

**A BREATH FOR LIFE CHILDRENS CHARITY
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 29 FEBRUARY 2001+.**

**Charity No. 1069697
Company No. 3518921**

**Brian Darbyshire
Accountant & Auditor
26 Low Road, Halton
Lancaster LA2 6LZ
Tel. 01524 812061**



A BREATH FOR LIFE CHILDRENS CHARITY

REPORT AND ACCOUNTS

for the year ended 29th February 2004

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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 Falcus (appointed 27/11/2003)

SECRETARY

Jane Dean

REGISTERED OFFICE

Unit 4
Lake Enterprise Park
Ladies Walk
Caton Road
Lancaster

AS FROM OCT.2004.
GOREANS LANE,
MIDDLETON,
MORRISDALE, LANCs.
LA3 3JJ

BANKERS

National Westminster Bank PLC
44 Market Street
Carnforth
Lancashire

ACCOUNTANTS

Brian Darbyshire
Accountant & Auditor
26 Low Road, Halton
Lancaster LA2 6LZ
Tel. 01524 812061

A BREATH FOR LIFE CHILDRENS CHARITY

TRUSTEE ANNUAL REPORT for the year ended 29 FEBRUARY 2004

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 (resigned 14/5/2003)

Janet Bradshaw

George Birkett

Carol Falcus (appointed 27/11/03)

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.

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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 -

29/3/04

A BREATH FOR LIFE CHILDRENS CHARITY.

Statement of Financial Activities (including Income and Expenditure Account) for the year ending 29th February 2004.

		Unrestricted Funds	Restricted Funds	Total Funds 2004	Total Funds 2003.
Incoming Resources	Notes				
Donations / legacies	2.	23,705	-	23,705	35,718
Activities to further the charity's object:					
Provision of services and Facilities	3.	3,000	-	3,000	3,991
Activities to generate funds:					
Sale of Xmas Cards		500	-	500	-
Other income		-	-	-	1,084
Investment income & interest		322	-	322	31
		<u>27,527</u>	<u>-</u>	<u>27,527</u>	<u>40,824</u>
Resources expended					
Purchases		3,509	-	3,509	15,563
Oxygen		2,238	-	2,238	1,801
Consultancy		7,768	-	7,768	9,675
Wages	5.	6,940	-	6,940	9,793
Training		30	-	30	50
Telephone		375	-	375	573
Printing Stationery		226	-	226	753
Advertising & PR costs		100	-	100	142
Travel & subsistence		302	-	302	255
Hire of equipment		2,140	-	2,140	445
Heat & light		693	-	693	752
Repairs & Renewals		1,611	-	1,611	1,766
Insurance		1,425	-	1,425	1,100
Rent		5,875	-	5,875	6,674
Water		67	-	67	112
Sundry expenses		-	-	-	2,171
Bank charges		-	-	-	190
Credit & Service Charges		-	-	-	228
Legal & Professional fees		-	-	-	637
Accountancy		-	-	-	646
Depreciation		<u>3,199</u>	<u>-</u>	<u>3,199</u>	<u>4,225</u>
		<u>36,498</u>	<u>-</u>	<u>36,498</u>	<u>57,551</u>

A BREATH FOR LIFE CHILDRENS CHARITY.

Statement of Financial Activities (including Income & Expenditure Account) for the year ended 29th February 2004

	Unrestricted Funds	Restricted Funds	Total Funds 2004	Total Funds 2003
notes				
net incoming/outgoing resources				
net expenses for the year 4. (8,971)		-	(8,971)	(16,727)
gains and losses on the				
realisation & disposal of				
investment assets.	-	-	-	16
	(8,971)	-	(8,971)	(16,711)
Total Funds as at 1st March 2003				
Total Funds as at 29th February 2004	10,087	20,000	30,087	46,798
	1,116	20,000	39,087	46,798

A BREATH FOR LIFE CHILDRENS CHARITY

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Balance Sheet as at 29th February 2004

	Notes	<u>2003</u>	<u>2003</u>
<u>Fixed Assets</u>			
Tangible	7.	11,936	15,135
Investments	8.	37	37
		<u>11,973</u>	<u>15,172</u>
<u>Current Assets</u>			
Cash at bank & in hand.		17,065	18,242
Debtors	9.	<u>450</u>	<u>450</u>
		17,515	18,692
<u>Creditors</u> : amounts payable due within one year.		<u>8,372</u>	<u>3,777</u>
Net current assets	10.	<u>9,143</u>	<u>14,915</u>
<u>Net assets</u>	11.	<u><u>21,116</u></u>	<u><u>30,087</u></u>
<u>Unrestricted Funds</u>			
General Funds		1,116	10,087
Restricted Funds		<u>20,000</u>	<u>20,000</u>
TOTAL FUNDS	12.	<u><u>21,116</u></u>	<u><u>30,087</u></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 249(3)2 of the Companies Act 1985.
 - acknowledged their responsibility for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985.
 - acknowledged their responsibility for preparing accounts which give a true and fair view of the company and of its loss of or 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 22 Dec 2004 and signed on its behalf by [Signature]

A BREATH FOR LIFE CHILDRENS CHARITY**NOTES TO THE ACCOUNTS for the year ended 29 FEBRUARY 2004.****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
---------------------	--

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 CHILDREN'S CHARITY

Notes to the accounts for the year ended 29th February 2004

1. Accounting Policies

Funds held for the charity are:

Unrestricted general funds - these are funds which can be used in accordance with the charity's 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 the 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/ <u>Donations and legacies</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total 2004</u>	<u>Total 2003</u>
General donations legacies	23,705	-	23,705	35,718

3/ Incoming resources from activities to further the charity's objects.

Sales of Xmas cards	500	-	500	-
Drive equipment	-	-	-	48
Children's clinic	3,000	-	3,000	3,823
Sound learning	-	-	-	120
	<u>3,500</u>	<u>-</u>	<u>3,500</u>	<u>3,991</u>

4/ Net incoming resources for the year

This is stated after charging:

Depreciation	3,199	4,225
Consultancy	7,768	9,675
Rent of premises	5,875	6,674

A BREATH FOR LIFE CHILDRENS CHARITY.

notes to the accounts for the year end 29th February 2004

5. Staff costs and numbers

2004 2003

Staff costs were as follows:

Salaries, wages & social security costs 6,940 9,793

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 employees were as follows.

2004 2003
1 1

6. Taxation

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

7. Tangible fixed assets

Cost

as at 1st March 2002

as at 1st Feb. 2003

Additions during current period

Depreciation

as at 1st March 2003

Charge for the year

Net Book value as at 29th Feb. 2004.

Net Book value as at 28th Feb 2003.

Plant & Equipment

43,468

43,468

820

28,333

3,199

31,532

11,936

15,135

A BREATH FOR LIFE CHILDRENS CHARITY

6d

notes to the accounts for the year ended 29th February 2004

8/ Investments

2004 2003

listed investments @ mid market value

as at February 28th 2003

37 21

additions (disposals) of investments during year

- -

gain on investments from change in value
at February 2004.

- 16

37 37

historical cost of investments held at
20th February 2004

25 25

9/ Debtors: amounts falling due within one year:

2004 2003

Provision of services: other debtors

450 450

10/ liabilities amount falling due within one year

2004 2003

Trade creditors and accruals

8372 3777

11 Analysis of net assets between funds

	<u>General Funds</u>	<u>Restricted Funds</u>	<u>Total Funds</u>
Tangible fixed assets	11,936	-	11,936
Less temporary loan to restr. fund	(2,935)	2,935	-
	9,001	2,935	11,936
Investments	37	-	37
Current assets	450	17,068	17,515
Current liabilities	(8,372)	-	(8,372)
	<u>1,116</u>	<u>20,000</u>	<u>21,116</u>

A BREATH FOR LIFE CHILDRENS CHARITY

Notes to the accounts for the year ended 29th February 2004

	At 1/3/2003	Incoming Resources	Outgoing Resources	At 29/2/2004
12/. Movement in funds				
<u>Restricted Funds</u>				
Premise purchase	<u>20,000</u>	-	-	<u>20,000</u>
Total restricted funds	<u>20,000</u>	-	-	<u>20,000</u>

Unrestricted Funds

General Funds	10,075	27,527	(36,498)	1104
Designated revaluation fund	<u>12</u>	<u>-</u>	<u>-</u>	<u>12</u>
	10,087	27,527	(36,498)	1116
<u>TOTAL FUNDS</u>	<u>30,087</u>	<u>27,527</u>	<u>(36,498)</u>	<u>21,116</u>

Purpose of restricted funds:

The balance of restricted funds: to help towards purchase of charity's own premises.

Purpose of designated funds

Revaluation of designated funds: -

Revaluation funds: The revaluation funds is required by the Companies Act 1985 and represents the amount by which investments exceeds or are below their historical cost.

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