



# childlife

4 charities helping children

**Accounts for the year ended 31 March 2011**

Registered Charity No. 1080536. Company Limited by Guarantee. Registered in England No. 3696656.  
Registered office: Westpoint House, 32/34 Albert Street, Fleet, GU51 3RW

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## Legal and Administrative Information

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<b>Trustees</b>	S Millman M Wade D Pawlett	(Honorary Chair – Interim) (Honorary Treasurer – Interim)
<b>Secretary</b>	J Felgate	
<b>Chief Executive</b>	J Felgate	
<b>Charity number</b>	1080536	
<b>Company number</b>	3696656	
<b>Principal address</b>	Westpoint House 32-34 Albert Street Fleet Hampshire GU51 3RW	
<b>Registered Office</b>	Westpoint House 32-34 Albert Street Fleet Hampshire GU51 3RW	
<b>Auditors</b>	RSM Tenon Audit Limited Vantage Victoria Street Basingstoke Hampshire RG21 3BT	
<b>Accountants</b>	JS2 Limited One Crown Square Woking Surrey GU21 6HR	
<b>Bankers</b>	NatWest Bank plc 116 Guildford Street Chertsey Surrey KT16 9AJ	

## Trustees report

For the year ended 31 March 2011

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The trustees present their report and financial statements for the year ended 31 March 2011.

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 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

### **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 Millman

M Wade (appointed 9 September 2010)

D Pawlett (appointed 10 March 2011)

S E Whitaker (resigned 10 March 2011)

A J Thompson (resigned 17 June 2010)

M Tague (resigned 8 December 2010)

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.

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.

## Trustees report (continued)

For the year ended 31 March 2011

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### **BACKGROUND**

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.

#### **Member charities of Childlife:**

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**

The objects of Childlife are *to promote the relief of children who are in need, by enabling the member charities to meet their respective charitable purposes, through the provision of grant payments.*

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Childlife's aims and objectives.

Childlife carries out the object of improving the lives of children and young people through the work of its member charities by supporting the member charities in providing a strong income source in the short, medium and long term future, and this has continued to be the focus in 2010-11. To enable Childlife to achieve its aim, it has continued its fundraising programmes in payroll giving and has also continued to invest in a variety of fundraising activities, in particular telephone programmes to recruit new supporters, convert cash donors to regular giving and re-activate lapsed regular donors.

## Trustees report (continued)

For the year ended 31 March 2011

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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.

### **ACHIEVEMENTS AND PERFORMANCE**

#### ***Review of 2010/11***

The beneficiaries of Childlife's work are the children, young people and their families throughout the UK who have received support and advice or will benefit from research undertaken by the four member charities through the grant payment to them from Childlife. In 2010/11 Childlife gave a total of £500,000 to the member charities. This enabled the four member charities to achieve the following:

#### **Acorns Children's Hospice**

'Acorns Children's Hospice provides care and support for children and young people who have life limiting or life threatening conditions. This means they are unlikely to reach adulthood. Acorns is currently supporting 600 children and 800 families, including those who are bereaved, from across the West Midlands and the Three Counties of Worcestershire, Herefordshire and Gloucestershire. Acorns offers a network of care services through its three hospices in Birmingham, Worcester and Walsall, supporting the whole family. Acorns provides short break, emergency and end-of-life care, with a community team to support the family 24 hours a day, seven days a week to families. On average, every week one of the children we care for will die.

Each of Acorns' three 10-bed children's hospices costs £7,500 per day to run and there is no charge to families for using the services provided by Acorns. We rely on the community to fund the majority (over 70%) of its activities and we have over 1,800 volunteers who work in all areas – in the hospices, shops and supporting the fundraising team.

During 2010/11, the grant payment of £125,000 received from Childlife has supported the services that Acorns offers and has covered the costs of 17 days of the hospices running costs.'

#### ***Dawn Pawlett, Acorns Children's Hospice***

#### **Ataxia UK**

Ataxia is a progressive neurological condition that affects walking, speech, and coordination. There is currently no cure and nothing to slow down its progress. We think there are around 5,000 children and under 18's in the UK who have one of the many forms of ataxia.

"Childlife's excellent support of Ataxia UK means that we have been able to continue to invest in ground breaking research. For example, this year we have been able to award funding to start four new scientific research projects into Friedreich's ataxia, which is the type of inherited ataxia which most frequently affects children. Of these four projects, the one we are most excited about is a pilot trial that will test the safety of a medication in people with Friedreich's ataxia. This trial is the culmination of research we have funded over the last 5 years investigating methods of switching on the gene that is abnormally switched off in this condition. If the

## Trustees report (continued)

For the year ended 31 March 2011

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medication proves safe there will be other trials to establish how effective it is and the doses required. There's still a long way to go before a medication that will cure or even relieve Friedreich's Ataxia is available to be prescribed, but we hope we now have a glimmer of light at the end of the tunnel!

Ataxia UK is committed to supporting people to live day-to-day with ataxia, while continuing to fund promising new research projects that we hope will one day lead to effective treatments or a cure for the condition."

***Sue Millman, Ataxia UK***

### **National Children's Bureau (NCB)**

Our vision is a society in which all children and young people are valued and their rights respected. As the leading support, development and campaigning charity for children, young people and families, NCB brings together all those working tirelessly to address the range of education, health and care needs of today's children.

"At the National Children's Bureau (NCB) we reach out to support those working with children, and their families by offering essential information on policy, research and best practice. The money we receive from Childlife helps us to successfully deliver more than 60 projects each year, ranging from children living in care, with disabilities, or suffering the bereavement of someone close to them. We also work directly with young people, helping to give them a voice and the confidence to speak out through our Young NCB membership group, the Children and Young People's HIV Network or even as part of our apprenticeship scheme – helping young people who have been long-term unemployed into work through training, support and real paid work placements. In doing so, we draw on over 40 years experience, knowledge, evidence and expertise, and aim to ensure that our breadth of work covers every aspect of children and young people's lives."

***Barbara Hearn, Deputy Chief Executive, National Children's Bureau***

### **National Deaf Children's Society (NDCS)**

NDCS is the leading charity dedicated to creating a world without barriers for deaf children and young people. We work to support the 45,000+ deaf children and young people and the 1,600 babies who are born deaf every year in the UK; and the 20 million deaf children and young people worldwide. We believe that deaf children can do anything other children can do, given early diagnosis and the right support from the start.

"We are so grateful to Childlife supporters for the vital funding they provided this year which has allowed us to expand the support we can give to deaf children and their families. Their support has enabled us to continue our vital programme of activity to support parents of newly identified deaf children; lobby to ensure deaf children get the support they need to achieve at school, work with sports and leisure clubs to make them accessible to deaf children; and to publish six new publications, giving parents of deaf children the guidance and advice they need."

***Mike Wade, NDCS***

## Trustees report (continued)

For the year ended 31 March 2011

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### **Review of 2010/11 Objectives**

Childlife's fundraising activities balance the need to provide a stable income stream in the short-term while testing and developing new fundraising techniques each year to secure future growth in income for the member charities. This year, Childlife has continued its investment in the recruitment of regular donors and in the collaborative fundraising as part of the Smile a Minute, Friends at Work and newly formed Together for Change payroll giving consortia. Ongoing programmes continue to successfully upgrade existing donors and reactivate lapsed donors.

**Target:** To improve the lives of children and young people by supporting and promoting the work of the four member charities.

**Achievement:** Childlife gave grants totalling £500,000 to member charities in 2010/11. This enabled the member charities to fund a wide range of programmes from research to support services, which have directly benefitted children and young people throughout the UK.

**Target:** To provide a stable income stream for the four member charities.

**Achievement:** The Childlife grant for 2010/11 was possible due to undertaking a variety of fundraising programmes both to recruit new regular donors as well as re-activating and retaining existing donors.

**Target:** To continue to promote the work of the four member charities to Childlife supporters.

**Achievement:** Supporters of Childlife received newsletters, feedback mailings and additional communications featuring the work of each member charity as well as case studies of individual children, young people and their families, who had benefitted from the services of the member charities.

**Target:** To facilitate and enhance the partnership between the four member charities.

**Achievement:** As well as meeting at the quarterly trustee meetings, there is regular communication via the Chief Executive between the four member charities. This includes sharing results and best practice.

### **2011/12 Objectives**

- To improve the lives of children and young people throughout the UK by supporting and promoting the work of the four member charities.
- To provide a stable income stream for the four member charities.
- To continue to promote the work of the four member charities to Childlife supporters.
- To facilitate and enhance the partnership between the four member charities

## Trustees report (continued)

For the year ended 31 March 2011

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### 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 committed giving via direct debits and standing orders. The charity is a member of the payroll consortia, Smile a Minute, Friends at Work and Together for Change, raising money through payroll giving for a group of charities.

Due to the ongoing economic uncertainty, it has been a difficult environment within which for Childlife to fundraise and in particular to recruit new donors. As such Childlife has had to decrease the level of grant payments to the four member charities in 2010/11 compared to the previous year, a drop from £137,500 to £125,000 per member charity.

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 unrestricted reserves amounting to three months operating costs. Based on the 2010/11 budget, the required reserve level was set at £85,755. The undistributed total funds balance at 31st March 2011 was £271,211 and as such is above the required reserves policy. It was agreed by the trustees that the surplus in the reserves for 2010/11 be used to invest in fundraising opportunities and in future years in order to combat the forecast decrease in gross income from payroll and direct debit donations.

The fundraising development fund is a designated fund set aside by the trustees to finance the development of new and existing forms of fundraising. This is in accordance with the findings of the charity's risk review. The balance on this fund amounted to £150,000. There are plans to spend some of this fund in the forthcoming year on various fundraising initiatives for the charity, including attracting new donations in the form of legacies and direct debit donations. Rigorous controls on all costs are maintained to ensure maximum funds are available for Childlife's charitable activities.

The general reserves shall be retained in bank and cash and invested within the funds held on all bank accounts.

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 and a COIF Charities Deposit Fund held by CCLA. 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.

## Trustees report (continued)

For the year ended 31 March 2011

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### **TRUSTEE'S RESPONSIBILITIES**

The trustees are responsible for preparing the Annual Report and 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 2006. 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **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**

RSM Tenon Audit Ltd are deemed re-appointed under section 487(2) of the Companies Act 2006.

### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board of Trustees

S Millman

**S Millman**

**Trustee**

Date: 7 July 2011

# Independent Auditors' Report to the Members of Childlife

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We have audited the financial statements of Childlife for the year ended 31 March 2011, which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charitable company's members, as a body, in accordance with Chapter 3 Section 16 of the Companies Act 2006. 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 explained more fully in the Trustees' Responsibilities Statement in the Trustees' Report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by trustees and the overall presentation of the financial statements.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the Charity as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure in the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RSM Tenon Audit Limited

**Jennifer Carr (Senior Statutory Auditor)**  
for and on behalf of

**RSM Tenon Audit Limited**  
Statutory Auditor

Date: 22 July 2011

**Vantage**  
Victoria Street  
Basingstoke  
Hampshire

Statement of financial activities  
 Incorporating the income and expenditure account  
 For the year ended 31 March 2011

	Notes	2011		Total Funds £	2010  Total Funds £
		Unrestricted Funds General Funds £	Designated Funds £		
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
<i>Voluntary income</i>					
Donations	2	902,749	-	902,749	1,030,288
<i>Activities for generating funds</i>					
Trading income	3	5,496	-	5,496	4,563
Investment income	4	1,160	-	1,160	608
<b>Total incoming resources</b>		<u>909,405</u>	<u>909,405</u>	<u>909,405</u>	<u>1,035,459</u>
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Cost of generating voluntary income	5	296,527	-	296,527	280,025
Fundraising trading: costs of goods sold	5	3,366	-	3,366	2,037
		<u>299,893</u>	<u>-</u>	<u>299,893</u>	<u>282,062</u>
<b>Charitable activities</b>					
Promotion and support of member charities	5	512,208	-	512,208	567,960
<b>Governance costs</b>	5	<u>18,094</u>	<u>-</u>	<u>18,094</u>	<u>18,999</u>
<b>Total resources expended</b>		<u>830,195</u>	<u>-</u>	<u>830,195</u>	<u>869,021</u>
<b>Net incoming resources</b>		79,210	-	79,210	869,021
Transfer		(150,000)	150,000	-	869,021
Fund balance at 1 April 2010		<u>192,001</u>	<u>-</u>	<u>192,001</u>	<u>25,563</u>
<b>Fund balance at 31 March 2011</b>		<u>121,211</u>	<u>150,000</u>	<u>271,211</u>	<u>192,001</u>

All of the above results derive from continuing activities and are unrestricted. There are no gains and losses other than those disclosed above. The accompanying notes form an integral part of these financial statements.

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

## Balance sheet

As at 31 March 2011

Company no: 03696656

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	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	11	11,308	14,412
<b>Current assets</b>			
Debtors	12	24,709	15,081
Cash at bank and in hand		246,059	183,938
		<u>270,768</u>	<u>199,019</u>
<b>Creditors:</b> amounts falling due within one year	13	(10,865)	(21,430)
<b>Net current assets</b>		<u>259,903</u>	<u>177,589</u>
<b>Net assets</b>		<u>271,211</u>	<u>192,001</u>
<b>Represented by:</b>			
<b>Unrestricted funds</b>	15		
General Funds		121,211	192,001
Designated Fund – Fund Raising Development Fund		150,000	-
		<u>271,211</u>	<u>192,001</u>
<b>Total charity funds</b>		<u>271,211</u>	<u>192,001</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and were approved by the Board on 7 July 2011 and signed on its behalf by

S Millman

**S Millman**

**Trustee**

The accompanying notes form an integral part of these financial statements.

## Notes to the accounts

For the year ended 31 March 2011

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### 1 Accounting policies

#### *a) Basis of preparation*

The financial statements have been 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 April 2008) and the Companies Act 2006.

#### *b) Fund accounting*

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity.

Designated funds are unrestricted funds which have been allocated for a specific purpose by the Trustees

#### *c) 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.

#### *d) Resources expended*

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

##### COST 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.

## Notes to the accounts (continued)

For the year ended 31 March 2011

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### 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.

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the accounts.

Charitable activities comprise direct expenditure including direct staff costs attributable to the activity. Support costs have been allocated to activities based on the average staff time spent. Governance costs are those incurred in connection with the management of the Society's assets, organisational administration and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

#### *e) 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	- 25% per annum on cost
Furniture, fixtures and equipment	- 25% per annum on cost.
Website costs	- 33.3% per annum on cost

## Notes to the accounts (continued)

For the year ended 31 March 2011

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### 1 Accounting policies (continued)

#### *f) Leasing and hire purchase commitments*

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

#### *g) 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.

#### *h) Taxation*

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

#### *i) Consortia*

Donations to Childlife as a result of 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.

### 2 Voluntary income: donations

	2011 £	2010 £
Unrestricted funds:		
Payroll giving programme	263,103	280,968
Face-to-face programme	512,270	596,755
Exceptional donations	-	27,945
Sundry donations	3,998	18,480
Money box income	12,253	11,723
Smile a minute income	66,369	57,474
Friends at work income	39,170	33,611
Other	5,586	3,332
	<u>902,749</u>	<u>1,030,288</u>

## Notes to the accounts (continued)

For the year ended 31 March 2011

### 3 Activities for generating funds: trading income

	2011 £	2010 £
Activities for generating funds: trading income	5,496	4,563
Fundraising trading: costs of goods sold	(3,366)	(2,037)
<b>Net activities for generating funds: trading income</b>	<b>2,130</b>	<b>2,526</b>

### 4 Investment income

	2011 £	2010 £
Interest receivable	1,160	608

### 5 Analysis of total resources expended

	Costs of generating voluntary income £	Charitable activities £	Governance costs £	Trading costs £	2011 TOTAL £	2010 TOTAL £
<b>Direct Costs</b>						
Staff Costs including						
Temp staff	75,868	5,304	9,838	-	91,010	87,366
Audit	-	-	4,818	-	4,818	4,829
Direct Fundraising	171,144	-	-	3,366	174,510	145,309
Newsletter	-	4,841	-	-	4,841	10,082
Grant Payments	-	500,000	-	-	500,000	550,000
	<u>247,012</u>	<u>510,145</u>	<u>14,656</u>	<u>3,366</u>	<u>775,179</u>	<u>797,586</u>
<b>Support Costs *</b>						
Office Costs	20,716	863	1,439	-	23,018	37,386
Legal & Accountancy	10,807	450	750	-	12,007	12,106
IT	13,237	552	919	-	14,708	15,930
Depreciation	1,870	78	130	-	2,078	2,194
Other	2,885	120	200	-	3,205	3,819
	<u>296,527</u>	<u>512,208</u>	<u>18,094</u>	<u>3,366</u>	<u>830,195</u>	<u>869,021</u>

\* Support costs are allocated on the basis of time spent on each activity.

Included above are operating lease payments of £9,020 during the year.

## Notes to the accounts (continued)

For the year ended 31 March 2011

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### 6 Costs of generating voluntary income – Direct Fundraising Costs

	2011 £	2010 £
Costs of generating voluntary income comprise:		
Payroll giving donor recruitment	10,659	9,603
Face-to-face donor recruitment	-	5,518
Money box costs	17,271	559
Payroll consortia recruitment	57,678	43,950
Direct debit processing	18,256	20,511
Telephone campaigns	60,433	27,475
Fundraising Development Fund activities	6,847	35,656
	<u>171,144</u>	<u>143,272</u>

### 7 Activities undertaken directly

	2011 £	2010 £
Other costs relating to promotion and support of member charities comprise:		
Newsletter printing	3,238	7,440
Newsletter postage	1,603	2,642
	<u>4,841</u>	<u>10,082</u>

The promotion and support costs for member charities include the publication of a newsletter three times a year 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.

## Notes to the accounts (continued)

For the year ended 31 March 2011

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### 8 Grants payable

	2011 £	2010 £
Promotion and support of member charities	<u>500,000</u>	<u>550,000</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. The trustees have been assured that all member charities have procedures in place to ensure that, on an ongoing basis, the grants made by Childlife are spent in accordance with its objectives. In addition the trustees have agreed a reporting process relating to how the grants have been spent by the member charities.

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

Acorn Children's Hospice Trust	125,000	137,500
Ataxia UK	125,000	137,500
National deaf Children's Society	125,000	137,500
National Children's Bureau	<u>125,000</u>	<u>137,500</u>
	<u>500,000</u>	<u>550,000</u>

### 9 Trustees

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

## Notes to the accounts (continued)

For the year ended 31 March 2011

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### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2011 Number	2010 Number
Cost of Generating Voluntary Income	3.6	3.6
Charitable Activities	0.2	0.2
Governance	0.2	0.2
	<u>4.0</u>	<u>4.0</u>

#### Employment Costs

	£	£
Wages and salaries	79,504	76,883
Social security costs	7,213	6,916
Other pension costs	4,293	3,567
	<u>91,010</u>	<u>87,366</u>

There were four part-time employees during the financial year

No employee earned £60,000 per annum or more.

## Notes to the accounts (continued)

For the year ended 31 March 2011

### 11 Tangible fixed assets

	Website £	Computer equipment £	Fixtures fittings and equipment £	Total £
<b>Cost</b>				
At 1 April 2010	13,174	22,402	2,864	38,440
Additions	-	3,000	-	3,000
Disposals	-	-	-	-
<b>At 31 March 2011</b>	<b>13,174</b>	<b>25,402</b>	<b>2,864</b>	<b>41,440</b>
<b>Depreciation</b>				
At 1 April 2010	4,391	16,773	2,864	24,028
On disposals	-	-	-	-
Charge for the year	4,026	2,078	-	6,104
<b>At 31 March 2011</b>	<b>8,417</b>	<b>18,851</b>	<b>2,864</b>	<b>30,132</b>
<b>Net book value</b>				
<b>At 31 March 2011</b>	<b>4,757</b>	<b>6,551</b>	<b>-</b>	<b>11,308</b>
At 1 April 2010	8,783	5,629	-	14,412

### 12 Debtors

	2011 £	2010 £
Other debtors	24,168	13,627
Prepayments and accrued income	541	1,454
	<b>24,709</b>	<b>15,081</b>

### 13 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	3,638	10,323
Accruals	7,227	7,151
Other creditors	-	3,956
	<b>10,865</b>	<b>21,430</b>

## Notes to the accounts (continued)

For the year ended 31 March 2011

### 14 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 £4,293 (2010: £3,567).

### 15 Analysis of net assets between funds

	2011		2010
	Unrestricted Funds		
	General Fund	Designated Fund	Total Funds
	£	£	£
Tangible fixed assets	11,308	-	11,308
Current assets	120,768	150,000	270,768
Creditors: amounts falling due within one year	(10,865)	-	(10,865)
	<u>121,211</u>	<u>150,000</u>	<u>271,211</u>
			<u>192,001</u>

### 16 Commitments under operating leases

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2011	2010
	£	£
Expiry date:		
Within one year	-	-
Between two and five years	9,020	9,020
	<u>9,020</u>	<u>9,020</u>

### 17 Related parties and control

Grants of £125,000 each (2010 £137,500 each) were payable to the four member charities during the financial year. At the year end £nil (2010 £ nil) was payable to each of the four member charities. The charity was controlled by the four member charities throughout the financial year.