

SHINING LIFE CHILDREN'S TRUST
(A company limited by guarantee)

**Report and financial statements
for the year ended 31 October 2007**

Charity number: 1068123
Company number: 3459486

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

**Financial statements
for the year ended 31 October 2007**

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Shining Life Children's Trust
Report of the Trustees for the year ended 31 October 2007

The Trustees present their report and financial statements for the year ended 31 October 2007

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, Chair

J Bailey

S Brown

R Dasgupta (appointed December 2006)

L Hardy (resigned November 2007)

J Newall, Treasurer

Bankers

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

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

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.

L. Hardy tendered her resignation in November 2007.

To meet the above requirement, J. Newall retires by rotation and, being eligible, offers himself for re-election.

The trustees are in the process of recruiting a replacement trustee.

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 a bank account that requires two registered signatories to withdraw or transfer funds or effect any changes.

A security policy for the Charity's volunteer Field Director was drafted and approved in October 2007. This policy is to be reviewed at least every 12 months.

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
- Kalpitya, 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 short 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 main achievements for each of these projects in this financial year are as follows.

Samarakoon Watta: the community building was built and officially opened in October 2007. A 6-month extension to the project was agreed and all budgeted activities were carried out. A village council has been set up and the charity is helping to make sure that it can operate as an independent body and be representative of the community

Kalpitiya: the originally-agreed project was completed in May 2007 with all budgeted activities having taken place, including the completion of two new preschools and comprehensive training for the teachers. A 6-month project extension was agreed to help the project make the transition to becoming self-funding

Telwatta: The original project reached completion in was September 2007 with all activities from the project proposal having been completed and the two mothers' credit groups working well. A 6-month extension to the project was agreed in October 2007 to ensure the community running the project were able to becoming self-funding. This included the establishment of an additional mothers' credit group. The mothers' groups have started to put together a constitution so that they can register their society as a community based organisation.

Uplands School: this project was not completed as anticipated, mainly due to unforeseen costs in levelling the site for the playground – some large rocks were found and needed to be removed. The extra costs involved have now been agreed and the work will be completed in the next financial year.

Financial review

The trustees have been seeking to build up regular donations. This year saw a 3% increase in regular donations to £8904.

The charity had a surplus of £25,134.44, mainly due to gift aid tax reclaims totalling £23,445.59 being received from HM Revenue and Customs for the period 5 April 2001 to 31 October 2006. This will not be repeated and it should be borne in mind that the amount of tax that the charity can reclaim will decrease from April 2008 when the standard rate of income tax decreases to 20% from 22%. The trustees envisage that future gift aid tax reclaims will be £3000 to £4000 per year.

Fundraising

The charity ran a very successful fundraising cycle ride around the Isle of Wight which raised a net total, after expenses, of nearly £7000. In addition, A supporter, Jo Demmler, took part in a cycle ride to China which also raised a substantial amount of money for the charity.

The Charity decided to sell Christmas cards to raise funds for the first time this year. The cost of buying the cards falls in this financial year but the majority of the fundraising income will be realised in 2007–8.

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.

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 funds for the entire project in advance of starting a partnership. The trustees consider that reserves should be between £15,000 and £20,000.

The actual reserves at 31 October 2007 were £38,413. This is more than the target figure, mainly because of the large gift aid reclaim covering a period of 5.5 years.

Plans for future periods

All of the charity's continuing projects will be finishing in the next financial year. The charity will ensure that the projects are sustainable and are self-funding.

The charity will seek new projects to replace them.

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 2005 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)

18 March 2008

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 2007 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
11 March 2008

Shining Life Children's Trust

Statement of financial activities – receipts and payments basis (unrestricted funds) For the year ended 31 October 2007

	Notes	2007 Total £	2006 Total £
Incoming resources			
Donations	2	16,881	14,642
Fundraising events etc.	3	10,895	540
Income from investments	4	1,114	442
Gift aid tax reclaim		23,444	–
Total incoming resources		<u>52,334</u>	<u>15,624</u>
Resources expended			
Grants payable	5	18,729	17,164
Rent, rates and service charge	5	1,754	1,711
Volunteer travel and expenses	5	3,818	4,721
UK governance	6	30	42
Fundraising expenditure	7	2,658	605
Interest and charges		211	294
Total resources expended		<u>(27,200)</u>	<u>(24,537)</u>
Net movement in funds		<u>25,134</u>	<u>(8,913)</u>
Total funds brought forward		13,278	22,191
Total funds carried forward		<u>38,412</u>	<u>13,278</u>

Shining Life Children's Trust

Statement of assets and funds as at 31 October 2007

	Notes	2007		2006	
		£	£	£	£
Current assets					
Cash at bank and in hand		38,412		13,278	
		<u>38,412</u>		<u>13,278</u>	
Net current assets			38,412		13,278
Net assets			<u>38,412</u>		<u>13,278</u>
Funds					
Unrestricted funds	12		38,412		13,278
			<u>38,412</u>		<u>13,278</u>

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

For the year ended 31 October 2007, 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 1 March 2008 and signed on its behalf by

J Newall
Trustee

Notes to the financial statements for the year ended 31 October 2007 (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

	2007	2006
	£	£
Income – one-off donations	7,977	6,036
Income – regular donations	8,904	8,606
	<u>16,881</u>	<u>14,642</u>

3. Fundraising events etc.

	2007	2006
	£	£
Fundraising event: Isle of Wight bike ride 2007	8,294	–
Fundraising event: Jo Demmler's bike ride to China	2,305	–
Income – Battersea picnic 2006	–	540
Christmas cards	296	–
	<u>10,895</u>	<u>540</u>

4. Investment income

	2007	2006
	£	£
Income – Interest received	1,114	442
	<u>1,114</u>	<u>442</u>

5. Direct charitable expenditure

	2007	2006
	£	£
Grants payable		
Kalpitiya	1,455	4,805
Samarakoon Watta	11,737	3,138
Telwatta	4,733	6,498
Uplands	804	2,723
Rent, rates and service charge	1,754	1,711
Volunteer travel and expenses	3,818	4,721
	<u>24,301</u>	<u>23,596</u>

6. UK governance

	2007	2006
	£	£
Printing, postage and stationery	0	6
General expenses	30	36
	<u>30</u>	<u>42</u>

7. Fundraising expenditure

	2007 £	2006 £
Events	1,701	191
Printing, postage and stationery	177	283
Christmas cards for resale	699	–
General expenses	81	131
	<u>2,658</u>	<u>605</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 2007 as represented by:		
Current assets	38,412	38,412
	<u>38,412</u>	<u>38,412</u>

12. Unrestricted funds

	1 Nov. 2006 £	Incoming £	Outgoing £	31 Oct. 2007 £
General fund	13,278	52,334	(27,200)	38,412
	<u>13,278</u>	<u>52,334</u>	<u>(27,200)</u>	<u>38,412</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.