

A BREATH FOR LIFE CHILDRENS CHARITY
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2003

Charity No. 1069697
Company No. 3518921

Waters and Atkinson
Chartered Accountants
Morecambe



A BREATH FOR LIFE CHILDRENS CHARITY

REPORT AND ACCOUNTS

for the year ended 28 FEBRUARY 2003

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A BREATH FOR LIFE CHILDRENS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

STATUS

A Breath for Life Childrens Charity was incorporated under the Companies Act 1985 on the 27 February 1998 (Company number 3518921) and registered as a charity on the 22 May 1998, and is governed by the Memorandum and Articles of Association. The charitable company is limited by guarantee. The company is also registered with the Charities Commissioners (Charity number 1069697).

TRUSTEES

Jane Dean
Zoe Greenwood
Janie Ash (resigned 14/5/2003)
Janet Bradshaw
George Birkett
Carol Dalcus (appointed 27/11/2003)

SECRETARY

Jane Dean

REGISTERED OFFICE

Unit 4
Lake Enterprise Park
Ladies Walk
Caton Road
Lancaster

BANKERS

National Westminster Bank PLC
44 Market Street
Carnforth
Lancashire

ACCOUNTANTS

Waters and Atkinson
Chartered Accountants
The Old Court House
Clark Street
Morecambe
Lancashire

A BREATH FOR LIFE CHILDRENS CHARITY

TRUSTEE ANNUAL REPORT for the year ended 28 FEBRUARY 2003

A Breath for Life Childrens Charity was incorporated under the Companies Act 1985 on the 27 February 1998 (Company number 3518921) and is governed by the Memorandum and Articles of Association. The charitable company is limited by guarantee. The company is also registered with the Charities Commissioners (Charity number 1069697). Its address is Unit 4, Lake Enterprise Park, Ladies Walk, Caton Road, Lancaster, Lancashire and the Trustees during the year were:-

Jane Dean (Chairman)
Zoe Greenwood
Janie Ash
Janet Bradshaw
George Birkett

The Trustees act on a voluntary basis and make up the governing body that adopt the policies and make the decisions on behalf of the charity. They meet at regular intervals to discuss the current and future progress of the charity's objectives.

Responsibilities of the management committee

Company law requires the management committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the management committee should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates which are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The management committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The management committee is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Objectives

The objectives of the charity are the relief of sickness of children in particular but not exclusively through the provision of services and facilities to provide and protect the health of said children.

Review of activities

We continue to treat children with hyperbaric oxygen and natural therapies. We have had referrals from the local hospital which has been an encouraging development this financial year.

Following the resignation of our former Treasurer and Centre Manager the Trustees discovered irregularities concerning expense payments. This has been a matter of grave concern to the Trustees and a subject of ongoing consideration, hence our application for a delay in filing our accounts. The Trustees are confident that this matter will be fully resolved in the near future.

A BREATH FOR LIFE CHILDRENS CHARITY

TRUSTEE ANNUAL REPORT for the year ended 28 FEBRUARY 2003

The charity is seeking to move into more permanent premises and has been offered a small plot of land on which to build a hyperbaric oxygen centre. The land, attached to an existing holistic centre, is offered at a peppercorn rent. Architects have kindly offered to draw up plans on our behalf and to negotiate with the local planning authorities. The Trustees have been actively involved in fund raising and have enlisted the support of the local newspaper, The Lancaster Guardian. The building is planned for the summer of 2004.

Risk review

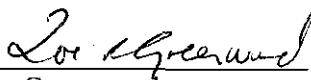
The management committee has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Reserves policy

The management committee have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be between 3 and 6 months of the resources expended. At this level, the management committee feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. It would obviously be necessary to consider how the funding would be replaced or activities changed.

Small company exemptions

This report is prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.


Zoe Greenwood
On behalf of the Trustees

Date -

A BREATH FOR LIFE CHILDRENS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
for the year ended 28 FEBRUARY 2003

Incoming resources	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2003	Total Funds 2002
Donations and legacies	2	35718	-	35718	50912
Activities to further the Charity's objects:					
Provision of services and Facilities	3	3991	-	3991	3685
Activities to generate funds:					
Sale of Xmas cards		-	-	-	111
Other income		1084	-	1084	981
Investment income and interest		31	-	31	898
Total incoming resources		<u>40824</u>	<u>-</u>	<u>40824</u>	<u>56587</u>
Resources expended					
Purchases		15563	-	15563	14198
Oxygen		1801	-	1801	1443
Consultancy		9675	-	9675	22133
Wages		9793	-	9793	9396
Training		50	-	50	628
Telephone		573	-	573	1044
Printing, postage and stationery		753	-	753	459
Advertising and PR costs		142	-	142	7479
Travel and subsistence		255	-	255	894
Hire of equipment		445	-	445	506
Heat and light		752	-	752	921
Repairs and renewals		1766	-	1766	243
Saatchi event expenses		-	-	-	1647
Insurance		1100	-	1100	608
Rent		6674	-	6674	8509
Water		112	-	112	229
Sundry expenses		2171	-	2171	3196
Website costs		-	-	-	9988
Bank charges		190	-	190	230
Credit card service charges		228	-	228	366
Legal and professional fees		637	-	637	-
Accountancy		646	-	646	588
Depreciation		4225	-	4225	5264
Profit on sale of investments		-	-	-	(40)
Total resources expended		<u>57551</u>	<u>-</u>	<u>57551</u>	<u>89929</u>

A BREATH FOR LIFE CHILDRENS CHARITY**STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)
for the year ended 28 FEBRUARY 2003**

	<u>Notes</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total Funds 2003</u>	<u>Total Funds 2002</u>
Net incoming/outgoing resources					
Net expenses for the year	4	(16727)	-	(16727)	(33342)
Gains and losses on the revaluation and disposal of investment assets		<u>16</u>	<u>-</u>	<u>16</u>	<u>-</u>
Net movement in funds		(16711)	-	(16711)	(33342)
 Total funds at 1 March 2002		<u>26798</u>	<u>20000</u>	<u>46798</u>	<u>80140</u>
Total funds at 28 February 2003		<u>10087</u>	<u>20000</u>	<u>30087</u>	<u>46798</u>

Movements in funds are disclosed in Note 12 to the financial statements.

All incoming resources and reserves expended derive from continuing activities.

A BREATH FOR LIFE CHILDRENS CHARITY**BALANCE SHEET as at 28 FEBRUARY 2003**

	<u>Notes</u>	<u>2003</u>	<u>2002</u>
Fixed assets			
Tangible	7	15135	19360
Investments	8	<u>37</u>	<u>21</u>
		15172	19381
Current Assets			
Cash at bank and in hand		18242	24182
Debtors	9	<u>450</u>	<u>4410</u>
		18692	28592
Creditors: amounts falling due within one year	10	<u>3777</u>	<u>1175</u>
Net current assets		<u>14915</u>	<u>27417</u>
Net assets	11	<u>30087</u>	<u>46798</u>
Unrestricted Funds			
General Funds		10087	26798
Restricted funds		<u>20000</u>	<u>20000</u>
Total funds	12	<u>30087</u>	<u>46798</u>

The trustees have:-

- taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1).
- confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985.
- acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985.
- acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of its loss for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the management committee on ... *Lee Greenwood* ... and signed on its behalf by:

.....

A BREATH FOR LIFE CHILDRENS CHARITY**NOTES TO THE ACCOUNTS for the year ended 28 FEBRUARY 2003****1. Accounting policies**

The financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value, and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

The charitable company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Incoming resources**Donations, legacies and grants**

Income from donations, legacies and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Interest receivable

Interest is included when receivable by the charity.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life as follows:-

Plant and Equipment	20% on reducing balance and 33% on reducing balance
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Investments

Investments held as fixed assets are re-valued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

A BREATH FOR LIFE CHILDRENS CHARITY**NOTES TO THE ACCOUNTS for the year ended 28 FEBRUARY 2003****1. Accounting policies (continued)****Fund accounting**

Funds held by the charity are:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds – these are funds to be used for specific purposes as laid down by the donor.

Legal status of charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

2. Donations and legacies	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u> <u>2003</u>	<u>Total</u> <u>2002</u>
General donations and legacies	<u>35718</u>	<u>-</u>	<u>35718</u>	<u>50912</u>
3. Incoming resources from activities to further the charity's objects:	<u>Unrestricted</u>		<u>Total</u> <u>2003</u>	<u>Total</u> <u>2002</u>
Dive equipment	48		48	391
Childrens clinic	3823		3823	2654
Sound learning	<u>120</u>		<u>120</u>	<u>640</u>
	<u>3991</u>		<u>3991</u>	<u>3685</u>
4. Net incoming resources for the year			<u>2003</u>	<u>2002</u>
This is stated after charging:				
Depreciation			4225	5264
Management committee's remuneration:				
Consultancy			9675	22133
Rent of premises			6674	8509

Due to irregularities, as noted in the Trustees report, the information regarding expense payments is with the Police Authorities and therefore the amount of reimbursed expenses cannot be quantified.

A BREATH FOR LIFE CHILDRENS CHARITY**NOTES TO THE ACCOUNTS for the year ended 28 FEBRUARY 2003****5. Staff costs and numbers** **2003** **2002**

Staff costs were as follows:

Salaries, wages and social security costs	<u>9793</u>	<u>9396</u>
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No employee received emoluments of more than £50,000.

The average weekly number of employees during the year, calculated on the basis of full time equivalents was as follows:

	<u>2003</u>	<u>2002</u>
Administration and co-ordination	<u>1</u>	<u>1</u>

6. Taxation

The charitable company is exempt from corporation tax on its charitable activities.

7. Tangible fixed assets **Plant and Equipment**

Cost

As at 1 March 2002	<u>43468</u>
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As at 28 February 2003	<u>43468</u>
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Depreciation

As at 1 March 2002	24108
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Charge for the year	<u>4225</u>
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As at 28 February 2003	<u>28333</u>
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Net book value as at 28 February 2003	<u>15135</u>
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Net book value as at 1 March 2002	<u>19360</u>
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A BREATH FOR LIFE CHILDRENS CHARITY**NOTES TO THE ACCOUNTS for the year ended 28 FEBRUARY 2003**

8. Investments	<u>2003</u>	<u>2002</u>	
Listed investments @ Mid-market value:			
At 28 February 2002	21	4391	
Additions/(disposals) of investments during year	-	(4370)	
Gain on investments from change in value	<u>16</u>	<u>-</u>	
At 28 February 2003	<u>37</u>	<u>21</u>	
Historical cost of investments held at 28 February 2003	<u>25</u>	<u>25</u>	
9. Debtors: Amounts falling due within one year	<u>2003</u>	<u>2002</u>	
Provision of services	450	-	
Other debtors – proceeds of sale of Listed investments	<u>-</u>	<u>4410</u>	
	<u>450</u>	<u>4410</u>	
10. Liabilities: Amounts falling due within one year	<u>2003</u>	<u>2002</u>	
Trade creditors	3131	587	
Accruals	<u>646</u>	<u>588</u>	
	<u>3777</u>	<u>1175</u>	
11. Analysis of net assets between funds	<u>General Funds</u>	<u>Restricted Funds</u>	<u>Total Funds</u>
Tangible fixed assets	15135	-	15135
Less temporary loan to restricted fund	<u>(1758)</u>	<u>1758</u>	<u>-</u>
	13377	1758	15135
Investments	37	-	37
Current assets	450	18242	18692
Current liabilities	<u>(3777)</u>	<u>-</u>	<u>(3777)</u>
Net assets at 28 February 2003	<u>10087</u>	<u>20000</u>	<u>30087</u>

There was a shortfall of money in the restricted fund of £1758 at the year end. The Trustees are aware of this and will take steps to rectify the position as soon as possible.

A BREATH FOR LIFE CHILDRENS CHARITY**NOTES TO THE ACCOUNTS for the year ended 28 FEBRUARY 2003****12. Movement in funds**

	<u>At</u> <u>1/3/2002</u>	<u>Incoming</u> <u>Resources</u>	<u>Outgoing</u> <u>Resources</u>	<u>At</u> <u>28/2/2003</u>
Restricted funds:				
Premises purchase	<u>20000</u>	<u>-</u>	<u>-</u>	<u>20000</u>
Total restricted funds	<u>20000</u>	<u>-</u>	<u>-</u>	<u>20000</u>
Unrestricted funds:				
General funds	26802	40924	(57551)	10075
Designated revaluation fund	<u>(4)</u>	<u>16</u>	<u>-</u>	<u>12</u>
Total unrestricted funds	<u>26798</u>	<u>40840</u>	<u>(57551)</u>	<u>10087</u>
Total funds	<u>46798</u>	<u>40840</u>	<u>(57551)</u>	<u>30087</u>

Purposes of restricted funds:

Premises purchase

The balance will help fund the purchase of the charity's own premises. The Trustees report includes information on a possible site.

Purposes of designated funds:

Revaluation funds

The revaluation fund is required by the Companies Act 1985 and represents the amount by which investments exceed or are below their historical cost.

13. Related parties

During the year the charity paid Mr L Barcas, the former Secretary, for consultancy services provided. The cost of this was £9675, being at agreed rates and no amounts were outstanding at the year end.

14. Ultimate controlling party

The ultimate controlling party for all financial affairs of the charity is the Council of Trustees.