

The Variety Club Children's Charity

Trustees 2008

Hugo Amaya-Torres
Keith Andrews
Jarvis Astaire OBE
Philip Austin
John Barnett
Jonathan Barnett
Gary Beckwith
Anthony Blackburn
Philip Burley
Stephen Crown JP
Raymond Curtis
Laurence Davis
Manuel Fontenla Novoa
Alan Fraser

Anthony Harris
Tony Hatch
Anthony Henry-Lyons
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 4GE

Bankers

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

**The Variety Club Children's Charity
Trustees' Annual Report for the year ended 31 December 2007**

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 2007.

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 655 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 £821,425 (2006: £989,670). 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 'Responsibilities of Trustees' and asked to sign a paper confirmation confirming they understand this.

The Variety Club Children's Charity
Trustees' Annual Report for the year ended 31 December 2007 (continued)

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 26 during the year, there is an advisory board which has an advisory role.

Trustees

The Trustees during the year were:

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

Jonathan Barnett, Anthony Blackburn and Anthony Henry-Lyons were appointed on 1 January 2008.

Charles Beddow and Richard Freeman resigned on 31 December 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.

There is a risk that the level of income could fall considerably, whether from donations or trading subsidiary. In such an event, the total of grants committed might have to be reduced. Since the nature of the charity's grant-making activity involves very little by way of future commitments, the impact on individual beneficiaries is unlikely to be significant.

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.

The Variety Club Children's Charity
Trustees' Annual Report for the year ended 31 December 2007 (continued)

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.

2007 was an outstanding year for Variety Club. Variety Club's calendar of events was packed with great occasions, including the Golfing Society events, the Annual Dinner and Ball, Showbusiness Awards, City Dinner as well as celebrity and special lunches of which the Property Industry Committee figures prominently. The Property Awards Lunch alone raised over £600,000 and Annual Dinner and Ball nearly £400,000. 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 102 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. 23,400 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

Variety Club will continue with its work in raising money to help sick, disabled and disadvantaged children. The Trustees have planned for an increased programme of fundraising initiatives that will enable money to be spent on grants.

The Trustees acknowledge the dedication of our hard-working volunteers and employees. Without their enthusiasm these results could not be achieved.

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 2007. 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 decreased by 11.6% to £9,901,332 over the previous year (£11,201,196). Of this, £4,054,498 was generated through the trading subsidiary (2006: £3,629,764). Donations received totalled £4,522,418 (2006: £5,767,416) and legacy income was £329,482 (2006: £651,772). Intangible income was £942,464 including Variety at Work of £821,425 (2006: £989,670) being gift-in-kind value placed on donated outings given for children under our Variety at Work programme and other donated services (including £117,161 in Variety Club Events Limited).

During the year, grants and donations of £3,818,285 were made (2006: £5,391,523) of which £2,990,078 was applied for the purchase of Sunshine Coaches and Electric Wheelchairs and £828,207 for grants to children's hospitals and other organisations to help children who are sick, disabled or disadvantaged. £805,264 was donated to individuals. (See note 21).

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 and readily realisable assets as 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 deficit before unrealised gains on revaluation of assets of £377,414 in 2007, compared to a surplus of £677,072 in 2006. By the end of the year, total funds amounted to £5,299,380, of which cash balances represented £3,504,703. Unrestricted funds were £3,703,647, of which tangible fixed assets, net of the mortgage secured on our Bayham Street head office and a bank loan, represented £1,414,800. Thus cash unrestricted reserves at 31 December 2007 amounted to £2,289,847.

The Variety Club Children's Charity
Trustees' Annual Report for the year ended 31 December 2007 (continued)

Employees

Variety Club employs 38 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

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

Russell Kahn
Trustee and Chief Barker 2007

20 May 2008

The Variety Club Children's Charity

Independent Auditors' Report to the Members

We have audited the financial statements on pages 7 to 20. 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 of the state of affairs of the group and the company as at 31 December 2007 and of the group's incoming resources and application of resources, including its income and expenditure for the year then 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

23 May 2008

The Variety Club Children's Charity
Consolidated Statement of Financial Activities
For the year ended 31 December 2007

Notes	Unrestricted funds	Restricted funds	Total 2007	Total 2006	
	£	£	£	£	
Income and expenditure					
Incoming Resources from generating funds					
Voluntary income					
	Donations, including tax credits	1,447,103	3,075,315	4,522,418	5,767,416
	Legacies and bequests	248,690	80,792	329,482	651,772
	Intangible income	825,303	-	825,303	989,929
Activities for generating funds					
2	Turnover of trading subsidiary	3,757,435	297,063	4,054,498	3,629,764
Investment income					
	Rental income	54,293	-	54,293	55,663
3	Investment income and interest	76,300	39,038	115,338	106,652
Total incoming resources					
		<u>6,409,124</u>	<u>3,492,208</u>	<u>9,901,332</u>	<u>11,201,196</u>
7 Resources expended					
Costs of generating funds					
Cost of generating voluntary income:					
7	Fundraising and publicity	1,047,015	5,178	1,052,193	1,025,086
2	Cost of sales of trading subsidiary	2,675,125	123,919	2,799,044	2,240,649
7	Support costs of trading subsidiary	587,957	216	588,173	419,195
		<u>4,310,097</u>	<u>129,313</u>	<u>4,439,410</u>	<u>3,684,930</u>
7 Charitable activities					
21	Sunshine Coaches	60,139	2,941,608	3,001,747	4,239,651
	Wheelchairs	-	732,247	732,247	778,388
	Appeals	515,712	620,000	1,135,712	700,815
	Variety at Work activities	898,717	-	898,717	1,057,594
		<u>1,474,568</u>	<u>4,293,855</u>	<u>5,768,423</u>	<u>6,776,448</u>
Governance costs					
		70,913	-	70,913	65,782
Total resources expended					
		<u>5,855,578</u>	<u>4,423,168</u>	<u>10,278,746</u>	<u>10,527,160</u>
Net incoming/ (outgoing) resources before transfers					
		553,546	(930,960)	(377,414)	674,036
18	Transfer between funds	(379,683)	379,683	-	-
Net incoming/ (outgoing) resources before other recognised gains and losses					
		<u>173,863</u>	<u>(551,277)</u>	<u>(377,414)</u>	<u>674,036</u>
Other recognised gains and losses					
Realised gains on disposal of investments					
		-	-	-	3,036
		<u>173,863</u>	<u>(551,277)</u>	<u>(377,414)</u>	<u>677,072</u>
Unrealised gains on:					
	revaluation of fixed assets	-	-	-	714,639
Net movement in funds					
		<u>173,863</u>	<u>(551,277)</u>	<u>(377,414)</u>	<u>1,391,711</u>
Fund balances brought forward at beginning of year					
		3,529,784	2,147,010	5,676,794	4,285,083
17,18	Fund balances carried forward at the end of year	<u>3,703,647</u>	<u>1,595,733</u>	<u>5,299,380</u>	<u>5,676,794</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 20 form part of these financial statements.

The Variety Club Children's Charity
Consolidated Balance Sheet
At 31 December 2007

Notes		2007 £	2006 £
	Fixed assets		
10	Tangible assets	2,385,638	2,379,317
	Current assets		
12	Debtors	826,178	828,980
13	Investments	650,000	600,000
	Cash at bank and in hand	<u>3,504,703</u>	<u>4,132,486</u>
		4,980,881	5,561,466
14	Creditors: amounts falling due within one year	<u>1,210,314</u>	<u>1,293,495</u>
	Net current assets	<u>3,770,567</u>	<u>4,267,971</u>
	Total assets less current liabilities	6,156,205	6,647,288
15	Creditors: amounts falling due after more than one year	856,825	970,494
		<u>5,299,380</u>	<u>5,676,794</u>
	Funds		
17	Unrestricted funds	3,703,647	3,529,784
18	Restricted funds	1,595,733	2,147,010
		<u>5,299,380</u>	<u>5,676,794</u>

These financial statements were approved by the Board of Trustees on 20 May 2008

Trustees

Anthony Simmonds

Russell Kahn

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

**The Variety Club Children's Charity
Company Balance Sheet
At 31 December 2007**

Notes		2007 £	2006 £
Fixed assets			
10	Tangible assets	2,385,638	2,379,317
11	Investments	<u>100</u>	<u>100</u>
		2,385,738	2,379,417
Current assets			
12	Debtors	1,798,049	2,008,649
13	Investments	650,000	600,000
	Cash at bank and in hand	<u>2,196,166</u>	<u>2,501,947</u>
		4,644,215	5,110,596
14	Creditors: amounts falling due within one year	<u>873,748</u>	<u>842,725</u>
	Net current assets	3,770,467	4,267,871
	Total assets less current liabilities	6,156,205	6,647,288
15	Creditors: amounts falling due after more than one year	856,825	970,494
		<u>5,299,380</u>	<u>5,676,794</u>
Funds			
17	Unrestricted funds	3,703,647	3,529,784
18	Restricted funds	1,595,733	2,147,010
		<u>5,299,380</u>	<u>5,676,794</u>

These financial statements were approved by the Board of Trustees on 20 May 2008

Trustees

Anthony Simmonds

Russell Kahn

The notes on pages 11 to 20 form part of these financial statements

**The Variety Club Children's Charity
Consolidated Cash Flow Statement
For the year ended 31 December 2007**

Notes	2007 £	2006 £
24 Net cash (outflow)/ inflow from operating activities	(566,825)	337,536
Returns on investments and servicing of finance		
Interest received	115,338	106,652
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(62,627)	(2,984)
Management of liquid resources		
Sale of current asset investments	-	11,646
Financing		
Decrease in debt	(113,669)	(108,037)
25 (Decrease)/ increase in cash and cash equivalents	<u>(627,783)</u>	<u>344,813</u>

The notes on pages 11 to 20 form part of these financial statements.

The Variety Club Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2007

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.

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.

The Variety Club Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2007

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	2007	2006
	£	£
Turnover	4,054,499	3,629,764
Cost of sales	<u>2,799,044</u>	<u>2,240,649</u>
Gross profit	1,255,455	1,389,115
Fundraising and publicity	313,957	223,072
Management and administration	<u>9,500</u>	<u>9,000</u>
Net profit	931,998	1,157,043
Gift aid donation to Charity	<u>931,998</u>	<u>1,157,043</u>
Retained profit	<u>-</u>	<u>-</u>

The aggregate of the assets, liabilities and funds was:

Assets	1,765,385	2,108,121
Liabilities	<u>(1,765,285)</u>	<u>(2,108,021)</u>
Funds (representing 100 ordinary shares of £1 each)	<u>100</u>	<u>100</u>

3 Investment income

	2007	2006
	£	£
Interest	115,338	106,652
	<u>115,338</u>	<u>106,652</u>

4 Employees

	2007	2006
	£	£
Staff costs		
Wages and salaries	966,310	832,347
Social security costs	89,909	78,200
Other pension costs	44,131	49,235
	<u>1,100,350</u>	<u>959,782</u>

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

	2007	2006
Fundraising	14	11
Events	7	6
Sunshine Coaches	1	1
Wheelchairs	1	1
Appeals	1	1
Variety at Work activities	1	1
Support	6	6
Governance	1	1
	<u>32</u>	<u>28</u>

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

	Number 2007	Number 2006
£70,000 to £79,999	1	-

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 £2,880 (2006: £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:

- (a) Printing fees of £38,421 payable to EVC Graphic Design & Print, a firm of which Mr Raymond Curtis is the proprietor
- (b) Event production fees of £94,335 payable to Blitz Communication Ltd, a firm of which Mr Charles Beddow is a shareholder.

The Variety Club Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2007

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 (£)	2007 Total	2006 Total
	Direct	Apportion basis	Allocated Support costs	Apportion basis	Allocated Support costs	Total Other costs				
<i>Costs of generating funds</i>										
Fundraising	454,388	43.7%	98,744	553,132	267,624	474,288	24,773	-	1,052,193	1,025,086
Cost of sales of trading subsidiary	-	-	-	-	2,799,044	2,799,044	-	-	2,799,044	2,240,649
Support costs of trading subsidiary	247,971	35.1%	79,241	327,212	75,486	241,332	19,629	-	588,173	419,195
	702,359		177,985	880,344	3,142,154	3,514,664	44,402	-	4,439,410	3,684,930
<i>Charitable activities</i>										
Sunshine Coaches	38,492	5.1%	11,461	49,953	9,686	33,673	2,838	2,915,283	3,001,747	4,239,651
Wheelchairs	35,038	5.1%	11,461	46,499	9,251	33,238	2,838	649,672	732,247	778,388
Appeals	35,944	3.3%	7,564	43,508	15,904	31,736	1,874	1,058,594	1,135,712	700,815
Variety at Work activities	35,814	5.5%	12,416	48,230	-	25,986	3,076	821,425	898,717	1,057,594
	145,288		42,902	188,190	34,841	124,633	10,626	5,444,974	5,768,423	6,776,448
<i>Governance costs</i>										
	26,659	2.4%	5,157	31,816	27,025	37,819	1,278	-	70,913	65,782
	874,306	100.0%	226,044	1,100,350	3,204,020	3,677,113	56,306	5,444,974	10,278,746	10,527,160

An analysis of 2007 grants and donations is contained in note 21 to the financial statements.

Total resources expended includes £942,464 an equivalent amount being described as intangible income in the Statement of Financial Activities. This comprises £821,425 in respect of Variety at Work activities (part of direct charitable expenditure), £3,878 printing fees and £117,161 in cost of sales.

The Variety Club Children's Charity
Notes forming part of the financial statements
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8 Net outgoing resources is arrived at after charging:	2007	2006
	£	£
Depreciation		
- office equipment	16,640	18,142
- freehold building	39,666	30,900
Auditors' remuneration - audit	27,025	25,850
Auditors' remuneration - other services	20,268	15,852
	<hr/>	<hr/>

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	Freehold	Office	
	land and buildings	equipment	Total
Group and company	£	£	£
Cost			
1 January 2007	2,644,382	245,443	2,889,825
Additions	-	62,627	62,627
31 December 2007	<u>2,644,382</u>	<u>308,070</u>	<u>2,952,452</u>
Depreciation			
1 January 2007	275,281	235,227	510,508
Charge for the year	39,666	16,640	56,306
31 December 2007	<u>314,947</u>	<u>251,867</u>	<u>566,814</u>
Net book value at 31 December 2007	<u>2,329,435</u>	<u>56,203</u>	<u>2,385,638</u>
Net book value at 31 December 2006	<u>2,369,101</u>	<u>10,216</u>	<u>2,379,317</u>

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	Company	Group	Company
	2007		2006	
	£	£	£	£
Trade debtors	488,220	142,494	576,198	277,026
Amounts due from subsidiary undertaking	-	1,428,719	-	1,657,249
Other debtors	58,518	27,390	43,653	25,698
Prepayments and accrued income	279,440	199,446	209,129	48,676
	<u>826,178</u>	<u>1,798,049</u>	<u>828,980</u>	<u>2,008,649</u>

All debtors are due within one year.

The Variety Club Children's Charity
Notes forming part of the financial statements
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13 Current asset investments	Market value		Cost	
	2007	2006	2007	2006
Group and company	£	£	£	£
Investment Property	<u>650,000</u>	<u>600,000</u>	<u>650,000</u>	<u>600,000</u>
	650,000	600,000	650,000	600,000

Variety Club owns a residential property in Dorset which was left as a legacy to the charity in 2006. At the year end, this was shown as investment property at the market value of £650,000. On behalf of the trustees, the valuation was carried out by Countrywide Residential Lettings Limited, Bournemouth.

14 Creditors: amounts falling due within one year	Group	Company	Group	Company
	2007		2006	
	£	£	£	£
Mortgage (secured - see note 15)	55,973	55,973	52,497	52,497
Bank loan (see note 15)	58,040	58,040	55,235	55,235
Trade creditors	336,213	217,462	419,069	217,357
Other creditors	38,309	1,158	91,626	35,508
Accruals and deferred income	255,093	74,429	251,879	58,939
Creditors for grants and donations	<u>466,686</u>	<u>466,686</u>	<u>423,189</u>	<u>423,189</u>
	1,210,314	873,748	1,293,495	842,725

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

	2006	Charge for the year	Payments less amounts written back	2007
	£	£	£	£
Wheelchairs	183,121	691,327	(618,474)	255,974
General appeals	240,068	962,422	(991,778)	210,712
	<u>423,189</u>	<u>1,653,749</u>	<u>(1,610,252)</u>	<u>466,686</u>

15 Creditors: amounts falling due after one year

Group and company	2007	2006
	£	£
Mortgage (secured)	828,412	884,385
Bank Loan	<u>28,413</u>	<u>86,109</u>
	856,825	970,494

Mortgage (secured)

The mortgage is secured on Variety Club's freehold land and building and is repayable over a remaining period of 11 years at an interest rate of 6.4% per annum as follows:

	£	£
In more than one year but not more than two years	59,677	55,973
In more than two years but not more than five years	203,792	191,142
In more than five years	<u>564,943</u>	<u>637,270</u>
	828,412	884,385

The proportion of the loan to the value of the assets charged is: **38%** **40%**

Bank Loan

The bank loan is repayable over a remaining period of 16 months at an interest rate of 1.5% over Barclays Base Rate.

	£	£
In more than one year but not more than two years	28,413	58,275
In more than two years but not more than five years	<u>-</u>	<u>27,834</u>
	28,413	86,109

The Variety Club Children's Charity
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16 Analysis of group net assets between funds	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	2,385,638	-	2,385,638
Current assets	2,984,290	1,996,591	4,980,881
Current liabilities	(809,456)	(400,858)	(1,210,314)
Long-term liabilities	(856,825)	-	(856,825)
Total net assets	<u>3,703,647</u>	<u>1,595,733</u>	<u>5,299,380</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 2007	3,529,784
Net incoming resources for the year before transfers	553,546
Transfer between funds	(379,683)
At 31 December 2007	<u>3,703,647</u>

18 Restricted Funds

Group and company	Opening Balance £	Income £	Expenditure £	Closing Balance £
Sunshine Coaches	71,854	1,659,560	(1,616,075)	115,339
Easy Riders Wheelchairs	480,218	537,496	(716,408)	301,306
VCCH at Kings College Hospital	854,824	210,716	(620,000)	445,540
Variety Club Golfing Society	620,371	696,815	(661,139)	656,047
Regions	<u>119,743</u>	<u>387,621</u>	<u>(429,863)</u>	<u>77,501</u>
	<u>2,147,010</u>	<u>3,492,208</u>	<u>(4,043,485)</u>	<u>1,595,733</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 trasplants, neuro-surgery and the treatment of Sickle Cell Anaemia.

Variety Club Golfing Society

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

The Variety Club Children's Charity
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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 represents the restricted funds which existed at 31 December 2007.

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 2007, there were twenty-six members (2006 - 25), 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	230,387	155	828,207	95	1,058,594	250
Sunshine Coaches	-	-	2,915,283	102	2,915,283	102
Wheelchairs	574,877	162	74,795	12	649,672	174
	<u>805,264</u>	<u>317</u>	<u>3,818,285</u>	<u>209</u>	<u>4,623,549</u>	<u>526</u>

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

	£
King's College Hospital, London	620,000
Army Benevolent Fund, London	60,000
Kisharon Day School, London	39,662
St Lukes School, St Albans, Herts	39,092
Rose Road Association, Southampton	39,045
Elms Community Special School, Preston, Lancs	35,310
Campbeltown Grammar School, Campbelton, Argyll	34,860
Springboard Opportunity Group, Clevedon, Avon	34,168
John Watson Kids Club, Oxford,	34,127
Bothwell Park School, Motherwell, Lanarkshire	33,885
Hillside School School, Cumnick, Ayrshire	33,885
Dryden School, Gateshead	33,855
Kiltonthorpe School, Saltburn-By-The-Sea, Cleveland	33,855
Sunningdale School, Sunderland, Tyne & Wear	33,855
Tweedykes School, Sutton-On-Hull	33,855
The Meadow School, Oldbury, West Midlands	33,835
Dylan Thomas Community School, Swansea	33,825
St Francis School, Lincoln, Lincolnshire	33,805
Annie Lawson School, Crowthorne, Berks	33,790
Brimble Hill School, Swindon, Wilts	33,790
Rowdeford School, Devizes, Wilts	33,790
Phoenix School, Peterborough, Cambs	33,765
Rainbows Childrens Hospice, Loughborough, Leicestershire	33,765
Blance Nevile School, London	33,755
Edmund Waller School, London	33,755
Green Park community primary School, Dover, Kent	33,755
Queen Elizabeth 2 Jubilee School, London	33,755
Ravensbourne School, Romford Essex	33,755
Balance carried forward	<u>1,578,594</u>

The Variety Club Children's Charity
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21 Grants and donations (continued)	£
Balance brought forward	1,578,594
Saxonwood School, Basingstoke, Hants	33,755
St Mary's Wrestwood Children's Trust, Bexhill on Sea, East Sussex	33,755
West Hill School, Leatherhead, Surrey	33,755
Princess Primary School, Liverpool,	33,330
Meadowbank School, Cardiff	33,300
Down View School, Brighton East Sussex	33,255
Down View School, Brighton, East Sussex	33,255
Ardoyne Youth Club, Belfast	30,961
Newstart Education Project, Belfast	30,932
North Washington Youth, Washington, Tyne & Wear	30,609
N I Childrens Hospice, Newtownabbey, Belfast	29,469
Hazelwood School, Aberdeen	29,204
Lochgelly North School, Lochgelly, Fife	29,174
Oakleigh Gardens School, Sunderland, Tyne & Wear	29,144
Pyrcroft Grange Primary School, Chertsey, Surrey	29,144
Birtenshaw Hall School, Bolton, Lancs	29,129
Lisburne School, Stockport, Cheshire	29,124
Newfield School, Liverpool	29,124
Tor View School, Rossendale, Lancs	29,124
Springwater School, Harrogate, North Yorks	29,119
Ysgol Pendalar, Caernarfon, Gwynedd	29,114
New Fosseyway School, Bristol, Avon	29,079
Hamelin Trust, Billericay, Essex	29,059
St Elizabeths Centre, Much Hadham, Herts	29,054
Demelza House Children's Hospice, Sittingbourne, Kent	29,044
Mapledown School, London	29,044
Pioneer School, Basildon, Essex	29,044
St Anns School, Morden, Surrey	29,044
The Firs, Northolt, Middx	29,044
Cliffdale Primary School, Portsmouth, Hants	29,019
Colegrave Primary School, Henniker Road, London	28,519
Longford Park School, Stretford, Manchester	27,207
Cleaswell Hill School, Choppington, Northumberland	26,075
Noahs Ark Children Venture, Cirencester, Gloucs	26,045
Aylands School, Enfield Middx	25,975
Beormund Primary School, London	25,975
Endeavour School, Brentwood, Essex	25,975
South East Surrey Pupil Referral, Reigate, Surrey	25,975
Glyne Gap School, Bexhill on Sea, East Sussex	25,950
Oakwood School, Leeds, West Yorks	25,800
Glebe School, Whitley Bay, Tyne & Wear	25,775
Hamilton School, Birmingham	25,770
Lacon Childe School, Kidderminster, Worcs	25,770
St Albans RC Primary School, Cardiff	25,770
Sunfield Childrens Homes Ltd, Clent, Stourbridge	25,770
Walnut Tree Walk Primary School, London	25,755
Mary Elliott School, Walsall, West Mids	25,750
Welcome Hills School, Stratford Upon Avon, Warwicks	25,750
Greenoaks Primary School, Northampton	25,710
Isebrook School, Kettering, Northants	25,710
Alderwood Primary School, London SE9	25,700
Essex Autistic Society, Colchester, Essex	25,700
Northcliffe School, Blackburn, Lancs	23,430
Phoenix Primary School, Liverpool, Merseyside	23,430
Westcroft School & Sports College, Wolverhampton	23,420
Lower Lee Special School, Woolton, Liverpool	23,405
Hindleap Warren Outdoor Centre, Forest Row, East Sussex	23,350
Balance carried forward	<u>3,177,262</u>

The Variety Club Children's Charity
Notes forming part of the financial statements
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21 Grants and donations (continued)	£
Balance brought forward	3,177,262
Horizon School, London	23,350
Kingswode Hoe School, Colchester, Essex	23,325
Elmfield School For Deaf Children, Bristol, Avon	23,260
Brookfield School, Poulton-Le-Fylde, Lancs	23,155
Park School, Blackpool, Lancs	23,155
The Hillingdon Tuition Centre, Uxbridge, Middx	23,125
Woodeaton Manor School, Oxford	23,080
Bensham Manor School, Thornton Heath, Surrey	23,075
Bredinghurst School, London	23,075
Chantry Primary School, Luton, Beds	23,075
Hatton School, Woodford Green, Essex	23,075
New Horizons School, St Leonards on Sea, East Suusex	23,075
Phillip Green Memorial School, Wimborne, Dorset	23,075
Pield Heath House RC School, Uxbridge, Middx	23,075
Queensmill School, London	23,075
Hampshire Autistic Society, Fareham, Hants	23,050
The Learning Supprt Centre, Walthamstow, London	23,050
Variety Club Ireland, Ireland	20,000
Kisharon, London NW11	19,174
Percy Hedley School, Newbury Berks	11,085
Aspire Forde Wheelchair Basketball, Stanmore Middx	9,200
Wheel Appeal, Stoke Mandeville, Bucks	9,000
Aspire Football Club, Stanmore Middx	8,114
Junior Hampshire Harriers, Winchester	7,500
The Leaside Trust, Clapton, London	6,000
Peak School, North West	5,947
Southampton Womens Aid, Wessex	5,735
Bolton Wanderers FC, Bolton, Lancs	5,500
Cuckmere House School, Seaford, East Sussex	5,000
Ahoy centre, Cornwall	5,000
Rockinghorse Appeal, Brighton	5,000
Other donations under £5,000	125,618
	<u>3,818,285</u>

22 Commitments

As at 31 December 2007, Variety Club was committed to supplying Sunshine Coaches totalling £872,000 (2006: £871,000) 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 group personal pension plan. There is a series of individual pension plans to which Variety Club contributes.

The Variety Club Children's Charity
Notes forming part of the financial statements
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24 Reconciliation of net incoming resources from operating activities	2007	2006
	£	£
Net (outgoing)/ incoming resources for the year	(377,414)	1,391,711
Depreciation of tangible fixed assets	56,306	49,042
Realised gain on investments	-	(3,036)
Unrealised gain on investments	(50,000)	(600,000)
Revaluation of Property	-	(714,639)
Decrease in debtors	2,802	7,276
(Decrease)/ increase in creditors	(83,181)	313,834
Investment income	(115,338)	(106,652)
Net cash (outflow)/inflow from operating activities	<u>(566,825)</u>	<u>337,536</u>

25 Reconciliation of net cash flow to movement in net funds	2007
	£
Decrease in cash in the year	(627,783)
Net cash outflow from decrease in debt	107,389
Net cash inflow from Increase in liquid resources	-
Movement in net debt in the year	<u>(520,394)</u>
Opening net funds	<u>3,054,259</u>
Closing net funds	<u>2,533,865</u>

26 Analysis of net funds	Opening Balance	Cash Flow	Other non- cash changes	Closing Balance
	£	£	£	£
Cash at bank and in hand	4,132,486	(627,783)	-	3,504,703
Liquid resources	-	-	-	-
	<u>4,132,486</u>	<u>(627,783)</u>	-	<u>3,504,703</u>
Debt due after one year	(970,494)	-	113,669	(856,825)
Debt due within one year	<u>(107,733)</u>	<u>107,389</u>	<u>(113,669)</u>	<u>(114,013)</u>
Total	<u>3,054,259</u>	<u>(520,394)</u>	-	<u>2,533,865</u>

27 Operating lease commitments

At 31 December 2007, the group had annual commitments under non-cancellable operating leases as set out below.

	Plant & Machinery	
	2007	2006
	£	£
Operating leases which expire:		
Between 2 and 5 years	<u>6,087</u>	<u>6,087</u>