

SHINING LIFE CHILDREN'S TRUST

(A company limited by guarantee)

**Report and financial statements
for the year ended 31 October 2008**

**Charity number: 1068123
Company number: 3459486**

Shining Life Children's Trust
(A company limited by guarantee)

**Financial statements
for the year ended 31 October 2008**

Contents

	Page
Legal and administrative information	3
Trustees' report	4
Reporting accountant's report	8
Statement of financial activities	9
Statement of assets and funds	10
Notes to the financial statements	11

Shining Life Children's Trust
Report of the Trustees for the year ended 31 October 2008

The Trustees present their report and financial statements for the year ended 31 October 2008

Legal and administrative information

Charity name: Shining Life Children's Trust

Charity registration number: 1068123

Company registration number: 3459486

Registered office: 12 High Bois Lane
Chesham Bois
Amersham
Buckinghamshire
HP6 6DG

Trustees

J C Brown, Secretary

J Bailey

S Brown

R Dasgupta

L Hardy (resigned November 2007)

J Hockley (appointed June 2008)

J Newall, Treasurer

Bankers

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ

HSBC, 2 The Promenade, Cheltenham, Gloucestershire GL50 1LS

Structure, governance and management

Governing document

The Charity is a charitable company limited by Guarantee, incorporated on 3 November 1997 and registered as a charity on 13 February 1998. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £10.

Recruitment and appointment of trustees

The trustees are also directors of the charity for the purpose of the Companies Act. Under the requirements of the Memorandum of Association, one third of the trustees are required to retire at each Annual General Meeting and seek re-election.

To meet the above requirement, S Brown and R Dasgupta retire by rotation and, being eligible, offer themselves for re-election.

During the year, the trustees recruited a new trustee, J Hockley.

The trustees aim to maintain a broad mix of skills on the board, so that the project delivery, fundraising and governance needs of the charity are met. When a vacancy arises, skills of a new trustee are sought to complement the other trustees. New trustees are usually already known to the charity.

In addition to general responsibilities towards the charity each trustee has their own area of responsibility – this ensures that all areas are covered and work is not duplicated.

Trustee induction and training

Potential new trustees are invited to attend several trustee meetings to see how the charity operates. Responsibilities are explained, and information sheets from the Charities Commission and Companies House setting out legal responsibilities are given to the new trustee. After this the potential recruit decides whether they are willing to accept the responsibilities and if they are they are proposed and voted on as a potential trustee.

Organisation

The board of trustees administers the charity. The board meets approximately eight times per year. A volunteer field director is appointed by the trustees to manage the day-to-day operations of the charity in Sri Lanka.

Risk management

Where appropriate, systems and/or procedures have been established to mitigate the risks the charity faces. These systems and procedures are reviewed regularly to ensure that they continue to meet the needs of the charity. To reduce financial risks, funds are maintained in bank accounts that require two registered signatories to withdraw or transfer funds or effect any changes.

During the course of the year, the Trustees decided to make the security policy (which was first approved in October 2007) for the Charity's volunteer Field Director a standing item on the Board meeting agenda because of the heightened security situation in Sri Lanka. The Trustees review the security policy at each Board meeting along with the latest Foreign and Commonwealth Office advice. Amendments have been made as deemed appropriate. This practice will continue until the situation in Sri Lanka is no longer of concern.

Objects and activities

The Charity's objects are to help children in Sri Lanka who are disadvantaged by poverty and vulnerability, through working in partnership with small local non-governmental organisations and

community-based organisations to promote child-focused development, education, health and training within a family and community context and to achieve sustainable development through encouraging self-help, self-reliance and empowerment.

Achievements and performance

The charity had four continuing projects during the period:

- Samarakoon Watta, a development project in a slum in Moratuwa, south of Colombo
- Kalpitiya, a development project in a remote region on the Puttalam peninsula on the west coast
- Telwatta, a tsunami rehabilitation project in a coastal village on the south-west coast
- Uplands School, a smaller-scale project to provide a playground at a school in a tea plantation near Kandy.

Each of these projects (except Uplands) is a 3-year project, consisting of:

- child development activities including pre-school provision and youth clubs
- microfinance schemes administered through mothers' societies
- training in areas such as nutrition, health and vocational training.

The charity's aim is for each project to become self-sustaining through our contract with the implementing organisation, so that we can withdraw and the project continue successfully. We achieved this with two of our projects this year.

The main achievements for each of these projects in this financial year are as follows.

Samarakoon Watta: a final report was produced on how well the project had met its original objectives. The conclusion was that the project had met its original objectives and was now in a position where it is self-sustaining and the charity could withdraw. The charity formally withdrew from the partnership in September 2008.

Kalpitiya: a report on the project indicated that although many of the objectives had been achieved, the savings and credit groups were not running as successfully as had been hoped. The charity agreed to undertake further work to ensure that this part of the project is sustainable.

Telwatta: The 6 month extension to the project was completed successfully. A final report indicated that the project's objectives had been met, with one minor exception. The project was now sustainable and the charity could withdraw from the project. The charity formally withdrew from the partnership at its anniversary celebrations in September 2008. At this time, the charity was pleased to note that the savings projects have been so successful that a third one has now been established at the request of the community, using a loan from the first mothers' credit group.

Uplands School: the majority of the additional work was achieved. The laying of the turf was not done before the onset of the wet season and so had to wait until the next dry season (December 2008). This work will be completed in the next financial year.

New projects

In addition, the charity identified two new projects during the period:

- Rikillagaskada: a development project on a tea plantation near Kandy
- Galewala: a development project in central Sri Lanka, north of Kandy

It is envisaged that both of these will have the same elements as outlined above for the three continuing projects.

Rikillagaskada: baseline research was carried out and an initial 6-month project started in October 2008.

Galewala: baseline research was carried out in a survey lasting several days. This research will help to produce an initial 6-month project.

Financial review

During the course of the year, the charity decided to change its main account to the Charities Aid Foundation and opened a CAFCash account.

The trustees continue to seek to build up regular donations. This year saw an 8% increase in regular donations to £9626.

There was no Gift-Aid claim this year. Last year's Gift-Aid claim was for a period of 5.5 years. Further Gift-Aid claims will be made in the next financial year.

The charity had a surplus of £8502, mainly due to lower than expected expenditure in projects, because we successfully withdrew from three of the four continuing projects and the replacement projects were in their early stages. However, it should also be borne in mind that during this period, the exchange rate declined from about £1 = Lkr 220 to about £1 = Lkr 165, which means that costs in Sri Lanka have increased by about 25% when converted into pounds sterling.

The volunteer expenditure increased for the year ending 31 October 2008 compared with the year ending 31 October 2007, mainly because the charity did not have a volunteer in Sri Lanka for the period February–July 2007, and so did not incur expenditure for this period. In addition, the volunteer travel expenses are higher because the volunteer is using more taxis and other forms of transport because of the terrorist attacks on public transport, in line with the charity's security policy. Rent also increased because the charity decided to move its base in Colombo during the course of the year. The increased rent reflects that 18 months have been paid in this period rather than 12 months in the previous period.

One of the trustees visited Sri Lanka in December 2007 to see the projects. This was generously funded by a donor.

Fundraising

The charity celebrated its 10th anniversary this year. The trustees decided to run some events to celebrate this. The main event was a very successful fundraising cycle ride around the Solent (the Six Ferries Challenge) which raised a net total, after expenses, of £9000, including matched giving. In addition, there was an event at a club for Sri Lankans in July 2008 and 10th anniversary events in Cheltenham and London.

The sale of Christmas cards for Christmas 2007 was a success, and the Charity decided to continue to sell them. The charity managed to sell a substantial proportion of the 2008 Christmas cards in this financial period.

Investment policy

The charity's reserves continue to be invested in the CAFCash Gold Account, keeping sufficient funds in the current account for immediate requirements. The charity continues to benefit from the increased investment income that this brings.

Reserves policy

The trustees have established the level of reserves that the charity should have. The charity commits to work with each project for 36 months. Trustees ensure there are sufficient projected funds (based on a prudent projection) for the entire project in advance of starting a partnership. The trustees consider that reserves should be an average of the last three years' expenditure. The actual reserves at 31 October 2008 were £46,914. This is more than the target figure, mainly

because of the expenditure on projects being less than expected. However, given the current economic situation and that the charity may experience a downturn in giving, the trustees consider it prudent to hold the current level of reserves.

Plans for future periods

Kalpitiya: the charity will work with the partner organisation to ensure that the project is sustainable and self-funding.

Rikillagaskada: the charity aims to start the main 30-month project in the first half of 2009.

Galewala: the charity aims to start the initial 6-month project and then continue with the main 30-month project during the course of the financial year.

Statement of trustees' responsibilities

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year. In preparing these statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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.

In approving these financial statements as trustees of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 October 2008 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

Reporting accountant

Sven Tester was re-appointed as the Reporting Accountant during the course of the year.

By order of the trustees

J Newall (Trustee)

31 March 2009

Shining Life Children's Trust

Reporting accountant's report to the trustees on the unaudited financial statements of SHINING LIFE CHILDREN'S TRUST

I report on the financial statements of SHINING LIFE CHILDREN'S TRUST for the year ended 31 October 2008 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the trustees and reporting accountant

As described in the statement of trustees responsibilities the trustees are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

Basis of opinion

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

Opinion

In my opinion:

- (i) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985.
- (ii) having regard only to, and on the basis of, the information in those accounting records:
 - (a) those financial statements have been drawn up in a manner consistent with the provisions of the Act as specified in Section 249C(6), so far as applicable to the company.
 - (b) the company satisfied the requirements of Section 249A(4), for the financial year in question, and did not fall within Section 249B(1)(a) to (f) at any time within that financial year.

Sven Tester
55 Whistlers Avenue
Morgans Walk
London SW11 3TS
12 February 2009

Shining Life Children's Trust

Statement of financial activities – receipts and payments basis (unrestricted funds) For the year ended 31 October 2008

	Notes	2008 Total £	2007 Total £
Incoming resources			
Donations	2	12,042	16,881
Fundraising events etc.	3	12,345	10,895
Matched giving		2,326	–
Income from investments	4	1,799	1,114
Gift aid tax reclaim		–	23,444
Other income		503	–
Total incoming resources		29,015	52,334
Resources expended			
Grants payable	5	8,536	18,729
Rent, rates and service charge	5	2,999	1,754
Volunteer travel and expenses	5	5,269	3,818
Trustee visit		521	–
UK governance	6	15	30
Fundraising expenditure	7	3,033	2,658
Interest and charges		140	211
Total resources expended		(20,513)	(27,200)
Net movement in funds		8,502	25,134
Total funds brought forward		38,412	13,278
Total funds carried forward		46,914	38,412

Shining Life Children's Trust

Statement of assets and funds as at 31 October 2008

	Notes	2008		2007	
		£	£	£	£
Current assets					
Cash at bank and in hand		46,914		38,412	
		<u>46,914</u>		<u>38,412</u>	
Net current assets			46,914		38,412
Net assets			<u>46,914</u>		<u>38,412</u>
Funds					
Unrestricted funds	12		46,914		38,412
			<u>46,914</u>		<u>38,412</u>

The notes on pages 11 to 13 form an integral part of these financial statements.

For the year ended 31 October 2008, the company was entitled to exemption under section 249A(2) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2). The directors acknowledge their responsibility for

- (i) ensuring the company keeps accounting records which comply with section 221 and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as is applicable to the company.

The financial statements were approved by the Board on 31 March 2009 and signed on its behalf by

J Newall
Trustee

Notes to the financial statements for the year ended 31 October 2008 (unrestricted funds)

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and follow the recommendations in 'Accounting and Reporting by Charities: Statement of Recommended Practice' issued in April 2005.

The charity has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small charity.

1.2. Incoming resources

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Donated assets are included at the value to the charity where this can be quantified and a third party is bearing the cost. The value of services provided by volunteers has not been included.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

1.3. Resources expended

Resources expended are recognised in the year in which they are incurred.

Fundraising costs are those incurred in getting regular donors and one-off donations.

UK governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

2. Donations

	2008	2007
	£	£
Income – one-off donations	2,416	7,977
Income – regular donations	9,626	8,904
	<u>12,042</u>	<u>16,881</u>

3. Fundraising events etc.

	2008	2007
	£	£
Fundraising event: Six Ferries Challenge 2008	9,000	–
Fundraising event: Pulsation, July 2008	448	–
10th anniversary events	118	–
Fundraising event: Isle of Wight bike ride 2007	120	8,294
Fundraising event: Jo Demmler's bike ride to China	1,074	2,305
Christmas cards	1,585	296
	<u>12,345</u>	<u>10,895</u>

4. Investment income

	2008	2007
	£	£
Income – Interest received	1,799	1,114
	<u>1,799</u>	<u>1,114</u>

5. Direct charitable expenditure

	2008	2007
	£	£
Grants payable		
Galewala	275	–
Kalpitiya	1,128	1,455
Rikillagaskada	2,681	–
Samarakoon Watta	–	11,737
Telwatta	2,986	4,733
Uplands	1,466	804
Rent, rates and service charge	2,999	1,754
Volunteer travel and expenses	5,269	3,818
	<u>16,804</u>	<u>24,301</u>

6. UK governance

	2008	2007
	£	£
General expenses	15	30
	<u>15</u>	<u>30</u>

7. Fundraising expenditure

	2008 £	2007 £
Events	1,696	1,701
Printing, postage and stationery	456	177
Christmas cards for resale	810	699
General expenses	70	81
	<u>3,032</u>	<u>2,658</u>

8. Trustees' emoluments

There were no employees during the year apart from the Trustees. The Trustees received no emoluments.

9. Analysis of net assets between funds

	Unrestricted funds £	Total funds £
Fund balances at 31 October 2008 as represented by:		
Current assets	46,914	46,914
	<u>46,914</u>	<u>46,914</u>

12. Unrestricted funds

	1 Nov. 2007 £	Incoming £	Outgoing £	31 Oct. 2008 £
General fund	38,412	29,015	(20,513)	46,914
	<u>38,412</u>	<u>29,015</u>	<u>(20,513)</u>	<u>46,914</u>

Purposes of unrestricted funds

The purpose of the general fund is to provide relief to children in Sri Lanka in line with the charity's objects.

13. Share capital

The company is limited by guarantee and therefore has no share capital. However every member of the company undertakes to contribute to the assets of the charity in the event of the same being wound up whilst he is a member, or within one year after he ceases to be a member. This contribution is in respect of payment of debts and liabilities of the charity contracted before he ceases to be a member. The liability should extend to the costs, charges and expenses of winding up, and for the adjustment of rights of the contributories amongst themselves. The amount of contribution that may be required will not exceed £10. The company has six members.