

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2008**

**THE
SHARE
FOUNDATION**

(A Company Limited by Guarantee)

CHARITY REGISTRATION NUMBER 1108068

COMPANY REGISTRATION NUMBER 4500923

Independent Examiners Ltd
Sovereign Centre
Poplars
Yapton Lane
Walberton
W. Sussex
BN18 0AS

**THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS**

Page 3	Legal and Administrative Information
Page 4 to 6	Directors' Report
Page 7	Statement of Financial Activities
Page 8	Balance Sheet
Pages 9 to 14	Notes to the Financial Statements
Page 15	Independent Examiner's Report
Page 16	Appendix 1 - Breaking the Cycle
	Appendix 2 - Penny Wise

**THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER	1108068
COMPANY REGISTRATION NUMBER	4500923
DATE OF INCORPORATION	1st August 2002
START OF FINANCIAL PERIOD	1st April 2007
END OF FINANCIAL PERIOD	31st March 2008
DIRECTORS AT 31ST MARCH 2008	G.D.R. Oldham C.W. Daws (Appointed November 2007) A.A. Knight J.R. Reeve H.S. Royle
COMPANY SECRETARY	G.D.R. Oldham
GOVERNING DOCUMENT	Memorandum & Articles of Association Incorporated on 1st August 2002, as Amended by Special Resolution Dated 27th January 2005.

OBJECTS

a) To relieve poverty amongst children and young people in need in accordance with Christian principles and without reference to race, creed or nationality, with a view to improving the condition of life of those to whom funding is provided. b) To advance the education of such children and young people in handling their financial situation in order to encourage self sufficiency as they grow into adulthood, through improved ability to handle their own economic circumstances and to help them lift themselves and others in the communities in which they live out of poverty.

REGISTERED ADDRESS Oxford House
Oxford Road
Aylesbury
Buckingham
HP21 8SZ

BANKERS HSBC Bank Plc.
21 High Street
Tring
Herts
HP23 5AR

INDEPENDENT EXAMINERS C.B Maizi MAAT FCIE
Independent Examiners Ltd
Sovereign Centre
Poplars
Yapton Lane
Walberton
West Sussex
BN18 0AS

**THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2008**

The Share Foundation has continued to make progress in the year ended 31 March 2008 in all areas: distribution, funding and the scope of its work. During the year we welcomed Christopher Daws as a new trustee, and have met regularly to plan strategy and distribution levels.

Distribution

Our work in providing additional contributions to the Child Trust Funds (CTFs) of children in care and without parents or anyone in a position of parental responsibility continues as the mainstream activity of the Foundation. During the year we increased the number of children supported to 421 in March 2008 (March 2007: 198). The range of Local Authorities whose children we support increased to 27 in March 2008 (March 2007: 12). The Local Authorities are detailed in the table below.

Local Authorities Supported - March 2008	
LOCAL AUTHORITY	CHILDREN SUPPORTED
Bournemouth	5
Brighton and Hove	4
Buckinghamshire	1
Caerphilly	5
Coventry	10
Devon	8
Dorset	6
Dudley	21
East Sussex	12
Essex	33
Knowsley	3
Leicester: County Council	31
Leicester: City Council	10
London Borough of Hackney	22
Milton Keynes	4
Newcastle	3
Tameside	2
Telford and Wrekin	32
Sheffield	25
Slough	21
Somerset	10
Sunderland	18
Wakefield	27
Walsall	31
Warrington	27
West Sussex	22
Wolverhampton	28
TOTAL	421

Our objective remains to provide significant additional contributions for all children whose accounts are administered by the Official Solicitor. The number of children in this situation continues to rise: in October 2008 it stood at 5,086, reflecting new births outpacing the numbers taken into adoption, while it will be another 12 years before any of the children we support reach the age of 18. In spite of the increased number of beneficiaries we are yet, therefore, to reach 10% of our objective.

The trustees have decided a policy of providing £75 per quarter per child supported, up to a maximum of £900 per child. It is a further objective to increase this amount. Our contributions are distributed through a singly quarterly payment to the Official Solicitor, who then make the allocations to individual children's accounts. We are particularly grateful for their help in undertaking this task, which is vital to the efficiency of our activities.

Funding

Donations have increased significantly to £225,097 (2006/7: £59,504) in our third year of operations, but it is fair to say that the donor base remains concentrated and the trustees hope to broaden the funding base significantly over the coming years. During 2007/8 the majority of funds were received from the Gavin Oldham No. 4 Trust (£124,000 plus tax recovery of £82,667), but it should be noted that this unusually large donation was related to a special dividend paid by Share plc, the Trust's main asset. The trustees have therefore adopted a cautious reserve policy in view of the one-off nature of this larger than normal payment. Fund raising activities generated a further £2,309, with interest income being £5,832.

**THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS (Continued)
FOR THE YEAR ENDED 31ST MARCH 2008**

Family Investments and The Share Centre continued to make donations to support children from Local Authorities in the areas where their head offices are based, and the board is grateful for their commitment.

During the year the Share Foundation developed its first publication 'Penny Wise finds out about Child Trust Funds' (see annex) as a combined educational and fund-raising activity, and we are grateful to the author, Andy Flatt, and publishers, Southgate Publishers, for their help with this initiative.

Preparation work also took place for The Share Foundation's first reception, on 4 June 2008 in the River Room at the House of Lords. We are particularly grateful to Earl Howe and the Lady Speaker for enabling this event, which helped raise over £18,000 in donations over the summer months.

Scope of Our Work

The year ended 31 March 2008 also saw our first involvement in international support, with a pilot contribution of £12,500 funded with a restricted donation to a micro-finance scheme called 'Jana Suwaya' in Sri Lanka operated by Sajith Premadasa, a member of parliament in that country. This project, which particularly benefits people hit by the 2004 tsunami, has built a good track record for efficient use of funding so that the loans rotate continuously for maximum benefit. The scheme, which is described in more detail in our 2008 booklet 'Breaking the Cycle', presents a helpful model for the relief of inter-generational poverty overseas, where it is impractical to introduce well-ordered schemes like the Child Trust Fund for direct support of children.

The text of 'Breaking the Cycle' is included in the annex to this report.

Looking Ahead

Following the successful event at the House of Lords in June, the trustees aim to develop a broader base of funding in order to raise the number of children supported through The Share Foundation's Child Trust Fund work, notwithstanding the steadily increasing number of accounts administered by the Official Solicitor.

We are in discussion with a number of Local Authorities about the possibility of matched funding, which could offer the prospect of a significant breakthrough in support in some areas. In this respect we are encouraged by the initiatives in various areas of the country to establish new sources of funds for children in care.

However we are mindful of the difficult economic circumstances which may restrict the availability of both private and public sources of funding, and we note that these are likely to affect more established charities significantly.

Further channels of communication will therefore be developed during the year ahead, including a regular newsletter. We will also endeavour to raise the profile of The Share Foundation's work by welcoming more academic and economic input into the prospects for breaking the cycle of inter-generational poverty through voluntary wealth distribution.

Corporate Governance

The trust is a company limited by guarantee, and was registered as a Charity on 14 February 2005. It is governed by a board of trustees who are also the directors for the purpose of company law, who meet on a quarterly basis to determine strategy and confirm substantive decisions. The Chairman, Gavin Oldham, is responsible for continuing oversight of The Share Foundation, including liaison with major gifts fund-raiser Kathryn Caswell.

The trustees who served during the year were:

G D R Oldham
C W Daws (Appointed 28 November 2007)
A A Knight
J R Reeve
H S Royle

Consideration of potential new trustees is undertaken by the Board, and recruitment is by invitation.

None of the trustees has any beneficial interest in the company. All of the trustees, who do not receive remuneration but are able to claim for receipted expenses, are members of the company and guarantee to contribute £1 in the event of a winding up.

The Share Foundation was established by Gavin Oldham, one of whose trusts, the Gavin Oldham No 4 Trust, is also a significant donor. This trust holds as its principal asset shares in Share plc, parent company of The Share Centre, a leading British retail stockbroker. Gavin Oldham is Chief Executive and, together with his associated family trusts, majority shareholder of Share plc. There is no other association between The Share Foundation and The Share Centre except that The Share Centre has agreed to provide funding for The Share Foundation's work for children from the Buckinghamshire County Council area.

The trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

**THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE DIRECTORS (Continued)
FOR THE YEAR ENDED 31ST MARCH 2008**

Objectives and Activities

The trust's objectives are:

1. To relieve poverty amongst children and young people in need in accordance with Christian principles and without reference to race, creed or nationality, with a view to improving the condition of life of those for whom funding is provided.
2. To advance the education of such children and young people in handling their financial situation in order to encourage self-sufficiency as they grow into adulthood, through improved ability to handle their own economic circumstances and to help them lift themselves and others, in the communities in which they live, out of poverty.

Financial Review

The Share Foundation received voluntary income of £225,097 (2006/7: £59,504) and made grants totalling £114,500 (2006/7: £41,699) during the year. Administration costs amounted to £17,051 (2006/7: £12,508). The Share Foundation had reserves of £196,999 as at 31 March 2008 (31 March 2007: £95,312).

It is the policy of The Share Foundation that unrestricted funds which have not been designated for a specific use should be held for distribution, subject to the retention of sufficient reserves to ensure that, in the event of a significant drop in funding, the trustees will be able to continue the company's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained and indeed increased throughout the year.

Disclosure of Information to Examiners

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the examination, but of which the examiner is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the examiners are aware of such information.

Examiners

Independent Examiners have been appointed as examiners of The Share Foundation in accordance with the requirements of Charities Act and Companies Act provisions.

Statement of Director's responsibilities:

Company law requires the directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the company and of the profit or loss of the company during that period. In preparing those financial statements the directors are required to:

- (i) select suitable accounting policies and then apply them consistently,
- (ii) make judgements and estimates that are reasonable and prudent,
- (iii) prepare financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In preparing this report the directors have taken advantage of special exemption applicable to small companies conferred by part ii of schedule 8 of the Companies Act 1985.

I approve the attached statement of financial activities and balance sheet for the year ended 31st March 2008, and confirm that I have made available all information necessary for its preparation.

Approved by the Board of Directors on 24th November 2008

Signed on behalf of the Board of Directors.....


**THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2008**

(Incorporating Income & Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL 2007/08 £	TOTAL 2006/07 £
INCOMING RESOURCES					
Incoming Resources from Generated Funds					
Voluntary Income	3a	206,667	18,430	225,097	59,504
Activities for Generating Funds	3b	2,309	-	2,309	-
Investment Income	3c	5,832	-	5,832	2,262
TOTAL INCOMING RESOURCES		214,808	18,430	233,238	61,766
RESOURCES EXPENDED					
Cost of Generated Funds					
Costs of Charitable Activities	4a	111,164	18,430	129,594	48,074
Governance Costs	4b	1,957	-	1,957	6,134
TOTAL RESOURCES USED		113,121	18,430	131,551	54,208
NET INCOMING/(OUTGOING) RESOURCES		101,687	-	101,687	7,558
Total Funds Brought Forward		95,312	-	95,312	87,754
TOTAL FUNDS CARRIED FORWARD		196,999	-	196,999	95,312

Movements on all reserves and all recognised gains and losses are shown above. All the charity's operations are classed as continuing.

The notes on pages 9 to 14 form part of these financial statements.

**THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31ST MARCH 2008**

	Note	Unrestricted Funds £	Restricted Funds £	31-Mar-08 Total £	31-Mar-07 Total £
Fixed Assets					
Tangible assets	2	559	-	559	746
Current Assets					
Debtors	7	2,309	-	2,309	-
Cash at bank and in hand	6	196,119	-	196,119	96,035
Total Current Assets		198,428	-	198,428	96,035
Creditors: due within one year	8	1,988	-	1,988	1,469
NET CURRENT ASSETS		196,440	-	196,440	94,566
TOTAL ASSETS less current liabilities		196,999	-	196,999	95,312
NET ASSETS		196,999	-	196,999	95,312
Funds of the Charity					
General Funds		196,999	-	196,999	95,312
Designated Funds		-	-	-	-
Restricted Funds	5	-	-	-	-
		196,999	-	196,999	95,312

The Directors have:

- a) taken advantage of the Companies Act 1985 in not having these Accounts audited under Section 249A(1) (Total Exemption).
- b) confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985.
- c) acknowledged their responsibilities for ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985.
- d) acknowledged their responsibilities for preparing Accounts which give a true and fair view of the Company as at the end of the year and of its surplus or deficit for the financial year in accordance with the requirements of the Companies Act 1985, so far applicable to the Company.
- e) taken advantage of the exemptions conferred by part III of schedule 8 of the Companies Act 1985 on the basis that the Company, in their opinion, qualifies as a small company.

Approved by the Board of Directors on *24th November 2008*

Signed on behalf of the Board of Directors..... 

**THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2008**

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared on the historical cost basis of accounting in accordance with the Charities Act 1993 and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005.

Incoming Resources

Recognition of Incoming Resources

These are included in the Statement of Financial Activities (SOFA) when:

- the charity becomes entitled to the resources;
- the trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability

Incoming Resources with Related Expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resource and related expenditure are reported gross in the SOFA.

Grants and Donations

Grants and Donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Tax Reclaims on Donations and Gifts

Incoming resources from tax reclaims are included in the SOFA at the same time as the gift to which they relate.

Contractual Income and Performance Related Grants

This is only included in the SOFA once the related goods or services has been delivered.

Gifts in Kind

Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SOFA as incoming resources when receivable.

Donated Services and Facilities

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Volunteer Help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Investment Income

This is included in the accounts when receivable.

Investment Gains and Losses

This included any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

Expenditure and Liabilities

Liability Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

**THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2008**

1. ACCOUNTING POLICIES (Continued)

Expenditure and Liabilities

Governance Costs

Include costs of the preparation and examination of statutory accounts, the costs of the trustees' meetings and cost of any legal advice to trustees on governance or constitutional matters.

Grants with Performance Conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specified service or output.

Grants Payable without Performance Conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to a grant which remain in control of the charity.

Assets

Tangible fixed assets for use by the charity:

Tangible fixed assets for use by the charity, these are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost or, if gifted, at the value to the charity on receipt.

Investments

Investments quoted on a recognised stock exchange are valued at market value at the year end. Other investment assets are included at trustees' best estimate of market value.

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

Depreciation is calculated at a rate to write off the cost of tangible fixed assets on a Reducing Balance over their estimated useful lives. The rates applied per annum are as follows:

Office Equipment	25%
Restricted Equipment	25%

2. TANGIBLE FIXED ASSETS

		Office Equipment	Restricted Equipment	2007/08 Total
		£	£	£
Cost	01-Apr-07	1,327	-	1,327
Additions		-	-	-
Cost at	31-Mar-08	<u>1,327</u>	<u>-</u>	<u>1,327</u>
Depreciation	01-Apr-07	581	-	581
Charge		187	-	187
Depreciation at	31-Mar-08	<u>768</u>	<u>-</u>	<u>768</u>
Net Book Value	31-Mar-08	<u>559</u>	<u>-</u>	<u>559</u>
Net Book Value	31-Mar-07	<u>746</u>	<u>-</u>	<u>746</u>

The annual commitments under non-cancelling operating leases, capital commitments, contingent liabilities are as follows:

31st March 2008 : None
31st March 2007 : None

THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2008

3. INCOMING RESOURCES	Note	Unrestricted Funds £	Restricted Funds £	TOTAL 2007/08 £	TOTAL 2006/07 £
a) Voluntary Income					
Gifts & Donations		124,000	13,430	137,430	59,504
Gift Aid Tax Recoverable		82,667	5,000	87,667	-
		206,667	18,430	225,097	59,504
b) Activities for Generating Funds					
Trading Income		2,309	-	2,309	-
		2,309	-	2,309	-
c) Investment Income					
Bank Interest		5,832	-	5,832	2,262
		5,832	-	5,832	2,262
4. RESOURCES EXPENDED					
a) Costs of Charitable Activities					
Charitable Grants		96,070	18,430	114,500	41,699
Fundraising Communication		2,560	-	2,560	-
Fundraising Materials		5,435	-	5,435	-
Depreciation Expense		187	-	187	249
Payroll Costs		252	-	252	-
Postage & Stationery		112	-	112	-
Staff Costs	9	6,098	-	6,098	6,126
Telephone Costs		362	-	362	-
Web Site Costs		25	-	25	-
Travel Expenses		63	-	63	-
		111,164	18,430	129,594	48,074
b) Governance Costs					
Bank Charges		21	-	21	-
Accountancy Fees		1,192	-	1,192	1,500
Legal & Professional Fees		744	-	744	4,634
		1,957	-	1,957	6,134

THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2008

5. RESTRICTED FUNDS

	Balance 01-Apr-07	Income	Expenditure	Transfers	Balance 31-Mar-08
Local Fund	-	5,930	5,930		-
International Fund	-	12,500	12,500		-
	-	18,430	18,430	-	-

6. CASH AT BANK AND IN HAND

	31-Mar-08 £	31-Mar-07 £
Cash at Bank	196,119	96,035
	<u>196,119</u>	<u>96,035</u>

7. DEBTORS

	31-Mar-08 £	31-Mar-07 £
Southgate Publishers	2,309	-
	<u>2,309</u>	<u>-</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31-Mar-08 £	31-Mar-07 £
Accountancy Fees	1,192	1,469
Accruals	709	-
PAYE & NI	87	-
	<u>1,988</u>	<u>1,469</u>

THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2008

9. STAFF COSTS AND NUMBERS

	2007/08	2006/07
	£	£
Gross Wages and Salaries	6,000	6,026
Employer's National Insurance Costs	98	100
Pension Contributions	-	-
	<u>6,098</u>	<u>6,126</u>

Employees who were engaged in each of the following activities:

	2007/08	2006/07
	TOTAL	TOTAL
Activities in furtherance of organisation's objects	1	1
	<u>1</u>	<u>1</u>

The Charity operates a PAYE scheme to pay all employed members of staff and no employees received emoluments of over £60,000 (2006/07: None)

10. RECONCILIATION OF MOVEMENT ON CAPITAL AND RESERVES

The Company is Limited by Guarantee (4500923) and is a Charity registered with the Charity Commission (1108068) and does not have a Share capital and has no income subject to Corporation Tax.

	2007/08	2006/07
	£	£
Profit / Deficit for the financial year	101,687	7,558
Other Recognised Gains	-	-
	<u>101,687</u>	<u>7,558</u>
Balance Brought Forward	95,312	87,754
Closing Funds at 31st March	<u>196,999</u>	<u>95,312</u>

11. PAYMENTS TO DIRECTORS AND RELATED PARTIES

No payments were made to directors or any persons connected with them during this financial period. No material transaction took place between the charity and a trustee or any person connected with them. (2006/07:None)

THE SHARE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST MARCH 2008

12. RISK ASSESSMENT

The directors actively review the major risks which the charity faces on a regular basis and believe that maintaining the free reserves stated combined with the annual review of the controls over key financial systems carried out on an annual basis will provide sufficient resources in the event of adverse conditions. The directors have also examined other operational and business risks which they face and confirm that they have established systems to mitigate the significant risks.

13. RESERVES POLICY

The directors have considered the level of reserves they wish to retain, appropriate to the charity's needs. This is based on the charity's size and the level of financial commitments held. The directors aim to ensure the charity will be able to continue to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The directors will endeavour not to set aside funds unnecessarily.

14. PUBLIC BENEFIT

The charity acknowledges its requirement to demonstrate clearly that it must have charitable purposes or 'aims' that are for the public benefit. Details of how the charity has achieved this are provided in the Directors' report. The Directors confirm that they have paid due regard to the Charity Commission guidance on public benefit before deciding what activities the charity should undertake.

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

Report to the trustees/ members of The Share Foundation on the accounts for the year ended 31st March 2008 set out on pages 7 to 14.

This report is made solely to the trustees in accordance with section 44 of the Charities Act 1993 (the Act). My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees for my examination work, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the Act), as amended by s.28 of the Charities Act 2006) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for an independent examination, it is my responsibility to:

- examine the accounts (under section 43 of the Act, as amended),
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the Act, as amended), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the organisation 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 the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the trustees requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of recommended Practice: Accounting and Reporting by Charities.

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.

C.B Maizi MAAT FCIE
Independent Examiners Ltd
Sovereign Centre
Poplars
Yapton Lane
Walberton.
West Sussex
BN18 0AS



Date: 17-12-08

BREAKING THE CYCLE

Giving young people opportunity through Voluntary Wealth Distribution

The polarisation of wealth is one of the world's hot topics. Governments are increasingly ineffective in their attempts to achieve social reconstruction, as business – and in particular financial businesses – have become more and more international in their character.

The new global marketplace is giving great opportunity to developing countries to raise their standard of living, particularly those who have the organisation and energy to exploit international wealth differentials. However in every country there is an underclass which is more and more excluded. Those who can handle business and relate to the increasingly sophisticated modern world can do fine: in all countries. Those who cannot are consigned to a life in whatever national safety net is provided: in many countries, that's non-existent.

The underclass exists in the United Kingdom just as much as anywhere else. 25% of the adult population can't read: the typical such person is white, male and aged 26. Over 40% of children are not up to basic standards in the "three R's" when they leave primary school. Financial capability is deplorably low, for a leading economy such as ours.

In their report "Poverty, Wealth and place in Britain, 1968 to 2005", the Joseph Rowntree Foundation shows that the percentage of households who are excluded from participating in the norms of society as the result of living below a relative poverty line increased from 35.6% in 1990 to 38.2% in 2000. Meanwhile the percentage of 'exclusively wealthy' households (with sufficient wealth to exclude themselves from the norms of society) has increased from 3.5% to 5.6% over the same period. The Joseph Rowntree Foundation consider that the trend of rising headline poverty levels and increasing socioeconomic and geographical polarisation has continued in the years since 2000.

In the mid 1970's the then economic guru of the Conservative Party, Sir Keith Joseph, coined the phrase "Cycle of Deprivation" to describe the way that poverty is generational in character. He drew attention to the fact that, if a child grows up not only in poverty but also with no nurturing of the potential that lies within every human being, then that young person will almost inevitably end up in the same state of adult deprivation. Over the past 30 years the rising level of family breakdown and the necessity for dual incomes in headline poor homes have combined to make that situation even more inevitable.

In the epilogue of his book "Terre des hommes", Antoine de Saint-Exupéry, observing a family of poverty-stricken refugees in the 1930's, wrote:

"Their fate causes these people no suffering. It is not an impulse to charity that has upset me like this. I am not weeping over an eternally open wound. Those who carry the wound do not feel it. It is the human race and not the individual that is wounded here, is outraged here. I do not believe in pity. What torments me is not this poverty to which after all a man can accustom himself as easily as to sloth. What torments me is not the humps nor hollows nor the ugliness. It is the sight, a little bit in all these men, of Mozart murdered."

The language may be dated, but the meaning is timeless: and the need for action is as great now as it was then.

The "Cycle of Deprivation" is the cause of perpetuating poverty; poverty itself is the open wound that we can see so easily, but it can only be eradicated by treating the cause. It is therefore the inheritance of poverty rather than poverty itself which is the Achilles heel in the design of the global market economy, and it is this which The Share Foundation seeks to address.

Breaking the Cycle

The reaction of Government and conventional Charities has been to staunch the open wound by pouring in expenditure. This is an entirely logical position to deal with the problems of the present, but in the long run it is tackling the symptom, not the cause. £billions will indeed help to raise the standard of living for the poorest by a notch or two, but the next generation of dispossessed is all the time there and growing to form tomorrow's focus of need.

Much of the funds which supply this expenditure are drawn directly from private capital, either by tax or legacy. Government has long since lost the distinction between capital and income, so that all forms of capital taxation – inheritance tax, capital gains tax, wealth taxes of various sorts – feed the insatiable appetite of general public expenditure.

The Share Foundation advocates that private capital should stay in private ownership: but that those who have the ability and the will to do so should voluntarily transfer some of their wealth to those children and young people who face being swept up in the cycle of deprivation. We therefore aim to be the catalyst for breaking that cycle.

What is capital for a young person? Certainly it is money at the right point in time, but it is also the ability to handle it. It includes, therefore, some knowledge about how to make it grow and how to add to it. In other words, a combination of learning by experience and education, made possible by the carefully structured and timely contribution of finance.

Where families have the resources to support their children, they do so. Learning from experience by being part of the family, by handling pocket money and savings up for things that matter, a child has the opportunity to build this knowledge. Few parents deny their children help at these critical points of growing up: many go on to provide some seed capital to start adult life.

After making this kind of provision for their own children and dependants, many people would wish to help those who do not have these opportunities. This is what we mean by “Voluntary Wealth Distribution” – not by Government edict, but a self-driven, organised way to help other young people who are not so fortunate as those in one’s own family.

But anyone supplying such support needs to be assured that it is going to reach the right person at the right time. That’s where The Share Foundation comes in. It is a registered charity set up in 2005 with the following objectives:

- to relieve poverty amongst children and young people in need in accordance with Christian principles and without reference to race, creed or nationality, with a view to improving the condition of life of those for whom funding is provided; and
- to advance the education of such children and young people in handling their financial situation in order to encourage self-sufficiency as they grow into adulthood, through improved ability to handle their own economic circumstances and to help them lift themselves and others in the communities in which they live out of poverty.

The Share Foundation therefore seeks to reduce the generational cycle of deprivation affecting the poorest children and young people by encouraging highly targeted and voluntary wealth distribution.

The Share Foundation’s UK operations: working through the Child Trust Fund

Initially, and in the UK, it aims to operate alongside HM Treasury’s recently launched Child Trust Fund by making grants for the benefit of children most in need. This will apply particularly for those who have no other prospect of financial resources as they grow, and have no-one in a position of parental responsibility, or who have been lost or abandoned with no foreseeable prospect of parental reunification.

“Children in Care” in the United Kingdom are known as “Looked-After” children, and the numbers of those under 6 years old with no parents nor having anyone in a position of parental responsibility numbers c.6,000. Their Child Trust Funds are administered by the Official Solicitor.

In its first full year of operation, The Share Foundation has made good progress towards its aim of providing additional Child Trust Fund contributions for these children. Over the past year we have been contributing to over 5% of such children with 26 Local Authorities having their children supported in this way.

A number of Child Trust Fund providers, including Family Investments, The Share Centre and LV= are also providing support for children from the geographical areas in which they are based.

Our rate of support continues at £75 per child per quarter, and for any one child that support will continue until The Share Foundation's contributions reach £900 (provided the child remains in this situation). This means that on the basis of a 6% growth rate in the value of investments, one-off Government contributions of £500 at inception and again at seven years old and a £100 per annum 'booster' payment for all Looked-After children, their Child Trust Fund would be valued at nearly £7,750 when they reach 18 years old.

The whole purpose of The Share Foundation's support programme is to provide these young people with a start in life to help them achieve self-sufficiency. This is not simply a matter of financial support, but also providing guidance and real financial experience to assist them in making good decisions when they reach adulthood. Over the coming year The Share Foundation will start developing such materials, with the oldest children receiving Child Trust Funds reaching 6 years old in autumn 2008.

We are now extending our support to children from a wider range of local authorities, and have received a number of encouraging responses from those who not only have children in need of support but also have links to potential donors who can help our work.

The Share Foundation's operations overseas: working through micro-finance initiatives

The situation in the United Kingdom differs from that in many developing countries. We have a relatively secure process of identifying those most in need, particularly for children born from 1st September 2002, the date set by the Government for the start of the Child Trust Fund. The situation overseas is much less secure, and the structure of communities leads to different solutions.

Professor Muhammad Yunus and the Grameen Bank were awarded the Nobel Peace Prize in 2006 for their work in developing a plan for micro-finance schemes to help people out of poverty. Following on from their work, a number of initiatives have been set up throughout the 'third world'. Thanks to links already established with one such initiative in Sri Lanka, The Share Foundation is piloting its involvement in this area with a £12,500 grant to support 500 young families under the administration of the 'Jana Suwaya Economic and Social Rejuvenation Fund'.

This scheme has been established by Sajith Premadasa, a member of the Sri Lankan parliament. The Jana Suwaya Easy Credit Programme has been formulated and structured to uplift the living standards of the fishing families and others affected by the tsunami in the Hambantota District, through the economic and social empowerment of women members of their communities. Its aim is to help the people help themselves, not provide indiscriminate handouts. By the provision of small credit through interest free loans to women, it is hoped that household incomes will be enhanced with the promotion of self employment activities.

The programme uses the following criteria:

- Formation of groups of five individual beneficiaries
- Potential loan recipients decided by group members
- Accountability and transparency ensured and shared by the group members
- All members of the group act as guarantors and ensure proper disbursements and payments of instalments.

Loans are screened and approved in a manner to ensure that the benefits are provided to the targeted groups and high standards of transparency and ethics are maintained.

Loans start at 5,000 Rupees (£25) for one year, with annual increases of 2,500 for the first two cycles, then increasing to 20,000 Rupees. They are provided as interest free, but to qualify for a subsequent loan recipients must repay the previous loan in full. Loan defaults are neither encouraged nor promoted.

Parallel to the loan scheme Jana Suwaya encourages recipients to save under a mandatory savings scheme as a pre-requisite for accessing credit. Members earn a reasonable rate of interest on these deposits, based on market rates. The compulsory savings requirement ensures discipline and order to the program even in a time of disaster and should act as a catalyst for its future success. However the amount of savings to be collected is dependent on the capacity to save by individual members.

Jana Suwaya is supplemented by a team of technical experts in micro-finance, who have agreed to work as advisors on a voluntary basis. They bring a wealth of knowledge, expertise and experience, both local and international, in the fields of micro-finance and poverty alleviation.

Can you help?

The Share Foundation is looking for people to get involved in its work and support its initiatives.

There are many ways to contribute.

£££ Funds

- A regular personal gift aided donation
- A donation from your Trust Fund
- A donation of shares
- A donation in your Will
- Support from your company and employees

The UK Government offers considerable tax breaks to higher rate taxpayers who give to charities. Giving £10,000 using Gift Aid means a total donation of £12,800 to the charity at a cost of £7,500 in terms of after-tax value to the taxpayer: an uplift of over 70%.

Giving quoted shares is also tax efficient. Your gift is not only exempt from Capital Gains Tax but you can also reduce your taxable income by the market value of the shares gifted.

The Share Foundation provides an ongoing financial commitment to "Looked After" children in the United Kingdom and therefore regular donations are particularly important. Regular gifts are also vital in the planning of future contributions and to ensure that the charity matches its future objectives.

✧ Your involvement

The Share Foundation partnership is a group of people who wish to help the trustees to raise funds and develop educational material for the children and young people we help. Starting in September 2008, it will hold regular forums to inform everyone of progress and discuss new ideas for progressing our work.

Are you interested? Can you help?

If so, please visit the website www.sharefound.org or write to The Share Foundation, Oxford House, Oxford Road, Aylesbury, Buckinghamshire, HP21 8SZ

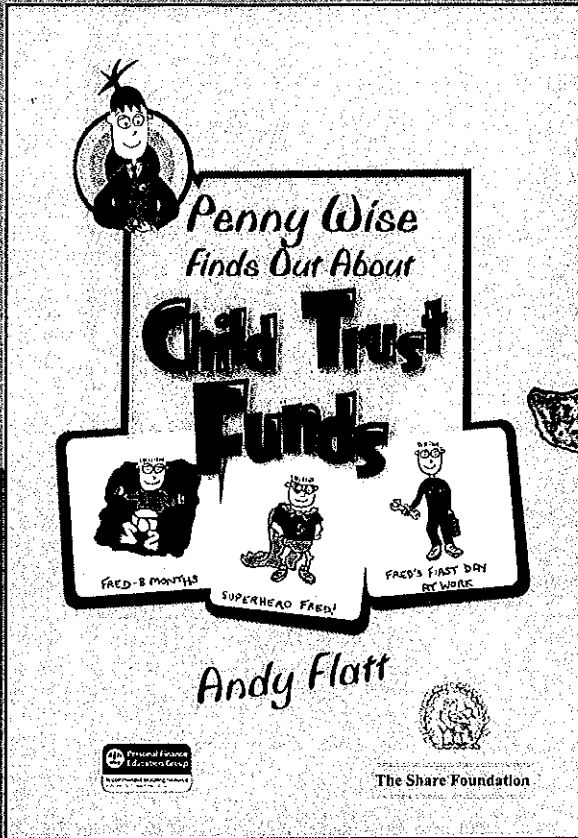
Gavin Oldham
May 2008

CHILD TRUST FUNDS



Foundation / Key Stage 1

ISBN 9 781857 411515
A5, 24 pages,
full colour



Personal Finance Education Group
Recommended teaching resource
Autumn 2007 Issue no. 0070

Hello everyone.
My name is Penny Wise.



This is my book all about when I
tried to teach my little brother
about looking after his money.

Sponsored by:

The Share Foundation

Penny Wise finds out about Child Trust Funds develops young children's interest in, and awareness of, the Child Trust Fund and the issue of looking after money and saving for the future. The topic is tackled through the eyes of Penny Wise, a 10 year-old who has a 5 year-old brother.

The booklet is designed to be used in the classroom or at home. Schools and Children's Centres may wish to buy in copies to give out to families.

Notes for teachers and parents are provided free.

This is my smelly little brother Fred. He is five years old. When he grows up he wants to be a superhero. I think if he was a superhero he would be called Stinkyboy!



Extract from Child Trust Funds page 1

Auntie Paula explained what a Child Trust Fund was.

After Jessie was born Auntie Paula got a letter from the government!



It said that it was important to save money for when Jessie was grown up. They gave Auntie Paula £250 to start a Child Trust Fund for Jessie.



Auntie Paula thought of a safe place to keep Jessie's Child Trust Fund.



Extract from Child Trust Funds page 10

From the DCSF website:

The first cohort of children to have a Child Trust Fund have started school this September. The Secretary of State and the Economic Secretary have written a letter to parents to remind them how they can help their child by making additional payments into their account. All primary schools are encouraged to make this letter available to parents perhaps by including it within parent information packs or on the school's website.

On 7 September 2007 Ed Balls, Secretary of State for Children, Schools and Families and Treasury Minister, Kitty Ussher, issued a letter to all parents concerning Child Trust Funds. In it they outline their hopes that children will be encouraged to manage their funds themselves as an important part of learning financial skills for the future.

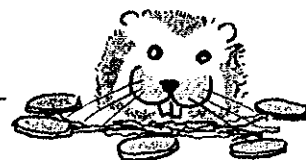
Penny Wise finds out about Child Trust Funds is sponsored by The Share Foundation, a registered charity (Reg. No. 1108068) which contributes to the Child Trust Funds of Looked After children with no parents. Seventy percent of proceeds directly support The Share Foundation's work on behalf of these children.

All children born after 31st August 2002 have, and will have, a Child Trust Fund that started with an initial Government contribution. As more and more children of school age have a Child Trust Fund, Penny Wise finds out about Child Trust Funds offers a very useful teaching resource – informing children about their investment* and the value of saving for the future.

Penny Wise finds out about Child Trust Funds is entertaining, informative and fun; an illustrated story that both children and adults will enjoy and learn from.

* The Government has given each child born after 31st August 2002 the initial sum of £250, to be invested for their future. Parents and children are encouraged to add to that amount and the Government will give an additional lump sum at the age of seven.

For other books in the Penny Wise series, please visit www.southgatepublishers.co.uk or phone 01363 776888.



ORDER FORM

Penny Wise finds out about Child Trust Funds are sold in multiples of 10. Accompanying the story booklet are notes for teachers (4 pages A4) and notes for parents (4 pages A5). These are free. Please indicate on the order form how many of each you require.

Prices including postage:

10 – £17.30 20 – £31.10 30 – £44.90 40 – £58.70 50 – £61.20 60 – £72.24 70 – £83.28
80 – £94.32 90 – £105.36 100 or more – £1 per copy, plus £8.50 postage

Please send me _____ copies of Penny Wise finds out about Child Trust Funds _____

Please send me _____ copies of the Teacher's Notes (free)

Please send me _____ copies of the Parents' Notes (free)

Add £8.50 p&p only for orders 100 and over £ _____

TOTAL £ _____

Please invoice me I enclose a cheque for £ _____ made payable to Southgate Publishers Ltd I enclose an official order

Name _____ Official Order No. _____

School / Organisation _____

Address _____

Post Code _____

CREDIT CARD PAYMENT: I wish to pay by: Visa Master Card Delta Maestro

Card Number: _____ / _____ / _____ / _____

Valid From: _____ Expiry Date: _____ Security No. _____

Signature of card holder: _____ Telephone No: _____

Please fax or send this order to: Southgate Publishers Ltd, The Square, Sandford, Crediton, Devon EX17 4LW
Tel: 01363 776888 Fax: 01363 776889 Email: info@southgatepublishers.co.uk



SOUTHGATE
— PUBLISHERS —

www.southgatepublishers.co.uk