

**SHINING LIFE CHILDREN'S TRUST**

(A company limited by guarantee)

**Report and financial statements  
for the year ended 31 October 2017**

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

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

**Annual Report & Financial statements  
for the year ended 31 October 2017**

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**Shining Life Children's Trust**  
**Report of the Trustees for the year ended 31 October 2017**

The Trustees present their report and financial statements for the year ended 31 October 2017.

**Legal and administrative information**

Charity name: Shining Life Children's Trust

Charity registration number: 1068123

Company registration number: 3459486

Registered office: 1 Chestnut Lane  
Amersham  
Buckinghamshire  
HP6 6EN

**Trustees**

J Brown, Secretary

J Dean

R Gaut

J Newall, Treasurer

J Slocombe

B Rattigan

G Oni (resigned November 2017)

**Bankers**

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

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

## **Trustee's report**

### **Objects and activities**

The Charity's objects as set out in the objects contained in the company's memorandum of association are to relieve children in Sri Lanka who are in need by the provision of assistance and care in a family environment, education and training. The Charity's activities 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.

The Trustees constantly review the Charity's activities to ensure that they meet the Charity's aims and objectives. The Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aim and objectives and in planning future activities.

The Charity's operating model of a Field Director working directly with a few small projects means it is able to impart skills and expertise easily, developing its partners beyond that which a financial partnership offers. In addition the Charity ensures that the benefit of being a small, nimble charity is maximised by being able to review and refocus its resource to maximum benefit within the communities with which it is working.

In addition, the Trust's low overheads means that a much higher percentage of its funds go directly to its work in Sri Lanka than it does for a large charity.

This review looks at the achievements and outcomes of the Charity's work in the year to 31 October 2017.

### **How the Charity's activities deliver public benefit**

The main activities and the charity's beneficiaries are described below. All charitable activities focus on community development and empowerment and are undertaken to further our charitable purposes for the public benefit.

### **Achievements and performance**

The Charity had two continuing projects during the period, Kirimetiawatte and Angunochchiya.

The Charity's aim is for both projects to become self-sustaining through our contract with the implementing organisations (the Human Development Foundation, HDF, for Angunochchiya, and the Women's Development Centre, WDC, for Kirimetiawatte), so that we can withdraw and the implemented programmes continue successfully, without additional external support.

*Kirimetiawatte*: this is a continuing project working with one of the Charity's longstanding partners, the Women's Development Centre. The Charity started a full 30-month project in October 2016.

It is situated on a former tea plantation near Kandy. It was once a productive tea estate but is now private land owned by an insurance company. The 72 families all live in line houses, terraced houses where each house consists of just one room measuring 3 m by 4 m.

There is no nursery school and a small junior school for 6–14 year olds. For older children there is a 3.5 km walk followed by a 7 km bus ride to get to school. Most children therefore leave school at 14. Health facilities are equally poor with the community having to navigate the same 3.5 km walk and 7 km bus journey to reach a medical centre. With the lack of jobs and the extent of deprivation many of the adults, especially the fathers, have turned to alcohol.

The project aims to implement a range of sustainable community-based interventions to mobilise

the community. These have included vocational training programmes, educational workshops, training and awareness sessions in health and human rights, and the facilitation of sustainable community empowerment and leadership structures. Central to the design of the project is the establishment of Early Childcare Development (ECD) Children's Club, Women's Societies, Village Development Society and School Development Society.

Key highlights of completed activity to date include:

- Opening of new 'Super Kids Nursery' for 10 children under 5; 3 children from the nursery have successfully been accepted into the 1st grade at the Thalathuoya Tamil Central College.
- 2 young women from the village are completing their pre-school teacher training qualification; currently teaching at the newly opened nursery.
- Children's club have set up a reading club with library materials donated by the project
- 4 children (grade 9) receiving extra tuition in maths and science to help them pass their secondary education exams, all students have shown an increased confidence and grade attainment.
- Results of Early Childcare Development and Nutrition training programme are already showing improved nutritional health and weight gain for young children.
- 'Safety Nets' training to 30 participants and key local stakeholders to ensure a better understanding of child protection responsibilities and processes, to help create a safe environment for all children.
- Field trip for 20 children to Colombo. For many it was the first time they had left Kandy.

*Angunochchiya:* At the end of February 2017, the Charity started a new 6-month project in partnership with the Human Development Foundation (HDF). The project is working with three villages on the edge of the Anuradhapura district. The community is predominantly Sinhala, with a total population of 1,204 (403 families).

Levels of poverty are high and there is a growing concern over the prevalence of chronic kidney disease (CKD) in the area. Problems exist with access to education, as many children are not regularly attending school because of supporting family members with work or CKD.

A lack of leadership and cohesion has existed amongst the community which has made it difficult to drive improvement and engage various external agencies and organisations for support. This has resulted in restricted access to various resources and facilities needed by the community, such as access to safe drinking water and health care facilities.

The 6-month project has worked to build the capacity of the community through Children's Clubs, Village Welfare Societies and a series of training and awareness programmes. Opportunities for children to participate in community, musical and sporting activities have been facilitated through the Children's Clubs. The project has also worked with various government agencies and the community to deliver a series of CKD clinics and start discussions regarding the provision of safe drinking water for the community.

Key highlights of the project include:

- Establishment of two children's clubs. The Clubs organised a programme of over 18 activities for the community to celebrate New Year in April 2017.
- Establishment of two welfare groups.
- CKD testing and diagnostic clinics held helping to identify 80 patients with the disease.
- Training on CKD prevention and promotion of healthy living and good sanitation practices, along with safe water practices delivered.

The project was completed successfully in September 2017, and planning started for the full 30 month project. The Charity agreed to interim funding to keep the momentum of the project while

the full 30 month project was agreed.

### **Plans for future periods**

*Kirimetiyyawatte*: The main project continues throughout the next financial year working with the Children's Club, Women's Society and Village Development Committee to provide training and support to help meet the community's needs and develop their capacity.

With the project due to reach the half way point in early 2018, a series of monitoring and evaluation activities with the community and stakeholders are currently being undertaken to produce a robust mid-point review that will help to inform and direct the effective completion of the project.

*Angunochchiya*: the full 30-month project started in February 2018, aiming to build on what had been found from the initial 6-month project and further develop the community.

### **Financial review**

The Charity had a net outflow of funds of £1,938 (2016: net inflow of £1,227). Overall income was up to £26,622 (2016: £24,742).

Regular donations were down slightly at £9,502 (2016: £9,660). This is the preferred form of fundraising as it facilitates forward planning, but this was more than offset by an increase in one-off donations of £4,588 (2016: £4,231). Fundraising event income was also up at £11,102 (2015: £8,934). The Trustees have put a fundraising strategy in place to improve the longer-term income of the Charity.

Total expenses were up at £28,560 (2015: £23,515). This was mainly due the following factors:

- increased project expenditure (increase of £1,928)
- increased rent payment due to the decline in the exchange rate – the amount paid stayed constant in Sri Lankan rupees (increase of £591)
- increased volunteer travel and expenses (up £1,565)
- and increased fundraising expenditure (increase of £753).

Total volunteer travel and expenses increased to £8,629 (2016: £7,064) This was partly due to the fluctuation in the exchange rate but also reflecting increased costs due to inflation in Colombo. The 2016 figure was also lower because the Charity did not have a field director out in Sri Lanka for six weeks in the autumn of 2016.

The result of the UK referendum to leave the EU continued to have an adverse effect on the exchange rate. It started on 1 November at £1 = Lkr 181, and increased to £1 = Lkr 203 by the end of the financial year. Since the end of the financial year, the exchange rate has increased to a peak of £1 = Lkr 223 in April 2018, but had dropped to £1 = Lkr 210 at the end of June 2018. The drop in the exchange rate increased the charity's overall costs during the financial period. However, the charity is benefiting from the increase in the exchange rate which helps to mitigate the fact that the inflation rate in Sri Lanka continues to be much higher than in the UK. Inflation risk is managed by holding funds in Sterling.

There were no Trustee visits during this period.

Since the Charity's inception in 1997, it has raised a total of over £460,000 for its projects in Sri Lanka.

### *Fundraising*

The Charity had a sponsored cycle ride in the Lee Valley in north east London in June 2016. The event raised over £6,000 net of expenses.

The Charity also had a successful 20th Anniversary Dinner in London in October 2017, with a silent auction. The dinner raised just under £4,000 net of expenses.

The Charity continued the sale of Christmas cards and gifts for Christmas 2016. Sales of Christmas cards and gifts were down slightly on 2015. The sale of Christmas cards also leads to additional donations from purchasers. Donations received as a result of selling Christmas cards and gifts are also included in this figure. The sale of gifts is especially profitable for the Charity.

#### *Gift aid*

The amount of tax reclaimed directly from HMRC by the Charity continues to decline as more of the Charity's income is received via fundraising websites such as BTMyDonate which reclaim tax on donations made through them on the Charity's behalf.

#### *Investment policy*

The Charity's cash balances continue to be invested in the CAFCash Gold Account, keeping sufficient funds in the current account for immediate requirements. UK interest rates have been low since March 2009 and decreased even further during this financial year. The income received on the cash balances is now only about £2 per quarter.

#### *Bank charges*

The Charity's main banker, CAF Bank decided to impose a monthly charge (£5) because of the continuing low interest rates. The Trustees considered whether it was worth moving the account. The Trustees decided that it was not worth moving the account because of potential disruption and also because competitor banks do not offer such a secure system for online banking where two signatories are required.

#### *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 average expenditure for the last three years is £24,983 (2016: £23,504) and the actual reserves at 31 October 2017 were £29,434 (2016: £31,372).

The objective of having the reserves match the average of the last three years' expenditure was maintained. The fundraising strategy put in place in previous years will continue to be followed. The Charity anticipates expenditure continuing at approximately £30,000 per year.

### **Field director**

The Trustees recruited a new Field Director successfully. The new Field Director started working in Sri Lanka in November 2016.

The Field Director is a volunteer, with living expenses paid. The Field Director works directly with the project partners and communities, imparting their skills and experience to advance the work of the project as well as managing and monitoring progress. These expenses are therefore classified as direct, project expenditure.

### **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 and members 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 R Gaut and B Rattigan retire by rotation and, being eligible, offer themselves for re-election.

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 procedures have been established to mitigate the risks the Charity faces. A risk log has been compiled and is reviewed at each meeting. To reduce financial risks, funds are maintained in sterling bank accounts based in the UK 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 and the Foreign and Commonwealth Office (FCO) no longer advises against travel to certain parts of Sri Lanka. However, the security situation in the country can be volatile at times. The current security policy includes guidance provided by the FCO. The Trustees continue to monitor this advice and discuss the implications of it at each Trustee meeting. The security policy is also formally reviewed annually.

#### **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 2006. 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:

For the year ending 31 October 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

#### **Independent Examiner**

John Meadowcroft was appointed as the Independent Examiner during the course of the year.

Approved by the Trustees on 10 July 2018 and signed on their behalf by

**J Newall**  
**Trustee**

## Shining Life Children's Trust

### **Independent examiner's report to the Trustees on the unaudited financial statements of SHINING LIFE CHILDREN'S TRUST for the year ended 31 October 2017 which are set out on pages 11 to 15**

#### **Respective responsibilities of the Trustees and Independent Examiner**

The 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 144(2) of the Charities Act 2011 (the 2011 Act). As gross income for the financial year was greater than £25,000, an independent examination is mandatory.

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

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; 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 the general Directions given by the Charity Commission. 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### **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 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.

John Meadowcroft  
Member of the Institute of Chartered Accountants in England and Wales  
2 Bailey Close  
High Wycombe  
Buckinghamshire, HP13 6QA

10 July 2018

## Shining Life Children's Trust

### Statement of financial activities including Income and Expenditure Account (unrestricted funds) for the year ended 31 October 2017

	Notes	2017 £	2016 £
<b>Incoming resources</b>			
Donations	2	14,090	13,891
Fundraising events	3	11,102	8,934
Sale of gifts and Christmas cards	4	1,417	1,873
Income from investments	5	13	44
		<hr/>	<hr/>
<b>Total incoming resources</b>		26,622	24,742
<b>Resources expended</b>			
Grants payable	6	(14,051)	(12,123)
Rent, rates and service charge		(3,417)	(2,826)
Volunteer travel and expenses		(8,629)	(7,064)
UK governance		(13)	(13)
Fundraising expenditure	7	(2,173)	(1,300)
Interest and bank charges		(277)	(189)
		<hr/>	<hr/>
<b>Total resources expended</b>		(28,560)	(23,515)
		<hr/>	<hr/>
<b>Net movement in funds</b>		(1,938)	1,227
Total funds brought forward		<hr/> 31,372	<hr/> 30,145
<b>Total funds carried forward</b>		29,434	31,372

## Shining Life Children's Trust

### Balance sheet as at 31 October 2017

	Notes	2017 £	£	2016 £	£
<b>Current assets</b>					
Stock		600		350	
Debtors	10	5,746		3,123	
Cash at bank and in hand		26,111		33,691	
			<u>32,457</u>		<u>37,164</u>
<b>Creditors: amounts falling due within one year:</b>	11		(3,025)		(5,792)
<b>Net assets</b>			<u>29,432</u>		<u>31,372</u>
<b>Unrestricted Funds</b>			<u>29,432</u>		<u>31,372</u>

There are no restricted funds. The purpose of the unrestricted fund is to provide relief to children in Sri Lanka in line with the Charity's objects.

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 31 October 2017:

- the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies, and
- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

Directors' responsibilities:

- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 13 to 15 form an integral part of these financial statements.

The financial statements were approved by the Board on 10 July 2018 and signed on its behalf by

**J Newall**  
Trustee

## Notes to the financial statements for the year ended 31 October 2017 (unrestricted funds)

### 1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

#### 1.1. Accounting convention

The financial statements have been prepared on an accruals basis under the historical cost convention, as modified by the inclusion of fixed assets at market value, in accordance with the Companies Act 2006 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 cash flow statement because it is a small charity.

#### 1.2. Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

- Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when received.
- 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 on an accrual basis in the year in which they are incurred. Expenditure included any VAT which cannot be recovered and is reported as part of the expenditure to which it relates.

Fundraising costs are those incurred in getting regular donors and one-off donations. It also includes the cost of Christmas cards and of running the website.

Direct charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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

### 2. Donations

	2017	2016
	£	£
Income – one-off donations	4,588	4,231
Income – regular donations	9,502	9,660
	14,090	13,891

### 3. Fundraising events

	2017	2016
	£	£
Solent cycle ride, June 2016	50	7,863
Lee Valley cycle ride, June 2017	6,384	–
20th anniversary dinner, October 2017	4,668	–
Other fundraising events	–	1,071
	<hr/> 11,102	<hr/> 8,934

### 4. Sale of gifts and Christmas cards

	2017	2016
	£	£
Gifts	175	457
Christmas cards	1,242	1,416
	<hr/> 1,417	<hr/> 1,873

### 5. Investment income

	2017	2016
	£	£
Income – Interest receivable	13	44
	<hr/> 13	<hr/> 44

### 6. Direct charitable expenditure

	2017	2016
	£	£
Grants payable		
Kirimetiyawatte	8,994	11,404
Galewala Livelihood	–	719
Angunochchiya	5,057	–
	<hr/> 14,051	<hr/> 12,123

### 7. Fundraising expenditure

	2017	2016
	£	£
Events	1,566	785
Printing, postage and stationery	120	–
Christmas cards for resale etc.	349	378
General expenses	138	137
	<hr/> 2,173	<hr/> 1,300

### 8. Trustees' emoluments

The Charity had no employees during the year. The Trustees received no emoluments.

### 9. Taxation

As a charity, Shining Life Children's Trust is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 236 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

## 10. Other debtors and prepayments

	2017	2016
	£	£
Three month's deposit on flat in Colombo	750	750
Advance to Field Director	500	–
Gift Aid receivable direct from HMRC		
Donations	3,889	1,961
Fundraising events	565	405
Other income	42	7
	<hr/> 5,746	<hr/> 3,123

## 11. Creditors: amounts falling due within one year

	2016	2015
	£	£
Fundraising expenditure	256	63
Fundraising event	352	672
WDC Project payment	2,091	4,996
HDF Project payment	286	–
Bank charges	40	20
Field Director expenses	–	41
	<hr/> 3,025	<hr/> 5,792

## 12. 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.