

Charity Registration No. 1080536

Company Registration No. 3696656 (England and Wales)

CHILDLIFE
(a company limited by guarantee)

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2006

REIDWILLIAMS

THURSDAY



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COMPANIES HOUSE

CHARTERED ACCOUNTANTS

READING AND FLEET

CHILDLIFE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S E Whitaker A M Jarrett A Macdougall A J Thompson
Chief Executive Officer	K England
Secretary	K England
Charity number	1080536
Company number	3696656
Principal address	Westpoint House, 32-34 Albert Street Fleet Hampshire GU51 3RW
Registered office	Westpoint House, 32-34 Albert Street Fleet Hampshire GU51 3RW
Auditors	reidwilliams Prince Regent House 108 London Street Reading, Berks
Bankers	National Westminster Bank plc 116 Guildford Street Chertsey Surrey KT16 9AJ

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2006

The trustees present their report and financial statements for the year ended 31 March 2006.

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, the Companies Act 1985 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Structure, governance and management

The company was established under a memorandum of association which sets out the objects and powers of the charitable company and it is governed under its articles of association.

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

S E Whitaker	
H J Moss	(Resigned 5 October 2005)
E A Bolitho	(Resigned 24 June 2005)
A M Jarrett	(Appointed 5 October 2005)
A Macdougall	
A J Thompson	(Appointed 5 October 2005)

The appointment of trustees is in accordance with the charity's articles of association, whereby each member has the right to appoint and remove a trustee and to appoint and remove an alternate.

Honorary positions are as follows:-

S E Whitaker	Chair
A M Jarrett	Honorary Treasurer

None of the trustees has any beneficial interest in the company.

Childlife provides both a job description and a code of conduct for trustees to ensure that the duties and responsibilities of being a trustee are clearly understood. In addition, it has specialist job descriptions for both the Chair of Trustees and Honorary Treasurer. These are provided to all new trustees as part of their induction information.

New trustees are encouraged to meet with the Chief Executive Officer and staff members and other trustees within the first few months of appointment.

Training for trustees is provided if required.

The idea for Childlife, a consortium of children's charities allowing its member charities to fundraise collectively, was first thought of in 1992. Its first donor was recruited in July 1993. Childlife became a company limited by guarantee in 1999 and a registered charity in 2000.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

Childlife's member charities are:

Acorns Children's Hospice
Ataxia UK
National Children's Bureau
The National Deaf Children's Society

The Board of Trustees which has four members, one from each member charity, administers the charity and meets quarterly. A Chief Executive Officer is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance, employment, fundraising and charitable activities.

Donations received by Childlife are distributed every three months to these charities and hundreds of thousands of pounds are raised each year to support their important work with children and young people.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Childlife's Board of Trustees is legally required to minimise any risk to the charity. The trustees have developed a risk management strategy which involves a regular review of the key risks faced by the charity and the establishment of systems and procedures to address these potential risks and to minimise both the likelihood of these risks occurring and their impact should they materialise.

Objectives and activities

Childlife's objects are "to promote the relief of children who are in need in particular by enabling the member charities the better to meet their respective charitable purposes."

It aims to achieve these objects by providing a strong income source for its member charities in the short, medium and long term future, and this has continued to be the focus in 2005-06. To enable Childlife to achieve its aim, it has continued its investment in a variety of fundraising activities, in particular recruiting committed givers donors and home moneybox donors.

The surplus of net incoming resources after allowing for promotional and support costs for member charities and governance costs is distributed equally and on a quarterly basis to its four member charities as grants. A fifth payment may be made annually to the member charities, subject to approval by the trustees, based on surplus reserves determined from the annual financial statements.

Achievements and performance

Review of charitable activities:

Childlife's charitable activities have remained to promote and support its four member charities. It achieves these essentially by providing financial grants to support their work and by promoting their work to the general public.

In 2005-06 Childlife was able to increase the amount it gave in financial support to £565,000, a small increase from the previous year. It was also able to continue to send out its newsletter three times a year to inform the public about the work of its four member charities.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

Review of fundraising activities:

Childlife's fundraising activities balance the need to provide a stable income stream in the short-term while testing potential future income sources in order to ensure future growth. The trustees continued their successful investment in the recruitment of both committed givers and home moneybox donors and in the collaborative fundraising as part of the Smile a Minute and Friends at Work payroll giving consortia.

Financial review

Childlife has continued throughout the year to promote the relief of children in need, in accordance with its objects, and all of its fundraising activities remain dedicated to this purpose.

Its primary funding sources remain payroll giving and face-to-face committed giving and the charity's continued investment in both programmes reflect their importance. The charity has also invested to a lesser degree in home moneybox income and is fundraising collaboratively as part of the Smile a Minute and Friends at Work consortia.

Childlife has paid a similar amount of grants to the four member charities as in the previous year. Its reserves balance is healthy and in accordance with the reserves policy.

The Board of Trustees conducts annual reviews of the appropriate level of unrestricted reserves. The purpose of this reserve is to provide stability for Childlife to ensure that it is able to honour existing contractual obligations, to cover unforeseen events beyond the organisation's control and to be able to continue its operations in the unlikely event of a significant fluctuation in expenditure and income.

It is the policy of Childlife to have general reserves amounting to:-

1. Two months of fundraising costs
2. Three months of management and administration costs
3. The amount (if any) of unspent designated funds

In addition, items 1 and 2 above shall be retained in cash reserves invested within the funds held on all bank accounts.

Based on next year's budget, the cash reserves under items 1 and 2 above are set at £122,785 (2005 - £123,949). The total of items 1 to 3 above amounts to £229,841 (2005 - £232,822). The undistributed total funds balance of £246,924 (2005 - £268,616) represents this reserves figure (including a contingency).

The fundraising development fund is a designated fund set aside by the trustees to finance the development of new forms of fundraising. This is in accordance with the findings of the charity's risk review. The balance on this fund amounted to £100,000 (2005 - £100,000). There are plans to spend some of this fund in the forthcoming financial year on various new fundraising initiatives for the charity, including attracting future donations in the form of legacies and an innovative and cost-effective direct mail programme.

The trustees of Childlife are aware that this additional expenditure will, in the short-term, increase the percentage of funds spent on fundraising. However, they consider the need to develop new sources of income for Childlife as urgent if they are to fulfil their objectives. Rigorous controls on all costs are maintained to ensure maximum funds are available for Childlife's charitable activities.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

Childlife has powers under its Memorandum of Association to invest the funds of the charity not required for immediate working purposes in such manner as may be thought fit. The objective of Childlife's investment is to maximise interest generation while minimising risk to both company and member charities.

It achieves this by transferring funds between a current, business reserve and Treasury reserve account.

Income is required to be readily accessible in order to honour grant payment commitments to the four member charities and ongoing contractual income generating activities.

Plans for the future

In the coming year the trustees' priorities are to continue to grow and diversify Childlife's income. Specific areas of work include: continuing to invest in the recruitment of committed givers via both the street and door mediums, expanding its successful work with home moneyboxes and the Smile a Minute and Friends at Work consortia, establishing an ongoing cost-effective direct mail programme and commencing legacy promotional work.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

Following a retendering process and a review of internal accounting and auditing procedures, the trustees of Childlife have decided not to reappoint Reid Williams as auditors of Childlife. They will be appointing alternative auditors at their 2006 Annual General Meeting.

On behalf of the Board of Trustees



S E Whitaker

Trustee

Dated: 15.12.06

CHILDLIFE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its net income and expenditure for the year.

In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 1985. They 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.

CHILDLIFE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHILDLIFE

We have audited the financial statements of Childlife for the year ended 31 March 2006 set out on pages 8 to 19. These financial statements have been prepared under the accounting policies set out on page 10 and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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 5, the trustees, who are also the directors of Childlife for the purpose of company law, 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). 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 Companies Act 1985. We report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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 financial statements. It also includes an assessment of the significant estimates and judgements 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.

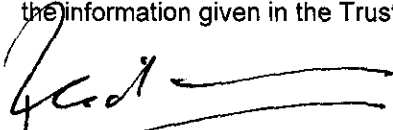
CHILDLIFE

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF CHILDLIFE

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of the charity's affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.



reidwilliams

Chartered Accountants and
Registered Auditors
Prince Regent House
108 London Street
Reading, Berks

Dated: 15.12.2006

CHILDLIFE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Notes	Unrestricted funds £	Designated funds £	Total 2006 £	Total 2005 £
<u>Incoming resources from generated funds</u>					
Voluntary income: donations	2	1,146,873	-	1,146,873	1,101,103
Activities for generating funds: trading income	3	2,384	-	2,384	1,677
Investment income	4	11,355	-	11,355	10,820
Total incoming resources		1,160,612	-	1,160,612	1,113,600
<u>Resources expended</u>					
5-8					
Costs of generating funds					
Costs of generating voluntary income		445,883	-	445,883	367,190
Fundraising trading: costs of goods sold		1,779	-	1,779	876
		447,662	-	447,662	368,066
Net incoming resources available		712,950	-	712,950	745,534
Charitable activities					
Promotion and support of member charities		622,105	-	622,105	612,636
Governance costs		112,536	-	112,536	72,091
Total resources expended		1,182,303	-	1,182,303	1,052,793
Net (outgoing)/incoming resources before transfers		(21,691)	-	(21,691)	60,807
Gross transfers between funds	11	1,817	(1,817)	-	-
Net (expenditure)/income for the year/ Net movement in funds		(19,874)	(1,817)	(21,691)	60,807
Fund balances at 1 April 2005		159,743	108,873	268,616	207,809
Fund balances at 31 March 2006		139,869	107,056	246,925	268,616

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

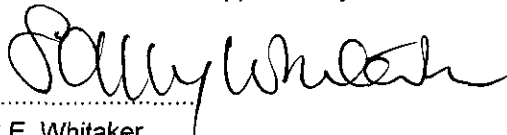
CHILDLIFE

BALANCE SHEET AS AT 31 MARCH 2006

	Notes	£	2006 £	£	2005 £
Fixed assets					
Tangible assets	12		8,975		6,699
Current assets					
Debtors	13	24,685		83,659	
Cash at bank and in hand		281,584		239,842	
			<u>306,269</u>	<u>323,501</u>	
Creditors: amounts falling due within one year	14	(68,319)		(61,584)	
Net current assets			<u>237,950</u>		261,917
Total net assets			<u>246,925</u>		<u>268,616</u>
Income funds					
Unrestricted funds:					
Designated funds	17		107,056		108,873
Other charitable funds			139,869		159,743
Total charity funds			<u>246,925</u>		<u>268,616</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the Board on 15.12.06


S E Whitaker
Trustee

CHILDLIFE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" (Revised 2005), the Financial Reporting Standard for Smaller Entities (effective January 2005) and the Companies Act 1985.

1.2 Incoming resources

DONATIONS

Voluntary income is received by way of donations and is included in the Statement of Financial Activities when receivable or received. The majority of the donations are received in the form of payroll giving, standing orders and direct debits. The nature of these forms of donation is that they can be cancelled at any time by the donor. In most cases they are therefore recognised upon receipt unless there is a certainty about the amounts receivable and about the period to which they are attributable. Income from gift aid tax recoverable is recognised in the same accounting period that the related donations are recognised.

The value of services provided by volunteers has not been included.

DEFERRED INCOME

Any income received by the charity in advance of the due date upon which it becomes receivable is deferred until that due date. Such amounts are not material and arise only incidentally.

REASON FOR SHOWING INCOMING RESOURCES NET OF EXPENDITURE

Incoming resources from payroll giving are shown net of agency administration charges. This treatment is a departure from the Statement of Recommended Practice (paragraph 95) which requires all incoming resources to be reported gross, whether raised by the charity or its agents. It would be excessively time consuming to extract the necessary financial information to gross up the income from payroll giving for these administration charges and in the trustees' opinion the cost involved would not justify the benefit of the additional financial information obtained.

1.3 Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT.

COSTS OF GENERATING VOLUNTARY INCOME

The costs of generating voluntary income includes amounts paid by Childlife during the financial year to third parties to recruit new committed givers for the charity and to undertake various telephone fundraising campaigns. Donors to Childlife choose to donate via payroll giving, via the gift aid scheme or via home money boxes. It is the charity's policy to expense these costs in the period in which they are incurred.

PROMOTION AND SUPPORT OF MEMBER CHARITIES

This includes the costs of promotion and support to the member charities and the costs of grants payable. The surplus of net incoming resources after allowing for promotional and support costs for member charities and governance costs is distributed equally and on a quarterly basis to its four member charities. A fifth payment may be made annually to the member charities, subject to approval by the trustees, based on surplus reserves determined from the annual financial statements. It is the charity's policy to include fifth payment grants in the period to which they relate

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting Policies

(continued)

GOVERNANCE COSTS

Governance costs reflect central operating costs excluding direct and apportioned support costs of generating funds and charitable activities.

APPORTIONMENT OF SUPPORT COSTS

Costs which are directly attributable to a charitable activity or to the costs of generating voluntary income are allocated directly to those activity cost categories. Items of expenditure which contribute directly to the output of more than one activity cost category are apportioned on a reasonable, justifiable and consistent basis. Depreciation is attributed in accordance with the same principles. Support costs which are shared between activities are apportioned on a reasonable, justifiable and consistent basis to the activity cost categories being supported.

The basis for apportionment of actual staff costs is by the estimated time spent by the individual members of staff on different activity cost categories. Most other support costs are apportioned in the same proportion as the staff costs unless there are specific reasons to apply different proportions of the cost to different activity cost categories.

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:

Plant and machinery	At 25% on cost
Fixtures, fittings & equipment	At 25% on cost

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

1.7 Accumulated funds

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

1.8 Taxation

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

1.9 Consortia

Donations to Chidlife as a result of the Smile a Minute and Friends at Work consortia are recognised in the Statement of Financial Activities within donations. Expenditure on the recruitment and administration of donors for the consortia is recognised in the Statement of Financial Activities within fundraising costs.

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

2 Voluntary income: donations

	2006	2005
	£	£
Donations		
Unrestricted funds:		
Payroll giving programme	403,723	439,113
Face-to-face programme	623,551	565,606
Exceptional donations	44,000	59,000
Sundry donations	5,526	4,119
Money box income	32,126	13,317
Smile a minute income	29,596	19,666
Friends at work income	8,351	282
	<u>1,146,873</u>	<u>1,101,103</u>

The exceptional donation of £44,000 (2005 - £59,000) is from the Royal Bank of Scotland in connection with the payroll giving programme by its employees.

3 Activities for generating funds: trading income

	2006	2005
	£	£
Activities for generating funds: trading income	2,384	1,677
Fundraising trading: costs of goods sold	(1,779)	(876)
Net activities for generating funds: trading income	<u>605</u>	<u>801</u>

4 Investment income

	2006	2005
	£	£
Interest receivable	<u>11,355</u>	<u>10,820</u>

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

5 Total resources expended

	Staff costs £	Deprec- iation £	Other costs £	Grant funding £	Total 2006 £	Total 2005 £
Costs of generating funds						
Costs of generating voluntary income	12,820	1,012	432,051	-	445,883	367,190
Fundraising trading: costs of goods sold	-	-	1,779	-	1,779	876
Total	12,820	1,012	433,830	-	447,662	368,066
Charitable activities						
<u>Promotion and support of member charities</u>						
Activities undertaken directly	10,587	828	45,690	-	57,105	51,236
Grant funding of activities	-	-	-	565,000	565,000	561,400
Total	10,587	828	45,690	565,000	622,105	612,636
Governance costs	28,382	2,737	81,417	-	112,536	72,091
	51,789	4,577	560,937	565,000	1,182,303	1,052,793

	2006 £	2005 £
Total resources expended is stated after charging:		
Auditor's fees for audit services	4,500	4,000
Auditor's fees for non-audit services (inc. VAT)	43,262	29,870
Depreciation	4,577	3,641

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

6 Costs of generating voluntary income

	2006	2005
	£	£
Other costs of Costs of generating voluntary income comprise:		
Payroll giving donor recruitment	14,857	18,911
Face-to-face donor recruitment	274,601	217,411
Other fundraising costs	629	25,565
Money box costs	74,622	33,998
Smile a minute donor recruitment	21,083	19,100
Friends at work donor recruitment	16,867	11,582
Direct debit processing	25,276	22,691
Other costs	4,116	6,020
	<u>432,051</u>	<u>355,278</u>

7 Activities undertaken directly

	2006	2005
	£	£
Other costs relating to promotion and support of member charities comprise:		
Newsletter printing	30,000	29,234
Newsletter postage	12,945	8,948
Other support costs	2,745	2,176
	<u>45,690</u>	<u>40,358</u>

The promotion and support costs for member charities include the publication of a four-monthly newsletter which provides details of the work done by the four member charities. Also included are the costs of maintaining a web-site which provides information on the work done by the four member charities and links to their own web-sites. The costs include direct staff costs and apportioned support costs.

8 Grants payable

	2006	2005
	£	£
Promotion and support of member charities	<u>565,000</u>	<u>561,400</u>

The grants paid to member charities are used by those charities to support a variety of activities and projects all of which promote the relief of children who are in need, in accordance with Childlife's objects.

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

Grants to institutions relating to promotion and support of member charities comprise:

Acorns Children's Hospice Trust	141,250	140,350
Ataxia UK	141,250	140,350
National Deaf Children's Society	141,250	140,350
National Children's Bureau	141,250	140,350
	<u>565,000</u>	<u>561,400</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No expenses were paid to trustees by the charity during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2006 Number	2005 Number
Marketing officer	1	1
Management and administration	3	2
	<u>4</u>	<u>3</u>

Employment costs

	2006 £	2005 £
Wages and salaries	46,371	33,033
Social security costs	3,845	2,692
Other pension costs	1,573	1,429
	<u>51,789</u>	<u>37,154</u>

There were four part-time employees for most of the financial year.

There were no employees whose annual emoluments were £60,000 or more.

11 Transfers

During the year ended 31 March 2006, the Trustees have transferred amounts totalling £911 (2005 - £68,099) to designated funds from general funds and amounts totalling £2,728 (2005 - £1,127) from designated funds to general funds.

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

12 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2005	13,815	3,136	16,951
Additions	6,632	246	6,878
Disposals	-	(204)	(204)
At 31 March 2006	20,447	3,178	23,625
Depreciation			
At 1 April 2005	8,122	2,130	10,252
On disposals	-	(179)	(179)
Charge for the year	4,051	526	4,577
At 31 March 2006	12,173	2,477	14,650
Net book value			
At 31 March 2006	8,274	701	8,975
At 31 March 2005	5,693	1,006	6,699

13 Debtors

	2006	2005
	£	£
Other debtors	22,588	76,484
Prepayments and accrued income	2,097	7,175
	24,685	83,659

14 Creditors: amounts falling due within one year

	2006	2005
	£	£
Trade creditors	12,083	16,724
Amounts owed to connected undertakings	25,000	20,000
Accruals	31,236	24,860
	68,319	61,584

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

15 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,573 (2005: £1,429).

16 Share capital

The company is limited by guarantee and as such has no share capital. In the event of the company being wound up, the liability of the members is limited to £1. Any surplus after the satisfaction of all debts and liabilities shall be distributed between the member charities equally.

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	<i>Movement in funds</i>				
	Balance at 1 April 2005	Incoming resources	Resources expended	Transfers	Balance at 31 March 2006
	£	£	£	£	£
Fundraising development fund	100,000	-	-	-	100,000
Database development fund	8,873	-	-	(1,817)	7,056
	<u>108,873</u>	<u>-</u>	<u>-</u>	<u>(1,817)</u>	<u>107,056</u>

The fundraising development fund is a designated fund set aside by the trustees to finance the development of new forms of fundraising. An amount of £NIL (2005 - £68,099) has been transferred into this fund this year out of general funds.

The database development fund is a designated fund set aside by the trustees to finance the development of a new database. A new database software licence costing £6,404 was purchased in the year (2005 - £4,507 network server purchased) from this fund. The software licence and network server are shown within fixed assets on the balance sheet at a net book value of £7,056 (2005 - £3,380). An amount of £2,728 (2005 - £1,127) has been transferred out of designated funds to general funds in respect of the depreciation charge for the period on the database licence and network server, so that the amount remaining in designated funds represents the net book value of the assets. There are no unspent cash funds. An amount of £911 (2005 - £NIL) has been transferred into this fund out of general funds in the year because there was an insufficient balance in the fund to purchase the software licence.

CHILDLIFE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

18 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 March 2006 are represented by:			
Tangible fixed assets	1,919	7,056	8,975
Current assets	206,269	100,000	306,269
Creditors: amounts falling due within one year	(68,319)	-	(68,319)
	<u>139,869</u>	<u>107,056</u>	<u>246,925</u>

19 Commitments under operating leases

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2006 £	2005 £
Expiry date:		
Within one year	6,150	-
Between two and five years	-	8,200
	<u>6,150</u>	<u>8,200</u>

20 Commitments

Contractual commitments:

Childlife has entered into several contractual agreements with face-to-face donor recruitment agencies which will run for specified periods of time during the next financial period. There are agreed rates payable per donor recruited based on the amount of the expected annual donation. There are also specified target numbers of donors to be recruited.

Childlife has also entered into several contractual agreements with payroll giving donor recruitment agencies which are already in place and will continue to run through the next financial period. The contracts have agreed rates payable per new donor recruited based on the amount of the expected annual donation. These contracts do not specify an agreed target number of donors to be recruited.

Childlife has also entered into contractual agreements with an agency which provides comprehensive payroll giving fundraising and administrative services to Childlife and other charities who are members of the Smile a Minute and Friends at Work consortia.

CHILDLIFE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

21 Related parties

Grants of £141,250 each (2005 - £140,350 each) were payable to the four member charities during the financial year.

Included in creditors falling due within one year are the following amounts payable to member charities in respect of the last instalment of their grant for the year ended 31 March 2006:-

£6,250 (2005 - £5,000) payable to Acorns Children's Hospice Trust
£6,250 (2005 - £5,000) payable to Ataxia UK
£6,250 (2005 - £5,000) payable to the The National Deaf Children's Society
£6,250 (2005 - £5,000) payable to the National Children's Bureau.

The charity was controlled by the four member charities throughout the financial year.