

SHINING LIFE CHILDREN'S TRUST

(A company limited by guarantee)

**Report and financial statements
for the year ended 31 October 2009**

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

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

**Financial statements
for the year ended 31 October 2009**

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 2009

The Trustees present their report and financial statements for the year ended 31 October 2009

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 Brown, Secretary

J Bailey

S Brown (resigned August 2009)

S Coulden (appointed September 2009)

R Dasgupta

J Hockley

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, J Brown retires by rotation and, being eligible, offers herself for re-election.

During the year, the trustees recruited a new trustee, S Coulden.

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.

The security policy for the Charity's volunteer Field Director continued to be a standing item on the Board meeting agenda because of the heightened security situation in Sri Lanka. With the defeat of the Tamil Tigers in 2009, the country is more secure. However, the Foreign and Commonwealth Office continues to advise against travel to certain parts of Sri Lanka. The trustees take this advice into account when reviewing the Trust's security policy.

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:

- Rikillagaskada: a development project on a tea plantation near Kandy
- Galewala: a development project in central Sri Lanka, north of Kandy
- Kalpitiya, a development project in a remote region on the Puttalam peninsula on the 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 can continue successfully.

A new field director was appointed in May, but was unable to take up the position until the start of September because of the lengthy process in obtaining a visa. As the previous field director left at the end of June, this meant that there was a gap between the new and old field directors. However, a handover period of 10 days was arranged for September when the outgoing field director returned to do the handover.

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

Rikillagaskada: the initial 6 month project was used to define the main 2-year project. The main project started in June 2009 and covers four divisions in the tea plantation. A fifth activity was taken out of the 6-month project because it was not working as well as had been hoped. Action was taken to improve project activity in the division, with the aim of reintegrating it into the main project by the end of the financial year. This looks like it will now happen early in the next financial year.

Galewala: the baseline research that was carried out in the last financial year was used to produce an initial 6-month project. The 6-month project ran from January to June 2009. The charity was then aiming to start the main project in July. However, because of the delay in the incoming field director being able to take up the position, the main project was delayed.

Kalpitiya: further work continued to make sure that the savings and credit groups were running successfully. The charity undertook further work to ensure that this part of the project is sustainable.

Uplands School: the final part of the project (laying of the turf) was achieved in early 2009. This completed the charity's work on this project.

Financial review

The trustees continue to seek to build up regular donations. This year saw a 3% decrease in regular donations to £9320; this was due to a reduction in the regular donations received through Give as You Earn. All other income received as donations was consistent with the amount received in the previous year.

There were Gift-Aid claims covering two years this year. Gift-Aid claims were brought fully up to date.

The charity had a surplus of £933. Expenditure on projects was 75% higher than last year, mainly because of the charity's new projects in Rikillagaska and Galewala getting properly started. Fundraising expenditure was much lower because the charity did not organise a fundraising event this year.

Total volunteer travel and expenses were about 25% higher than last year. This was mainly due to the effects of inflation, a new field director starting in September and the full effects of the decrease in the exchange rate at the end of the last financial year. However, rent was lower (because 18 months rent was paid in the previous financial year).

The exchange rate improved from about £1 = Lkr 165 to about £1 = Lkr 185, which helped the charity after the 25% decline in the exchange rate in the previous financial year. The inflation rate in Sri Lanka continues to be much higher than in the UK.

There was no trustee visit this year.

Fundraising

The trustees decided not to have a fundraising event this year, partly because of the Gift-Aid claims but also because of the economic situation in the UK. The trustees thought that it was prudent to have a break this year when it is more likely that a fundraising event will be needed next year.

The sale of Christmas cards for Christmas 2008 was a success, and the Charity decided to continue to sell them.

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 reduction in the Bank of England base rate during the course of the year to 0.5% has adversely affected investment income, which has decreased from over £400 per quarter to approximately £25 per quarter.

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 £47,847. This is more than the target figure. 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's work on the project is scheduled to finish at the end of 2009.

Rikillagaskada: the charity will continue with the main project, which is scheduled for completion in 2011.

Galewala: the charity aims to start the main 36-month project in January 2010.

The charity will also identify a new community with which to start a project.

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)
12 January 2010

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 2009 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 March 2010

Shining Life Children's Trust

Statement of financial activities – receipts and payments basis (unrestricted funds) For the year ended 31 October 2009

	Notes	2009 Total £	2008 Total £
Incoming resources			
Donations	2	13,598	12,042
Fundraising events etc.	3	2,642	12,345
Matched giving		120	2,326
Income from investments	4	711	1,799
Gift aid tax reclaim		9,859	–
Other income		–	503
Total incoming resources		<u>26,930</u>	<u>29,015</u>
Resources expended			
Grants payable	5	15,047	8,536
Rent, rates and service charge	5	1,820	2,999
Volunteer travel and expenses	5	7,148	5,269
Trustee visit		–	521
UK governance	6	15	15
Fundraising expenditure	7	1,787	3,033
Interest and charges		180	140
Total resources expended		<u>(25,997)</u>	<u>(20,513)</u>
Net movement in funds		<u>933</u>	<u>8,502</u>
Total funds brought forward		46,914	38,412
Total funds carried forward		<u>47,847</u>	<u>46,914</u>

Shining Life Children's Trust

Statement of assets and funds as at 31 October 2009

	Notes	2009		2008	
		£	£	£	£
Current assets					
Cash at bank and in hand		47,847		46,914	
		<u>47,847</u>		<u>46,914</u>	
Net current assets			47,847		46,914
Net assets			<u>47,847</u>		<u>46,914</u>
Funds					
Unrestricted funds	12		47,847		46,914
			<u>47,847</u>		<u>46,914</u>

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

For the year ended 31 October 2009, 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 12 January 2010 and signed on its behalf by

J Newall
Trustee

Notes to the financial statements for the year ended 31 October 2009 (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

	2009	2008
	£	£
Income – one-off donations	4,278	2,416
Income – regular donations	9,320	9,626
	<u>13,598</u>	<u>12,042</u>

3. Fundraising events etc.

	2009	2008
	£	£
Fundraising event: Six Ferries Challenge 2008	766	9,000
Fundraising event: Pulsation, July 2008	–	448
10th anniversary events	–	118
Fundraising event: Isle of Wight bike ride 2007	–	120
Fundraising event: Jo Demmler's bike ride to China	–	1,074
Christmas cards	1,876	1,585
	<u>2,642</u>	<u>12,345</u>

4. Investment income

	2009	2008
	£	£
Income – Interest received	711	1,799
	<u>711</u>	<u>1,799</u>

5. Direct charitable expenditure

	2009	2008
	£	£
Grants payable		
Galewala	4,979	275
Kalpitiya	2,649	1,128
Rikillagaskada	7,419	2,681
Telwatta	–	2,986
Uplands	–	1,466
Rent, rates and service charge	1,820	2,999
Volunteer travel and expenses	7,148	5,269
	<u>24,015</u>	<u>16,804</u>

6. UK governance

	2009	2008
	£	£
General expenses	15	15
	<u>15</u>	<u>15</u>

7. Fundraising expenditure

	2009	2008
	£	£
Events	67	1,697
Printing, postage and stationery	424	456
Christmas cards for resale	970	810
General expenses	326	70
	<u>1,787</u>	<u>3,033</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 2009 as represented by:		
Current assets	47,847	47,847
	<u>47,847</u>	<u>47,847</u>

12. Unrestricted funds

	1 Nov. 2009	Incoming	Outgoing	31 Oct. 2009
	£	£	£	£
General fund	46,914	26,930	(25,997)	47,847
	<u>46,914</u>	<u>26,930</u>	<u>(25,997)</u>	<u>47,847</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.