

# The Peter Cruddas Foundation

(A charitable company limited by guarantee)

## ANNUAL REPORT AND FINANCIAL STATEMENTS

31 March 2008

Company Registration No. 5940210  
Charity Registration No. 1117323

# The Peter Cruddas Foundation

(A charitable company limited by guarantee)

TRUSTEES' REPORT (incorporating the Directors' Report)

---

## 1) REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees are appointed in accordance with the Terms and Conditions contained in the Charity's Memorandum and Articles of Association.

Trustees who served during the year and up to the date of this report are:

Mr Peter Andrew Cruddas  
Mr Martin David Paisner CBE  
Rt Hon Lord Young of Graffham P.C., D.L.

### **Company Secretary**

Mr Farzim Nazari

### **Foundation Administrator**

Mr Stephen Cox

### **Registered Office**

66 Prescott Street  
London  
E1 8HG

### **Registered Auditor**

Baker Tilly UK Audit LLP  
Chartered Accountants  
1<sup>st</sup> Floor  
46 Clarendon Road  
Watford  
Herts WD17 1JJ

### **Bankers**

Lloyds TSB Bank plc  
72 Fenchurch Street  
London  
EC3P 3EH

### **Company Number**

5940210

### **Charity Registration Number**

1117323

# The Peter Cruddas Foundation

(A charitable company limited by guarantee)

TRUSTEES' REPORT (incorporating the Directors' Report)

---

## 2) STRUCTURE, GOVERNANCE AND MANAGEMENT

The Peter Cruddas Foundation ("The Foundation" or "the Charity") was incorporated as a company limited by guarantee on 19 September 2006 and registered as a charity on 19 December 2006.

The Foundation's objects, as laid out in The Memorandum of Association, are "to advance, promote or carry out such charitable purposes as the Directors / Trustees in their absolute discretion consider fit".

The Trustees are also directors of the company for the purposes of company law. The Board of Trustees has no sub committees but has appointed advisors to assist in making recommendations to the Board in respect of grant-making matters. The Board aims to meet bi-monthly.

### Trustee induction and training

The Foundation's Trustees are all familiar with the practical work of the Charity and their responsibilities as Trustees. The Company Secretary distributes relevant information from the Charity Commission and The Foundation's advisors to the Trustees, as appropriate.

### Management

The Foundation's affairs are conducted on a day-to-day basis by The Foundation Administrator, under direction of the Trustees.

### Risk management

The Board of Trustees has reviewed the major risks to which The Foundation is exposed. The Board is satisfied that the procedures in place are adequate to manage such risks appropriately. The major risk which The Foundation faces is that its income is entirely derived from its founder, who is the sole donor.

### Grant-making policy

The grants made during the year are detailed in note 5.

The Foundation gives priority to programmes calculated to help disadvantaged young people to pursue their education (including vocational) and more generally develop their potential whether through sport or recreation, voluntary programmes or otherwise. Preference will be given to the support of projects undertaken by charitable organizations for the benefit of such people, but consideration will also be given in appropriate circumstances to applications for individual support.

The Foundation will also promote high quality projects relating to healthcare excellence and research into terminal disease undertaken by medical institutions of international calibre.

The Foundation is also interested in exceptional projects that demonstrate excellence in the creative and performing arts, account being taken of the quality of the artistic product, the calibre of the participating artists and the value of the artistic experience for audiences and the participants.

## 3) OBJECTIVES AND ACTIVITIES / ACHIEVEMENTS AND PERFORMANCE

The Foundation's objects are set out above. Within these wide objects The Foundation seeks to focus its activities on providing grants in accordance with the grant-making policy set out above.

During the 2007/8 financial year, The Foundation received donation income of £3,059,918 (2007: £1,400,000). Grants of £3,882,462 (2007: £550,000) were made. The Trustees are monitoring the impact of these awards.

The Foundation is in its second year of activity and The Foundation received a high level of grant applications and, as a result, many significant grants have already been made. The appointment of The Foundation Administrator has enabled the Trustees to promote The Foundation's activities more widely, to research, review and assess the significant number of grant applications received and to monitor the impact of grants made closely and this will continue to develop in 2008/9. The Foundation will also be continuing to research and develop where its grants have

# The Peter Cruddas Foundation

(A charitable company limited by guarantee)

## TRUSTEES' REPORT (incorporating the Directors' Report)

---

most impact on beneficiaries, especially at grass roots level, in support of smaller charities with clear aims and objectives in line with the criteria described above.

### 4) FINANCIAL REVIEW

#### **Presentation of the financial statements**

The financial statements have been prepared in accordance with The Companies Act, The Charities (Accounts and Reports) Regulations and Statement of Recommended Practice 2005 Accounting and Reporting by Charities ("SORP 2005").

#### **Financial results**

The net expenditure for the year, including second and third year grant obligations –where recognized in accordance with SORP 2005, was a deficit of £848,393 (2007: surplus for the period of £848,393). The Trustees consider the position to be satisfactory.

#### **Reserves policy**

The Trustees have considered the level of reserves that it is appropriate for The Foundation to maintain, given it is a grant-making charity. Further donations were received and grants were approved and paid by the Trustees during 2008/9. The Foundation is not an endowed charity and it only has one employee. The funding of its grant commitments is underwritten by the founder, Mr P A Cruddas. As such, there is no need to maintain a significant level of reserves and the Trustees are satisfied that the level of reserves at 31 March 2008 was appropriate in the circumstances.

#### **Related parties / donated services**

The Peter Cruddas Foundation is a charity established and founded by Mr P A Cruddas, the majority shareholder of CMC Markets UK Plc. The Foundation's Company Secretary is employed by CMC Markets UK Plc. The Foundation's Administrator, Stephen Cox, who was appointed during the year is the only full time employee of The Foundation.

#### **Investment powers and policy**

When possible any funds not immediately required for grant-making purposes are invested in short-term interest-bearing money market deposits.

### 5) PLANS FOR THE FUTURE

The Trustees have recently employed an Administrator to enable The Foundation to expand and communicate its activities more widely and to allocate additional resources to researching the impact and outcomes of grants made by The Foundation. Further grants were made during 2008/9 in accordance with the Foundation's grant-giving criteria.

### STATEMENT AS TO DISCLOSURE TO AUDITOR

The directors in office on the date of this report have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to act as auditor for the forthcoming financial year and will be proposed for reappointment at the next Annual General Meeting.

Approved by the Board of Trustees on 14 January 2009 and signed on its behalf by:

.....  
Trustee

# The Peter Cruddas Foundation

(A charitable company limited by guarantee)

## STATEMENT OF TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 the charitable company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the corporate financial information on the Foundation's website is the responsibility of the Trustees. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We have audited the financial statements on pages 6 to 12.

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Trustees and auditors**

The responsibilities of the Trustees (who are also the directors of The Peter Cruddas Foundation for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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

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. We also report to you whether in our opinion the Trustees' Report (incorporating the Directors' Report) is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

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

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on 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 judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Trustees' Report (incorporating the Directors' Report) is consistent with the financial statements.

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

1<sup>st</sup> Floor, 46 Clarendon Road

Watford, Herts, WD17 1JJ

Date:

**The Peter Cruddas Foundation**  
(A charitable company limited by guarantee)  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)**  
for the year ended 31 March 2008

---

	Notes	Unrestricted	
		Year ended 31 March 2008	Period from 19 September 2006 to 31 March 2007
		£	£
<b>Incoming resources</b>			
Incoming resources from generated funds:			
Voluntary income	3	3,059,918	1,400,000
Activities for generating funds:			
Investment income	4	18,073	6,922
<b>Total incoming resources</b>		<u>3,077,991</u>	<u>1,406,922</u>
<b>Resources expended</b>			
Charitable activities	5	3,914,937	550,029
Governance costs	7	11,447	8,500
<b>Total resources expended</b>		<u>3,926,384</u>	<u>558,529</u>
<b>Net incoming resources and net (expenditure)/income for the year/period</b>		(848,393)	848,393
Total funds brought forward	13	848,393	-
<b>Total funds carried forward at 31 March 2008</b>	13	<u><u>-</u></u>	<u><u>848,393</u></u>

The notes on pages 8 to 12 form part of these financial statements.

The results for the year/period relate to the continuing activities of the Foundation.

# The Peter Cruddas Foundation

(A charitable company limited by guarantee)

## BALANCE SHEET

31 March 2008

---

	Notes	2008 £	2007 £
<b>CURRENT ASSETS</b>			
Debtors	9	58,115	3,577
Cash at bank and in hand	10	1,319,927	853,345
		<u>1,378,042</u>	<u>856,922</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	<b>(1,238,708)</b>	<b>(8,529)</b>
<b>NET CURRENT ASSETS</b>		<u>139,334</u>	<u>848,393</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	12	<b>(139,334)</b>	-
		<u>-</u>	<u>848,393</u>
<b>RESERVES</b>			
Unrestricted funds:			
General fund	13	-	848,393
		<u>-</u>	<u>848,393</u>

Approved and authorised for issue by the Board of Trustees on 14 January 2009 and signed on its behalf by:

.....  
Trustee

The notes on pages 8 to 12 form part of these financial statements.

# The Peter Cruddas Foundation

(A charitable company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2008

---

### 1 PRINCIPAL ACCOUNTING POLICIES

#### ACCOUNTING CONVENTION AND STANDARDS

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' published in March 2005 and the Companies Act 1985.

#### VOLUNTARY INCOME

Voluntary income is recognised in the period when the Charity has entitlement to the resources, it is certain the resources will be received and the monetary value can be measured with sufficient reliability.

#### INVESTMENT INCOME

Investment income is recognised on a receivable basis.

#### RESOURCES EXPENDED

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### CHARITABLE EXPENDITURE

Charitable activities include expenditure associated with the provision of grants and any other charitable activities. Both direct costs and support costs (where applicable) relating to the charitable activities are included.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of The Foundation.

#### GOVERNANCE COSTS

Governance costs include all expenditure related to the governance of the Charity including audit fees.

#### FUNDS STRUCTURE

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

#### CASH FLOW STATEMENT

Due to its size, the Charity is not required to present a cash flow statement under Financial Reporting Standard Number 1.

### 2 CONSTITUTION

The Charity is limited by guarantee and does not have a share capital. At 31 March 2008 there were 3 (2007 : 3) members and their liability is limited to £1 each, in the event of the Charity being wound up while they are members, or within one year after they cease to be a member, for payment of debts and liabilities contracted before they cease to be a member.

The Peter Cruddas Foundation  
(A charitable company limited by guarantee)  
NOTES TO THE FINANCIAL STATEMENTS  
31 March 2008

---

3	VOLUNTARY INCOME	Year ended 31 March 2008 £	Period from 19 September 2006 to 31 March 2007 £
	Donations (see note 15)	3,059,918 <u>          </u>	1,400,000 <u>          </u>
4	INVESTMENT INCOME	Year ended 31 March 2008 £	Period from 19 September 2006 to 31 March 2007 £
	Bank interest receivable	18,073 <u>          </u>	6,922 <u>          </u>

**The Peter Cruddas Foundation**  
(A charitable company limited by guarantee)  
NOTES TO THE FINANCIAL STATEMENTS  
31 March 2008

---

5 RESOURCES EXPENDED – CHARITABLE ACTIVITIES

	Year ended 31 March 2008	Period from 19 September 2006 to 31 March 2007
	£	£
Direct grants (see below)	3,882,462	550,000
Support costs	32,475	29
Total charitable activities	<u>3,914,937</u>	<u>550,029</u>
 <b>Grants paid and payable</b>		
Analysis of grants:		
 <b>Support of disadvantaged young people</b>		
Coram	100,000	-
Duke of Edinburgh Awards	499,500	-
Harris Manchester College	224,019	-
The Cauldwell Charitable Trust	30,000	-
The Princes Trust	500,000	550,000
The Willow Foundation	2,000	-
Tick Tock Club GOSHCC	75,000	-
	<u>1,430,519</u>	<u>550,000</u>
 <b>Other</b>		
Dementia	10,000	-
Policy Exchange Limited (For published research projects relating to (a) public service delivery to disadvantaged groups, (b) welfare to work)	140,000	-
Royal Opera House Foundation	241,000	-
The Chichester Festival Theatre	50,000	-
The Dean and Canons of Windsor (Choir School Renovation)	1,489,000	-
The Heart Cells Foundation	12,000	-
The National Osteoporosis Society (NOS) (Construction of the Information Centre at NOS HQ – The Peter Cruddas Suite)	374,943	-
The Royal Hospital Chelsea	100,000	-
Young Adult Trust	20,000	-
Others	15,000	-
	<u>2,451,943</u>	<u>-</u>
	<u>3,882,462</u>	<u>550,000</u>

A total of 42 institutional grants were paid in the year, none were made to individuals.

**The Peter Cruddas Foundation**  
(A charitable company limited by guarantee)  
NOTES TO THE FINANCIAL STATEMENTS  
31 March 2008

---

6 EMPLOYEES

In addition to the three directors, the charitable company had one employee, who was employed during the year (2007: nil). The staff costs were as follows:

	Year ended 31 March 2008	Period from 19 September 2006 to 31 March 2007
	£	£
Wages and salaries	5,416	-
Social security costs	638	-
	<u>6,054</u>	<u>-</u>

7 GOVERNANCE COSTS

	Year ended 31 March 2008	Period from 19 September 2006 to 31 March 2007
	£	£
External audit fees – Baker Tilly UK Audit LLP	4,700	4,000
Non-audit fees – Baker Tilly UK Tax & Advisory LLP	6,747	4,500
Trustees' expenses	-	-
	<u>11,447</u>	<u>8,500</u>

Neither the trustees nor any persons connected with them received any remuneration, or expenses, during the year.

8 TAXATION

The company is a registered charity, with no liability to tax arising in the year.

9 DEBTORS

	2008	2007
	£	£
Accrued interest receivable	3,840	3,577
Other debtors (see note 15)	54,275	-
	<u>58,115</u>	<u>3,577</u>

10 CASH AT BANK AND IN HAND

	2008	2007
	£	£
Current account	69,927	5,000
Treasury deposit	1,250,000	848,345
	<u>1,319,927</u>	<u>853,345</u>

**The Peter Cruddas Foundation**  
(A charitable company limited by guarantee)  
NOTES TO THE FINANCIAL STATEMENTS  
31 March 2008

---

	2008	2007
	£	£
11 CREDITORS: Amounts falling due within one year		
Accruals	9,988	8,529
Other creditors	6,444	-
Grants payable	1,222,276	-
	<u>1,238,708</u>	<u>8,529</u>

12 CREDITORS: Amounts falling due in more than one year

	2008	2007
	£	£
Grants payable	139,334	-
	<u>139,334</u>	<u>-</u>

13 UNRESTRICTED GENERAL FUND

	£
As at 1 April 2007	848,393
Net movement in funds in the year	(848,393)
As at 31 March 2008	<u>-</u>

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

All assets represent unrestricted funds.

15 DONATED SERVICES AND FACILITIES AND RELATED PARTY TRANSACTIONS

Donations of £3,000,000 (2007: £1,400,000), were received from CMC Markets UK Plc during the year / period and a further donation of £53,275 (2007: £nil) was receivable and is included within other debtors (note 9). Mr P A Cruddas (Trustee) is the controlling shareholder of CMC Markets UK Plc and a further donation of £6,643 (2007: £nil) was received from Mr P A Cruddas during the year.

The Company Secretary, who is employed by CMC Markets UK Plc, provides administrative services to the charitable company. No charge has been made for these services. The charitable company purchased legal services from Berwin Leighton Paisner LLP for £2,056 during the year. Mr M D Paisner (Trustee) is a member of that LLP.