

Annual Report and Financial Statements

Task Brasil Trust (1030929)

Year ended 31 December 2004

Task Brasil Trust

Charity Registered No. 1030929

TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2004

Lady Charlotte Ponsonby Petsopoulos
Jimena Gomez-Paratcha
Geoffrey Want
Carlos Rache Duncan Faraday Innes
Lisa Atkin
Paul Sutcliffe
Ligia Ferreira da Silva

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

INDEPENDENT EXAMINER

Paul Gordon ACA
11, Basin Approach
London E14 7JA

The Trustees present their Annual Report and Financial Statements for the year ended 31 December 2004.

OBJECTS, GOVERNANCE AND MANAGEMENT

The charity was established by Trust Deed dated 9 December 1993, charity number 1030929. Its aims and objectives are the relief of poverty and advancement of the education of children and young persons in Brazil.

Task Brasil's mission is: "to provide a loving and supportive home environment for street children and adolescents in Brazil, ensuring that all of their basic needs are met and that they are provided with the necessary tools to go on to lead rich and fulfilling lives, and to operate 'outreach' programmes for children still living on the streets. Task Brasil acts to advance the education and well-being of impoverished children in Brasil." 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 required skills and qualification and level of past involvement offered to the trust. Additionally, to be in agreement with Task Brasil's ethos, values and philosophy; to include its aims, objectives and vision.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The trustees 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.

Future strategy

The charity plans continuing the running of its projects in the benefit of children at risk in Brazil in the forthcoming years subject to satisfactory funding arrangements.

A review of the work of Task Brasil as a whole was prepared to provide the Trustees of Task Brasil with strategic research and analysis leading to the optimum strategic plan to carry Task Brasil forward. In Brazil re-structuring process took place aimed at meeting operational demands of new and existing projects.

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 £20,000.

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

REVIEW OF PROGRESS AND ACHIEVEMENTS

In 2004 Casa Jimmy home in Rio, cared for, on average, 15 children, 5 pregnant girls and their babies a day. Casa Jimmy offers children and teenagers support in order to refer them to healthcare services and shelters, locating families and arranging their documentation to enable them to become part of civil

TRUSTEES' REPORT

society. The main aim is to reintegrate children and teenagers back to their families and offer them positive opportunities.

From October 1998 until December 2004 Casa Jimmy had assisted and cared for 286 children, teenage girls and their babies. In 2004, 51 children and teenagers and their babies lived at Casa Jimmy. Three children, three teenagers and one baby were reintegrated with their families. Eight children were adopted.

On 1st January 2004 there were 4 teenagers, one baby and 16 children living at Casa Jimmy and on 31st December 2004 there were 6 teenagers, 4 babies and 18 children.

Partnerships continued with the Prefeitura do Rio de Janeiro (Rio city Council) until September 2004. Although Rio's local authority (the Prefeitura) had made a commitment to renewing its partnership this did not in fact happen, forcing us to seek alternative sources of funding while we negotiated renewal with the local authority. Task Brasil continued receiving the valuable support of the Royal Navy, British Embassy and British Consulate in Brazil. Local and overseas organisations provided services and additional funding.

Epsom College Farm, located just outside the city of Rio de Janeiro was acquired in 2002 thanks to the fundraising efforts of students of Epsom College (UK). Forest House, built at Epsom College Farm, with the British Embassy Small Fund Scheme donation, will enable 10 to 14 years old boys the opportunity for personal development in a productive environment away from the dangers of the streets. In 2004, ABC Trust committed funds of £20,000 per year for each of the next three years. Three one- week duration Ecotours were run successfully raising funds towards running costs of the organic farm. In the Ecotours participants volunteer their time helping in a specific project developing the farm for the boys. A 4x4 vehicle for the farm was purchased thanks to the combined efforts of Epsom College, British Airways and two private donors.

Efforts with our Outreach Programme (referred to as the Street Approach) were revitalized through the introduction of an improved facility in a designated area called Casa Roger Turner.

Thanks to Beanfeast charity's (www.beanfeast.org) £21,000 donation a property for Casa Roger Turner was purchased, expected to open as a day centre for the boys living on the streets and those currently attending the Street Approach project, providing workshops and overnight shelter. ABC Trust donated £10,000 towards the property refurbishment cost. Casa Roger Turner Day Centre will provide income generating workshops for the children and adolescents and also basic schooling

Casa Charlotte and Casa Jimena

Thanks to a donation by a private US donor, Task Brasil purchased two lots of land and buildings next door to Casa Jimmy. Casa Charlotte will be built on the smaller plot, thanks to £30,000 donation by Hunter Hall Investment Management towards building costs; it will be a shelter for 10 pregnant teenagers and teenage mothers. It will also mean more room in Casa Jimmy to take in a greater number of young children from the streets when funding for running costs becomes available. The Rio Local Authorities had previously assured us that they would finance Casa Charlotte's running costs, however this has not yet materialised.

Our rights over the other piece of land, on which we plan to build Casa Jimena, were disputed after completion of the purchase by previous tenants. We are confident of winning this case, but due to this dispute two of the empty flats could not be used by either party. Task Brasil continued to use two of the flats to accommodate its foreign volunteers.

ABC Trust donated £7,500 for salaries of staff of Casa Jimmy and training in Brazil. An additional similar amount to cover October 2004 to March 2005 period was also received but cleared in the trust's bank account on 5th January 2005. There were visits by Royal Navy ships taking over valuable donated items

TRUSTEES' REPORT

from the UK as well as help vital support and help for Casa Jimmy and other Task Brasil's buildings by crew members. British Airways and DHL maintained their support, donating essential air tickets and courier services respectively. British Airways also donated £1,500 for the hot water solar system installation at Forest House.

Child sponsorship rose to over £31,000. Half of the proceeds of the sale of rock legend Jimmy Page's limited edition of 300 silk screen prints were donated, raising an additional £1,500 this year. Donations from placements contributed with over £13,000, while the runners supporting the charity at the London Marathon rose over £10,000. Further funds were raised through donations by individuals, schools and other sources such as events, corporate businesses and trusts.

Task Brasil's office in the UK was relocated to Unit 10, Kennington Workshops, 42 Braganza Street, London SE17 3RJ under a rental contract with Southwark Council as Southwark Council terminated its free rent agreement with Task Brasil Trust for Unit 18 Tower Workshops, 52 Riley Road, London SE13DG.

FINANCES

The attached financial statements show the current state of finances 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.

Income of £287,980 includes £55,754 (2003: £46,756) collected in Brazil. Income for the UK registered charity was £232,226 for the year, below the threshold above which an audit is required. The trustees elected not to have the accounts audited in order to preserve funds for direct expenditure.

Ligia da Silva (Trustee)
06 March 2006

INDEPENDENT EXAMINERS REPORT to the Trustees of Task Brasil Trust

I report on the accounts of the Trust for the year ended 31 December 2004, which are set out on pages 5 to 8.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts (under section 43(3)(a) of the 1993 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the 1993 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 41 of the 1993 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Paul Gordon ACA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
 for the year ended 31 December 2004

	<i>Notes</i>	<i>Total</i> <i>2004</i>	<i>Total</i> <i>2003</i>
INCOMING RESOURCES	2		
Donations		177,346	121,501
Child Sponsorship		31,148	23,188
Other Fundraising Receipts		74,062	90,070
Bank Interest Received		2,244	260
TOTAL INCOMING RESOURCES		<hr/> 284,800 <hr/>	<hr/> 235,019 <hr/>
RESOURCES EXPENDED	3		
Direct charitable expenditure		131,134	109,392
Fundraising and publicity		20,447	40,146
Management and administration		59,805	55,750
TOTAL RESOURCES EXPENDED		<hr/> 211,386 <hr/>	<hr/> 205,288 <hr/>
Exchange gain & other non cash movements	4	6,126	7,623
NET INCOMING / (OUTGOING) RESOURCES		79,540	37,354
Total funds brought forward		115,368	78,014
TOTAL FUNDS CARRIED FORWARD		<hr/> <hr/> 194,908 <hr/> <hr/>	<hr/> <hr/> 115,368 <hr/> <hr/>

CONSOLIDATED BALANCE SHEET
 at 31 December 2004

	<i>Notes</i>	<i>2004</i> £	<i>2003</i> £
FIXED ASSETS			
Tangible assets	5	101,491	54,808
		<hr/>	<hr/>
CURRENT ASSETS			
Cash at bank and in hand		99,762	64,755
Other receivables		450	-
		<hr/>	<hr/>
CREDITORS: amounts falling due within one year	6	6,794	4,195
		<hr/>	<hr/>
NET CURRENT ASSETS		93,417	60,560
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		194,908	115,368
		<hr/>	<hr/>
		194,908	115,368
		<hr/> <hr/>	<hr/> <hr/>
 ACCUMULATION FUND		 194,908	 115,368
		<hr/> <hr/>	<hr/> <hr/>

For an analysis of Restricted Funds, see Note 8.

Ligia da Silva (Trustee)
06 March 2005

NOTES TO THE ACCOUNTS
at 31 December 2004

1. ACCOUNTING POLICIES

General

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

Tangible fixed assets

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.

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\$5.09 (2003 : £1 = R\$5.17)

Consolidation

The accounts 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.

2. INCOMING RESOURCES

Incoming resources include £55,754 (2003: £46,756) collected in Brazil, of which £34,935 (2003: £35,609) was a contribution by the local town council towards employee salaries. Income for the UK registered charity was £232,226 for the year.

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 2004, included in this amount was £6,444 of non cash costs relating to depreciation. The largest component of costs in Brazil is salaries of local staff which totaled R\$359,928 in local currency (£70,713 at year end exchange rates).

The key components of Fundraising costs were £10,465 which was spent on events organization including the charity's Christmas fundraising party and £6,788 spent on costs incurred with sending paying volunteer placements to Brazil.

The key element in Management and Administration costs were UK salaries of £44,038. Total salary costs for UK and Brazil were £114,751. Total UK costs (excluding transfers to Brazil) totalled £83,432.

4. EXCHANGE GAIN & OTHER NON CASH MOVEMENT

The gain in 2004 is partly due to the recovery in value of the Brazilian currency; and is principally driven by the retranslation of Brazilian cash and fixed assets at closing exchange rates. Also included in this amount are adjustments to ensure consistency of adjustments of certain fixed asset purchases with those recorded in the local books of the Brazilian entity.

NOTES TO THE ACCOUNTS
at 31 December 2004
5. TANGIBLE FIXED ASSETS

	<i>Motor Vehicles</i>	<i>Property</i>	<i>Furniture & equipment</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 1 January 2004	3,350	60,519	2,194	66,063
Additions	12,495	39,332	525	52,352
Exchange adjustment	67	835	34	936
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	15,912	100,686	2,753	119,351
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
At 1 January 2004	3,058	7,688	509	11,255
Provided during the year	2,210	3,757	478	6,445
Exchange adjustment	48	106	8	162
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	5,316	11,550	995	17,862
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31 December 2004	10,596	89,136	1,759	101,491
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2003	292	52,831	1,685	54,808
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The addition in 2004 related to various new properties and a four wheel drive vehicle for use on the charity's farm.

6. CREDITORS

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

7. PARENT

At 31 December 2004, the parent entity had no assets other than a cash balance of £88,395, and no liabilities.

8. RESTRICTED FUNDS

Restricted funds are held in the form of cash in the UK. At 31 December 2004, restricted funds totalled £54,350 (2003 £9,710). The key components of this were £30,000 relating to a private donation to assist with the building costs of its street shelter "Casa Charlotte", and £20,000 donated by ABC Trust to be spent on specific projects.