

Charter 88

(Company limited by guarantee no. 2440899)

**REPORT and ACCOUNTS
for the year ended
31st March 2006**

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REPORT and ACCOUNTS
for the year ended 31st March 2005

Legal and administrative information

Executive Committee	Debbie Chay Anthony Barnett Paul Farthing Vicky Seddon Stuart Weir Terry Myers Robin Anderson Peter Facey Ron Bailey	until 08-09-05
Secretary	Robin Anderson Bernard Knight	until 31-12-05 from 01-01-06
Registered Office	6 Cynthia Street London N1 9JF	
Reporting Accountants	Gotham Erskine Friendly House 52-58 Tabernacle Street London EC2A 4NJ	

Charter 88 (known publicly as Charter88) is registered as a company limited by guarantee (without share capital) no. 2440899; its governing instrument is its memorandum and articles of association. Every member of the company undertakes to contribute to its assets in the event of its being wound up while s/he is a member such amount as may be required not exceeding £10.

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Executive Committee's report for the Year Ended 31st March 2006

The Executive Committee (which is the board of directors for company law purposes) presents its report and the audited accounts for the year ended 31 March 2006.

OBJECTS

The object for which the company is established is to encourage constitutional and democratic changes inspired by the arguments and demands of its Charter, entitled Charter88, published in 1988. It is principally involved in educative, informative, campaigning and lobbying activities for constitutional reform in the UK.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Governance

Steady progress was made on the organisational reform of Charter 88 during 2005/6. A meeting of those 'deemed' to be members was held in June and a new 'draft' constitution was presented to Council for amendment and adoption on the 10th December 2005. In anticipation of Charter 88 becoming a fully fledged membership organisation in 2006, and formal adoption of the constitution by that membership, Council voted to recommend to the membership a constitution with general meetings of members and an elected executive, replacing the existing Council and Executive. This would be put on the first meeting of members in April 2006. Directly afterwards, supporters were invited to a meeting to launch the 'draft' constitution and to discuss preparatory arrangements for the first OGM of members, to be held in Spring, 2006. The first three months of 2006 were taken up with preparation for this meeting and arrangements for the election of the new executive.

Staff

Peter Facey (Director of NPN), and Ron Bailey (Director of ACT) continued providing services as co-directors of Charter 88 for the duration of the partnership agreements with each organisation, i.e. until April 2006. They were appointed on the basis of contracts for services from December 2004.

James Blanchard started work as campaigns and press officer in March 2005, alongside Adrian Ball, who had been responsible for maintaining the Charter 88 website and database since 2003. Adrian resigned in June 2005 and later in the year Bernard Knight was appointed taking over the role Adrian had undertaken, and working three days per week. Charter 88 continues to be based at Cynthia Street where it rents office space from NPN for its two staff members.

Campaigning

1) Charter 88 and the New Politics Network

During 2005/6, the bulk of Charter 88's resources continued to be focussed on joint projects with NPN and ACT. The Democracy Project with NPN is concerned with campaigns for a predominantly elected second chamber, voting reform, citizenship and issues around the European constitution. Charter 88 and NPN's joint campaign for the general Election, 'The Democracy Challenge' focussed on three key questions of themes: restoring trust in British politics; reinvigorating democracy; defending and enhancing citizens' and human rights.

People and Politics day, booked for the 14th November 2006 aims to complement the citizenship education curriculum by providing a forum in which young people can interact with policy experts and senior politicians of all parties.

In September, it was agreed unanimously by the Executive that Charter 88 would like to continue working with the New Politics Network. It was accepted that any such agreement would have to be ratified by the members of both organisations (once Charter becomes a full membership organisation). On that basis the Executive agreed to extend the existing agreement with NPN until April 2007.

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Executive Committee's report for the Year Ended 31st March 2006

Campaigning, continued

2) Charter 88 and ACT

In July ACT formed a Steering Group with Charter. The Charter88/ACT partnership continued to focus on sustainable communities; the Electoral Choice Bill; and a Bill of Rights that combines traditional and environmental rights. It was agreed that a proposal to incorporate the joint work of ACT and Charter 88 into that of Charter 88 generally, would be put to the supporters and/or members of both organisations for consideration, (and a vote where necessary), before the partnership agreement came to an end in 2006.

3) Charter 88

In a deliberate attempt to maintain a distinct and separate identity, Charter 88 also continued working independently on the 'War Powers' Bill, designed to limit the way in which the Prime Minister exercises the prerogative power of the Crown to commit troops abroad in times of conflict. Clare Short MP, who came 3rd in the Private Members' Ballot for 2005/6, agreed to take over sponsorship of the Bill through parliament. With growing cross-party support for the principles behind the Bill it is hoped that this campaign will continue to put pressure on parliament to seriously consider reform of the royal prerogative in other areas as well.

There were two mailshots ('The time has come....' and 'House of Lords') sent out in conjunction with ACT and NPN respectively.

The year up to 31st March 2006 is probably best described as one of continuing consolidation for Charter 88 with steady progress being made towards much needed organisational reform. This was combined with a corresponding increase in campaigning activity.

ORGANISATION

The Council

The Council continued as the policy-making body of Charter 88 setting the broad outline areas of policy on which Charter 88 campaigned and delegating the day-to-day running of the organisation (i.e. the putting of that policy into operation) to the Executive Committee. The Council voted to recommend to the membership a constitution with general meetings of members, and an elected executive, replacing the existing Council and Executive. This would be put to the first meeting of members in April 2006.

The Executive Committee

The Executive Committee is the board of directors of Charter 88. It debates policy formulation, (which traditionally has been presented to Council, but after December 2005 is to be presented to the membership), and is responsible for the running of the organisation. It normally delegates responsibility for day-to-day finance and administration to the Finance and Fundraising committee but this was not possible this year because of the strain on staff and resources. For the present the Executive Committee itself carries out the tasks of this Committee with one member having special responsibility for this aspect. The Executive Committee continued to meet approximately ten times a year.

Vicky Seddon continued to maintain links with representatives from local groups. Paul Farthing took on responsibility for mailings and marketing. Robin Anderson worked with Ron Hoyle, consultant accountant, on producing the annual accounts and reports for the financial year up until his resignation from the Executive in September 2005. Stuart Weir advised on policy and campaigns whilst Terry Myers liaised with Charter 88 Scotland in stepping up the campaign for a written constitution for the UK.

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Executive Committee's report for the Year Ended 31st March 2006

EXECUTIVE COMMITTEE MEMBERS AND THEIR INTERESTS

The members of the Executive Committee serving during the year are shown on page 1. The company has no issued share capital or debentures, hence there are no directors' interests requiring disclosure.

VOLUNTARY HELP AND DONATIONS IN KIND

Over the course of the year a number of volunteers worked for Charter 88. Small amounts of travel and subsistence expenses were reimbursed at cost against receipts but the volunteers' time was given freely.

FINANCIAL REVIEW

Although the company is not eligible for charity status because of its campaigning activities, its method of operation is similar to many charities of like size. In the interests of greater openness, the Committee therefore presents the accounts of Charter88 in accordance with the provisions of the Statement of Recommended Practice for Charities insofar as considered appropriate to the company's operations. The accounts comply with current statutory requirements and the company's Articles of Association.

Full details of the incoming and outgoing resources for the year are given in the Statement of Financial Activities on page 8. All assets are held for the purpose of furthering the company's objects.

The company adopted a reserves policy in January 2005. This policy states that it is our aim to hold at any one time £30,000 as unrestricted funds in a general reserve. At present this is being achieved.

The company has a subsidiary, Charter 88 Enterprises Limited, which carries out trading in support of Charter88's campaigning activities. The purpose of the subsidiary is to support Charter88 rather than to generate profits. There was no activity this year. A summary of the state of affairs at the year end is given in Note 7 on page 11.

ACCOUNTANTS

The company's reporting accountants, Gotham Erskine, have indicated their willingness to accept re-appointment.

EXECUTIVE COMMITTEE'S RESPONSIBILITIES STATEMENT

The Executive Committee members are required by law to prepare accounts for each financial year, which give a true and fair view of the financial activities of the company and of its financial position at the end of that year. In preparing those accounts, the Executive Committee members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Executive Committee members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Executive Committee's report for the Year Ended 31st March 2006

PREPARATION OF THE REPORT

This report has been prepared in accordance with the provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Committee

Vicky Seddon
Chair

Date.....

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REPORTING ACCOUNTANTS REPORT TO THE MEMBERS OF CHARTER 88 FOR THE YEAR ENDED 31ST MARCH 2006

We report on the accounts for the year ended 31 March 2006 set out on pages to 7 to 12.

Respective responsibilities of Executive Committee and reporting accountants

As described on page 4 the Executive Committee, which is the board of directors of Charter 88 for the purposes of company law, is responsible for the preparation of the accounts, and considers that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

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

Opinion

In our opinion:

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

Gotham Erskine
Chartered Accountants
& Registered Auditors
Friendly House
52 - 58 Tabernacle Street
London EC2A 4NJ

Date:

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Balance Sheet at 31st March 2006

		2006	2005
		£	£
Fixed Assets			
Tangible fixed assets	note 6	1,681	4,983
Investments	note 7	100	100
		1,781	5,083
Current Assets			
Debtors & prepayments	note 8	6,619	7,651
Cash		95,183	92,247
		101,802	99,898
Less: Creditors falling due within one year	note 9a	32,132	36,086
Net Current Assets		69,670	63,812
Total Assets less Current Liabilities		71,451	68,895
Less: Creditors falling due after one year	note 9b	-	1,482
Net Assets		71,451	67,413
Funds			
Restricted funds	note 10	2,329	2,941
Unrestricted funds		69,122	64,472
Total Funds		71,451	67,413

Directors' Statements:

(a) For the accounting period ended 31st March 2006 the company was entitled to exemption under Section 249A(1) of the Companies Act 1985.

(b) Members have not required the company to obtain an audit in accordance with S249B(2) of the Companies Act 1985.

(c) The Directors acknowledge their responsibility for:

(1) Ensuring the company keeps accounting records which comply with S221, and,

(2) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period, and of its profit for that period, in accordance with the requirements of the Companies Act relating, so far as applicable, to the company;

(d) The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2005). The financial statements were approved, and authorised for issue, by the Executive Committee on the 12th September 2006 and signed on its behalf by:

.....

Vicky Seddon

Chair

The notes on pages 9 to 12 form part of these financial statements.

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Statement of Financial Activities for the year ended 31st March 2006

Incoming Resources	Restricted	Unrestricted	Total	2005
	£	£	£	£
Donations		169,390	169,390	221,387
Legacies			-	2,000
Bank interest receivable		1,494	1,494	1,152
Recovery of bad debts		-	-	1,213
Miscellaneous income		350	350	1,130
Total Incoming Resources	-	171,234	171,234	226,882
Resources Expended	Note 3			
Costs of generating funds - fundraising		3,039	3,039	51,646
Activities in furtherance of objectives:				
Direct campaigning	612	115,399	116,011	91,984
Signatory services		14,136	14,136	1,388
Governance		34,010	34,010	31,911
Total Resources Expended	612	166,584	167,196	176,929
Net Income (Expenditure) / Income	(612)	4,650	4,038	49,953
Fund balances brought forward at 1 April 2005	2,941	64,472	67,413	17,460
Fund balances carried forward 31 March 2006	2,329	69,122	71,451	67,413

All transactions are derived from continuing activities

All recognised gains and losses are included in the Statement of Financial Activities

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Notes to the Accounts for the year ended 31st March 2006

1 Accounting Policies

Basis of Preparation of Accounts

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Financial Reporting Standard for Smaller Entities (effective January 2005) and having regard to the Statement of Recommended Practice for Charities (SORP) insofar as considered appropriate to the company's operations. Although not eligible for registration as a charity due to the nature of some of its campaigning activities, the company operates on a not-for-profit basis and the Executive Committee considers it appropriate to apply most of the provisions of the SORP.

Incoming Resources

All donations are included in full in the Statement of Financial Activities as they are received. Grants are accounted for in the period specified for their use by the donors provided that any conditions for receipt have been met. Other income is accounted for on a receivable basis.

Subsidiary Company

As explained in Note 7 the company has a subsidiary. Group accounts are not prepared because they would not be materially different from the accounts of the company: there is no requirement to prepare them by virtue of the Group qualifying as a 'small group' under the Companies Acts. Details of the subsidiary are given in Note 7.

Local Groups

These accounts include the transactions of Charter88 only and not those of its local groups which operate regionally to support its campaigning aims. This is because the local group licence agreement entered into by all the groups makes it clear that they are entirely independent of the company, that all transactions are carried out in their own name and that they do not represent to be contracting on behalf of the company. Transactions with local groups during the year totalled £612 funded from the Andrew Wainwright Reform Trust (2005 £403).

Fund Accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Executive Committee in furtherance of the general campaigning objectives.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the company for specific purposes. The cost of raising or administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in Note 10.

Resources Expended

All expenditure is accounted for gross, and when incurred. Staff costs and other costs directly attributable to functional cost categories have been allocated to those categories. Governance costs comprise those costs relating to the company's central management and administration as opposed to its campaigning and research activities.

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives of 4 years.

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Notes to the Accounts for the year ended 31st March 2006

2 Net Movement in Funds	2006	2005
	£	£
The net movement in funds is stated after charging:		
Management fees to Ron Bailey Ltd	20,761	3,084
Management fees to New Politics Network	10,692	3,084
Partnership payments, Active Citizens Reform	20,170	39,578
Partnership payments, New Politics Network	20,170	48,322
Office service paid to New Politics Network	4,032	857
Reporting Accountants remuneration	2,115	3,055
Depreciation	4,271	4,196
3 Resources Expended	2006	2005
Salaries, NIC	42,021	41,011
Staff recruitment	-	1,028
Staff travel	49	12
Website costs	1,433	813
Office rents & rates	2,537	1,216
Management Services	31,454	6,169
Office telephones, mobile, internet, ADSL	580	539
Office postage, courier	1,141	212
Office stationery	482	293
Office photocopier running	938	11
Office repairs, maintenance	480	(61)
Office miscellaneous	234	147
IT maintenance, consumables, software	6,990	7,980
Directors' travel, meetings	2,163	3,015
Subscriptions, publications	416	273
Insurances	1,502	1,192
Accountancy services	3,250	3,635
Reporting Accountants (2005 - Audit) fee	2,115	3,055
Legal costs	30	15
Sundry finance charges	547	612
Loan interest	493	1,355
Depreciation	4,271	4,196
Partnership payments - NPN	20,170	48,322
Partnership payments - ACT	20,170	39,578
Mailshot costs	-	11,186
Campaign costs	16,225	722
Signatory costs	2,878	403
Party conference costs	2,538	-
Local group costs	612	-
AGM & OGM costs	1,477	-
	167,196	176,929
Costs of generating funds - fundraising	3,039	51,646
Activities in furtherance of objectives:		
Direct campaigning	116,011	91,984
Signatory services	14,136	1,388
Governance	34,010	31,911
	167,196	176,929

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Notes to the Accounts for the year ended 31st March 2006

4 Employees and Staff Costs

	2006 Number	2005 Number
In aggregate the monthly average of full and part time persons employed during the year was:		
Direct campaigning	1.0	-
Signatory services	-	-
Fundraising	-	0.8
Governance	0.6	0.5
	1.6	1.3

Staff costs were as follows:

	£	£
Salaries	38,292	33,379
National insurance	3,729	3,282
Honorarium	-	3,000
Redundancy payments	-	1,350
	42,021	41,011

5 Executive Committee Remuneration and Reimbursed Expenses

Expenses relating to travel and subsistence totalling £2,069 (2005 - £3,417) were reimbursed to 9 members (2005 - 9).

6 Tangible Fixed Assets - Computer Equipment

	2006 £	2005 £
Cost		
1 April 2005	22,360	20,454
Additions	969	1,906
31 March 2006	23,329	22,360
Depreciation		
1 April 2005	17,377	13,181
Charge for the year	4,271	4,196
31 March 2006	21,648	17,377
Net Book Value	1,681	4,983

7 Investments

	2006 £	2005 £
Shares in Subsidiary	100	100

The Company owns 100 ordinary shares of £1 each, the entire issued share capital, in Charter 88 Enterprises Limited, a company incorporated in England. The subsidiary, which carries out incidental trading activities compatible with the campaigning activities of the Company, operates from the same premises. The subsidiary did not carry out any political operations during the year nor were there any trading or financial activities except for minor accounting charges.

Details of its state of affairs at the year end are:

	2006 £	2005 £
Opening capital and reserves	185	265
Profit (loss) for the year	(100)	(80)
Closing capital and reserves	85	185

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Notes to the Accounts for the year ended 31st March 2006

8 Debtors	2006	2005
	£	£
Sundry debtors	4,327	6,000
Prepayments	2,292	1,651
	6,619	7,651
9 Creditors	2006	2005
a. Amounts falling due within one year	£	£
Trade creditors	8,633	8,039
Accruals	16,424	10,302
Other taxes and social security	1,051	801
Charter 88 Enterprises Ltd	4,540	4,640
Loan, New Politics Network	637	7,397
Loan, Ron Bailey Ltd	424	2,453
Loan, Charles Secrett	423	2,454
	32,132	36,086
b. Amounts falling due later than one year		
Loan, New Politics Network	-	636
Loan, Ron Bailey Ltd	-	423
Loan, Charles Secrett	-	423
	-	1,482

The loans are repayable over a 2 year period commencing in June 2004

10 Restricted Funds	Balance at 1 April 2005	Incoming resources	Resources expended	Balance at 31 March 2006
	£	£	£	£
Local groups	2,941	-	612	2,329

Local groups expenditure is funded from a grant received from the Andrew Wainwright Reform Trust

11 Corporation Tax

No tax liability arises on the Company's voluntary income. Corporation tax is charged at the small companies rate of 0% (2005 - 0%) on the Company's investment income. The tax charge for the year was £ nil (2005 - £ nil).

12 Capital Commitments

The company had capital commitments at 31st March 2006 for new IT equipment amounting to £10,000.