

SHINING LIFE CHILDREN'S TRUST

(A company limited by guarantee)

**Report and financial statements
for the year ended 31 October 2019**

**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 2019**

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Shining Life Children's Trust
Report of the Trustees for the year ended 31 October 2019

The Trustees present their report and financial statements for the year ended 31 October 2019.

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

J Newall, Treasurer

B Rattigan (resigned January 2020)

S Bayjoo

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.

Since the Charity's inception in 1997, it has raised a total of over £500,000.

This review looks at the achievements and outcomes of the Charity's work in the year to 31 October 2019.

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, and started a new project in Telwatte, Galle District, in July 2019.

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

Kirimetiawatte: this is a continuing project working with one of the Charity's longstanding partners, the Women's Development Centre. The Charity started a 30-month project in October 2016 and officially completed the project in April 2019.

Kirimetiawatte, 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 live in line housing common in plantation estates, terraced houses where each house consists of just one room measuring 3 m by 4 m.

There was no preschool and only 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 was focused on three outcomes:

- to ensure the rights of children
- to mobilise the community of Kirimetiawatte
- to improve the social and economic status of the population.

In the period November 2018–April 2019 there were a number of key achievements:

- November 2018 the Children’s Club celebrated Children’s Day with a trip to Matale by train. This was the first opportunity for many of the children to travel by train and visit places of significance outside the village.
- Increased participation of parents and community members in the events of the preschool (e.g. end of year variety show held in December 2018 with participation of 65 community members) demonstrating increased team work and organisation skills of community.
- The students who received support in preparing for GCE O level and A level exams sat their exams in December 2018 and achieved good results.
- In January 2019 a Mobile Legal Services clinic was organised to support the application of birth certificates and ID cards. During the clinic 12 birth certificates were issued and a further 26 applied for, 11 applications for ID cards were completed and 4 police reports filed. The community were previously marginalised with limited contact with police or government officers so these officers coming to Kirimetiawatte to facilitate the event was a huge achievement and representation of strengthened relationships.
- In March 2019 the community celebrated International Women’s Day with an event organised by the Women’s Society demonstrating increased confidence, motivation and team working.
- When the project ended in April 2019 there were significant project underspends. WDC and the Charity underwent a budget reconciliation and evaluation of project outcomes. One aspect that had yet to be completed was the building of the dedicated preschool building (legal processes to secure the land were taking longer than anticipated and had not been completed). Building work began in November 2019.

At the end of the project, both to ensure the sustainability of the outcomes and to spread the benefits to neighbouring villages, it was decided to start a new, continuation project in the area including Kirimetiawatte and two neighbouring villages.

From February 2019 the Charity began a situational and stakeholder analysis and community discussions with two neighbouring villages to identify priorities for the new project. WDC and Shining Life’s Field Director prepared and designed the project proposal, budget and outcomes framework for the new project.

It was intended that the existing project would lead directly into the new project but the 2019 Easter Sunday terrorist attacks in Sri Lanka caused difficulties in operating and led to delays in confirming the new project. The new project is therefore expected to begin in November 2019.

Shining Life has continued to support some activities in the interim period (e.g. WDC staff salaries and financial support for the Kirimetiawatte pre-school).

Angunochchiya: A full 30-month project Angunochchiya Gram Sevaka Division (AGSD) was established in February 2018 after a successful 6-month pilot project the previous year. This project is being implemented with partner organisation Human Development Foundation across

three villages in Medawachchiya. Initial research and the 6-month pilot project highlighted many issues with child development, access to safe drinking water, health and well-being and mobilization of the community. Community members are additionally at high risk of chronic kidney disease as a result of poor quality drinking water and over-use of pesticides and fertilisers.

The project has the following objectives:

- Improved rights of children through supportive structures that enable child development, protection and participation.
- Improved capacity of the community to protect and promote their own health and wellbeing.
- Improved economic status and security for the community.

The project has continued to be implemented successfully throughout the year with significant positive impact in Medawachchiya.

During the period, key achievements included:

- Livelihoods training programmes implemented in bee-keeping (23 participants), home-gardening (54 participants), sweet making (19 participants), handicrafts (18 participants) and dress-making (30 participants). It is heartening to see community members been using these skills making items both for their families and to sell. Many families are now also keeping bees. These not only provide the family with honey but have the added advantage of deterring elephants from entering their land.
- Renovations started on community centres to include dedicated spaces for library/computer facilities and study spaces for the children.
- Awareness programmes were held On Value of Education, Child Rights and Protection, Human Rights and Protection and Primary Healthcare and Nutrition. All of these were well attended.
- A Chronic Kidney Disease (CKD) testing clinic was held with 220 adults and 70 children tested. No children were diagnosed with CKD but two children are borderline and several adults tested positive. These families are now able to access the support they need to help manage their condition.
- Education grants have been given for 13 children whose parents have CKD and therefore struggle to earn an income.

Telwatte: In July 2019 Shining Life and HDF agreed a new project in Telwatte, Galle District. Shining Life first worked in Telwatte in the aftermath of the 2004 Boxing Day tsunami, working with the community for 3 years giving direct aid to support immediate recovery and undertaking a wide range of activities to help the community rebuild e.g. vocational training, establishing savings societies, supporting education, establishing a youth club.

In Summer 2018 the Shining Life founder visited the community on her trip to Sri Lanka. She was extremely impressed with the warm welcome and evidence of the ongoing impact of Shining Life's work nearly 15 years later. During her visit community members asked if Shining Life would be able to offer more support. There was a desire for more vocational training. It was also identified that the village is now close to major tourist attractions and with some support they could establish a shop and market their handicrafts, potentially greatly increasing their income.

A new 12-month project was designed to offer vocational training and the establishment of a shop within the community through which the society members could sell their products. The agreement was signed with HDF and the project started in July 2019.

The project has the following objectives:

- To improve capacity of women to promote long-term social and economic wellbeing of their families as well as communities.
- To establish a shop in the name of Women's Society from which the women can sell their products.
- To equip the Women's Society with the entrepreneurship, business and financial management skills and knowledge to effectively manage the shop.

During the period, key achievements included:

- Rental of shop premises on the Colombo-Galle coastal road. Shining Life funded a 12-month lease in the name of the Welfare Society from August 2019.
- The shop was officially opened in August 2019 with two opening ceremonies held to perform the culturally significant, auspicious rites and invite the local community to visit the new premises.
- Bag and dress-making training was held for the members of the Welfare Society.
- The group secured a contract with a socially conscious international travel company (Intrepid Travel) to sew tote bags for their guests. This is a major achievement and something the community hopes to build on.

Plans for future periods

The Kirimetiawatte project was completed in April 2019. In evaluating the impact of the project with the Charity's partners, a few areas were identified that would benefit from further support. These areas are:

- working with men in the communities
- further vocational training
- constructing a community building

As a result of the success of this project, neighbouring communities have seen the impact of the project and have approached the Charity's partners for support. From February to October 2019, the Charity worked on a proposal with its partner, the Women's Development Centre and a new project is expected to begin from November 2019.

This proposal is focused on three outcomes:

- Ensuring the sustainability of existing structures in Kirimetiawatte estate.
- Establishing structures within the new communities to ensure children's rights are protected and promoted.
- Building lasting relationships between the communities.

The Angunochchiya project is due to finish in August 2020. The final part of the project is focused on strengthening relationships with government and local authority agencies to ensure continued support, and on establishing alternative livelihoods to supplement the traditional farming which is becoming increasingly unsustainable. A small grant scheme will be implemented to support community members to start home and community based enterprises. To support the sustainability of the tuition classes parental contributions will be taken to encourage this practice once the project finishes. An impact survey and community evaluations will be completed and a sustainability report produced to assess the overall impact of the project and make and necessary recommendations to improve sustainability.

In Telwatte further vocational training in traditional handicrafts will be completed (Batik and Coir) to increase the range of products on offer from the shop. The group will also undertake a field visit to see the Stree shop in Kandy established by the Charity's other partner WDC. It is hoped this will provide an example of what the Telwatte shop could become. New relationships and partnerships will be sought to try to gain more contracts like the contract currently held with Intrepid to support the shop during the low season.

Contexts

The work of the Charity have been significantly impacted by two major events.

April 2019 Terror attack

Following the Easter attacks in Colombo, the country was placed into curfew, schools were closed and tourism was significantly impacted. In line with the Charities Safety policy, Trustees maintained regular contact with the Field Director throughout this period and continually reviewed the safety of operating in Sri Lanka. Adaptions were made to how the Field Director travelled in Sri Lanka, minimising travel for a period and then using private transport.

The new project in Kirimetiyyawatte was delayed as it became difficult to fully develop the proposal and Trustees decided to delay the second stage of the project in Telwatte as this relied on tourism, which has been severely impacted.

By Summer 2019 travel bans to Sri Lanka had been lifted and operating became easier. Both projects were therefore established.

COVID-19

During the first half of 2020, COVID-19 affected the charity's activities both in the UK and in Sri Lanka as Trustees risk assessed likely impact and put appropriate measures in place.

The Trustees considered the safety of the Field Director in Sri Lanka and offered to fly the Field Director back home to the UK. After weighing up all options, and bearing in mind that the Field Director was living in secure accommodation in Colombo, the Field Director elected to stay in Sri Lanka. The Trustees and Field Director review regular updates from International SOS and the Foreign and Commonwealth Office.

The Trustees continued to meet, but in online meetings. After discussion between Trustees, this was felt to be an appropriate risk mitigation approach which enabled successful management of the Trust.

Recognising that many supporters of Shining Life would be feeling unsettled and isolated, regular communication with stories of our work in Sri Lanka has been continued by email and social media.

The Charity's projects have focused on supporting the education of the children and young people. Schools have been closed since the middle of March 2020 and while the Sri Lankan government has been promoting distance and online learning this is not accessible to most children due to lack of computers, smart phones and internet at home. As of July 2020 groups meetings and training programmes over 10 people are not permitted but the Charity hopes that when the schools go back in August the rules will be relaxed and we can return to our activities – with appropriate social distancing measures. The Shining Life Field Director completed a thorough evaluation and context analysis of the impact of COVID-19 on the communities that we work with, with key points highlighted below:

Kandy: The WDC Project Officer set up WhatsApp groups to communicate with the Women's Societies and Children's Clubs and has been using these to share information and keep informed. The newly established Youth Groups were trained over WhatsApp on COVID-19 prevention practices and empowered to share this within their communities. While the preschool in Kirimetiyyawatte is closed the teacher is delivering activities and materials for the students to complete at home. The preschool building is being utilised as a space for peer-study support with an older youth from the community working with students studying for the Grade 5 Scholarship Exam, O Level and A Level Exams currently scheduled to take place this year. Funds which were

allocated for transport to tuition classes are being used to fund materials and past papers for these study support groups as the tuition classes are not currently running. We started working in Sriyagama and Amablamanam very recently (November 2019) and there have been more difficulties there as we're still building relationships and trust with the communities. WDC are working through the WhatsApp groups and organised donations of dry rations through a donor from the UK. Going forward we will focus on building these relationships and capacity building with the Women's Society and Youth Clubs to take a lead in organising activities.

Angunochchiya: This project was due to end in July but we were unable to complete the final activities or end of project evaluations due to the lockdown. The Charity is in the process of agreeing a project extension for a further 3-months to allow these activities to be completed. As part of this extension the Charity has agreed to extend the tuition classes and educational stipends to further support the children's learning while the schools are closed. These tuition classes are running in English, Maths and Science. A small-grant scheme was being started at the beginning of the lockdown and the first loans were issued in May. With these community members have started self-employments which allow them to earn from home (sewing face-masks, making bricks and agriculture projects). Some concerns were raised by the Welfare Society around increased alcohol consumption among youths in the area and HDF are working with the PHI and police to hold a training/awareness programme as soon as group meetings are approved.

Telwatte: The global downturn in travel and tourism has impacted this project. The Women's Society had secured a monthly contract with an international travel company to make tote bags for their guests and we were in the process of setting up community visits for their tour groups which we hoped would provide a sustainable income for the shop. These are currently on-hold as the airports in Sri Lanka remain closed and many governments around the world are discouraging international travel. The Telwatte project was due to end in July but the Charity is in the process of agreeing an extension to allow final evaluations and ensure sustainability of the project. Part of this extension includes funding for the extended lease of the shop. A recent meeting with the Women's Society highlighted a need to focus on engaging the local community and local market at the shop. Identifying potential new contracts within Sri Lanka and reorienting the shop for local market.

Financial review

At 31 October 2019 the Charity had funds of £16,649 (2018: £22,226), a decrease of £5,577.

The net outflow of funds of £5,577 (2018: net outflow of £7,142), reflecting both an increase in expenditure of £1,935 and an increase in income of £3,563. Total incoming resources were £23,249 (2018: £19,686).

Regular donations are the preferred form of fundraising as they facilitate forward planning. The donations were up slightly to £9,389 (2018: £8,874). This was due to an increase in regular monthly donations during the course of the year.

The Charity had an increase in income from fundraising events (£5,042; 2018: £3,636), from running a major fundraising event this year. The Charity was also the beneficiary of a legacy of £5,702.

Total expenses were higher at £28,827 (2018: £26,892), mainly due to the increase in volunteer travel and expenses to £9,797. In 2018 this was £5,656 due to a 3 month period when the Charity did not have a Field Director in place in Sri Lanka. Payments to the Charity's project partners were broadly unchanged at £17,500 (2018: £17,056).

The exchange rate continued to vary throughout the year. On 1 November 2018, it was £1 = Lkr 220. The rate reached a high of £1 = Lkr 240 in early January, dropped back to £1 = Lkr 213 in August 2019. On 31 October 2018, it was £1 = Lkr 234. In the first half of 2020, the rate dropped to

£1 = Lkr 215 during the Covid-19 pandemic, but has now increased to £1 = Lkr 230. 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.

Fundraising

The Charity organised a sponsored cycle ride along the Jurassic Coast in June 2019. This was attended by 15 cyclists all of whom greatly enjoyed the challenge, scenery, camaraderie and sense of achievement of raising money for the Sri Lankan communities. The event raised £4,500.

A former Trustee ran a series of walks following the Capital Ring Walk in London to raise funds for the Charity.

The Charity continued the sale of Christmas cards and gifts for Christmas 2018. Sales of Christmas gifts were down on 2017, but sales of Christmas cards have remained buoyant, despite recent trends for a reduction of Christmas cards sent in the UK. The Charity also benefitted from being able to buy cards more cheaply, so generating a higher profit per pack sold. 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. This reclaimed Gift Aid is therefore included in the fundraising totals. During the course of the year, BT closed BTMyDonate and the Charity switched to Virgin Money Giving.

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 but increased slightly during this financial year. The income received on the cash balances is now only about £4 per quarter.

Bank charges

The Charity's main banker, CAF Bank continues to impose a monthly charge (£5) because of the continuing low interest rates. The Trustees have considered whether it is 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 have taken the opportunity to review the Charities reserves policy. The Trustees consider that the Charity can responsibly operate with a reduced reserves policy as the regular donations to the Charity have remained relatively stable over recent years and the financial risk of reduced donations is lower than originally anticipated. The previous reserves policy was to have an average of the last three years' expenditure. The Trustees agreed that the revised policy should be the total of the last three years' expenditure divided by 6 (i.e. an average of 6 months expenditure). This gives a reserves figure of £14,047 (2018: £13,161). The actual reserves at 31 October 2019 were £16,828 (2018: £22,226).

Field Director

The Field Director continued to work in Sri Lanka for the full year.

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. As a new Trustee was appointed during the year, the Trustees agreed that only one Trustee needs to retire by rotation 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.

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 Trustee 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, which 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.

During the terrorist troubles at Easter 2019, the Trustees acted on the security policy. The Trustees maintained regular communication with the Field Director and ensured that the Field Director's safety was paramount.

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 2019 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 20 October 2020 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 2019 which are set out on pages 14 to 18

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 Charitieshave 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

20 October 2020

Shining Life Children's Trust

Statement of financial activities including Income and Expenditure Account (unrestricted funds) for the year ended 31 October 2019

	Notes	2019 £	2018 £
Incoming resources			
Donations	2	17,263	14,964
Fundraising events	3	5,223	3,636
Sale of gifts and Christmas cards	4	926	1,079
Income from investments	5	17	8
		<hr/>	<hr/>
Total incoming resources		23,429	19,686
Resources expended			
Grants payable	6	(17,499)	(17,086)
Rent, rates and service charge		(2,839)	(3,146)
Volunteer travel and expenses		(6,958)	(5,656)
UK governance		(13)	(13)
Fundraising expenditure	7	(1,280)	(755)
Interest and bank charges		(238)	(236)
		<hr/>	<hr/>
Total resources expended		(28,827)	(26,982)
		<hr/>	<hr/>
Net movement in funds		(5,398)	(7,206)
Total funds brought forward		22,226	29,432
		<hr/>	<hr/>
Total funds carried forward		16,828	22,226

Shining Life Children's Trust

Balance sheet as at 31 October 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Stock		100		500	
Debtors	10	3,322		3,313	
Cash at bank and in hand		14,119		18,574	
			<u>17,541</u>		<u>22,387</u>
Creditors: amounts falling due within one year:	11		(713)		(161)
Net assets			<u>16,828</u>		<u>22,226</u>
Unrestricted Funds			<u>16,828</u>		<u>22,226</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 2019:

- 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 16 to 18 form an integral part of these financial statements.

The financial statements were approved by the Board on 20 October 2020 and signed on its behalf by

J Newall
Trustee

Notes to the financial statements for the year ended 31 October 2019 (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

	2019	2018
	£	£
Income – one-off donations	7,874	6,090
Income – regular donations	9,389	8,874
	17,263	14,964

3. Fundraising events

	2019	2018
	£	£
Dorset cycle ride, June 2019	4,510	–
20th anniversary dinner, October 2017	–	35
Capital Ring walk, November 2017–October 2018	88	2,612
Other fundraising events	625	989
	<hr/> 5,223	<hr/> 3,636

4. Sale of gifts and Christmas cards

	2019	2018
	£	£
Gifts	–	90
Christmas cards	926	988
	<hr/> 926	<hr/> 1,078

5. Investment income

	2019	2018
	£	£
Income – Interest receivable	17	8
	<hr/> 17	<hr/> 8

6. Direct charitable expenditure

	2019	2018
	£	£
Grants payable		
Kirimetiyawatte	4,984	6,114
Angunochchiya	9,833	10,972
Telwatte	2,682	–
	<hr/> 17,499	<hr/> 17,086

7. Fundraising expenditure

	2019	2018
	£	£
Events	639	–
Printing, postage and stationery	60	60
Christmas cards for resale etc.	400	474
General expenses	181	157
	<hr/> 1,280	<hr/> 691

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

	2019	2018
	£	£
Three month's deposit on flat in Colombo	750	750
Advance to Field Director	500	500
Gift Aid receivable direct from HMRC		
Donations	1,804	1,649
Fundraising events	256	414
Other income	12	–
	<hr/> 3,322	<hr/> 3,313

11. Creditors: amounts falling due within one year

	2019	2018
	£	£
Fundraising expenditure	388	148
Fundraising event	299	–
Governance	26	13
	<hr/> 713	<hr/> 161

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.