

Annual Report and Financial Statements

Task Brasil Trust (1030929)

Year ended 31 December 2008

Task Brasil Trust

Charity Registered No. 1030929

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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Task Brasil Trust

Charity Registered No. 1030929

LEGAL & ADMINISTRATIVE DETAILS

STATUS

The organisation is a charity established under a Trust Deed and is registered with the Charity Commission.

TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2008

Lady Charlotte Ponsonby Petsopoulos
Duncan Faraday Innes (resigned 1 May 2008)
Lisa Atkin
Paul Sutcliffe
Ralph Ashenhurst
Ligia Ferreira da Silva
Nathalie Dufresne Smith

HEAD OFFICE

Unit 10
Kennington Workshops
42 Braganza Street
London SE17 3RJ

BANKERS

In the UK:

Banco do Brasil
34 King Street
London EC2V 8ES

In Brazil:

Banco do Brasil
Rua do Catete, 244
22220-001 - Rio de Janeiro

Barclays Bank
Leicester
LE87 2BB

STATUTORY AUDITORS

Lennox Thompson & Co
Statutory Auditors
323-327 Railton Road
Herne Hill
London SE24 OJN

TRUSTEES' REPORT

The Trustees present their Annual Report and Financial Statements for the year ended 31 December 2008.

OBJECTS, GOVERNANCE AND MANAGEMENT

Task Brasil acts to advance the education and well-being of impoverished children in Brazil. Its mission is to provide a loving and supportive home environment for both street children and adolescents, ensuring that all of their basic needs are met and providing them with the tools to go on to lead rich and fulfilling lives. Task Brasil also operates 'outreach' programmes for children still living on the streets. Task Brasil is a non-partisan organisation operating on ethical and humane principles shared by people of any or no religious faith. It does not engage in political activity.

Trustees have been recruited by existing board members by invitation. This process has taken into consideration the required skills, qualification and level of past involvement offered to the Trust. Additionally, they need to be in agreement with Task Brasil's ethos, values and philosophy; including its aims, objectives and vision.

FUTURE STRATEGY

In the forthcoming years, subject to satisfactory funding arrangements, the charity plans to continue running its projects for the benefit of children at risk in Brazil.

In so doing, it aims to:

1. Maintain or reduce the cost levels per beneficiary with a particular emphasis on improving synergies within and between existing projects.
2. Maintain or improve the level of beneficiary service provision in Brazil.
3. Maintain or improve the proportion of funding income spent on the projects in Brazil while taking into account the investment required to increase Task Brasil's funding base in the short term.
4. Achieve the adequate mix between low value high volume donors and high value low volume donors to mitigate risk levels through the economic cycle to sustain existing projects.
5. Work diligently to enhance all stakeholder relationships that enhance Task Brasil's ability to further these aims.

RISK MANAGEMENT

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

No employee received emoluments of more than £26,000.

During the year a number of Inspection visits were conducted by funders, trustees and supporters. The trustees are pleased to report that the charity has maintained or improved its level of innovative and caring service. The charity also surveys users and in particular the Juvenile Judge of Rio de Janeiro highly praised the service provided by Task Brasil.

REVIEW OF PROGRESS AND ACHIEVEMENTS

Task Brasil Trust was established in the UK in 1992 in response to the situation of the street children of Brazil. Its projects improve the lives and support the needs of children, teenagers and pregnant teenage girls living on the streets.

Since its establishment as a charity in the UK, Task Brasil Trust has made great progress in helping the street children of Rio de Janeiro. In the early days, the Charity began its work by trying to make contact with children on the streets, by assisting poor families who were not able to provide a home for their children and by helping vulnerable and impoverished young people, against all the odds, to receive a reasonable education.

TRUSTEES' REPORT

Task Brasil was given an enormous boost in 1997 when it received a very generous donation from Jimmy Page, the Led Zeppelin rock icon who, whilst playing in Rio de Janeiro, witnessed at first hand the deprivation of the children and troubles in the favelas. The money he donated was used to buy a house in Santa Teresa that has been renovated and extended. The house is now called Casa Jimmy, and has been running since 1998, helped by a talented team of child carers, psychologists, administrative staff and volunteers from both Brazil and around the world.

From October 1998 until December 2008 Casa Jimmy assisted and cared for 425 children, teenage girls and their babies. During 2008, 51 children and teenagers and their babies lived at Casa Jimmy. 13 beneficiaries were reunited with their families. Six children were adopted during the year. On 31 December 2008 there were 18 beneficiaries at Casa Jimmy.

Our partnership with the Prefeitura do Rio de Janeiro (Rio City Council) was renewed in 2008. Task Brasil continued to receive valuable support from the Royal Navy, the British Embassy and the British Consulate in Brazil. Local and overseas organisations also provided services and additional funding. Forest House at Epsom College Farm opened on 10 March 2005. The project housed boys between ten and fourteen years of age (entry ages), and offered them opportunities for personal development in a secure, loving and productive environment away from the dangers and temptations of the streets. On 31 December 2008 there were seven boys resident at the project.

On 4 April 2006 Task Brasil opened a dedicated facility for adolescent boys from the streets called Casa Roger Turner, as a day centre and overnight shelter. During 2008 Casa Roger Turner offered income-generating workshops and basic schooling for 27 boys from the streets who became residents of the project. The boys had access to health care and cultural activities. In December 2008 the boys were temporarily transferred to Casa Jimmy as the roof was being refurbished.

Casa Jimena was opened on 1 June 2006 and provided a home for teenaged girls who previously lived at Casa Charlotte. The ownership of the land and the buildings on it is currently in dispute. Task Brasil's position relating to this dispute was strengthened by an appeal being found in the Charity's favour. Task Brasil is waiting for the court's final decision in this matter.

There were visits to the Charity's projects by the Royal Navy, who provided vital practical support and help at Casa Jimmy and other Task Brasil buildings by crew members. British Airways and DHL continued their support for the Charity, donating essential air tickets and courier services respectively.

During the year under review, Ligia da Silva, and three of the other Trustees of Task Brasil, visited the projects in Rio on a number of occasions to deal with management issues and meet with the Charity's Advisory Committee, in order to ensure that the Charity's projects were being properly administered, and that the activities of the projects were in accordance with the aims and objectives of the Charity.

During the year, the value of donations made through the Charity's Sponsor a Child Programme in the UK was £44,470. This is a slightly lower figure than in the previous year, but the Trustees are pleased that the figure has remained stable in difficult economic circumstances. Donations associated with our placement volunteer scheme contributed £18,861 towards the costs of the Charity. This sum is more than twice the amount raised from the same source during the previous year. The runners supporting the Charity at the 2008 London Marathon raised £18,592, which is an increase on the previous year's figure. Trusts income was in excess of £87,592. Income received by the Charity during the year from non-Brazilian companies amounted to £208,744.78, which was largely made up of donations from Ballymore towards the construction of Casa Irlanda. In Brazil, the Charity received financial support from the local authority in Rio towards the running costs of Casa Jimmy.

Task Brasil relies upon the generosity of its supporters so, as always, the Trustees would like to extend their thanks to them. The Trustee's special thanks go to Jimmy Page, William Salomon and EMBL for their valuable donations during the year, as well as to Jorge Eduardo Gouvêa Vieira and his team of solicitors and to Ana Cristina Grau Gameleira Werneck, Roberta Pellagio, Rodolfo Castrioto de Figueiredo Mello, João Bernardo Kappen and Luciano Saldanha.

The Trustees are also very grateful to Duncan Innes, for his years of service as a Trustee and also for raising funds by completing the Three Peaks Challenge. The Trustees are also grateful to Cultura Inglesa for the campaign August 2008 to provide clothes and baby products for us. Also in Rio, Fundação

TRUSTEES' REPORT

Progresso have donated hundreds of kilos of food from various concerts held during the year. Banco Rio de Alimentos has donated sanitary products to the Charity, and a large amount of clothes have been donated locally, coming via word of mouth and from various friends of Task Brasil in Rio de Janeiro.

The Trustees are also particularly grateful to Wilson, Sons in Rio for their donation of computers, funds, and their constant support, and also to the British & Commonwealth Society in Rio for their support over the last few years and specifically for the pigs at Epsom College Farm.

The Trustees are also grateful for the support received from The Britannia School of English, Animalia, Maiko, Silvia Costa, Roy Moed, Nina and Chris and Lula Zeppeliano and his friends.

The Trustees would also like to thank Jimmy Page, James Taylor, Cindy Bond, Gibson Guitars, Pat Cash and Emily Cash for their help and generosity in enabling us to provide auction items for the 2008 EMBL Ball.

In 2008 Cindy Bond, Gibson Guitars, Johnnie Allen and Anne Callingham again contributed generously towards the work of Task Brasil and the Trustees are grateful for their continuing valuable support as well as for that received from Phil Collins, and Adrian Smith from Iron Maiden.

CONTRACTS WITH TRUSTEES

There were no contracts or agreements existing during or at the end of the financial year in which a trustee of the charity is or was materially interested and which is or was significant in relation to the business of the charity.

During the year, the charity employed Neil Sutcliffe, the brother of the trustee Paul Sutcliffe, as a full time fundraising officer.

Tania Ferreira Gregorio, who is Ligia Ferreira da Silva's sister continued to be the legal representative of Task Brasil in Brazil and a power of attorney issued by the Trustees to her remains in force.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are required by law to prepare financial statements which give a true and fair view of the state of the Charity at the end of the financial period. The financial statements must be prepared in accordance with the required formats and disclosures of the Charities Act 1993 and with applicable accounting standards. In additions the Trustees are required:-

- To select suitable accounting policies and apply them consistently;
- To make adjustments and estimates that are reasonable and prudent;
- To take account of expenses and income relating to the period reported on, whether or not they have been paid or received in that period;
- To state where applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- To prepare financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees confirm that the financial statements comply with the above requirements. The Trustees are also responsible for maintaining adequate accounting records to enable them to ensure that the financial statements comply with the requirements of the Charities Act 1993. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FINANCES

The attached financial statements show the state of finances at 31st December 2008 which the Trustees consider to be sound. The Charity's bankers are Barclays and Banco do Brasil in the United Kingdom and Banco do Brasil in Brazil.

TRUSTEES' REPORT

STATUTORY AUDITORS

Lennox Thompson & Co. have indicated their willingness to accept reappointment for a further term as Statutory Auditor of the Charity.

Signed on behalf of the Trustees

Ligia da Silva

5 November 2010

STATUTORY AUDITOR'S REPORT to the Trustees of Task Brasil Trust

This report is made solely to the charity's members as a body. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have audited the financial statements on pages 8 to 10, in accordance with auditing standards.

Respective responsibilities of the trustees and auditors

As described on page 5 the charity's trustees are responsible for preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 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 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 of the state of affairs of the charity at 31st December 2008 and of its results for the year then ended and have been properly prepared in accordance with the charity's constitution and comply with the provisions of the Charities Act 1993.

Date

Lennox Thompson FAIA (Senior Statutory Auditor)
for and on behalf of LENNOX THOMPSON & CO
Statutory Auditors
323-327 Railton Road, Herne Hill, London SE24 0JN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2008

	<i>Unrestricted</i>	<i>Restricted</i>		<i>Unrestricted</i>	<i>Restricted</i>	
	<i>funds</i>	<i>funds</i>	<i>Total</i>	<i>funds</i>	<i>funds</i>	<i>Total</i>
	2008	2008	2008	2007	2007	2007
				<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>
<i>Notes</i>						
INCOMING RESOURCES						
	2					
Generated funds -						
<i>Voluntary Income</i>						
Donations and grants	75,475	305,704	381,179	165,156	245,851	411,007
Child Sponsorship	44,470	-	44,470	-	47,050	47,050
<i>Activities for generating funds</i>						
Placements, events & trading	79,477	-	79,477	103,550	-	103,550
<i>Investment income</i>	9,840	-	9,840	16,420	-	16,220
	<u>209,262</u>	<u>305,704</u>	<u>514,966</u>	<u>284,926</u>	<u>292,901</u>	<u>577,827</u>
TOTAL INCOMING RESOURCES						
RESOURCES EXPENDED						
	3					
<i>Costs of generating funds</i>						
Fundraising, publicity & events costs	19,295	-	19,295	21,420	-	21,420
UK management and administration	63,435	-	63,435	96,457	-	96,457
Interest expense and bank charges	3,376	-	3,376	2,851	-	2,851
	<u>86,106</u>	<u>-</u>	<u>86,106</u>	<u>120,728</u>	<u>-</u>	<u>120,728</u>
<i>Net resources available for charitable activities</i>	<i>123,156</i>	<i>305,704</i>	<i>428,860</i>	<i>164,198</i>	<i>292,901</i>	<i>457,099</i>
Charitable activities - Brazil project costs	232,084	153,699	385,783	65,702	269,674	335,376
Governance costs	1,000	-	1,000	1,432	-	1,432
	<u>319,189</u>	<u>153,699</u>	<u>472,888</u>	<u>187,862</u>	<u>269,674</u>	<u>457,536</u>
TOTAL RESOURCES EXPENDED						
Net incoming resources before exchange			42,077			120,291
Exchange gain	4		1,148			57,147
NET INCOMING RESOURCES			43,225			177,438
Total funds brought forward			501,916			324,478
TOTAL FUNDS CARRIED FORWARD			<u>545,141</u>			<u>501,916</u>

CONSOLIDATED BALANCE SHEET
 for the year ended 31 December 2008

	<i>Notes</i>	<i>2008</i> £	<i>2007</i> £ <i>(Restated)</i>
FIXED ASSETS			
Tangible assets	5	483,630	268,012
CURRENT ASSETS			
Cash at bank and in hand		71,662	260,800
Other receivables		993	1,447
CREDITORS: amounts falling due within one year	6	(11,144)	(28,343)
NET CURRENT ASSETS		61,511	233,904
TOTAL ASSETS LESS CURRENT LIABILITIES		545,141	501,916
		545,141	501,916
ACCUMULATED FUNDS		545,141	452,230

For an analysis of Restricted Funds, see Note 8.

Approved by the Board of Trustees and signed on its behalf by :-

Ligia da Silva

5 November 2010

The Notes on pages 11 and 12 form part of these financial statements.

TANGIBLE FIXED ASSETS SCHEDULE
 for the year ended 31 December 2008
TANGIBLE FIXED ASSETS

	<i>Motor Vehicles</i> £	<i>Property</i> £	<i>Furniture & equipment</i> £	<i>Total</i> £
Cost:				
At 1 January 2008	37,226	230,901	32,113	300,240
Revisions to opening balances	4,322	46,840	(1,476)	49,686
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2008 (restated)	41,548	277,741	30,637	349,926
Additions	3,267	224,177	3,867	231,311
Exchange adjustment	1,828	12,217	1,348	15,393
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	46,643	514,135	35,852	596,630
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
At 1 January 2008	27,966	47,667	6,282	81,915
Provided during the year	8,601	14,315	3,514	26,430
Exchange adjustment	1,609	2,097	950	4,656
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	38,176	64,079	10,746	113,001
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31 December 2008	8,467	450,056	25,106	483,629
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2007	13,583	230,074	24,355	268,012
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2008, the Charity reviewed the accounting treatment of certain expenses incurred in Brazil in late 2007, and it was decided that certain items of expenditure met the requirements for asset capitalization. As a result, adjustments have been made to opening fixed asset balances, with a corresponding entry being a reduction in 2007 direct charitable expenditure.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2008

1. ACCOUNTING POLICIES

General

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting by Charities.

Foreign exchange

The Trust has activities in Brazil. All Brazilian Real amounts in both the Balance Sheet and the Statement of Financial Activities are converted at the year end exchange rate of £1 = R\$3.41 (2007 : £1 = R\$3.56)

Consolidation

The financial statements are a consolidation of two entities, Task Brasil Trust, the UK registered charity, and its controlled entity of the same name registered in Brazil. Consolidation of the two entities has been prepared on a line by line basis, with intra group transactions being eliminated in accordance with the applicable elements of FRS2.

Prior Year Adjustment

In 2008, the Charity reviewed the accounting treatment of certain expenses incurred in Brazil in late 2007, and it was decided that certain items of expenditure met the requirements for asset capitalization. As a result, an adjustment of £49,606 was made to opening fixed asset balances, with a corresponding entry being a reduction in 2007 direct charitable expenditure.

2. INCOMING RESOURCES

Incoming resources include £56,994 (2007: £75,652) collected in Brazil. Income for the UK registered charity was £457,972 for the year (2007: £502,175).

3. RESOURCES EXPENDED

Direct charitable expenditure primarily relates to salaries and other running costs of the “Casa Jimmy” children’s home and other projects in Rio de Janeiro, Brazil. In 2008, included in this amount was £26,430 of non cash costs relating to depreciation (2007: £18,058). The largest component of costs in Brazil is salaries of local staff which totaled R\$768,956 in local currency (2007: R\$825,868). This was equivalent to £225,500 at the year end exchange rate (2007: £231,985).

The key element in Management and Administration costs were UK salaries of £59,851 (2007: £66,781). Total salary costs for UK and Brazil were £285,351 (2007: £298,766). Total UK costs (excluding transfers to Brazil) totaled £95,973 (2007: £119,309).

4. EXCHANGE (LOSS) GAIN

These are due to movements in value of the Brazilian currency; and is principally driven by the retranslation of Brazilian cash and fixed assets at closing exchange rates, and exchange differences on cash transfers made to Brazil.

5. TANGIBLE FIXED ASSETS

- a) Fixed assets are as shown in the tangible fixed assets schedule.
- b) Depreciation has been provided so as to write off the cost of tangible fixed assets, less their estimated residual value, over their estimated useful lives. Assets located in Brazil are held in local currency.

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2008

6. CREDITORS

Creditors principally comprise Brazilian payroll taxes, which are paid one month in arrears.

7. PARENT

At 31 December 2008, the parent entity had no assets other than a cash balance of £22,142 (2007 - £53,841), liabilities of £591 (2007 - £13,339), and receivables of £20 (2007 - £525).

8. RESTRICTED FUNDS

Restrictions are in the form of both donations made to cover specific elements of operational costs of projects in Brazil and also donations made for the acquisition of specific items. The trustees ceased to consider child sponsorship income as restricted funds in 2008, as amounts donated are not linked to any specific items of expenditure.

Restricted funds are held in the form of fixed assets in Brazil which have been acquired under restrictions. Although not all properties and other assets owned by the trust were purchased with funds donated with restrictions on any possible resale, the trustees consider it more prudent to consider all fixed assets to be held under restrictions.

At 31 December 2008, no cash was held under restrictions.

At 31 December 2008, restricted funds totalled fixed assets of £483,630 (2007 total of £331,625 being fixed assets of £268,012 and cash of £63,613).

The increase in restricted funds in 2008 of £152,005 is the net of restricted funds received of £305,704 and restricted funds expended of £153,699.