

**SHINING LIFE CHILDREN'S TRUST**

(A company limited by guarantee)

**Report and financial statements  
for the year ended 31 October 2013**

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

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

**Financial statements  
for the year ended 31 October 2013**

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**Shining Life Children's Trust**  
**Report of the Trustees for the year ended 31 October 2013**

The Trustees present their report and financial statements for the year ended 31 October 2013

**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 (appointed December 2013)

J Hemaratne (appointed December 2013)

J Hockley

L Howgate

J Newall, Treasurer

J Slocombe

**Bankers**

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

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

## **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.

This review looks at the achievements and outcomes of the Charity's work in the year to 31 October 2013.

## **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**

### **1 Projects**

The Charity had three continuing projects during the period:

- Rikillagaskada: a development project on the Rahuntagoda tea plantation near Kandy.
- Kandy communities: a development project with vulnerable and disadvantaged children in three villages in the Kandy District.
- Galewala Livelihood: a development project in central Sri Lanka, north of Kandy.

Each of these projects 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 implemented programmes continue successfully, without additional external support.

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

*Rikillagaskada:* the Charity received a sustainability report on the extension project in April 2013. This identified a few areas of focus to enable the project to become fully self-sustaining without assistance from Shining Life Children's Trust. These activities were undertaken and completed successfully between April and July 2013. Achievements include:

- completion of further vocational training programmes (e.g. dress making) to help women generate more income
- training programmes to help mothers provide better nutritious food for their families
- women's society meetings continued to be well attended with a high standard of record keeping
- repairs to creches and preschools on the tea estate were carried out.

As a result of these achievements, the Charity successfully withdrew from the project in July 2013.

*Kandy communities:* The main 30-month project continued to run in three distinct areas: the Kadugannawa Tamil School area, the Pupuressa Levollon Tea Estate, Ulapane School and Denmark village. The main features of the project include:

- capacity building of women in the project areas
- improving the welfare of children
- improving the women's diversity of income
- increasing awareness of health issues.

The charity received a mid-term report in the middle of 2013. The report highlighted that many of the project components were working well and many objectives had been achieved, but that there were a few areas that needed changes to the proposed programme to ensure that the objectives would be achieved by the end of the project. These changes have been made and the project adapted through the second half of 2013.

Achievements include:

- maintaining and strengthening women's societies to empower women and provide a forum for learning
- women trained to manage their household budgets more effectively
- improved early childcare and development through improved access to creches and pre-school facilities
- improved potential for diversity of income through vocational training.

*Galewala Livelihood:* The Charity received a proposal, in early 2013, as planned, for a 6-month pilot project working in three new communities in the Galewala area. This project ran from February to July 2013.

One aim of this pilot project was to explore the issues affecting the communities more fully so that the main part of the project could be tailored to meet their needs. A proposal was produced for the main 30-month project in September 2013. The proposal was accepted and the main part of the project started in October 2013.

The achievements of the pilot project include:

- helping women to manage household finances and income more effectively
- improved health and nutrition standards of children in the three villages
- promoting social development and project skills in children's clubs through participating in Sinhalese new year celebrations in April 2013.

## **2 Vounteer programme**

The charity ran a volunteer programme for the first time in the Summer of 2013. The volunteer worked with our partner, the Women's Development Centre (WDC) in Kandy. She ran a wide range of training programmes for their officers and her skills and knowledge were well received. Based on the success of this programme the Charity aims to run a second volunteer programme in 2014.

## **Plans for future periods**

*Kandy Communities:* the project is scheduled to finish during the next financial year. The Charity will commission a sustainability report on the project.

*Galewala Livelihood:* the main 30-month project will continue.

*New project:* the Charity will aim to start a new project, subject to sufficient funds being available. Several proposals are being considered.

*Volunteer programme:* The Charity is intending to run another volunteer programme in the summer of 2014.

### **Financial review**

The Charity had a net inflow of funds of £2,201 (2012: net outflow of £9,359). This was mainly due to a 36% increase in income to £30,348 (2012: £22,396). Most of the increase was attributable to the main fundraising event held in May 2013. In addition, overall expenditure was down by 11% to £28,147 (2012: £31,755).

Although there was a 14% decrease in one-off donations to £6,968 (due to a targeted campaign in the previous financial year, 2012, in order to increase one off donations in that year), the Trustees were delighted that regular donations were up nearly 6% at £8,605. This is the preferred form of fundraising as it facilitates forward planning.

All Gift-Aid claims for this year have been made and the cash has been received.

Total volunteer travel and expenses were similar to last year.

The exchange rate varied during the year. It started at £1 = Lkr 210, dropped to £1 = Lkr 187 and then increased to £1 = Lkr 210 at the end of the year. Since the end of the financial year, the exchange rate has stayed at approximately £1 = Lkr 210. 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 this year, but two Trustees visited Kandy Communities and Galewala Livelihood projects in November 2013.

### *Fundraising*

The Charity had a successful fundraising event in May 2013. The event was budgeted to raised £5,000 net of expense, but the total after expenses was in excess of £8,000.

The Charity will hold a further fundraising event in 2014.

The Charity continued the sale of Christmas cards and gifts for Christmas 2012. Sales of Christmas cards and gifts were up slightly from 2011. 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.

### *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. UK interest rates have been low since March 2009 and the income received on the reserves is now only about £10 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 average expenditure for the last three years is £29,976 (2012: £33,789) and the actual reserves at 31 October 2013 were £25,320 (2012: £23,117).

The gap between the average expenditure and reserves narrowed significantly this year, as anticipated. The Trustees are aiming to increase the reserves again in the next financial year. The fundraising strategy put in place in the previous year will continue to be followed. The Trustees aim to have the reserves matching the average of the last three years' expenditure by the end of the

next financial period. The Charity anticipates expenditure continuing at the current lower level of less than £30,000 per year.

### **Field Director**

The Field Director appointed in the last financial year continued. It is anticipated that the current Field Director will leave Sri Lanka in July 2014. A new Field Director has been recruited and will go out to Sri Lanka as soon as the necessary visa has been obtained.

### **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. As two new Trustees were appointed during the course of the year, the Trustees consider only one Trustee needs to retire to meet the above requirement. J Newall retires by rotation and, being eligible, offers himself 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.

The Trustees appointed two new Trustees during the course of the year, to help spread the workload from the existing Trustees. One of the new Trustees was a previous Field Director with the Charity and therefore brings detailed knowledge of the projects, the other Trustee is Sri Lankan national and brings great understanding of the country.

#### *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 given by the equivalent of the FCO from the Republic of Ireland in addition to the guidance provided by the FCO, as the current Field Director is a National of the Republic of Ireland. 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 2013 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 24 June 2014 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 which are set out on pages 10 to 14**

#### **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) 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 independent examination, it is my responsibility to:

- examine the accounts under section 144 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 report**

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 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

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 ACA  
2 Bailey Close  
High Wycombe  
Buckinghamshire

24 June 2014

## Shining Life Children's Trust

### Statement of financial activities including Income and Expenditure Account (unrestricted funds) for the year ended 31 October 2013

	Notes	2013 £	2012 £
<b>Incoming resources</b>			
Donations	2	15,573	16,276
Fundraising events	3	9,670	1,691
Sale of gifts and Christmas cards	4	2,177	1,709
Grants		500	–
Income from investments	5	21	37
Gift aid tax reclaims		2,415	2,683
<b>Total incoming resources</b>		<b>30,356</b>	<b>22,396</b>
<b>Resources expended</b>			
Grants payable	6	(17,507)	(21,425)
Rent, rates and service charge		(2,700)	(2,577)
Volunteer travel and expenses		(5,540)	(6,582)
UK governance		(16)	(14)
Fundraising expenditure	7	(2,207)	(988)
Interest and bank charges		(183)	(169)
<b>Total resources expended</b>		<b>(28,153)</b>	<b>(31,755)</b>
<b>Net movement in funds</b>		<b>2,203</b>	<b>(9,359)</b>
Total funds brought forward		23,117	32,476
<b>Total funds carried forward</b>		<b>25,320</b>	<b>23,117</b>

## Shining Life Children's Trust

### Balance sheet as at 31 October 2013

	Notes	2013 £	£	2012 £	£
<b>Current assets</b>					
Stock		550		650	
Debtors	10	6,428		2,751	
Cash at bank and in hand		20,343		19,779	
			27,321		23,180
<b>Creditors: amounts falling due within one year:</b>					
Accruals			(2,001)		(63)
<b>Net assets</b>			25,320		23,117
<b>Unrestricted Funds</b>	11		25,320		23,117

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 notes on pages 12 to 14 form an integral part of these financial statements.

For the year ending 31 October 2013 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.

The financial statements were approved by the Board on 24 June 2014 and signed on its behalf by

**J Newall**  
Trustee

## Notes to the financial statements for the year ended 31 October 2013 (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.

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

	2013	2012
	£	£
Income – one-off donations	6,968	8,134
Income – regular donations	8,605	8,142
	<u>15,573</u>	<u>16,275</u>

### 3. Fundraising events

	2013	2012
	£	£
Isle of Wight 110 km cycle ride, May 2013	9,670	–
North Norfolk 100 km cycle ride, June 2011	–	1,691
	<u>9,670</u>	<u>1,691</u>

### 4. Sale of gifts and Christmas cards

	2013	2012
	£	£
Gifts	330	481
Christmas cards	1,847	1,228
	<u>2,177</u>	<u>1,709</u>

### 5. Investment income

	2013	2012
	£	£
Income – Interest receivable	21	37
	<u>21</u>	<u>37</u>

### 6. Direct charitable expenditure

	2013	2012
	£	£
Grants payable		
Galewala	–	3,163
Galewala Livelihood	7,763	1,919
Rikillagaskada	2,511	2,339
Kandy communities	7,233	14,004
	<u>17,507</u>	<u>21,425</u>

## 7. Fundraising expenditure

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Events	1,420	–
Printing, postage and stationery	123	200
Christmas cards for resale etc.	571	608
General expenses	93	180
	<u>2,207</u>	<u>988</u>

## 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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Gift Aid receivable	2,415	2,649
Donations received being processed by CAF	4,000	–
Prepayments	13	102
	<u>6,428</u>	<u>2,751</u>

## 11. 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 seven members.