

R1170

Charity Registration No. 1102529

Company Registration No. 04860607 (England and Wales)

RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2004



RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Steve Allan Daniel Coleman Tim Shaw
Secretary	Tim Shaw
Charity number	1102529
Company number	04860607
Principal address and Registered Office	1 Olympic Way Wembley Middlesex HA9 0NP
Auditors	H.W. Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	Royal Bank of Scotland 97 New Bond Street London W1Y 1EU
Solicitors	Mishcon de Reya Summit House 12 Red Lion Square London WC1R 4QD

RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS

	Page
Chief Executive's report	i - ii
Trustees' report	1 - 2
Statement of trustees' responsibilities	3
Independent Auditors' report	4
Statement of financial activities	5
Balance sheet	6
Notes to the accounts	7 - 12

RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
CHIEF EXECUTIVE'S REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2004

The past year has seen the creation of the Rays of Sunshine Children's Charity and I am delighted to report that we have exceeded all of our targets and our first year as a registered UK Charity has surpassed all expectations. At this point I would like to pay a special tribute to two of the founding members of the charity; joint Chairmen, Steve Allan and Daniel Coleman. They continue to freely give their time and advice to the charity and myself, and it is because of their leadership and direction that Rays of Sunshine has become established as one of the leading wish charities in the UK.

Since the charity originated we have recruited 50 volunteers, persuaded 17 prominent individuals to become Annual Patrons, enlisted 3 eminent medical advisers, we have held several exciting and profitable fundraising events and saved the charity £150,000 worth of costs by getting firms and individuals to give us goods and services on a pro-bono basis. Here I would like to say a special thank you to all the members of our Executive Committee who have made an annual donation to offset the majority of administration costs.

Our fundraising calendar started in May with a poker evening, a Ladies Tennis Tournament, a Golf Day, and Halloween Party followed. Although the charity was granted formal charitable status by the Charity Commission in March, we didn't hold our launch party until October. This was held at Kensington Palace and also saw the first public screening of our promotional film that explains the work of the charity and features 3 of the 48 wishes that were completed in 2004. I would especially like to thank Tim Allan, Chairman of our Events Committee, and his team of volunteers for successfully managing all of these events in our first year.

Many of 2004's wishes were exciting, sometimes involved celebrities and most importantly will form happy memories for the children and their families. For example, Donovan, aged 10, suffering from Hypersensitivity Vasculitis, who swam with dolphins in Florida; Antonio, aged 12, suffering from Crohn's Disease, who met Michael Schumacher in the pits at the British Grand Prix; Jai, aged 16, suffering from a brain tumour who visited the set of television programme Art Attack; and James, 14, suffering from Cystic Fibrosis, who watched Orca Whales off the coast of Norway.

We know that the wishes we fulfil will not make these children better. However, the anticipation of a wish and the experience will albeit for a short while, take the child's mind away from their physical condition and give them and their families happy memories to reflect upon in more difficult times. In 2004, 6 of our wish children passed away within a few months of having their wishes fulfilled and this has made us realise how important counselling should be for our volunteers and staff. This will be a new initiative for 2005.

I would like to take this opportunity to pay tribute to our team of Wish Co-ordinators, led by Co-Chairman and Trustee, Daniel Coleman, for their hard-work, passion and commitment who make these wishes happen.

What differentiates Rays of Sunshine from the other wish charities is that we also give children "treats." A "treat" by definition costs less than £150, is easy to arrange and helps to alleviate the boredom of long stays in hospital and treatment which is sometimes traumatic. In addition, at the end of the year, we started actively promoting the supply of equipment to families and to hospitals. The equipment for a brand new sensory room was supplied to Northwick Park Hospital and we have committed just under £70,000 to a new High Dependency Unit at the Royal Free Hospital in Hampstead, London.

The year ended with a very special Christmas Party for 80 children in the Kensington, Hammersmith, Westminster, Chelsea and Fulham regions which we organised in conjunction with the Kaleidoscope Palliative Care Team. And again our dedicated team of volunteers helped deliver 600 Christmas presents to 14 hospitals. The total number of hospitals that Rays of Sunshine is now in dialogue with is over 250 and we are well on our way to becoming a national charity.

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CHIEF EXECUTIVE'S REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2004

Since the year end we have agreed to fund the cost of a High Dependency Unit at the King George Hospital, Goodmayes, Essex and various other pieces of equipment totalling more than £150,000. Our fundraising target for 2005 is £1,000,000 and we hope to do achieve this through a number of events run by the charity and its' volunteers. We also want to fulfil 200 wishes.

Finally, I would like to thank all of those serving on the Executive Committee, those who have made generous donations through the year and the volunteers who have devoted their time.



Stuart Rogers
CEO, Rays of Sunshine Children's Charity

RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2004

The trustees present their first report and accounts for the period since incorporation on 8 August 2003 to 31 December 2004.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

Objects of the charity

The Charity is governed by its Memorandum and Articles of Association dated 8 August 2003 as amended by special resolution dated 4 March 2004 and a written resolution dated 15th July 2004.

The Charity's objects are to relieve the suffering and needs of children and young people who have illnesses or disabilities causing limited life expectancy or who suffer from long term physical or mental disabilities (including learning difficulties). There have been no changes during the period. The Charity's main objectives are to make the wishes come true of terminally and seriously ill children in the UK (between the ages of 3-18) irrespective of race, colour and creed, buying vitally needed equipment for those children and supporting hospitals, hospices and specialists schools that care for them.

The Charity is governed by the Board of Trustees who meet regularly with the Chief Executive.

Review of activities

We are delighted to report that during our first financial year the charity fulfilled 48 wishes for terminally and seriously ill children and also provided a Sensory Room for the children's ward at Northwick Park Hospital, Harrow. This was made possible by the generosity of our Donors, and secondly, because of the huge number of individuals and organisations that gave their time and resources to help Rays of Sunshine achieve its objectives.

The first few months of 2004 were dedicated to the formation of the charity. We appointed our Chief Executive Officer, Stuart Rogers, agreed the charity's structure which included an Executive Committee to oversee the running of the charity in conjunction with the Chief Executive Officer. Sub-committees to help to administer the charity were set up as follows; Appeals, Administration/Finance, Dinner, Events, Major Gifts and Communications and volunteers were recruited to sit on each of these committees. Applications were submitted to the Charity Commission and charitable status was formally granted in March. Procedures were put in place in the charity's office to ensure that all statutory requirements and regulations were adhered to. A legal adviser and two joint Treasurers were appointed and regular management accounts were prepared and presented to the Executive Committee.

To ensure that the charity is run effectively, cost efficiently and profitably the Executive Committee meets regularly every three weeks, sub-committees meet on a less frequent basis but as and when required. Budgets for every event are submitted first to the Treasurers and then to the Executive Committee for formal approval.

Trustees

The trustees, who are also the directors for the purpose of company law, who served during the period were:

Steve Allan	(Appointed 8 August 2003)
Daniel Coleman	(Appointed 8 August 2003)
Tim Shaw	(Appointed 8 August 2003)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2004

Review of financial position

The Charity received donations totalling £465,440 during the year. In addition, resources expended during the year were £323,239 from unrestricted funds. The Charity had funds totalling £143,388 at the year end, comprising wholly unrestricted funds of £143,388. No restricted income was received during the period.

At this juncture we would like to acknowledge our Corporate Partners who have generously given the charity their time and their services on a pro-bono basis. These include:-

- MediaCom who design and maintain the charity's website
- The TV Consultancy who produced our promotional film
- Jeffreys Henry for our accountancy services
- The Business Environment Group for our offices at Wembley
- Richfield Graphics for producing our promotional material

In addition, our legal services are provided on a pro-bono basis by Executive Committee Member, Nick Davis. It is because of their goodwill that we can ensure that the maximum out of every donation goes directly to helping terminally and seriously ill children.

Reserves policy

It is the interim policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. At the year end, free reserves were within this range.

The Trustees have power to invest in funds as they see fit. The Trustees' investment policy is to hold surplus cash in readily accessible bank accounts.

Risk factors

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to mitigate those risks. A full risk management policy will be in place early in 2005.

In 2005, we the Trustees are determined to ensure that the generosity of our donors and patrons is channelled into turning as many children's wishes as possible into happy memories at the least possible cost.

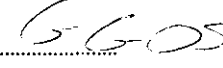
Auditors

H.W. Fisher & Company were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

On behalf of the board of trustees


Daniel Coleman

Trustee

Dated: 

RAY'S OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the trustees are required to:

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

The trustees are responsible for keeping 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 accounts comply with the Companies Act 1985. they are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RAYS OF SUNSHINE**

We have audited the accounts of Rays of Sunshine for the period ended 31 December 2004 set out on pages 5 to 12. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 3, the trustees, who are also the directors of Rays of Sunshine for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Trustees' Report 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 Trustees' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

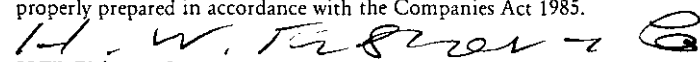
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company'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 as to whether the accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 31 December 2004 and of its incoming resources and application of resources, including its income and expenditure, in the period then ended and have been properly prepared in accordance with the Companies Act 1985.


H.W. Fisher & Company

Chartered Accountants

Registered Auditor

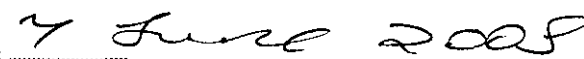
Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

Dated: 

RAY'S OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2004

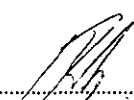
		Unrestricted	Designated	17 months ended 31 December 2004
	Notes	funds £	funds £	£
<u>Incoming resources</u>				
Donations and legacies	2	465,440	-	465,440
Investment income	3	1,187	-	1,187
Total incoming resources		466,627	-	466,627
<u>Resources expended</u>				
Fundraising and publicity costs		179,365	-	179,365
<u>Charitable expenditure</u>				
Wish granting expenditure and capital projects		78,354	-	78,354
Support costs		31,410	-	31,410
Management and administration		34,110	-	34,110
Total resources expended	4	323,239	-	323,239
Net incoming resources before transfers		143,388	-	143,388
Transfers between funds	7	(101,600)	101,600	-
Net income for the year/ Net movement in funds		41,788	101,600	143,388
Fund balances at 8 August 2003		-	-	-
Fund balances at 31 December 2004		41,788	101,600	143,388

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2004

	Notes	2004 £	£
Fixed assets			
Tangible assets	8		2,820
Current assets			
Debtors	9	31,173	
Cash at bank and in hand		117,028	
		<u>148,201</u>	
Creditors: amounts falling due within one year	10	(7,633)	
Net current assets			<u>140,568</u>
Total assets less current liabilities			<u><u>143,388</u></u>
Income funds			
Unrestricted funds:			
Designated funds	11		101,600
Other charitable funds			<u>41,788</u>
			<u><u>143,388</u></u>

The accounts were approved by the Board on 6-6-05



 Daniel Coleman
 Trustee

RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2004

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention.. The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

1.2 Incoming resources

Donations and voluntary income are accounted for when receivable.

Gifts and services in kind are included at a reasonable estimate of their gross value to the Charity. Intangible income is included in the Statement of Financial Activities where a third party is bearing the cost of supplying the resources and the resources can be valued.

1.3 Resources expended

Liabilities are recognised when the Charity is under obligation to make a transfer of value to a third party.

Management and administration costs include audit, accountancy and legal costs and an allocation of 10% of overhead costs.

Resources expended are classified under the Charity's principal categories of activity. Staff costs are allocated to activities on the basis of staff time spent on those activities. Overhead costs are allocated to activities in the following proportions: 70% to support costs, 20% to fundraising and publicity and 10% to management and administration.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	33.3% straight line
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1.5 Accumulated funds

Designated funds represent monies put aside at the discretion of the trustees to fund specific future projects and wishes

RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2004

2 Donations and legacies

	2004 £
Donations and gifts	465,440

The charity received donations in kind valued at £119,597 during the period. In addition, a significant number of gifts were received for which it is difficult to attribute a value. For example, the time provided by celebrities to meet the children and attend charity events. It has not been possible to attribute a value to such gifts within these accounts.

3 Investment income

	2004 £
Interest receivable	1,187

RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2004

4 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2004 £
Costs of generating funds:				
Fundraising and publicity	32,655	282	146,428	179,365
Charitable expenditure:				
Wish granting expenditure and capital projects	32,655	-	45,699	78,354
Support costs	8,164	987	22,259	31,410
Management and administration	8,163	141	25,806	34,110
	48,982	1,128	93,764	143,874
	81,637	1,410	240,192	323,239
Other costs relating to fundraising and publicity comprise:				
Events and fundraising				57,676
Advertising and Promotion				82,392
Allocation of administrative expenses				6,360
				146,428
Other support costs comprise:				
Allocation of administrative expenses				22,259
				22,259
Other management and administration costs comprise:				
Rent				17,734
Insurance				1,299
Recruitment				1,219
PPS				6,097
Telephone				1,176
Travelling				2,996
Sundry				503
Bank Charges				776
Legal Fees				10,925
Accountancy				9,600
Auditors remuneration				2,100
Allocation to other categories				(28,619)
				25,806

Management and administration costs includes payments to the auditors of £1,469 for audit fees and £588 for other services.

RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2004

5 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

6 Employees

Number of employees

The average monthly number of employees during the period was:

	2004 Number
Provision of wishes and fundraising	2

Employment costs

	2004 £
Wages and salaries	73,928
Social security costs	7,709
	<u>81,637</u>

The number of employees whose annual emoluments were £50,000 or more were:

	2004 Number
£50,000 - £59,999	1

7 Transfers

At the year end the trustees decided to set funds aside for specific projects and transferred £101,600 to designated funds. Note 11 to the accounts explains the purpose of the designated funds.

RAYS OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2004

8 Tangible fixed assets	Fixtures, fittings & equipment £
Cost	
At 8 August 2003	-
Additions	4,230
At 31 December 2004	4,230
Depreciation	
At 8 August 2003	-
Charge for the period	1,410
At 31 December 2004	1,410
Net book value	
At 31 December 2004	2,820
9 Debtors	2004 £
Other debtors	29,613
Prepayments and accrued income	1,560
	31,173
10 Creditors: amounts falling due within one year	2004 £
Other creditors	4,033
Accruals	3,600
	7,633

RAY'S OF SUNSHINE
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2004

11 Designated funds

	Movement in funds			Balance at 31 December 2004
	Incoming resources	Resources expended	Transfers	
	£	£	£	£
Wishes approved	-	-	21,350	21,350
Capital projects	-	-	80,250	80,250
	-	-	101,600	101,600

The Wishes Approved fund represents the cost of wishes which have been approved by the trustees but for which no legally binding commitment has been made.

The Capital Projects fund represents sums set aside for the provision of equipment for hospitals and various other smaller projects.

12 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 December 2004 are represented by:			
Tangible fixed assets	2,820	-	2,820
Current assets	46,601	101,600	148,201
Creditors: amounts falling due within one year	(7,633)	-	(7,633)
	41,788	101,600	143,388