



Giving kids with limited life unlimited possibilities

LIFELITES
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2007
REGISTERED CHARITY NUMBER 1115655

Report and Accounts of the Trustees of Lifelites for the year ended 31 December 2007

In accordance with statutory requirements and the Statement of Recommended Practice 2005, the Trustees of Lifelites submit their report for the year ended 31 December 2007.

1. Identity, Definitions and Administrative Information

Name and Registered Office of the Charity

The name of the charity is Lifelites.
The registered office is 26 Great Queen Street, London, WC2B 5BL
The charity number is 1115655

Definitions

In this report words importing the masculine gender include the feminine

Constitution

Lifelites was established as a separate charity by a Deed of Trust ("the Trust Deed") on 3 November 2005, and was granted charitable status by the Charities Commission on 2 August 2006.

Trustees

Chairman and Appointments and Remuneration Committee	Christopher Aylwin	Appointed 3 November 2005
Appointments and Remuneration Committee	Andrew Ross	Appointed 3 November 2005
	John Martin	Appointed 3 November 2005
	Christopher White	Appointed 3 November 2005
	Jeremy Aspden	Appointed 3 November 2005
	Colin Knight	Appointed 3 November 2005
	Robert FW Cook FCA	Appointed 7 December 2006

Lifelites Staff

Chief Executive Director	Simone Enefer-Doy CNA, BA Hons, John Halahan (secondment from Royal Masonic Trust for Girls and Boys was terminated on 16 July 2008)
Administrator/Office Manager	Julia Clough

In addition, the Royal Masonic Trust for Girls and Boys (RMTGB) provided financial services to Lifelites through its Finance Director - David Thompson BA, ACA - and his staff.

Relevant Addresses

Auditors: Spofforths LLP, 9 Donnington Park, 85 Birdham Road, Chichester, West Sussex PO20 7AJ

Bankers: National Westminster Bank Plc, Bloomsbury Parr's Branch, 214 High Holborn, London WC1V 7BX

Solicitors: Speechly Bircham, 6 St Andrew Street, London EC4A 3LX

2. Structure, Governance and Management

Governing Document - Lifelites is governed by its Trust Deed. The Trust Deed sets out the objects of Lifelites, the powers of the Trustees, the manner of appointment, resignation and removal of Trustees, and the procedures and controls which govern the administration of Lifelites.

Trustees – Trustees are currently appointed for a period of 5 years, save that special provision was made in the Trust Deed for the period of office of the founding Trustees.

The number of Trustees may not be less than three.

The Trust Deed makes provision for the retirement and removal of Trustees.

A retiring Trustee is eligible for immediate re-election.

The Trustees act independently and are custodians of Lifelites funds.

For statutory purposes, the Trustees are charity trustees.

Induction and Training of new Trustees - It is the policy of Lifelites to provide appropriate induction and training to new Trustees. Every Trustee is encouraged to contribute effectively to the governance of the charity.

Committees - The Trustees have power to delegate their functions to committees, provided that any such committee must comprise two or more persons and that at least two of the members of any such committee are Trustees.

Present committees – The Trustees have appointed an Appointments and Remunerations Committee.

Risk Management - The Trustees review periodically the operational, financial, regulatory, legal and strategic risks affecting Lifelites, and Lifelites risk management procedures. Appropriate measures to mitigate the effects of identified risks are in place and remain under review.

3. Objects and Activities

Objects

The objects of Lifelites are the relief of financial hardship, sickness and distress, the promotion of good health and the advancement of education. The Trust Deed sets out the objects of Lifelites in full. In particular, our work to date has focused on the provision of a full package of home education and entertainment technologies for every children's hospice in the country.

Activities

Provision for hospices

The aim of Lifelites is to enable every children's hospice to benefit from the provision of a full package of education and entertainment technology. Lifelites has a planned schedule for the installation and refurbishment of appropriate equipment at every children's hospice.

During 2007 six of the existing Lifelites sites were consulted with a view to upgrading their equipment, and two new sites were added to the Lifelites network. Lifelites also changed its broadband service provider and upgraded its server provision, with the result that significant savings are anticipated in 2008.

Lifelites has continued to explore ways of adding value to its services, and continues to look at new equipment and new activities (such as a siblings' forum).

Lifelites Support Teams

Lifelites maintains a team of volunteers for each hospice. The volunteers act as a first port of call for the maintenance and upkeep of equipment, and for the training of hospice staff in its use. The volunteers add substantially to the value obtained by each hospice from the installation of Lifelites equipment.

Official launch

Lifelites was established as a charity in 2006, but the official launch took place in conjunction with the launch of the new website in September 2007.

The Worshipful Company of Information Technologists

Lifelites has strong links with the Worshipful Company of Information Technologists (WCIT). The WCIT was one of the architects of the Lifelites project and it continues to advise the charity on service developments.

Office move

In early 2008 Lifelites moved to temporary accommodation at 26 Great Queen Street. Lifelites is in the process of deciding where it may move to in late 2008/early 2009 when its licence to occupy its present accommodation is likely to expire.

4. Plans for Future Periods

- Lifelites will continue to strengthen its financial base for future operations.
- Lifelites will seek to sustain its provision of equipment to every children's hospice in England and Wales. It is anticipated that by 2010 there will be at least 45 such hospices.
- During 2008 – funds permitting - Lifelites intends to equip two new hospices and will refurbish existing systems at a further seven.
- Lifelites plans to seek to add value to its provision for children at hospices by ensuring that it keeps up to date with trends in information and home technology.
- Lifelites plans to extend its outreach beyond England and Wales to the entire United Kingdom and at present is seeking to identify potential supporters in Scotland and Northern Ireland.

5. Financial summary

In 2007 Lifelites began efforts aimed at providing sustainable funds. £85,000 was raised. These funds included specific support from Lehman Brothers Foundation Europe and The Mercers' Company towards the cost of an upgrade of the Lifelites installation at Richard House Children's Hospice in East London, and from the Cleves and Whitehead Trust for installing Lifelites equipment at Bluebell Wood Children's Hospice in Dinnington.

During 2007, Lifelites original fund from the Royal Masonic Trust for Girls and Boys was invested generating income of £216,000.

As at 31 December 2007 the value of the funds held by the charity, after income had been credited and various withdrawals made was £3,659,000.

In 2007 the cost of installations and maintenance for Lifelites projects was £426,000.

Staff costs were represented by the employment of the Chief Executive and the Director (who is retained by Lifelites on secondment from the RMTGB) and an Administrator/Office Manager.

Investment Policy

Since 2007 Lifelites has maintained its own investment policy and has benefited from specialist advice from one of its Trustees.

The policy of the Trustees will be that, consistent with their duties as trustees, funds invested will achieve the best possible interest rate in preference to capital growth.

Reserves Policy

At the time that Lifelites was established as a separate charity, a donation was given by the Royal Masonic Trust for Girls and Boys to enable Lifelites to maintain its charitable activities for so long as was required to generate other sustainable sources of income.

The balance of this fund is presently invested with the primary intention of providing an income to Lifelites as a supplement to its fundraising activities, and the results of that investment are carefully monitored.

It is the view of the Trustees that the investment of this fund for the purpose of providing an income to Lifelites is essential to the future well-being of the charity and its beneficiaries, and will remain so until fundraising provides a sufficient alternative source of income.

Trustees' responsibilities

The Trustees are responsible for preparing the report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of incoming resources, and the application of resources for that period. In preparing those financial statements, the Trustees are required to:

- ensure compliance with the charity's governing document and current statutory requirements
- 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 departure 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 its activities.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure that the financial statements of the charity comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to Auditors

So far as each Trustee at the date of approval of this report is aware

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed _____ Date _____

Christopher Aylwin, Chairman (on behalf of Lifelites Board of Trustees)

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LIFELITES

We have audited the financial statements of the Lifelites for the year ended 31 December 2007 which comprise of the Balance Sheet, the Statement of Financial Activities and the related notes. These accounts have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Trustees, as a body, in accordance with Section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustees of the Charity as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out on page 10.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of the Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the Report of the Trustees concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Report of the Trustees and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF Lifelites (cont'd)**Opinion**

In our opinion the accounts:
give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice
and of its incoming resources and application of resources for the for the year then ended; and
have been properly prepared in accordance with the Charities Act 1993.

Signed _____ *Date* _____

Spofforths LLP
Chartered Accountants and Registered Auditor
9 Donnington Park
85 Birdham Road
CHICHESTER
West Sussex
PO20 7AJ

Lifelites
Statement of Financial Activities
for the year ended 31 December 2007

	Notes	Unrestricted Fund £'000s	Restricted Fund £'000s	Total 2007 £'000s	Total 2006 £'000
Incoming Resources					
Incoming resources from generated funds:					
Voluntary Income		37	48	85	4,015
Investment income	2	<u>216</u>	<u>-</u>	<u>216</u>	<u>421</u>
Total Incoming Resources		<u>253</u>	<u>48</u>	<u>301</u>	<u>4,436</u>
Application of Resources					
Cost of generating funds					
Cost of generating voluntary income	3	(61)	-	(61)	(8)
Charitable activities	4	<u>(378)</u>	<u>(48)</u>	<u>(426)</u>	<u>(449)</u>
Governance costs	5	<u>(64)</u>	<u>-</u>	<u>(64)</u>	<u>(70)</u>
Total Resources expended in the year		<u>(503)</u>	<u>(48)</u>	<u>(551)</u>	<u>(527)</u>
Net incoming resources before other recognised gains and losses		<u>(250)</u>	<u>-</u>	<u>(250)</u>	<u>3,909</u>
Gains on Investments Assets:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Movement in Funds for the Year		<u>(250)</u>	<u>-</u>	<u>(250)</u>	<u>3,909</u>
Total Funds:					
Brought Forward		<u>3,909</u>	<u>-</u>	<u>3,909</u>	<u>-</u>
Carried Forward		<u>3,659</u>	<u>-</u>	<u>3,659</u>	<u>3,909</u>

There were no recognised gains or losses for 2007 other than those included in the Statement of Financial Activities.

The notes on pages 10 to 13 form part of these accounts.

Lifelites
Balance Sheet
as at 31 December 2007

	Notes	2007 £'000	2006 £'000
Fixed Assets:			
Motor Vehicle		1	-
Investments:			
Money market account	8	<u>3,847</u>	<u>8</u>
Total Fixed Assets		3,848	8
Current assets:			
Debtors	9 6	3,938	
Creditors:			
Amounts falling due within one year	10 <u>(195)</u>	<u>(37)</u>	
Net current assets		<u>(189)</u>	<u>3,901</u>
Net assets		<u><u>3,659</u></u>	<u><u>3,909</u></u>
Capital			
Restricted funds	11	-	-
Unrestricted funds		<u>3,659</u>	<u>3,909</u>
Total Charity Funds		<u><u>3,659</u></u>	<u><u>3,909</u></u>

Approved by the Trustees on and signed on their behalf.

..... Trustee

Lifelites
Notes to the Accounts
for the year ended 31 December 2007

Principal Accounting Policies

1. **1.1 Basis of preparation of accounts**
The accounts are prepared under the historical cost convention except for investments and securities which are stated at market value, and in accordance with the Charities Act 1993 and the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities published in March 2005, and include the results of the Charity's operations which are described in the Trustees' Report and all of which are continuing. The accounts have been prepared in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2005).
- 1.2 Incoming Resources**
Investment income is accounted for on an accruals basis. Voluntary income is accounted for on an accruals basis. No incoming resources have been included in the SOFA net of expenses. No incoming resources have been deferred.
- 1.3 Resources Expended**
Expenditure is brought into account on an accruals basis. Under the provisions of the Trust Deed the Trustees are empowered to make payments out of the total income arising from Lifelites' Funds. All payments are charged to the unrestricted funds of the Charity.

Expenditure has been classified into three main headings and allocations have been made on the following basis:-

i) Cost of Generating Funds

The cost of generating voluntary income, which includes the cost of fund raising.

ii) Charitable Activities

The cost of Charitable Activities includes charitable payments together with related welfare and support costs.

iii) Governance Costs

Governance costs comprise the costs of running and administering the Charity, and includes professional fees.
- 1.4 Depreciation of Fixed Assets**
Depreciation is charged on all furniture and equipment, computers and motor vehicles on a four-year straight-line basis. All assets costing less than £500 are not capitalised.
- 1.5 Unrestricted Funds**
The reserves of the Charity, are maintained by the Trustees to enable payments to be made to future beneficiaries in accordance with the objects of the Charity.
- 1.6 Restricted Funds**
The Restricted Fund arose from three specific donations in 2007 and were expended in full in accordance with the donors' requests during 2007.

Notes to the Accounts
For the year ended 31 December 2007

2. Incoming Resources	Unrestricted	Restricted	2007	2006
	£'000s	£'000s	£'000	£'000
Voluntary Income				
Donations	37	48	85	4,015
Total	<u>37</u>	<u>48</u>	<u>85</u>	<u>4,015</u>
Investment Income				
Interest on deposit	216	-	216	421
Total Incoming Resources	<u>253</u>	<u>48</u>	<u>301</u>	<u>4,436</u>
3. Cost of Generating Voluntary Income	Unrestricted	Restricted	2007	2006
	£'000s	£'000s	£'000	£'000
Salaries, National Insurance and Pension Contributions	41	-	41	7
Sundry Expenditure including Printing, Stationery, Postage & Computer	8	-	8	-
Website Development and Charity Launch	12	-	12	1
Total	<u>61</u>	<u>-</u>	<u>61</u>	<u>8</u>
4. Charitable Activities	Unrestricted	Restricted	2007	2006
	£'000s	£'000s	£'000	£'000
Amounts paid for beneficiaries	286	48	334	391
Welfare and support costs *	88	-	88	58
Depreciation	4	-	4	-
Total	<u>378</u>	<u>48</u>	<u>426</u>	<u>449</u>
* Welfare and Support Costs comprise: -				
Salaries, National Insurance and Pension Contributions	75	-	75	52
Sundry Expenditure including Printing, Stationery, Postage & Computer and motor car expenses	13	-	13	6
Total	<u>88</u>	<u>-</u>	<u>88</u>	<u>58</u>
5. Governance Costs	Unrestricted	Restricted	2007	2006
	£'000s	£'000s	£'000	£'000
Management and Administration **	52	-	52	58
Premises	12	-	12	12
Total	<u>64</u>	<u>-</u>	<u>64</u>	<u>70</u>
**Management and Administration Costs comprise: -				
Salaries, National Insurance and Pension Contributions	40	-	40	2
Audit fee	3	-	3	4
Legal costs	-	-	-	2
Professional Fees	3	-	3	47
Sundry Expenditure including Printing, Stationery, Postage & Computer	-	-	-	-
Insurance, travel and bank charges	6	-	6	3
Total	<u>52</u>	<u>-</u>	<u>52</u>	<u>58</u>

Lifelites
Notes to the Accounts
For the year ended 31 December 2007

6. Staff costs

No remuneration was paid to Trustees in the year. Trustees' expenses amounting to £579 (2006: £ -) were reimbursed to 2 Trustees in the year (2006: -)

	Unrestricted £'000s	Restricted £'000s	2007 £'000	2006 £'000
The staff costs were as follows:				
Gross Salaries	116	-	116	48
National Insurance	13	-	13	5
Pension Contributions	27	-	27	8
	<u>156</u>	<u>-</u>	<u>156</u>	<u>61</u>

At 31 December 2006 the number of employees eligible to receive benefits under the RMTGB Defined Benefit Staff Pension Scheme amounted to 1 (2006: 1). This staff member is on secondment from the RMTGB. The Scheme is closed to new entrants. For further details see Note 15 in the RMTGB accounts. At 31 December 2007 there are no employees with emoluments above £60,000

Average number of staff employed during the year:

Welfare and Support	1	1
Fund Raising	1	1
Administration	1	1
Total	<u>3</u>	<u>3</u>

7. Motor Vehicles

	2007 £'000	2006 £'000
Cost of fixed assets:		
Balance brought forward 1 January	-	-
Additions during the year	5	-
Balance carried forward 31 December	5	-
Accumulated Depreciation 1 January	0	-
Depreciation charge for the year	4	-
Accumulated Depreciation 31 December	4	-
Net Book Value at 31 December	<u>1</u>	<u>-</u>
Net Book Value at 1 January	-	-

8. Investments

The money market deposits of the Charity are held in a Special Interest Bearing Account.

9. Debtors

	2007 £'000	2006 £'000
Sundry Debtors	6	-
Royal Masonic Trust for Girls and Boys*	-	3,938
	<u>6</u>	<u>3,938</u>

10. Creditors - amounts falling due within one year

	2007 £'000	2006 £'000
Audit fees	4	4
Royal Masonic Trust for Girls and Boys*	19	-
Sundry creditors	172	33
	<u>195</u>	<u>37</u>

*(See note 12 further details)

Lifelites
Notes to the Accounts
For the year ended 31 December 2007

11. Restricted and Unrestricted Funds

The restricted funds of the Charity arose from three specific donations in 2007. The remaining reserves of the Charity, all of which are unrestricted, are maintained by the Trustees to enable grants to be made to future beneficiaries in accordance with the objects of the Charity.

12. Related Party Transactions

At the year end the balance owed to the Royal Masonic Trust for Girls and Boys (RMTGB) amounted to £19K (2006: £-3.9M). At 31 December 2006 RMTGB owed Lifelites £3.9M which related to cash held on Lifelites's behalf. This inter-fund balance was paid to Lifelites

13. Analysis of Net Assets between Funds

The assets and liabilities representing each fund at the year-end were as follows:

	Unrestricted Fund	Restricted Fund	Total	<i>Total</i>
	<u>2007</u>	<u>2007</u>	<u>2007</u>	<u>2006</u>
	£'000	£'000	£'000	£'000
Fixed Assets	1		1	-
Money Market Deposits	3,847	-	3,847	8
Current assets	6	-	6	3,938
Current liabilities	<u>(195)</u>	<u>-</u>	<u>(195)</u>	<u>(37)</u>
Total	<u>3,659</u>	<u>-</u>	<u>3,659</u>	<u>3,909</u>