, West Midlands	32,147
Kirklees Duke of Edinburgh Awards SC, Huddersfield	32,147
Heathfield School, Fareham, Hampshire	32,137
Bolton Wanderers Football in the community, Bolton, Lancashire	30,556
Corpus Christi Youth Centre, Belfast	29,698
BARCA Leeds, Leeds, West Yorkshire	29,581
Northumberland Travellers Childrens, Morpeth, Northumberland	29,569
Endevour Training Ltd, Chesterfield, Derbyshire	29,510
The Young Lewisham Project, Forest Hill, London	29,463
Rockbourne Youth Club, Forest Hill, London	29,287
The Jigsaw Trust, Guildford, Surrey	29,240
Victory Community Childrens, London	29,169
Woodstock School, Kilmarnock, Scotland	28,939
Mavisbank School, Airdire, Lanarkshire	28,649
Stranraer Academy, Stanrear, Wigtownshire	28,649
Cromwell High School, Dukinfield, Cheshire	28,599
Hawthorns Community School, Manchester, Lancashire	28,599
Millstead Primary School, Liverpool, Merseyside	28,599
Beacon Hill School, South Ockendon, Essex	28,519
Lindon Bennett, Fletham, Middlesex	28,519
Campsie View School, Lenzie	27,799
Kilpatrick School, Clydebank, Dumbartonshire	27,799
Redburn School, Glasgow, Lanarkshire	27,799
Cheyne Day Centre, London	27,719
Brent Knoll School, Forest Hill, London	27,669
Five Acre Wood School, Maidstone, Kent	27,669
Hazel Court School, Langney, Eastbourne, East Sussex	27,669
The Shooting Star Children's Hospice, Hampton Hill, Hampton, Middlesex	27,669
Valley School, Stockport, Cheshire	27,539
Cauldeen Primary School, Inverness, Inverness-Shire	27,459
Haysholm School, Irvine, Ayrshire	27,439
Ashgate Specialist Support, Manchester, Lancashire	27,409
Greenhall School, Manchester, Lancashire	27,409
Lydgate School, Holmfirth, West Yorkshire	27,409
Balance carried forward	<u>2,776,724</u>

<b>21 Grants and donations</b> (continued)	£
Balance brought forward	2,776,724
Parkside School, Wallsend, Tyne and Wear	27,409
Springwell School, Hartlepool, Cleveland	27,409
Ysgol Delyn, Mold, Clwyd	27,409
Pen Y Cwn School, Ebbwvale, Gwent	27,379
Michael Faraday Primary School, London	27,359
Maes Ebbow School, Newport, Gwent	27,344
Beacon Hill School, South Ockendon, Essex	27,324
Bardwell School, Bicester, Oxfordshire	27,319
Watling View School, St Albans, Hertfordshire	27,319
Gibside School, Whickham, Newcastle Upon Tyne, Tyne and Wear	27,309
Prescot Oasis Centre, Prescot, Merseyside	26,620
Springfield Club, Upper Clapton, London	26,502
Phad, Dunfermline, Fife	26,385
Glencryan School, Glasgow, Lanarkshire	26,361
Lewisham Oppority Pre-School, Lewisham, London	26,208
Old barn Youth & Community Associat, East Finchley, London	26,208
Greenbank School, Northwich, Cheshire	25,755
Beacon Hill Special School, Ipswich, Suffolk	25,690
Dame Ellen Pinsent School, Birmingham, West Midlands	25,690
Woodside School, Belvedere, Kent	25,675
Green Arbour School, Rotherham, South Yorkshire	25,115
Florence Brown School, Knowle, Bristol	25,110
Kingsdon Manor School, Somerton, Somerset	25,110
Lynch Hill School, Slough, Berkshire	25,110
Sidestrand Hall School, Cromer, Norfolk	25,090
The Ashley School, Lowestort, Suffolk	25,090
Beacroft School, Wimborne, Dorset	25,080
Carwarden House School, Camberley, Surrey	25,075
Ifield School, Gravesend, Kent	25,075
St Marys Wrestwood, Bexhill-on-Sea, East Sussex	25,075
Unity 70, London	25,075
Woodeaten Manor School, Oxford, Oxfordshire	25,075
Woodfield School, London	25,075
Bradford Secondary PRU, Bradford, West Yorkshire	24,925
Collingwood School, Morperth, Northumberland	24,925
Riverside School, Goole, North Humberside	24,925
Whirlow Hall School, Sheffield, South Yorkshire	24,925
Sutton School, Dudley, West Midlands	24,895
Ynysowen Primary School, Merthyr Tydil, Mid Glamorgan	24,895
Bents Green Special School, Sheffield, South Yorkshire	24,875
St Josephs School, Cranleigh, Surrey	24,875
The Cassel Hospital, Richmond, Surrey	24,875
Mary Hare Grammar School, Newbury, Berkshire	24,860
Castledean School, Brighton, East Sussex	24,840
Bradstow School, Broadstairs, Kent	24,825
Heathfield School, Fareham, Hampshire	24,825
Radlett Lodge School, Radlett, Hertfordshire	24,825
The Lindfield School, Eastbourne, East Sussex	24,825
Broadfield School, Accrington, Lancashire	23,485
Nortonthorpe Hall School, Huddersfield, West Yorkshire	22,645
Penkford School, Newton-Le-Willows, Merseyside	22,635
Birmingham Childrens Hospital, Birmingham, West Midlands	22,625
Longspee School, Poole, Dorset	22,580
Oak Lodge School, Southampton, Hampshire	22,555
Balance carried forward	<u>4,147,193</u>

<b>21 Grants and donations</b> (continued)	£
Balance brought forward	4,147,193
The South Downs Special School, Eastbourne, East Sussex	22,555
Beverley School, Middlesborough, Cleveland	22,405
Jarrow Autistic Centre, Jarrow, Tyne and Wear	22,405
Thorn Park School, Bradford, West Yorkshire	22,405
Maytree Autistic Unit, Swansea, West Glamorgan	22,375
Castlebar Special School, London	22,305
Collingham Gardens Child Unit, Collingham Gardens, London	22,305
Forest Edge School, Southampton, Hampshire	22,305
Salisbury District Hospital, Wiltshire	17,000
Markway School, Andover, Hampshire	12,442
Springfield Environmental Day Centre, Solihull	11,029
Palatine Primary School, Worthing, West Sussex	10,800
Hindleap Warren, London	10,000
Variety Club Children's Charity, Ireland	10,000
Wargrave House School, Newton-le-Merseyside	10,000
The Bridge School, London	7,000
Cherry Garden School, Bermondsey, London	6,750
Mayday University Hospital	5,939
Ballinberry Bridge Playground, Cookstown, Co Tyrone	5,688
Bowles Rock Trust Ltd, Tunbridge Wells	5,000
Corbets Tey School, Upminster, Essex	5,000
Marjorie McClure School, Kemsing, Kent	5,000
National Library for the Blind, Stockport	5,000
South Tyneside Hospital, Tyneside	5,000
	<hr/>
	4,457,901
Other donations under £5,000	98,155
	<hr/>
	4,556,056

## **22 Commitments**

As at 31 December 2006, Variety Club was committed to supplying Sunshine Coaches totalling £871,000 (2005: £1,252,500) conditional upon the raising of specific funds to finance the cost of the coaches. Provision is only made in the financial statements when the specific funds have been raised.

## 23 Pensions

Variety Club operates a money purchase pension plan. There is a series of individual pension plans to which Variety Club contributes.

## 24 Reconciliation of net incoming resources from operating activities

	2006 £	2005 £
Net incoming resources for the year	1,391,711	994,744
Depreciation of tangible fixed assets	49,042	50,480
Realised losses on investments	-	1,120
Realised gain on investments	(3,036)	-
Unrealised gain on investments	(600,000)	-
Unrealised revaluation gains on investments	-	(105)
Revaluation of Property	(714,639)	-
(Increase) in debtors	7,276	(55,841)
Increase/(decrease) in creditors	313,834	(214,768)
Investment income	(106,652)	(86,892)
Net cash inflow from operating activities	<u>337,536</u>	<u>688,738</u>

## 25 Reconciliation of net cash flow to movement in net funds

	2006 £
Increase in cash in the year	344,813
Net cash outflow from decrease in debt	101,885
Net cash inflow from Increase in liquid resources	<u>11,646</u>
Movement in net debt in the year	435,052
Proceeds on disposal of investments	3,036
Opening net funds	<u>2,616,171</u>
Closing net funds	<u>3,054,259</u>

## 26 Analysis of net funds

	Opening Balance £	Cash Flow £	Other non- cash changes £	Closing Balance £
Cash at bank and in hand	3,787,673	344,813	-	4,132,486
Liquid resources	8,610	(11,646)	3,036	-
	<u>3,796,283</u>	<u>333,167</u>	<u>3,036</u>	<u>4,132,486</u>
Debt due after one year	(1,078,531)	-	108,037	(970,494)
Debt due within one year	(101,581)	101,885	(108,037)	(107,733)
Total	<u>2,616,171</u>	<u>435,052</u>	<u>3,036</u>	<u>3,054,259</u>

## 27 Operating lease commitments

At 31 December 2006, the group had annual commitments under non-cancellable operating leases as set out below.

	Plant & Machinery	
	2006 £	2005 £
Operating leases which expire:	<u>6,087</u>	<u>2,748</u>



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