LIFELITES

England & Wales · Charity number 1165791

Details

Status	Registered
Legal form	CIO
Registered	2016-02-29
Register	View on the Charity Commission register

Contact

Address	Lifelites 60 Great Queen Street London WC2B 5AZ
Phone	02074404200
Email	rlightfoot@lifelites.org
Website	www.lifelites.org

Activities

Objects: THE OBJECTS OF THE CIO ARE THE RELIEF OF POVERTY, RELIEF OF SICKNESS AND ADVANCEMENT OF EDUCATION OF DISADVANTAGED CHILDREN AND YOUNG PEOPLE WITH LIFE LIMITING CONDITIONS AND DISABILITIES, IN PARTICULAR BUT WITHOUT LIMITATION THROUGH THE PROVISION, PROMOTION AND MAINTENANCE OF APPROPRIATE TECHNOLOGIES AND RELATED SERVICES FOR USE BY THOSE ACCESSING CHILDREN AND YOUNG PEOPLE?S HOSPICE SERVICES, SPECIAL SCHOOLS AND OTHER SIMILAR ENVIRONMENTS.

Activities: Raising funds to donate and maintain specialist technologies for children and young people using palliative care services throughout the British Isles.

Classification

- **How:** Provides Services
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty
- **Who:** Children/young People, People With Disabilities

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Geography

- Ireland
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£536,000	£1,181,000	£4,137,000	9
2024-03-31	£492,000	£813,000	-	-
2023-03-31	£655,000	£779,000	£4,555,000	7
2022-03-31	£1,054,000	£744,000	£4,888,000	7
2021-03-31	£634,000	£644,000	£4,232,000	9

Trustees

Name	Role	Appointed
Antony David George Harvey	Chair	2021-12-15
Christine Jane Shuttleworth		2025-10-30
Helen Elizabeth Fleming		2025-07-21
Howard Gerald Wilson		2021-12-15
Jonathan Eliot Mentell		2025-03-01
Kieran Vaughan Stewart		2023-02-15
Luis Caicedo Grisales		2025-03-01
Timothy Sherwood		2024-03-13
Tracy Jannine Rennie		2023-10-16

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LIFELITES

England & Wales - Charity number 1165791

Accounts

Lifelites



Strategic Impact Report

Trustees Annual Report & Financial Statements

For the year ended 31 March 2025

Charity No: 1165791



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Strategic Impact Report

Welcome

Lifelites is the only charity dedicated to providing cutting-edge assistive technology to empower children with life-limiting conditions and those living with medical complexity to communicate, connect, and engage with the world around them in new and exciting ways, sometimes for the very first time.

Every moment matters

Across the UK, an estimated 99,000 children live with life-limiting and life-threatening conditions – a number expected to rise sharply by 2030. Life for children and their families can be shaped by complexity and uncertainty. As a result, we know that families are determined to make every moment count.

So even though their lives may be short, children are children first and foremost – their childhoods should still be filled with connection, joy, and belonging.

Children's palliative care – meeting rising demand with innovation

Front line children's palliative care services are seeing demand and complexity increase year on year. Not only are more children needing care, but many are living longer with complex conditions that require highly specialised and resource-intensive support.

Despite these pressures, dedicated care teams continue to prioritise the children and families who need them most. Their commitment ensures that young people facing the most difficult challenges still have the chance to experience joy, connection, and comfort.

Lifelites plays a critical role in enabling this. By harnessing the power of assistive technology, we help these vital services to deliver higher quality care, opening doors to communication, creativity, and play that would otherwise remain closed.

And we are determined to do more.



25 years of changing lives

2025 marks our 25th anniversary. For a quarter of a century, Lifelites has been empowering children and young people living with complexity through innovative technology that brings creativity, connection, and joy.

In the past year alone, we reached more than **14,500 children** – in family homes, hospices and community settings. We forged new partnerships, including with The Joshua Tree, which supports children affected by cancer in the North-West.

We are unique. We are trusted. And we are ready to do more.

Children's hospices and beyond

Our technology breaks down barriers – giving children the chance to play, communicate, learn, and connect with those they love. These are not luxuries. They are fundamental to childhood.



Despite our growing reach, many of the 99,000 children who could benefit from our support still don't have access to this life-changing technology.



That's why in October 2024 we launched **Lifelites 25** – the boldest programme in our history. As the centrepiece of our strategy and anniversary celebrations, Lifelites 25 is a once-in-a-generation investment in children's palliative care. Its aim: to dramatically expand our reach and bring assistive technology to more children, in more settings, than ever before.

Applications for support from over 20 organisations poured in – from specialist schools, respite centres, children's cancer services, and NHS teams. In March 2025, the first seven partner organisations were selected, and installations began in the summer.

Raising our profile

Alongside this service expansion, we've made great strides in raising awareness. Our work was featured on **ITV News** and in the **Mirror newspaper,** bringing national attention to the transformative role technology can play for children with complex conditions. These stories have helped amplify the voices of the families we serve – and sparked new ideas, partnerships, and support.

Celebrating Lisa Shattock, Trustee

In June, we were deeply saddened by the death of Lifelites Trustee, Lisa Shattock, who had served on the Board since May 2022.

Lisa brought exceptional marketing and communications expertise to Lifelites, joining us at a pivotal time as we developed a new strategy, rebranded the organisation, and raised our ambition to reach more children with life-limiting conditions. Her insight, strategic thinking and constructive challenge has left a lasting impact on the direction of our work.

Building momentum

Our vision is simple but powerful: **every child with a life-limiting condition should be able to engage and interact with the people they love and enjoy the world they live in.**

We are grateful to all those people and organisations over the years who have contributed to our journey. We would not be here without our founders in Freemasonry, who have continued their support throughout.

Looking ahead, we're preparing to launch **Phase 2** of Lifelites 25, with a new round of applications opening in Autumn 2025. We're also developing **Lifelites Learning** – our new multi-channel training platform – and progressing discovery work for a **Family Hub**, to bring our expertise directly to children and families.

But to realise this vision, we must go further, faster. And we can't do it alone.

Fundraising remains a challenge, and now more than ever, we need both new and existing supporters to stand with us. Whether you choose to give, fundraise, volunteer, or share our story, your support can help bring connection and joy to a child who needs it most.

We hope this report leaves you inspired – and invites you to be part of something truly extraordinary.

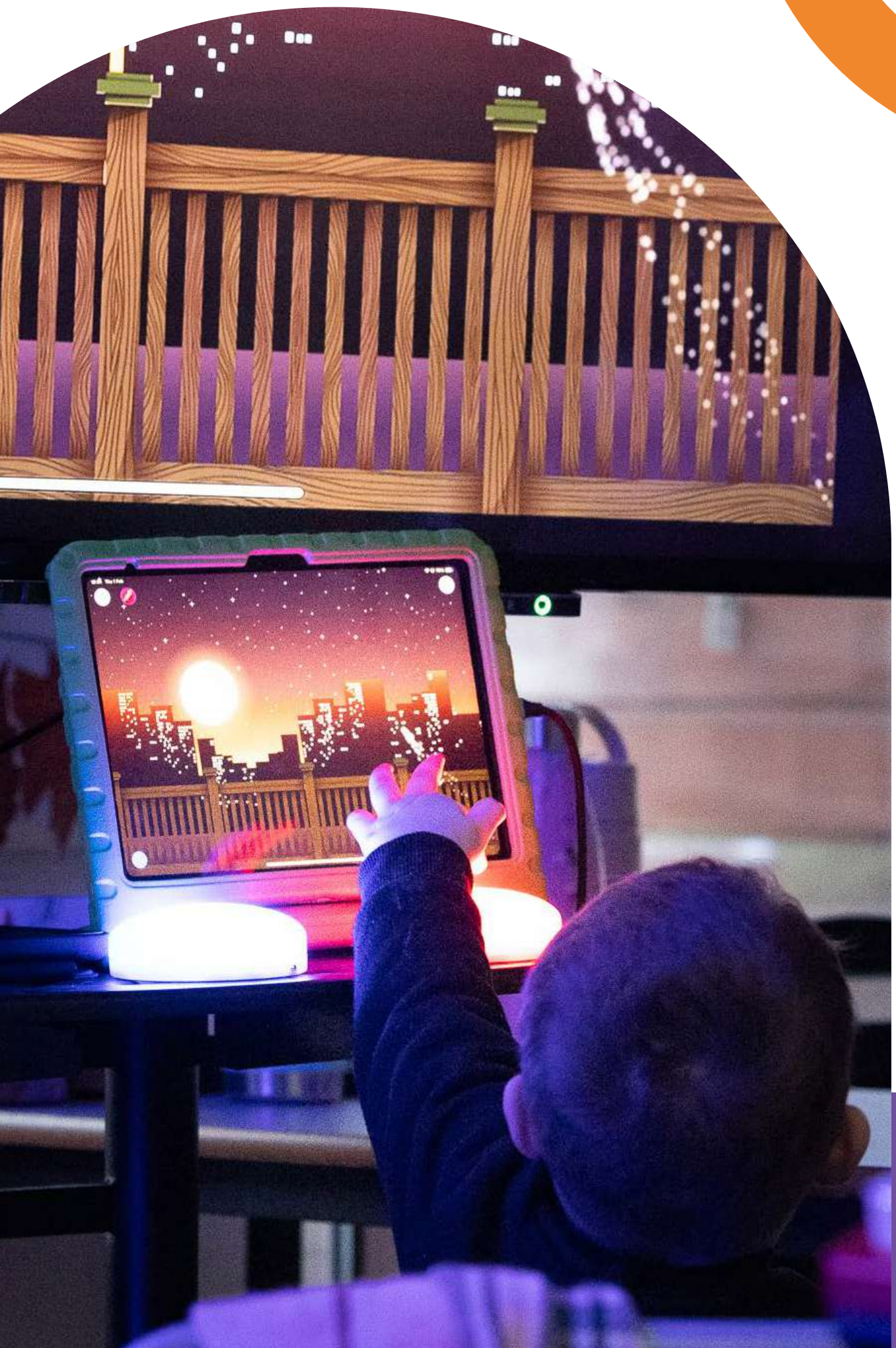


Rob Lightfoot
Chief Executive



Tony Harvey
Chair of Trustees





Vision, Mission & Values

VISION

We believe every child with a life-limiting condition, should be able to engage and interact with the people they love and enjoy the world they live in.

MISSION

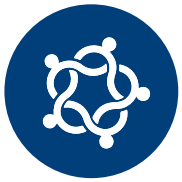
We harness innovative technology to empower all children and young people with life-limiting conditions, along with their families, to experience unforgettable moments of creativity, connection and joy.

VALUES



Dynamic

We constantly evolve to respond to the changing needs of our children, families and partners, adapting our approach and using our expertise to maximise our impact.



Inclusive

We look beyond the traditional, obvious and familiar to remove barriers that prevent children and families from connecting, playing and expressing themselves. We partner with and recruit people based on their merits and alignment to our goals.



Collaborative

We bring together and collaborate with diverse people and organisations that share a common passion for our vision, believing that combining resources improves outcomes for all.



Empowering

We believe everyone has an innate desire to play, create and communicate. Our services empower children, their families, our partners and our team to discover and reach their full potential.



Innovative

We constantly seek new ways to achieve our vision, serve children in need and their families, develop our team and build our relationships with our partners.

2024/25 at glance

16 packages of new technology.



58 children's palliative care partners across Britain and Ireland.

303 children's palliative care staff trained.

2,302 hours worth of training delivered.

14,576 children and young people accessing support.

10,545 miles travelled to deliver installations and training.

£847,000 worth of new equipment, training and technical support.

Quality

Central to our strategy is the ambition to deliver the highest quality services providing maximum impact for our service partners, children and their families.

Our technology helps children:

- **Communicate and connect** with family and carers
- **Engage with the world** independently and meaningfully
- **Strengthen family bonds** through shared play and experiences

Based on 2024/25 monitoring data from 51 of our 56 partners, it is evident that Lifelites' support has delivered life-changing outcomes for the children and families we support.



Improvement in emotional wellbeing

96% say children experience improved emotional wellbeing.



Increased independence

98% report greater independence.

96%

More resilient families

96% see stronger family relationships.

Reduction in social isolation

98% observe reduced isolation.

98%

96%

Enhancement of communication

96% note better communication, especially for non-verbal children.

“Lifelites technology is Savannah’s way of communicating. It has honestly brought the best out in her and makes her so much more determined to communicate and have fun with us.”

Jayde, Savannah’s mum





Gemma and Talia family story



Gemma is the mum of seven year old Talia, a vibrant, cheeky, all-action child who has used Lifelites technology at Alexander Devine Children's Hospice for the past five years.

"We've been using Lifelites technology since Talia was born!" says Gemma "It's one of my first memories of her."

Talia has CHARGE syndrome, a complex and rare genetic disorder which affects multiple systems in the body.

"Talia is profoundly deaf, she is peg fed, doesn't follow verbal instructions and requires 24/7 care but she manages the technology really well." says Gemma as she watches her daughter dash around on the interactive Magic Carpet with her brother.

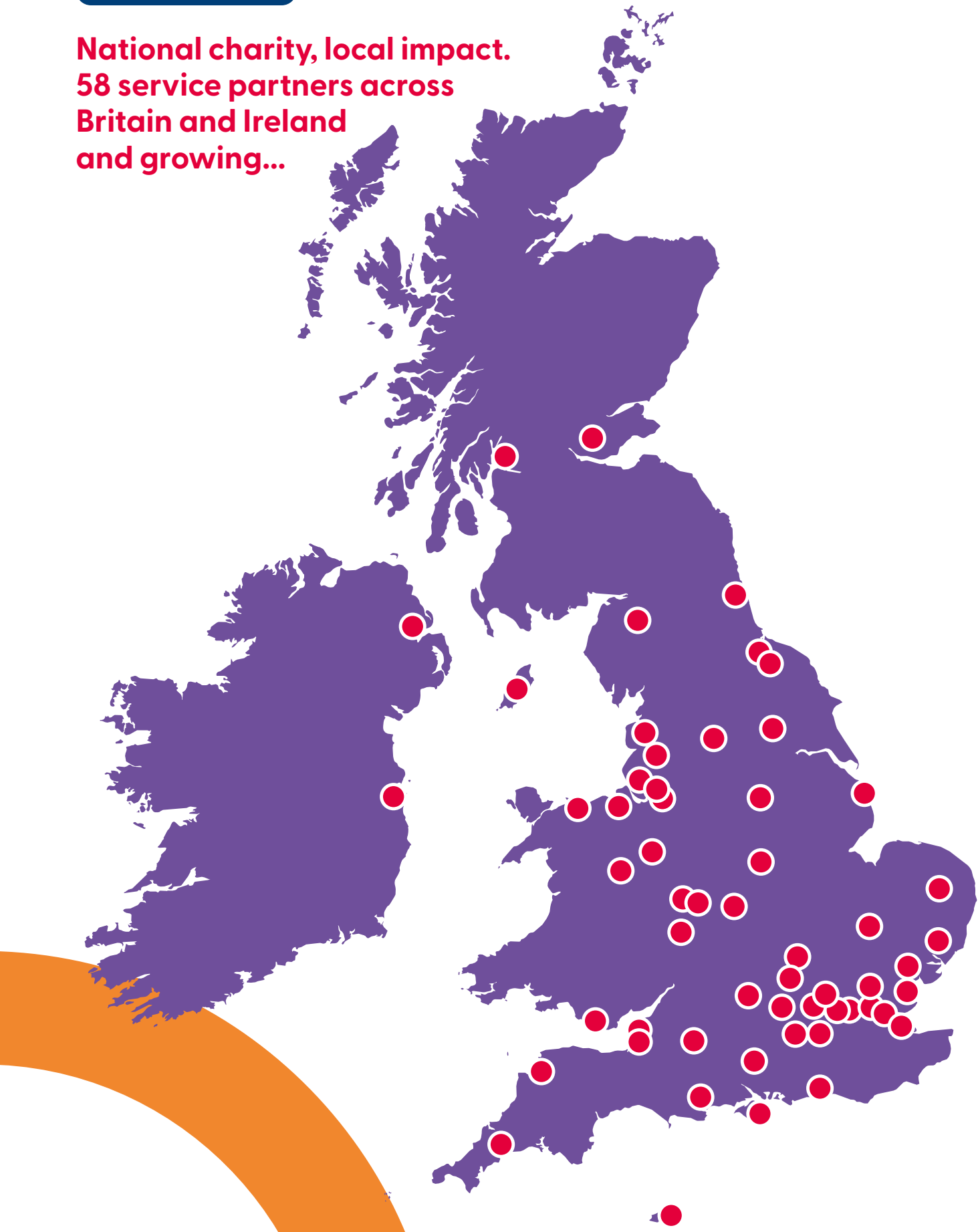
"The beauty of the Magic Carpet is that there's so many options. She likes to navigate between the many, many games on there but her favourite is the football, which she loves to play with her two older brothers. It's a good way for them to communicate and work together."

As Talia gets older, her use of Lifelites technology has advanced, giving her more independence and opportunities to learn.

"We've noticed recently that she likes the Tilt and Touch Table. She really likes the games on there, and I've just noticed today that she's been playing matching pairs. It's pushing her abilities."

Access

**National charity, local impact.
58 service partners across
Britain and Ireland
and growing...**



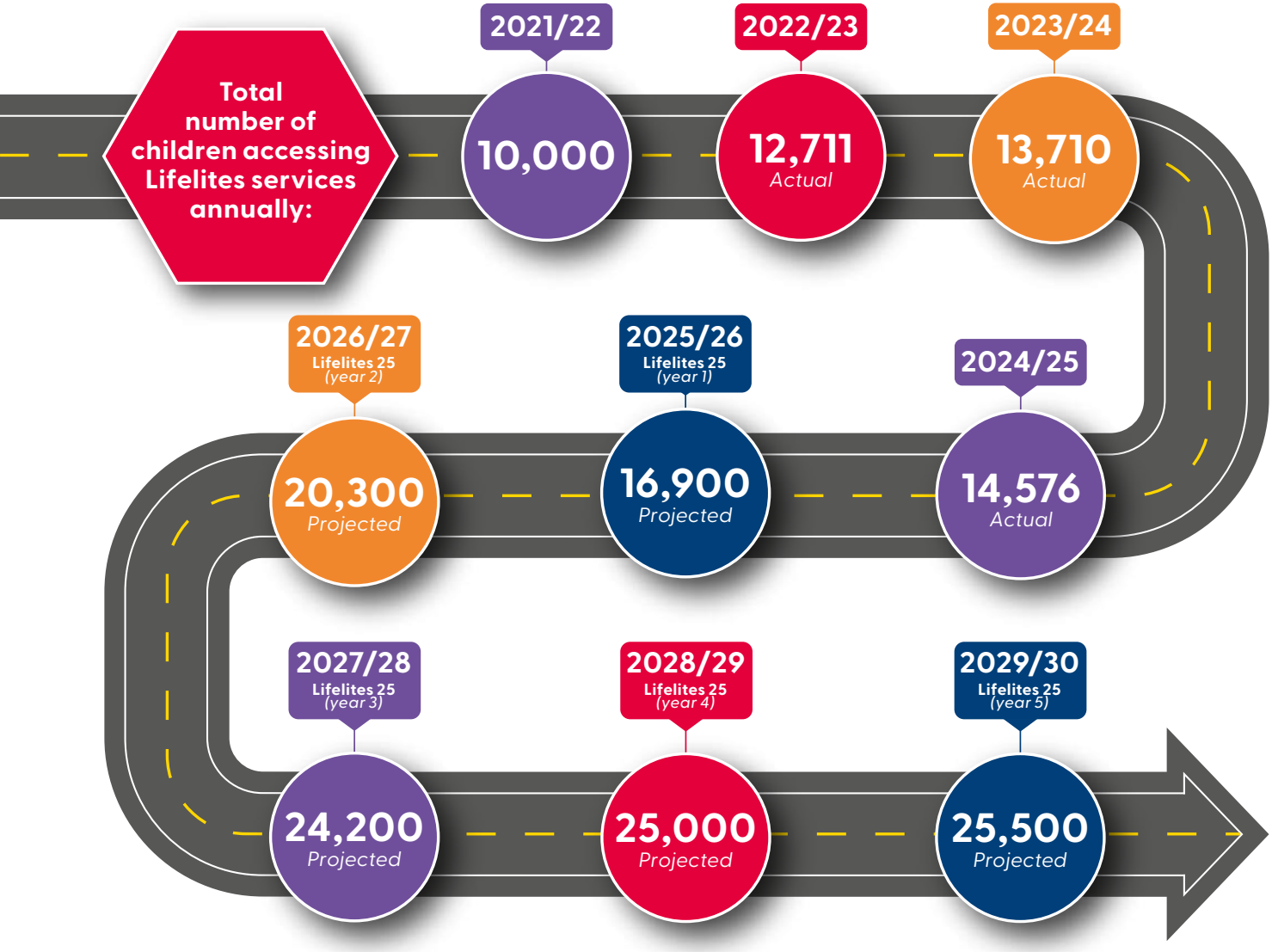
Proven delivery model: Efficient, scalable, trusted

Last year we supported **58 children's palliative care services,** reaching over **14,500 children.**

In a sector under pressure from increased demand and reduced resources, Lifelites is determined to enhance and grow our services to increase access to our life-changing technology and unique expertise.

By 2030, we aim to:

- **Double our reach** to support over **25,000 children annually**
- **Expand beyond hospices** to include specialist schools, respite centres, and home-based services
- **Launch Lifelites Learning,** a new training platform for professionals and families
- **Introduce a Family Support Hub,** giving carers direct access to tools, knowledge, and advice.



Lifelites 25

Reaching new communities, changing more lives

In Autumn 2024, Lifelites launched our most ambitious programme to date – **Lifelites 25** – designed to expand our reach beyond hospices and bring assistive technology to more children with life-limiting conditions, wherever they are.

After a rigorous application process, **10 inspiring projects** were shortlisted. From 10 March, the public cast more than **4,500 verified votes,** selecting **three winning projects.** A further **four organisations** were chosen by our independent panel for their innovation, reach, and impact.

Tracy Rennie, Lifelites Trustee & Chair of the Lifelites 25 Committee, said:

“ It wasn’t easy choosing from ten great projects but we are delighted that the four chosen, along with 3 voted by the public, will help us to achieve our aspiration to reach more children wherever they may be – at home, school, hospital or short break settings as well as hospices.

Children are children first and foremost and these innovative and exciting projects will enable even more children to play, connect and have joyful experiences with those special to them – their brothers, sisters, parents, wider family and their friends.”

With installations commencing in May 2025, together, the selected organisations represent a powerful step forward in our mission to ensure **more children, in more places,** can access the joy, connection, and opportunity that inclusive technology brings.



The seven Community Project winners

Voted by the Public:

- **St Elizabeth Hospice (Zest), Ipswich** – Supporting young adults transitioning from children's to adult care.
- **Swings and Smiles, Berkshire** – Creating inclusive play opportunities for children with disabilities.
- **Rainbow Hub, Lancashire** – Delivering specialist support and therapy for children with physical disabilities.

Selected by the Lifelites 25 Committee:

- **Ryegate House, Sheffield** – Providing short breaks and assessment for children with neurological conditions.
- **St Ann's School, London** – A specialist school supporting pupils with profound and multiple learning difficulties.
- **Grace Kelly Childhood Cancer Trust, Worcestershire** – Helping children with cancer stay connected to school and friends through AV1 robots and iPads.
- **OmniMusic, Greater Manchester** – Bringing accessible music technology to children with profound disabilities.



EJ Trivett, CEO of OmniMusic, said:

"OmniMusic are delighted to receive this fantastic support of assistive music technology from Lifelites. These specialist instruments will enable us to reach more children and young people with profound disabilities and life-limiting conditions across Greater Manchester; ensuring that they too get to make their mark on Manchester's music legacy."

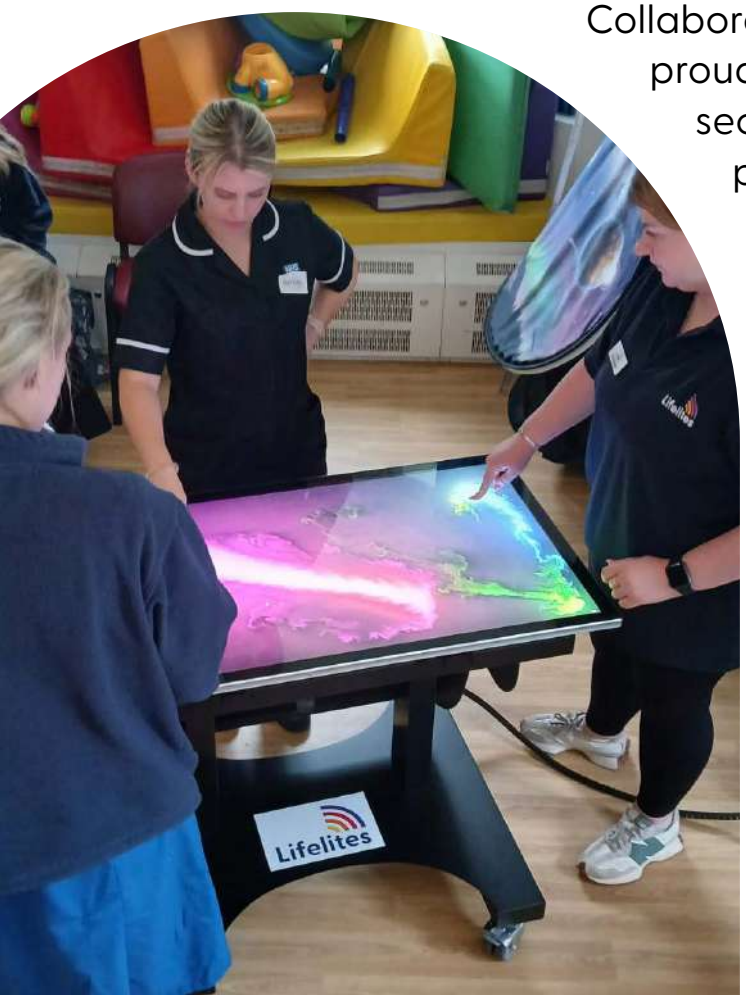
The launch of Lifelites 25 marks a bold new chapter. With more phases ahead, and more communities to support, **we are only just beginning.**

Side by Side: The power of collaboration

With the addition of our new Lifelites 25 projects, we will now partner 65 children's hospices and other care and education services across Britain and Ireland to deliver tailored packages of equipment, expert training, and four years of ongoing support - completely free of charge.

Children's palliative care services are under growing pressure. Hospices are facing critical staff shortages. Specialist teams are stretched thin. And while medical advances mean some children are living longer, this brings a new complexity - longer, more intensive care needs that many services are not equipped to meet.

Over the last 12 months Lifelites has worked **side by side with every children's hospice** and a growing number of other services to harness the incredible power of assistive technology to improve the lives of children, young people and their families.



Collaboration is at our core and we have been proud to serve the children's palliative care sector, enhancing the care and support our partners provide.

Our impact is evidenced not only through powerful monitoring data but feedback from our partners, children and families.

Together, we can bring connection, communication, and joy to thousands more children because every child should have the chance to live as fully as possible.

The Cosmo switches have been very well received by a wide range of children. One example; we used the switches for a large group of young people with vast spectrum of abilities. The musical switch app joined everyone socially. To find a piece of equipment which suits everyone has been previously has been very difficult."

Little Havens Children's Hospice

The support from Lifelites has always been exceptional. The response time to any questions we've had has been very quick."

Charlton Farm, Children's Hospice South West

Lifelites has benefitted every day life here at the hospice. We have been able to give children a sense of independence and empowerment from your training us and allowing us to have some amazing equipment. You go above and beyond to ensure that we as staff are happy and make us go away confident and excited to use new equipment."

Claire House Children's Hospice

I cannot express enough how amazing having Lifelites in our little hospices life has made such an amazing impact...absolutely awesome."

Butterwick Children's Hospice

Lifelites technology has greatly enhanced the care we offer at Noah's Ark Children's Hospice, providing our teams with accessible, engaging tools that support communication, play, and sensory experiences for children with complex needs."

Noah's Ark Children's Hospice

Using Eyegaze, our children who are non-verbal have been able to communicate with us... this is incredible as the things they tell us are absolutely amazing."

Butterwick Children's Hospice

2024-25 Performance - Strategy enablers

Income

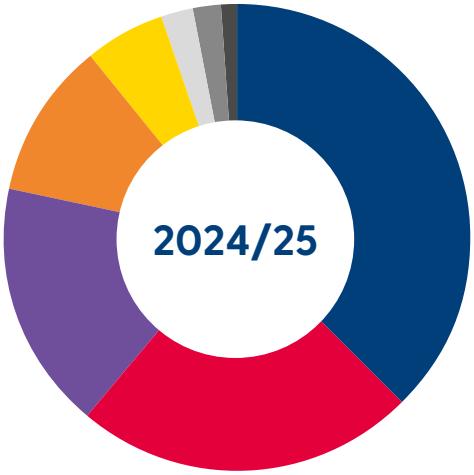
Income from fundraising in the year increased on 2023/24 performance but fell short of the target we had set. The conditions for fundraising became even more challenging, with competition fierce and seismic changes in the funding landscape.

Despite our growth being slower than projected, we remain optimisitic about the long-term income diversification programme which is at the heart of our strategy.

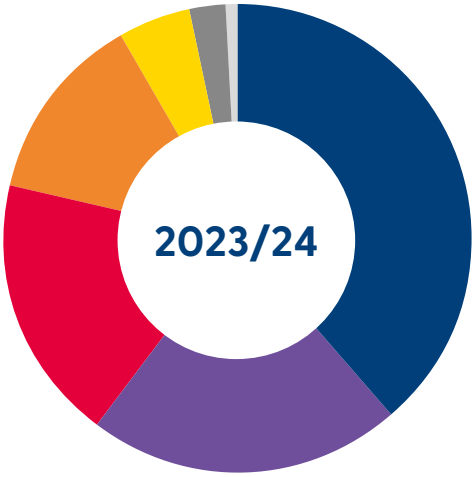
Thank you

We are incredibly grateful to all the new and existing suppporters who chose to provide funding for Lifelites in the year. We recognise that competition for funding is fierce, whether you are an individual or an organisation. Without your support our service achievements would not be possible and we are privileged to stand alongside supporters who are as passionate about delivering our ambitious Vision for the future as we are.

Income source	2024/25
Charitable Trusts	202,000
Community inc. Freemasonry	127,000
Investment income	92,000
Corporate	57,000
Individual Giving	31,000
Events	12,000
Gift-in-Kind	10,000
Legacies	5,000
Total	**536,000**



Income source	2023/24
Charitable Trusts	190,000
Investment income	107,000
Community inc. Freemasonry	91,000
Corporate	64,000
Individual Giving	24,000
Gift-in-Kind	12,000
Events	4,000
Total	**492,000**





Expenditure

During the year, despite the challenging fundraising climate the Charity honoured all its funding commitments to our children's palliative care partners. The deficit between income and expenditure increased but this was planned. The planned deficit is set to continue throughout the period of the strategy as our long-standing reserves are re-structured and invested to cover the financial impact of risks to which the Charity is exposed, provide sufficient funds to safeguard against the volatility of key income streams, to honour the Charity's short-term commitments to its partners, to invest in income sustainability and to deliver the key objectives of our strategy.

Expenditure Source	2024/25	2023/24
Equipment, installation and technical support	471,000	349,000
Partner support and service management	376,000	259,000
Generating income	314,000	185,000
Investment management	20,000	20,000
Total	**1,181,000**	**813,000**

Awareness & Influence

Brand performance within the year was a major success with Lifelites' national media profile increasing substantially. The Charity was featured on ITV news and in the Mirror newspapers, along with a large number of features in industry and regional media. Performance of our new website and social channels grew significantly across the year through leverage of the Lifelites 25 programme and our 25 Voices series.





Governance

The governance of the Charity is now on a more stable footing following a comprehensive reivew and action plan in 2023/24. Within the year, the Board created a new committee to oversee the development and delivery of the Lifelites 25 programme. A further governance review is planned for 2025/26, which will identify additional best practice benchmarks and opportunities to develop Lifelites' governance further.

People

During the year we recruited talent to services, fundraising and communications teams, all of whom have added significant value to our experienced team. Our first staff survey gave high satisfaction score with all staff reporting their pride in working for Lifelites and 88% recommending Lifelites as a great place to work. Some areas for improvement around cross-departmental communication were identified and a series of team workshops and internal communications activities were implemented to improve collaboration. A second survey was launched in June 2025 with results due to be reviewed in July.

Future plans

Celebrating Lifelites at 25

Our 25th anniversary programme will continue in earnest with installations of the latest sensory and assistive technology to commence for our seven newest partners in Summer 2025. We will be launching **Phase 2 of Lifelites 25**, inviting new applications from qualifying children's palliative care services from Autumn 2025.

We're also developing **Lifelites Learning**, our brand new multi-channel training programme designed to empower care professionals, educators, and families with the confidence and skills to make the most of assistive technology for children and their families. Through expert-led workshops, on-demand digital resources, and hands-on support, Lifelites Learning will ensure that our life-changing technology doesn't just reach more children – it's used in ways that truly transform their lives.



We are also progressing discovery work for a **Family Hub**, a new digital initiative in development, designed to bring our expertise directly to families of children with life-limiting conditions. It will offer accessible, family-friendly guidance on using assistive technology at home – including tutorials, tips, and personalised support – helping parents and carers discover new ways for their children to play, communicate, and connect.



Building a Sustainable Future

Increasing brand awareness and diversifying our income are central pillars of Lifelites' long-term strategy.

To achieve our ambition of reaching more children we must scale and broaden our funding base. This year, we are continuing to invest in our **income diversification programme**, with a particular focus on developing high-impact **philanthropy, legacy, corporate**, and **individual giving** streams.

We are also enhancing our approach to **donor recognition and retention**, ensuring supporters at every level feel valued, inspired, and connected to our Mission. Our **Christmas Appeal** will play a pivotal role in engaging new donors, while the launch of **25 Voices** – a campaign sharing powerful stories from those whose lives have been touched by our work – will bring our impact to life and deepen emotional engagement.

Our **25th anniversary** provides a once-in-a-generation opportunity to celebrate what we've achieved, invite more people into our community, and build a lasting sense of belonging and belief in our future.

We recognise that long-term, sustainable income growth requires time, resource and focused investment. That's why our Trustees have established a **designated fund** to support this work – enabling strategic investment in **brand awareness, income diversification, relationship management**, and the long-term sustainability of Lifelites.

Trustees Annual Report

Report and Accounts of the Trustees of Lifelites for the year ended 31 March 2025

In accordance with statutory requirements and the Statement of Recommended Practice (2019), "Accounting and Reporting by Charities" (FRS102), the Trustees of Lifelites submit their report for the year ended 31 March 2025.

These financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Administrative Information

Name and registered office of the Charity

The name of the Charity is Lifelites and registered charity number is 1165791. The registered office is 60 Great Queen Street, London WC2B 5AZ.

Constitution

Charitable status was granted by the Charity Commission on 2 August 2006. The Charity became a CIO on 29 February 2016 with a change of charity number from 1115655 to 1165791.

Lifelites Trustees

Nando Caicedo, FCIPD, FCMI, MIoD, MIoL *(appointed 12 March 2025)*	
Helen Fleming *(appointed 21 July 2025)*	
Tony Harvey, FLPI, FIoL, FCMI, FCIPD, FRSA	Chair of the Board of Trustees
Christopher Noon, MPhil, MA (Oxon.), MBA, FRSA *(Resigned 1 May 2024)*	
Jon Mentell *(appointed 12 March 2025)*	
Tracy Rennie, RGN/RSCN. MBA	
Lisa Shattock *(resigned 2 June 2025)*	
Tim Sherwood	Treasurer
Kieran Stewart, FBCS, CITP	
Howard Wilson	
Mike Woodcock, JP, DLitt, CIntMC *(retired 28 February 2025)*	
Shai Umradia *(resigned 28 February 2025)*	

Lifelites Executive

Rob Lightfoot	Chief Executive

Relevant addresses

Auditor: **Kreston Reeves LLP**
9 Donnington Park, 85 Birdham Road, Chichester, West Sussex PO20 7AJ

Bankers: **National Westminster Bank Plc**
Bloomsbury Parr's Branch, 214 High Holborn, London WC1V 7BX

Solicitors: **Stone King LLP**
16 St John's Lane, London EC1M 4BS

Structure, Governance & Management



Governing document

The constitution sets out the objectives of Lifelites, the powers of the Trustees, the manner of appointment, resignation and removal of Trustees, and the procedures and controls which govern the administration of the Charity.

Trustees

Trustees are appointed for a period of three years. The number of Trustees cannot be less than five or more than 13. Up to one third of the total number of Trustees are nominated by the Masonic Charitable Foundation (MCF). Each appointed trustee shall serve an initial term of three years, and shall be eligible to serve up to 3 consecutive terms, after which the appointed trustee must resign, and cannot be reappointed for a period of 12 months.

Induction and training of new Trustees

It is the policy of Lifelites to provide appropriate induction and training for new Trustees, including mandatory training on Safeguarding; Diversity, Equity and Inclusion; General Data Protection Regulation; and Cyber Security. All Trustees sign a declaration stating that they agree to Lifelites' Trustee Code of Conduct and adopt the Nolan Principles of Public Life.

Committees

The Trustees have the power to delegate functions to committees, provided that any such committee comprises two or more persons and that at least two of the members are Trustees. Non-Trustees may be co-opted to these committees. The Trustees have appointed a Charitable Projects Committee to support the Charity's service delivery and act as technical advisers to provide policy recommendations to the Trustees; a Fundraising and Communications Committee to assist with fundraising strategy and communications planning; a Lifelites 25 Committee to oversee the development and delivery of the Lifelites 25 programme; and a Strategy, Governance and Risk Committee, which leads on Lifelites' strategy and considers key governance and risk areas in detail.

Risk Management

Lifelites takes risk management seriously, regularly reviewing and assessing the risks in all areas of its work and plans for the management of those risks. Risk is an everyday part of the Charity's work. Managing risk effectively is essential for the Board to deliver Lifelites' Mission, adhere to our values and safeguard our stakeholders, reputation, funds and assets.

The Trustees recently adopted a new risk management policy which allows the Charity to:

- Identify the major risks that apply to the Charity
- Make decisions about how to respond to the risks we face
- Demonstrate our professional approach to risk management to the public and all stakeholders.

Managing risk is an integral part of Lifelites' governance and leadership and is fundamental to how Lifelites is managed at all levels.

Risk management is part of, and not separate from, the organisational purpose, governance, leadership, strategy, objectives and operations of Lifelites. Risk management is a key focus within each of these areas and an essential element for the successful and safe delivery of our Mission.

In setting risk appetite, the Trustees consider that there is 'no one size fits all' approach and there is no one magic calculation, and that risk appetite may not be always quantifiable. Therefore Lifelites Trustees consider each risk carefully, balancing both potential negative and positive consequences before landing on the degree of acceptable risk for each key risk. Risk appetite for each risk is recorded in the risk register and reviewed quarterly.

Principal Risks

Lifelites' analysis of risk is comprehensive, identifying risks thematically including; strategy, governance, operations, finance, compliance, environmental and external areas. Upon identification and initial scoring, control measures are established to limit the likelihood and impact of each risk. Accounting for existing controls, risks are then recalculated and further controls identified where necessary.

At the time of signing this report, the Trustees identified the principle risks rated at high after existing controls and with details of further actions as follows:

Risk Details	Impact	Existing Controls	Further Action
Failure to capitalise on Lifelites 25th Anniversary	Lack of funding growth Failure to deliver strategy Reputational damage Loss of reserves without impact	Overall strategy in place Key objectives identified Comms and activity plans developed Roles, responsibilities and resources allocated PR consultant recruited Content plan finalised	Execute campaign comms plan to align L25, brand awareness, fundraising and business as usual activities
Trustees & staff burnout	Individuals not able to perform roles Lack of leadership Service delivery disruption Loss of key personnel	Leadership structure in place Committee structure to advise and support Wellbeing policy for staff Full staff team in now place Effective supervision & Performance Development Review processes	Trustee recruitment required FCC Chair succession planning

Risk Details	Impact	Existing Controls	Further Action
Inadequate use of fundraising database	Service disruption Funding relationships damaged Data protection breach Loss of data High expenditure to resolve Failure to capitalise on fundraising investment	Data migration completed Database configuration completed Initial training completed	More in-dept staff training Utilise automation features Adopt full utilisation of donor management modules, research and stewardship features
Lack of income diversity	Poor longer-term sustainability Reduced service impact Depleting reserves Long-term shutdown potential	Major fundraising development programme underway Monthly income projections High prioritisation on research, engagement and strewardship Brand awareness programme Digital fundraising development	Ongoing diversification strategy worked through Targetted high value fundraising programme underway Lottery product being explored Existing donor recognition programme





Fundraising Standards

Lifelites is a member of the Fundraising Regulator and operates its direct fundraising activities in accordance with the Chartered Institute of Fundraising Codes of Fundraising Practice, as follows:

- During the financial year pertaining to this report, no public fundraising activities were undertaken directly by Lifelites or its staff, including public collections, street face to face fundraising or telephone fundraising
- During the financial year pertaining to this report, neither the Charity nor any person acting on behalf of the Charity was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising
- No complaints were received by the Charity or any person acting on its behalf about the activities by the Charity or by a person on behalf of the Charity for the purposes of fundraising. In order to ensure that vulnerable people and other members of the public are protected from: a) unreasonable intrusion on a person's privacy, b) unreasonable or persistent approaches for the purposes of soliciting or otherwise procuring money or other property on behalf of the Charity, c) placing undue pressure on a person to give money or other property.
- All Lifelites staff have been trained on the latest data protection procedures.



Public Benefit

The Trustees of Lifelites have had due regard to guidance published by the Charity Commission on public benefit. The purpose of Lifelites is to provide assistive technology and related services for children and young people with life-limiting conditions across a range of hospice, education and community settings. As such, the Trustees are satisfied that the requirements of the public benefit test are being met.

Objectives and Activities

Lifelites is the **only charity** dedicated to providing assistive and sensory technology to children with life-limiting conditions.

Our technology breaks down the barriers that disability creates - giving children the chance to communicate, play, learn, and connect with the people they love. These are not luxuries - they are fundamental.

Within 2024/25 we partnered with 58 children's hospices and other care and education services across Britain and Ireland to deliver tailored packages of equipment, expert training, and four years of ongoing support - completely free of charge.



Empowering children, families and care teams

Our work creates impact on multiple levels:

- **For children**, it means the freedom to express themselves, explore the world, and experience joy.
- **For families**, it offers shared experiences and precious memories that may otherwise never happen.
- **For professionals and care teams**, it means confidence, efficiency, and tools that enhance care delivery.

Partners

Lifelites was established in 1999 as the Millennium Project for the Royal Masonic Trust for Girls and Boys (RMTGB). Lifelites continues to work in partnership with the Masonic Charitable Foundation (MCF, the Freemasons' Charity) at Freemasons' Hall.

The MCF also nominates up to one third of Lifelites' trustees, which helps to strengthen the partnership and maintain effective relationships across Freemasonry.

In addition, Lifelites has a long-standing strategic partnership with the Worshipful Company of Information Technologists (WCIT), who were one of the architects of the Lifelites project and continue to provide both funding and advice.



The Charity is a proud member of Together for Short Lives and through our service delivery model is privileged to partner children's palliative care services across Britain and Ireland, including every children's hospice service.

In addition to these strong historic partnerships, Lifelites is grateful for the support of numerous trusts, foundations, companies and individual supporters who invest in our important work bringing fun, happiness and connection for children and families across the country.

Volunteers

Fundraising

Volunteers (individuals and groups) and Trustees play important roles in fundraising and other essential support. Volunteers actively support fundraising activities and serve on the Fundraising and Communications Committee, which supports staff to set Lifelites' fundraising strategy and communications plan.

Technical advice and support

The Charity benefits from support from volunteers serving on the Charitable Projects Committee, who provide specialist advice and support on new technology and enhance our understanding of the evolving world of children's palliative care.

Financial Summary

Moving into the second year of the 2023-30 Strategy, the Charity showed progress against the longer-term income diversification and sustainability plans. However, the climate for fundraising continued to be challenging and investments into Lifelites strategic objectives resulted in a deficit for the year, which was planned but larger than expected.

During the 12 months to 31 March 2025, donations and legacies amounted to £444k (2023/24 £384k), a increase of 16%, which demonstrates progress against the wider plan. Investments generated income of £92k (2023/24 £108k) and investment gains of £24k (2023/24 gains £524k). Larger gains were forecast but the volatile global economic climate at the end of March significantly reduced these projected gains.

Donations made to Lifelites during this period included support for installations at specific sites, palliative care staff training, project management and the technical support of all its projects.

The cost of all the projects including equipment, training and installation and maintenance work carried out by Lifelites during this 12 month period was £847k (2023/24 £608k). Expenditure on the cost of generating income was £314k (2023/24 £185k) and the investment management costs were £20k (2023/24 £20k).

As at 31 March 2025, there was an operational loss of £645k but gains on investments of £24k reduced the net movement of funds to £621k leaving residual funds to the value of £4,137k (31 Mar 2025 £4,758k).

The planned investment in sustainability through increased brand awareness and income diversification is expected to continue for the next two to three years, during which time the Charity intends to utilise some reserves to establish long-term sustainable sources of income from corporate partnerships, events, philanthropy and individual giving.

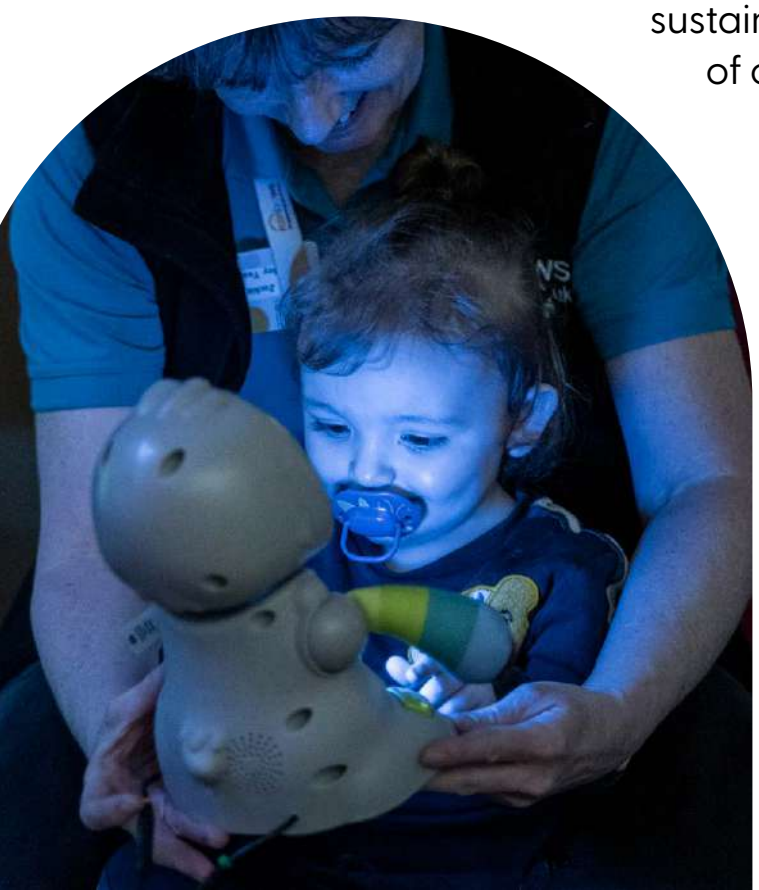
Staff Pay and Remuneration

The pay of charity staff and key management personal is reviewed annually and any changes suggested are discussed and approved by the Trustees. Lifelites Performance and Remuneration Policy seeks to benchmark pay competitively within the sector whilst also rewarding staff performance.

Reserves Policy

When Lifelites was established as a separate charity in 2006, the Royal Masonic Trust for Girls and Boys made a donation to Lifelites comprising the residue of the fund created when Lifelites was set up as their Millennium project. At the time of this gift, the funds were treated like an endowment and invested to generate income to support the costs of developing sustainable sources of income. This approach served the charity well for many years, whilst the organisation established its services and fundraising activities.

With the launch of our new strategy, the Trustees have re-considered the purposes for which the Charity needs to hold reserves. They believe that the reserves should be clearly structured to cover the financial impact of risks to which the Charity is exposed, provide sufficient funds to safeguard against the volatility of key income streams, to honour the Charity's short-term commitments to its partners, to invest in income sustainability and to deliver the key objectives of our strategy.



To achieve this the Trustees are resolved to utilise the Charity's reserves more proactively over the period of the strategy. Accordingly, the Trustees have established a series of designated funds to meet both short and longer-term strategic objectives. In addition, the Trustees understand their obligations towards restricted funds.

As a result of the planned use of designated funds as detailed below, it is anticipated that Lifelites' overall reserves will decrease year on year as programmes are delivered and it is expected that transfers between designated funds will occur as the plan progresses.

Restricted funds

Lifelites generates income from supporters who wish to restrict funding to specific elements of Lifelites' work, be that geographical or service specific. Lifelites honours these restrictions and holds restricted funds from a number of funders until such time as they can be utilised in accordance their wishes.

Designated funds

Financial Impact of Risk

Lifelites has established a designated reserve connected directly to the Charity's Risk Management Policy and Risk Register to ring-fence funds to enable to Charity to respond effectively to risk events. Projections are based on the assessment of key risks and their likely financial impact. The purpose of this designated reserve is to respond to risk events and to ensure that there is no significant disruption to our charitable activities.

Service Continuity

The Trustees have designated a fund to honour and protect its moral commitment to its service partners due for installation of new technology within the next 12 months in the event of significant down turn in income generation activities. This will include the cost of equipment, procurement, installation, training and scaled down administration.

Sustainability

Diversifying income and increasing brand awareness are key priorities within Lifelites strategy. The Trustees have established a designated fund to invest in brand awareness growth and long-term income diversification, relationship management and sustainability over the duration of the strategy.

Lifelites 25

The Trustees have designated funds to act as a catalyst for our strategic ambitions spanning our 25th anniversary, by investing in activities to improve the quality of services delivered through technology and increase access to assistive technology across children's palliative care. Funding will be utilised and invested in carefully identified projects from April 2025 to March 2030.

Free Reserves / Unrestricted Funds

The Trustees have reviewed the need to set acceptable levels for free reserves, which ensure that the Charity holds sufficient working capital to safeguard against unforeseen risks and short-term income volatility in addition to providing the agility to take advantage of unforeseen opportunities as well as those planned. After taking into account the proactive and planned use of reserves through designated funds, the Trustees have resolved that the Charity's free reserves should have a target range of no less than six months and no more than 12 months of its business as usual operational costs. Included within the free reserves will be the calculation for shutdown costs, which, in the event it was necessary, to ensure the safe and compliant shutdown of the organisation.

The Trustees will monitor reserve levels periodically and take remedial action where necessary to ensure levels comply with the policy.

In accordance with the policy, the Trustees have structured the Charity's reserves into defined funds, as follows:

	£,000
Total funds held at 31 March 2025	**4,137**
Restricted funds	
Restricted funds	174
Endowment – The Ted Gostling Fund	172
Designated funds	
Financial Impact of Risk	385
Service Continuity	520
Sustainability	358
Lifelites 25	1,843
Unrestricted funds	
Total free reserves	685

Investment Policy and Performance



Lifelites in its close working relationship with the MCF is a participating member of MCF group's global investment strategy which seeks to protect the capital value of investments that are required to fund operations for a two-year time horizon (the "Cash Reserve") and to invest all remaining funds for long term growth, on a total return basis, with an overall objective of making a return of CPI plus 4.5% net of all expenses.

The Cash Reserve is provided by Royal London Asset Management and utilises three of their funds, which provide a mix of instruments, including cash instruments, Treasury Bills, covered (secured) bonds, corporate bonds, Supranationals and mortgage-backed securities. The performance objectives of the three funds are:

Short Term Money Market Fund:	SONIA
Short Term Fixed Income Fund:	SONIA plus 0.50% gross of fees
Short Term Fixed Income Enhanced Plus Fund:	SONIA plus 1.00% gross of fees

The launch of the Masonic Charitable Foundation Investment Fund CAIF took place on 1st October 2018. This is a unit trust with a highly efficient tax wrapper in which the Charity and several of its subsidiary charities own their shares in the form of units. Lifelites units will be sold as required in order to top up the Cash Reserve on a quarterly basis. The investment strategy is directed for "Steady Growth", which is a medium-high risk strategy. Risk is managed through diversification, with the funds split between four different fund managers operating on multi asset mandates but utilising differing investment management styles. The overall fund manager is Thesis Unit Trust Management Limited, and the custodian is Northern Trust.



The Lifelites Trustees regularly reviewed Lifelites' investments and fund manager performance throughout the year, and are satisfied that investment risks are being managed in such a manner as to protect the future of Lifelites charitable activities.

The income generated from Lifelites' investment portfolio is ring-fenced to the cost of generating income, which helps to maximise the impact of donations.

The strategic and actual asset allocations as at 31st March 2025 are shown in the following table:

Asset Class	Strategic Allocation	Benchmark	Actual 31st March 2025
Cash	0.00%	SONIA	4.78%
Fixed Income	7.50%	FTSE UK World Gov. Bond Index GBP	5.92%
International Equity	54.50%	MSCI World ex UK NR GBP	65.47%
U.K. Equity	18.00%	MSCI UK Equity NR GBP	12.79%
Emerging Market Equity	12.50%	MSCI Emerging Markets Equity NR GBP	3.42%
Alternative Investments	3.75%	HFRX Global Hedge Fund GBP	6.73%
Property	3.75%	IA UK Direct Property TR	0.89%
	100.00%		100.00%

In order to balance property exposure across the MCF investment group, one participating member also made direct investments into the CCLA property fund which Lifelites at this stage is content to not have exposure to.

Performance under the new arrangements is shown in the following table:

	MCF CAIF	RLAM Money Market	RLAM Short Term Fixed Income	RLAM Short Term Fixed Income Enhanced
Fund at 31st March 2025	£3,867k	£42k	£43k	£32k
Investment approach	Steady Growth Multi-Asset	Capital Protection	Capital Protection	Capital Protection
Benchmark	Composite	SONIA	SONIA	SONIA
Peer Group	ARC Charity GBP Steady Growth	None	None	None
Return for the year	3.80%	5.23%	5.54%	5.81%
Benchmark return for year	5.50%	4.90%	4.90%	4.90%
Peer group return for year	3.00%	4.40%	4.40%	4.40%
3-year return	18.40%	13.45%	14.10%	14.09%
3-year benchmark	19.80%	12.57%	12.57%	12.57%
3-year peer group	8.10%	2.90%	2.90%	2.90%

Stock markets suffered a collapse in the final month of the financial year following the imposition of tariffs by the USA, resulting in an increase in the valuation of the MCF CAIF from its opening value of £146.47 to close at £149.99 per unit after reaching a high point of £161.77 in early February.

Trustees Responsibilities

The Trustees are responsible for preparing the report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to Trustees in England and Wales requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- Observe the methods and principles in the Charities' SORP 2019 (FRS102)
- Select suitable accounting standards and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departure disclosed and explained in the financial statements
- Prepare the financial statements 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 which disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure that the financial statements of the Charity comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.





Disclosure of information to auditors

So far as each trustee at the date of approval of this report is aware:

i. There is no relevant audit information of which the Charity's auditors are unaware;

i. And the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The report was approved and signed on behalf of the Trustees by:

Signed _____ 10 September 2025

Tony Harvey, Chair



Independent Auditors' Report to the Trustees of Lifelites

Opinion

We have audited the financial statements of Lifelites (the 'charity') for the year ended 31 March 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the Trustees Report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees



As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of noncompliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Statement of Recommended Practice.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including payroll expenditure; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation; and
- Corroboration of investment valuation with third party reports, and inspection of controls report on investment manager.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Chartered Accountants, Statutory Auditor
9 Donnington Park, 85 Birdham Road
Chichester, West Sussex, PO20 7AJ

Signed: _____

Date: 22 September 2025

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.



Statement of financial activity

YEAR ENDED 31 MARCH 2025

(Including an Income and Expenditure Account)

	Note	Unrestricted funds	Restricted funds	The Ted Gosling funds	Total funds	Total funds
		2025	2025	2025	2025	2024
		£'000	£'000	£'000	£'000	£'000
INCOME						
Donations		255	184	0	439	384
Legacies		5	0	0	5	0
Investment income	2	88	0	4	92	108
Total income		**348**	**184**	**4**	**536**	**492**
EXPENDITURE						
Cost of generating funds	3	(314)	0	0	(314)	(185)
Investment management costs		(19)	0	(1)	(20)	(20)
		(333)	**0**	**(1)**	**(334)**	**(205)**
Charitable activities	4	(540)	(278)	(29)	(847)	(608)
Total expenditure		**(873)**	**(278)**	**(30)**	**(1,181)**	**(813)**
Net gains/(losses) on investments	7	22	0	2	24	524
NET MOVEMENT IN FUNDS		**(503)**	**(94)**	**(24)**	**(621)**	**203**
Total funds brought forward		4,294	268	196	4,758	4,555
Total funds carried forward		**3,791**	**174**	**172**	**4,137**	**4,758**

All income and expenditure derive from continuing activities and all gains/losses are included in the statement of financial activities

The notes on pages 53 to 64 form part of these financial statements.

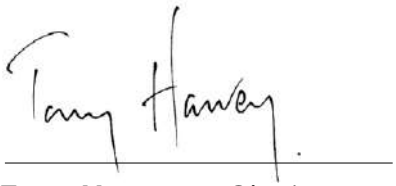
The prior year figures are analysed by fund in note 12 on page 64.

Balance sheet

YEAR ENDED 31 MARCH 2025

	Note	2025 £'000	2024 £'000
FIXED ASSETS			
Intangible asset	6	94	67
Tangible asset	6	4	28
Investments	7	3,867	4,230
		3,965	**4,325**
CURRENT ASSETS			
Debtors	8	55	143
Investments	7	117	111
Cash at bank and in hand		87	248
		259	**502**
CURRENT LIABILITIES			
Creditors falling due within one year	9	(87)	(69)
NET CURRENT ASSETS		172	433
Total net assets		4,137	4,758
		4,137	**4,758**
CHARITABLE FUNDS			
Restricted income funds	10, 11	174	268
The Ted Gosling Fund	10, 11	172	196
Unrestricted funds			
Designated reserves	10, 11	1,263	1,624
Designated reserves 25 Anniversary	10, 11	1,843	2,000
General reserves	10, 11	685	670
Total charitable funds		**4,137**	**4,758**

The financial statements were approved and authorised for issue by the Trustee Board on 10 September 2025 and signed on their behalf by:



Tony Harvey - Chair



Tim Sherwood - Treasurer

The notes on pages 53 to 64 form part of these financial statements.

Cash flow statement

YEAR ENDED 31 MARCH 2025

		2025 £'000	2024 £'000
Operating Activities			
Net cash provided by/(used in) Operating Activities	A	(684)	(506)
Cash flows from investing activities			
Dividends, interest and rents from investments		92	108
Purchase of intangible fixed assets		(34)	(46)
Purchase of tangible fixed assets		0	(5)
Disposal of intangible fixed assets		15	0
Proceeds from the sale of investments		450	570
Purchase of investments		0	0
Net cash provided by/(used in) Investing Activities		**523**	**627**
Change in cash and cash equivalents in the reporting period		(161)	121
Cash and cash equivalents at the beginning of the reporting period		248	127
Cash and cash equivalents at the end of the reporting period	B	**87**	**248**

Notes on the cash flow statement

A Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net movement in funds as per the Statement of Financial Activities	(621)	203
Adjustments for:		
Depreciation charges	16	14
Dividends, interest and rents from investments	(92)	(108)
Movements in investments	(93)	(609)
(Increase)/decrease in debtors	88	(7)
Increase/(decrease) in creditors	18	1
Net cash provided by/(used in) Operating Activities	**(684)**	**(506)**

B Analysis of cash and cash equivalents

Cash held by investment managers	0	0
Cash at bank and in hand	87	248
Total cash and cash equivalents	**87**	**248**

Notes to the financial statements

YEAR ENDED 31 MARCH 2025

1 ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of Lifelites (the "Charity") have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). Additionally, they comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in 2015 (the "SORP") in all material respects. The Charity meets the definition of a public benefit entity under FRS 102.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments, on a basis consistent with previous years. The functional currency of the Charity is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Charity operates.

(c) Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due and have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Trustees' responsibilities.

(d) Incoming resources

Revenue is recognised when the significant risks and rewards of ownership have been transferred, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Charity and when the specific criteria relating to each of the Charity's revenue channels have been met, as described below:

i. Monetary donations are brought into account when received.
ii. Legacies are recognised where there has been a grant of probate, the executors have identified that there are sufficient assets in the estate after settlement of liabilities to pay the legacy and any conditions attached to the legacy are either in control of the Charity or have been met. Legacies subject to the interest of a life tenant are not recognised during the lifetime of the life tenant.
iii. Dividends are recognised from the ex-dividend date when they become receivable.

(e) Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of any obligation can be measured reliably. All resources expended are recognised on an accruals basis, with the exception of grants as noted below.

Expenditure on generating funds includes costs of fundraising and maintenance of donor records, together with the management of the investment portfolios. These costs include the allocation of support costs relating to these activities, as detailed in note 3.

Grants are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated in writing to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award. Support costs are allocated to these activities as laid out in note 4.

(f) Fund accounting

Unrestricted funds may be utilised for any purpose in accordance with the charitable objectives of the Charity. Restricted funds represent donations given to support the costs of donations of equipment, hospice staff training, project management, installation and maintenance of equipment for specific children's hospice services. Each Lifelites package is budgeted for on a four year basis in order to ensure maintenance of the equipment in good working order, provide regular training for hospice staff, and cover any regular subscription costs. The designated funds currently held are to cover this pledge and ensure the commitment over the four year cycle of each project can be met.

(g) Intangible fixed assets

Intangible fixed assets, consisting of Corporate Rebranding and Computer Software, held by Lifelites are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Intangible fixed assets are subject to review for impairment when there is an indication of a reduction in their carrying value. They are reviewed annually and any impairment is recognised in the year in which it occurs. Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on the following bases.

Computers software is depreciated using the straight-line method to allocate the cost of each asset less its residual value over its estimated useful life of four years.

Corporate Rebranding is depreciated using the straight-line method to allocate the cost of each asset less its residual value over its useful life, estimated at 10 years.

Assets in the course of construction are not depreciated until available for use.

(h) Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on the following bases.

Computers, equipment and furniture are depreciated using the straight-line method to allocate the cost of each asset less its residual value over its estimated useful life of four years.

(i) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are stated at market value. All realised and unrealised gains and losses are recognised within the Statement of Financial Activities. Investments which the Charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year, which are held for investment purposes, are disclosed as current asset investments.

(j) Financial assets and liabilities

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities which qualify as basic financial instruments are initially recognised at the settlement amount after any trade discounts. They are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Where settlement is not expected within 12 months of the balance sheet date, then the asset or liability is discounted using the long term return of inflation plus 4 percent used as the target for the Charity's investment portfolio. Basic financial instruments include debtors, cash and creditors within the balance sheet.

(k) Foreign currencies

Transactions denominated in foreign currencies are translated into Pounds Sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

(l) Taxation

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and it is considered to pass the test set out in paragraph 1, schedule 6 of the Finance Act 2010, and therefore it meets the definition of a charity for UK Corporation Tax purposes. The Charity is unable to recover Valued Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

	Unrestricted funds	Restricted funds	Endow-ment funds	Total funds	Total funds
	2025	2025	2025	2025	2024
	£'000	£'000	£'000	£'000	£'000

2 INVESTMENT INCOME

Interest on bank deposits	3	0	0	3	3
Income from investment portfolios	85	0	4	89	105
	88	**0**	**4**	**92**	**108**

3 COST OF GENERATING FUNDS

Salaries, NI and pension contributions	184	0	0	184	115
IT, printing, stationery and advertising	78	0	0	78	65
Travel expenses	2	0	0	2	1
Professional Fees	49	0	0	49	4
Staff training, conferences, subscriptions & staff costs	1	0	0	1	0
	314	**0**	**0**	**314**	**185**

4 CHARITABLE ACTIVITIES

Supply of equipment and technologies for use by beneficiaries	**171**	**271**	**29**	**471**	**349**
Service support and training:					
Salaries, NI and pension contributions	238	7	0	245	200
IT, printing, stationery, postage and telephone	27	0	0	27	7
Travel expenses	17	0	0	17	16
Publicity	36	0	0	36	0
Professional fees	17	0	0	17	11
Staff training, conferences, subscriptions & staff costs	20	0	0	20	9
Sundry expenses	4	0	0	4	8
Audit fee	10	0	0	10	8
	369	7	0	376	259
	540	**278**	**29**	**847**	**608**

	2025	2024
	£'000	£'000

5 STAFF COSTS

Wages and salaries	361	267
Social security costs	33	23
Pension contributions	35	25
	429	**315**

AVERAGE NUMBER OF STAFF

Generating funds	5	3
Charitable activities	4	4
	9	**7**

STAFF EARNING MORE THAN £60,000 (INC. BENEFITS)

£70,001 to £80,000	1	1
Total	**1**	**1**

Senior management remuneration paid for the year totalled £90k (2024: £85k). No trustees received remuneration during the year (2024: £Nil). Trustees received payment for travel and subsistence expenses during the year totalled £2k (2024: £1k).

6 INTANGIBLE AND TANGIBLE FIXED ASSETS

	Branding & Computer Software	Computers, Equipment & Furniture	Total
	£'000	£'000	£'000
Cost			
Balance at 31 March 2024	70	49	119
Additions	34	0	34
Disposals	0	(33)	(33)
Balance at 31 March 2025	**104**	**16**	**120**
Amortisation / Depreciation			
Balance at 31 March 2024	3	21	24
Charge for the year	7	9	16
Disposals	0	(18)	(18)
Balance at 31 March 2025	**10**	**12**	**22**
Net book value			
At 31 March 2025	94	4	98
At 31 March 2024	67	28	95

	2025	2024
	£'000	£'000

7 INVESTMENTS

Fixed Asset Investments:		
- Managed Funds		
MCF CAIF	3,867	4,230
	3,867	**4,230**
Current Asset Investments		
- RLAM	117	111
	117	111
	3,984	**4,341**

MOVEMENTS IN INVESTMENTS

Listed		
Balance at 1 April 2024	4,341	4,302
Additions	0	0
Disposals	(450)	(570)
Investment income reinvested	89	105
Management fees charged to the fund	(20)	(20)
Gains/(losses)	24	524
Balance at 31 March 2025	**3,984**	**4,341**

RECONCILIATION TO SOFA

Gains/(losses) on listed investments	24	524
	24	**524**

8 DEBTORS

Prepayments and accrued income	55	143
	55	**143**

9 CREDITORS

Falling due within one year

Amounts owed to MCF	45	31
Accruals and deferred income	28	14
Taxation and social security	10	8
Other creditors	4	16
Balance at 31 March 2025	**87**	**69**

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets	Investments	Money Market Deposits	Current Assets	Current Liabilities	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS AND LIABILITIES						
Restricted funds	0	0	87	87	0	174
Endowment funds The Ted Gosling Fund	0	172	0	0	0	172
Unrestricted funds						
Designated reserves	0	1,263	0	0	0	1,263
Designated reserves 25 Anniversary	0	1,843	0	0	0	1,843
General reserves	98	589	0	85	(87)	685
Total funds	**98**	**3,867**	**87**	**172**	**(87)**	**4,137**

11 MOVEMENT IN FUNDS

The financial summary of the funds is set out below, together with an analysis of the restricted funds. Some restricted donations are given to cover costs at a site over a four-year period and so are not spent in the year they are given; these are shown as restricted. There are 59 different restricted funds, and each is individually immaterial and as such they are combined in the disclosure that follows. Designated funds are amounts already committed to multi-year projects as explained on pages 35 to 37 of the Trustees Report. The Trustees monitor reserve levels periodically and take remedial action where necessary to ensure levels comply with the policy. As part of this policy £419k was transferred from designated reserves to unrestricted general reserves to reflect changes to expected expenditure from the designated reserves.

	Balance 31 March 2024	Income	Expenditure	Gains/ (losses)	Transfers	Balance 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Funds	268	184	278	0	0	174
The Ted Gosling Fund	196	4	30	2	0	172
Unrestricted funds:						
General reserves	670	348	774	22	419	685
Designated reserves – 25 Anniversary	2,000	0	57	0	(100)	1,843
Designated reserves – Hopsice Support	1,624	0	42	0	(319)	1,263
Total funds	**4,758**	**536**	**1,181**	**24**	**0**	**4,137**

12 STATEMENT OF FINANCIAL ACTIVITIES

(Including an Income and Expenditure Account)

PERIOD ENDED 31 MARCH 2024	Note	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Endowment funds 2024 £'000	Total funds 2024 £'000
INCOME					
Donations		258	126	0	384
Legacies		0	0	0	0
Investment income	2	103	0	5	108
Total income		**361**	**126**	**5**	**492**
EXPENDITURE					
Cost of generating funds	3	(185)	0	0	(185)
Investment management costs		(19)	0	(1)	(20)
		(204)	**0**	**(1)**	**(204)**
Charitable activities	4	(444)	(136)	(28)	(608)
Total expenditure		**(648)**	**(136)**	**(29)**	**(813)**
Net gains/(losses) on investments	7	497	0	27	524
NET MOVEMENT IN FUNDS		**210**	**(10)**	**3**	**203**
Total funds brought forward		4,084	278	193	4,555
Total funds carried forward		**4,294**	**268**	**196**	**4,758**

13 PENSION COMMITMENTS

The Charity makes contributions to a defined contribution pension scheme for the benefit of nine employees. The pension cost charge represents contributions payable by the Charity of £35k (2024/25: £25k)

14 RELATED PARTY TRANSACTIONS

Financial services, Human Resources and office facilities are provided by the Masonic Charitable Foundation at a full year cost of £54k per annum (2023/24 £0k)

Donations of £3k were received directly from trustees (2023/24: £4k). These donations had no conditions attached to them.

A balance of £45k (2023/24: £31k) was due to MCF at year end.



Lifelites

Lifelites

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London, WC2B 5AZ

info@lifelites.org · 0207 440 4200

together for short lives

Registered with FUNDRAISING REGULATOR

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Charity No: 1165791

LIFELITES

England & Wales - Charity number 1165791

Accounts

Lifelites

Strategic Impact Report

(inc. Trustees Report & Financial Statements)

For the year ended 31 March 2024



Charity No: 1165791



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Strategic Impact Report

Welcome

At Lifelites we passionately believe that all children with life-limiting conditions and complex disabilities should enjoy a childhood filled with special moments of fun, learning, happiness, and meaningful connection.

Since 1999, we have provided cutting-edge technology, training, and ongoing technical support free of charge to children's hospices and palliative care services in Britain and Ireland. Over this time, thanks to our unique services, around 10,000 children each year have been able to access the joy that this life-changing technology brings. We know first-hand that these priceless moments not only brighten the lives of the children but also bring immense joy to their families.

The children's palliative care sector is changing at pace. With advances in clinical care, more children and young people in the UK are living with life-limiting and life-threatening conditions. The services they are accessing and the settings in which they are receiving support are also evolving. Today, an estimated 99,000 children are navigating these challenges, often with increasingly complex needs. Most are supported beyond hospice services in hospitals, community settings or at home.

In April, we launched our ambitious new strategy, at the heart of which is our Vision that **every** child with a life-limiting condition will be able to engage and interact with the people they love and enjoy the world they live in.

To turn this vision into reality, we have reimagined our service model, forming exciting new partnerships across the wider children's palliative care sector. This has included an exciting new collaboration with Sebastian's Action Trust, a short breaks, outreach and family support service, extending our reach to another 1,000 seriously ill children and young people. Based on this experience, we are now developing further partnerships.

Over the last 12 months, this expansion has given access to the latest assistive and sensory technology for 13,710 children but this is just the start.

In order to increase our reach and performance over the longer-term, we have been laying the fundamental foundations to ensure that we can deliver our strategy safely, sustainably and to the highest quality.

As we drive forward, we are determined to bring life-changing technology to more children through innovative, impactful partnerships with respite centres, specialist care facilities, and special educational needs services across Britain and Ireland.

Central to this will be our transformational Lifelites 25 programme, which will be the epicentre of our 25th anniversary celebrations. You can read more about Lifelites 25 later in this report but we are planning a once in a generation investment into children's palliative care, to extend our reach far beyond our current achievement and closer to the 99,000.





The last year has been a journey of discovery and we would like to thank all of our key partners and stakeholders for their advice, encouragement and support, which has enabled us to think bigger and initiate such ambitious plans for the future. We are particularly grateful to our partners in Freemasonry whose ongoing support is integral to our aspirations. We are proud of the progress we have made in the last year but we are under no illusions there is still much work to be done.

And we know that partnerships both large and small, formal and informal will be integral to achieving outcomes for children and their families. As we seek to accelerate through our strategy, your support is more crucial than ever.

While reading this report, please think about how you can help us achieve our Vision. Can you spread awareness of our work within your network? Can you volunteer your time to help us raise funds? Can you contribute more today or consider leaving a legacy for the future?

Whatever you choose to do, we greatly appreciate your past and future support for Lifelites, and we look forward to strengthening our relationship in the coming year and beyond.



Tony Harvey
Chair of Trustees



Rob Lightfoot
Chief Executive

Vision, Mission & Values

VISION

We believe every child with a life-limiting condition, should be able to engage and interact with the people they love and enjoy the world they live in.

MISSION

We harness innovative technology to empower all children and young people with life-limiting conditions, along with their families, to experience unforgettable moments of connection and joy.

VALUES

Dynamic

We constantly evolve to respond to the changing needs of children, families and partners, adapting our approach and using our expertise to maximise our impact.

Inclusive

We look beyond the traditional, obvious and familiar to remove barriers that prevent children and families from connecting, playing and expressing themselves. We partner with and recruit people based on their merits and alignment to our goals.

Collaborative

We bring together and collaborate with diverse people and organisations that share a common passion for our Vision, believing that combining resources improves outcomes for all.

Empowering

We believe everyone has an innate desire to play, create and communicate. We empower children, their families, our partners and our team to discover and reach their full potential.

Innovative

We seek new ways to achieve our Vision, serve children in need and their families, develop our team and build our relationships with our partners.

2023/24 at glance

14 packages of new technology.

57 children's palliative care partners across Britain and Ireland.

195 children's palliative care staff trained.

2,084 hours worth of training delivered.

13,710 children and young people accessing support.

10,638 miles travelled to deliver installations and training.

£608,000 worth of new equipment, training and technical support.

Quality

Central to our strategy is the ambition to deliver the highest quality services providing maximum impact for our service partners, children and their families.

Our unique services enable children to play, create and communicate, contributing to measurable improvements in their wellbeing. 2023/24 partner monitoring data highlights:



Improvement in emotional wellbeing

100% noted enhanced emotional wellbeing, with our technology alleviating stress and boosting happiness.

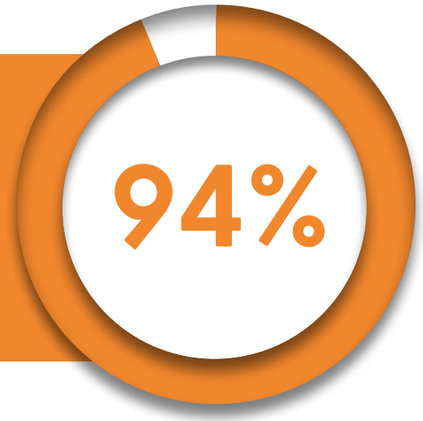
Reduction in social isolation

96% of partners reported that our services significantly reduce social isolation, helping families stay connected.



Enhancement of communication

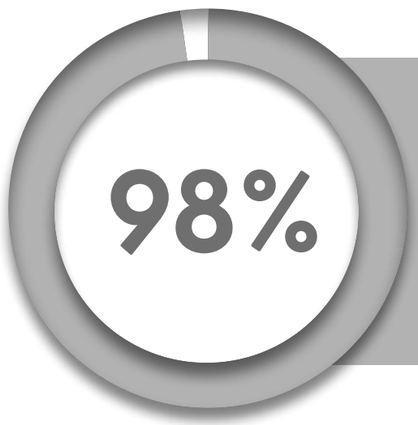
94% reported improved communication, particularly enabling non-verbal children to express themselves.





Increased independence

98% observed increased independence in children, enabling them to engage more actively and take control.



More resilient families

98% saw strengthened family relationships and resilience.

Shay and Alan family story

Like many teenagers, Shay is an enthusiastic gamer. He loves to use the Lifelites technology when he visits his local hospice, where he can enjoy world's of excitement using special adaptive controls or get lost in the adventures of VR gaming.

Shay has Pearson syndrome, an incredibly rare mitochondrial disease that affects multiple body organs.

Shay's dad, Alan, explains the impact Lifelites has had on Shay:

"Gaming gives Shay an opportunity to connect with his peers and control something for himself. Video games have been fantastic. They keep him believing he is a normal kid; he would not be able to play football with friends, but he can play FIFA!

Gaming provides a shared interest and it lets him compete on the same level, even though he has a disability."

"Shay's condition has affected his memory, but when he's playing online with his friends, they're flowing, they're chatting away.

Shay doesn't know a lot about his condition, but he knows he's different from other children. This technology gets him away from it. He doesn't think about his feeding tube or his medicines as he plays."



Access

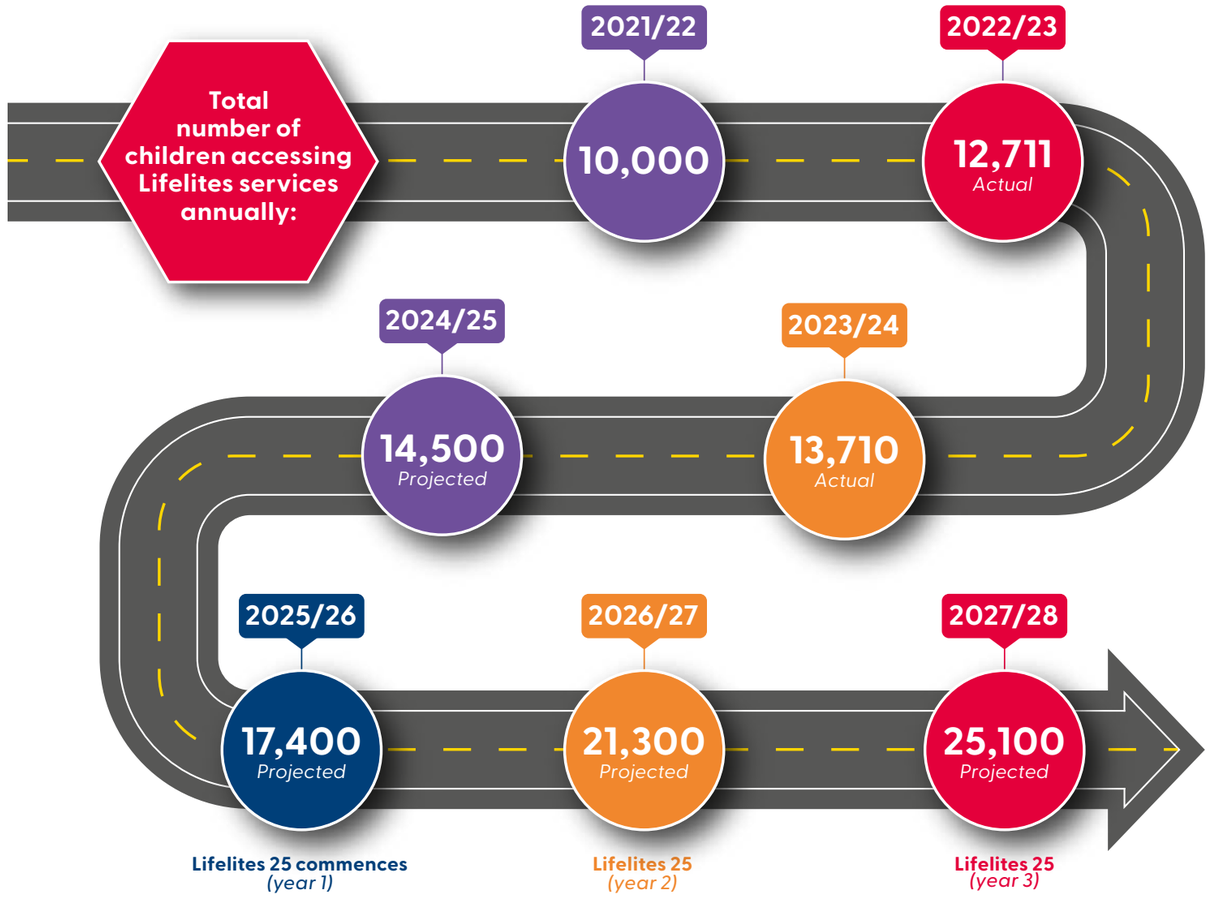
National charity, local impact





Lifelites has long had the aspiration to expand its reach, most recently developing the Tech Trunk to provide support for hospice at home and community services. We want to go much further by developing new partnerships with respite centres, specialist care services and special educational needs organisations across Britain and Ireland.

Over the last two years we have added new core service partners and identified many more with whom we would like to work in future. By evolving our service model, we aim to double the number of children accessing our services by 2028.



Beyond hospices

Creating memories in partnership with Sebastian's Action Trust

In December 2023, we proudly launched our newest partnership with the incredible Sebastian's Action Trust, which provides family breaks and holistic support services for families living in Hampshire, Berkshire and surrounding areas.

As we installed this brand new package of technology, we were honoured to meet Elliot and his mum, Marnie, as they tried out our assistive technology for the very first time.

Elliot is a happy, vibrant 7-year old boy who loves to dance and play. He was born with a rare and complex genetic condition called 8; 18 unbalanced translocation, which causes a variety of health issues.

Marnie says **"Elliot is a massive fighter. We've nearly lost him twice. He's on full-time oxygen, he's got a single kidney, his stomach doesn't work, he's had 12 surgeries, he's been intubated twice but he's still here and he's the healthiest he's ever been. He's the light of my life and I'm so lucky to wake up to him every day!"**



Elliot is full of life, Marnie says if things were different she thinks he'd be a ballet dancer because he loves music.

We let Elliot loose on our equipment while we chatted to Marnie.

"We've had support from Sebastian's Action Trust since Elliot was four months old. They've been there for us through the good, the bad and the ugly."

"We come here for so many different activities, therapies and support. We don't know how long we've got with Elliot but it's so important for us to know that when the time comes that we lose him, he's got some amazing memories of doing all the things that he loves."

We moved back through to see how Elliot was getting on. We found him playing with the Cosmo, a unique sensory switch system, which re-imagines physical therapy and play and helps to improve both cogitation and physical mobility.

"He is loving being in control" says Marnie, "a lot of our children can't communicate, but with technology like this, it's led by him. They can show us what they want and what they like. For example, different colour switches. We can see which switch he navigates to and we can see what his favourite colour is and stuff like that."

For Marnie enabling Elliot to express himself and let his bubbly personality come to the fore is vital for his development.

"He loves people, he's very social. He is just your typical seven year old, but he just can't express it the way most seven year olds do.

He's been out here for half an hour now, quite happily, independently playing, which is so, so important for our children because so much of the time they're vulnerable and need protecting.

So when they can do an activity independently, it's so important for their mental health and their development that they can express who they are."

The power of partnerships

The power of partnerships in children's palliative care

At Lifelites, we believe in the transformative power of technology and collaboration. Our partnerships with children's palliative care services like Naomi House and Jacksplace are at the heart of our mission. This case study highlights the impact of our work through the experiences of two dedicated Lifelites Champions, Claire Potterton and Claire Floyd, whose passion and commitment have significantly enhanced the lives of children and young adults in their care.

Meet the Champions

Claire Potterton has been a part of the Naomi House and Jacksplace team for two years, serving as the Play and Activities Team Lead. Her role involves creating meaningful and memorable experiences for children, young adults, and their families, often in challenging circumstances. Claire emphasises the privilege she feels in making a difference, providing spaces where families can connect, laugh, cry, and create lasting memories together.



Claire Floyd brings nearly 20 years of experience to her role as an Activities Team Youth Worker. With a deep commitment to helping young adults achieve greater independence, Claire has been a Lifelites Champion since 2005. Her long-standing involvement with Lifelites reflects her dedication to empowering young people through technology, even as they face the most difficult times in their lives.

The impact of Lifelites technology



Both Champions have seen first-hand how Lifelites technology can transform the experiences of the children and young adults they support.

For Claire Potterton, the PODS Sensory Tent is a stand out piece of technology. This versatile, inflatable tent allows her team to create immersive, sensory-rich environments tailored to the needs of the children. It's used daily for calming sessions, one-on-one activities, and sensory stories, making it an indispensable in their care toolkit. The Eyegaze technology is another critical asset, offering children a new way to communicate and interact with their surroundings. Claire has witnessed how these tools open up opportunities not only within Naomi House but also in the children's broader lives.

Claire Floyd, on the other hand, highlights the Click-on Switch technology. This device allows children with limited mobility to operate everyday items like fans and food mixers, fostering a sense of independence that might otherwise be out of reach. Claire recounts the joy of seeing children engage with these tools, gaining confidence and control over their environment.

The impact of Lifelites technology extends beyond the immediate sensory and communication benefits. For many families, it provides hope and reassurance. Claire Floyd shares a touching story of how Lifelites technology helped a non-verbal child communicate with his family for the first time. The simple yet profound moment of a child saying "Hi Nanny" through an app provided by Lifelites brought tears of joy to the family, demonstrating the profound difference that access to the right technology can make.

Stronger together

These stories underscore the broader outcomes of the partnership between Lifelites and Naomi House and Jacksplace. By providing cutting-edge technology and training, Lifelites empowers care teams to deliver more personalised and impactful support to the children and young adults they serve. The result is a more enriched, engaged, and empowered community, where children can explore their potential and families can find moments of connection and joy amidst challenging circumstances.

The partnership between Lifelites and Naomi House and Jacksplace exemplifies the power of collaboration in children's palliative care. Through the dedication of Lifelites Champions like Claire Potterton and Claire Floyd, technology becomes more than just a tool—it becomes a lifeline, a source of joy, and a gateway to independence. Together, we are making a tangible difference in the lives of children and their families, showing that with passion, innovation, and teamwork, we can achieve extraordinary outcomes.



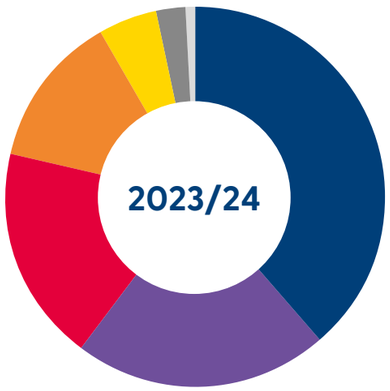
Strategy enablers

Income

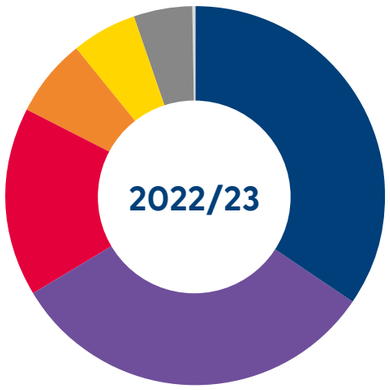
Fundraising in the year was challenging and we are extremely grateful for all those funders and individuals who chose to support Lifelites during such difficult economic circumstances. Overall, our income for the year was both down on our target and prior year performance. However, the figures in isolation do not tell the story of enormous progress as we have established a new fundraising strategy to diversify income and seek to improve recognition and retention with existing supporters.

In the year we were delighted to work with a number of new major funders, including Wooden Spoon, the Smurfit Kappa Foundation and VINCI Foundation, as well as receiving support from long-standing partners from Freemasonry, Childwick Trust, the Worshipful Company of Information Technologists and GamesAid.

Income source	2023/24
Charitable Trusts	190,000
Investment income	107,000
Community - Freemasonry	91,000
Corporate	64,000
Individual Giving	24,000
Gift-in-Kind	12,000
Events	4,000
Total	**492,000**



Income source	2022/23
Community - Freemasonry	226,000
Charitable Trusts	209,000
Investment income	106,000
Individual Giving	44,000
Corporate	37,000
Gift-in-Kind	32,000
Legacies	1,000
Total	**655,000**



Expenditure

During the year, despite the challenging fundraising climate the Charity honoured all its funding commitments to our children's palliative care partners. To ensure this level of continued investment, costs were held back elsewhere whilst attention focussed on ensuring internal building blocks for good governance, fundraising development and service expansion aspirations were developed thoroughly.

Expenditure Source	2023/24	2022/23
Equipment, installation and technical support	349,000	364,000
Partner support and service management	259,000	211,000
Generating income	185,000	183,000
Investment management	20,000	21,000
Total	**813,00**	**779,000**

Targeting our resources where it matters most

At Lifelites, 75p of every £1 we spend goes directly towards delivering our charitable activities. This includes the cost of technology, specialist technical support, training, advice for partners, and project coordination. This high level of efficiency ensures that donations are used effectively to make the greatest impact on the lives of children with complex disabilities and their families.

Brand

Brand performance within the year held steady, with some positive increases in engagement on social media platforms. The new Lifelites branding and case for support gained traction with new audiences evidenced by new partnerships with trust and corporate partners. During the year we commissioned a comprehensive review of our website performance and identified a clear need to develop a new website, which will be launched in September 2024. We also laid a solid communications plan for our 25th anniversary celebrations, which we intend to use as a platform to transform awareness of our unique work.





Governance

Significant progress was made during the year in our ambition to align to the Charity Governance Code. A comprehensive self-assessment was undertaken in May 2023, which resulted in a thematic action plan addressing a wide range of improvements against each of the seven principles of the Code. At the end of the period, this action plan was almost complete and the Charity is due to complete a further self-assessment in July 2024 to review and identify further recommendations for implementation.

People

As part of the resourcing requirements for our new strategy, Lifelites recruited successfully to a new role within the Services department within the year. This role will drive quality and engagement with our partners across children's palliative care and provide an essential link between service delivery and communications. Elsewhere, we successfully recruited an experienced Head of Fundraising and Communications, who rapidly set about auditing all departmental operations and established robust long-term plans for improved brand awareness and income diversification.



Future plans

Celebrating Lifelites at 25

Our Strategic Plan 2023-28 is designed to centre on Lifelites 25th anniversary and it is intended to use this milestone as a catalyst to transform the organisation into a dynamic, influential provider of services across children's palliative care.

At the heart of these plans is Lifelites 25, our unique partnership programme, designed to significantly increase access to assistive technology for children with life-limiting conditions and to deliver transformational partnerships which will break new ground in the use of digital and technology services for children and families. Lifelites will identify 25 new projects over three years, both large and small as we seek to ensure that more children and young people with life-limiting conditions have the opportunity to experience unforgettable moments of connection and joy with their families.

The programmes will launch in Autumn 2024.

Sustainability

Increasing brand awareness and diversifying our income are key priorities within our strategy. In order to achieve our ambitions long-term, it will be fundamental for Lifelites to increase the scale and diversity of our funding. To this end, we will be seeking to develop corporate, philanthropy, legacy and individual giving programmes, which will be a significant focus in the coming year. In addition, we have already put improved donor recognition and retention plans in motion and intend to ensure that both new and existing supporters are engaged, motivated and bought into our journey. Much of this activity will pivot around Lifelites' 25th anniversary as a unique opportunity to celebrate our achievements, inspire and engage new and existing supporters.

This kind of long-term income growth and diversification will take both resources and time. Therefore, the Trustees have established a designated fund to invest in brand awareness growth and long-term income diversification, relationship management and sustainability over the duration of the strategy.



Trustees Annual Report

Report and Accounts of the Trustees of Lifelites for the year ended 31 March 2024

In accordance with statutory requirements and the Statement of Recommended Practice (2019), "Accounting and Reporting by Charities" (FRS102), the Trustees of Lifelites submit their report for the year ended 31 March 2023.

These financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Administrative Information

Name and registered office of the Charity

The name of the Charity is Lifelites and registered charity number is 1165791. The registered office is 60 Great Queen Street, London WC2B 5AZ.

Constitution

Charitable status was granted by the Charity Commission on 2 August 2006. The Charity became a CIO on 29 February 2016 with a change of charity number from 1115655 to 1165791.

Lifelites Trustees

NK Feldman *(Resigned 2023)*	
ADG Harvey, FLPI, FIoL, FCMI, FCIPD, FRSA	Chair of the Board of Trustees from 10 August 2023
CP Noon, MPhil, MA (Oxon.), MBA, FRSA *(Resigned 1 May 2024)*	
TJ Rennie, RGN/RSCN, MBA *(Appointed 16 October 2023)*	
L Shattock	
NS Springer *(Retired 28 February 2024)*	Treasurer
T Sherwood *(Appointed 13 March 2024)*	Treasurer
KV Stewart FBCS, CITP, FRSA	
D Strudley CBE, FRSA *(Resigned 22 June 2023)*	
HG Wilson	
M Woodcock, JP, DLitt, CIntMC	Chair of the Board of Trustees until 10 August 2023
S Umradia	

Lifelites Executive

RW Lightfoot	Chief Executive

Relevant addresses

Auditor: **Kreston Reeves LLP**
9 Donnington Park, 85 Birdham Road, Chichester, West Sussex PO20 7AJ

Bankers: **National Westminster Bank Plc**
Bloomsbury Parr's Branch, 214 High Holborn, London WC1V 7BX

Solicitors: **Stone King LLP**
16 St John's Lane, London EC1M 4BS

Structure, Governance & Management



Governing document

The constitution sets out the objectives of Lifelites, the powers of the Trustees, the manner of appointment, resignation and removal of Trustees, and the procedures and controls which govern the administration of the Charity.

Trustees

Trustees are appointed for a period of three years. The number of Trustees cannot be less than five or more than 13. Up to one third of the total number of Trustees are nominated by the Masonic Charitable Foundation (MCF). Each appointed trustee shall serve an initial term of three years, and shall be eligible to serve up to 3 consecutive terms, after which the appointed trustee must resign, and cannot be reappointed for a period of 12 months.

Induction and training of new Trustees

It is the policy of Lifelites to provide appropriate induction and training for new Trustees, including mandatory training on Safeguarding; Diversity, Equity and Inclusion; General Data Protection Regulation; and Cyber Security. All Trustees sign a declaration stating that they agree to Lifelites' Trustee Code of Conduct and adopt the Nolan Principles of Public Life.

Committees

The Trustees have the power to delegate functions to committees, provided that any such committee comprises two or more persons and that at least two of the members are Trustees. Non-Trustees may be co-opted to these committees. The Trustees have appointed a Charitable Projects Committee to support the Charity's service delivery and act as technical advisers to provide policy recommendations to the Trustees; a Fundraising and Communications Committee to assist with fundraising strategy and communications planning; and a Strategy, Governance and Risk Committee, which leads on Lifelites' strategy and considers key governance and risk areas in detail.

Risk Management

Lifelites takes risk management seriously, regularly reviewing and assessing the risks in all areas of its work and plans for the management of those risks. Risk is an everyday part of the Charity's work. Managing risk effectively is essential for the Board to deliver Lifelites' Mission, adhere to our values and safeguard our stakeholders, reputation, funds and assets.

The Trustees recently adopted a new risk management policy which allows the Charity to:

- Identify the major risks that apply to the Charity
- Make decisions about how to respond to the risks we face
- Demonstrate our professional approach to risk management to the public and all stakeholders.

Managing risk is an integral part of Lifelites' governance and leadership and is fundamental to how Lifelites is managed at all levels.

Risk management is part of, and not separate from, the organisational purpose, governance, leadership, strategy, objectives and operations of Lifelites. Risk management is a key focus within each of these areas and an essential element for the successful and safe delivery of our Mission.

In setting risk appetite, the Trustees consider that there is 'no one size fits all' approach and there is no one magic calculation, and that risk appetite may not be always quantifiable. Therefore Lifelites Trustees consider each risk carefully, balancing both potential negative and positive consequences before landing on the degree of acceptable risk for each key risk. Risk appetite for each risk is recorded in the risk register and reviewed quarterly.

Principal Risks

Lifelites' analysis of risk is comprehensive, identifying risks thematically including; strategy, governance, operations, finance, compliance, environmental and external areas. Upon identification and initial scoring, control measures are established to limit the likelihood and impact of each risk. Accounting for existing controls, risks are then recalculated and further controls identified where necessary.

The principal risks rated at high after existing controls and with details of further actions are as follows:

Risk Details	Impact	Existing Controls	Further Action
Poor monitoring, reporting & action tracking processes	Data protection breach Unclear reporting Funding loss Reputational damage Failure to deliver strategic objectives	Staff supervision & objective setting aligned to strategy Trustee & Committee meeting schedule agreed Standard template reports Funder reporting schedule built into database Revised Trustee Minute & action tracking process	Strategy Monitoring process and monitoring tool to be implemented
Failure to capitalise on Lifelites 25th Anniversary	Lack of funding growth Failure to deliver strategy Reputational damage Loss of reserves without impact	Overall strategy in place Key objectives identified Comms and activity plans developing Roles, responsibilities and resources allocated	Trustee & SLT Away Day to set objectives and headline plan Develop campaign comms plan to align L25, brand awareness, fundraising and business as usual activities Engage key stakeholders in campaign plans Identify external resources to support delivery (agency and consultant)
Trustees & staff burnout	Individuals not able to perform roles Lack of leadership Service delivery disruption Loss of key personnel	Staff Leadership Structure in place Committee structure to advise and support Wellbeing policy for staff Full staff team in now place Effective supervision & Performance Development Review processes High workload and pressure	Quarterly team away days Staff survey actions
Lack of income diversity	Longer-term sustainability Service impact Depleting reserves	Monthly income projections High prioritisation on stewardship Digital fundraising development	Fundraising Strategy development Targeted approach to Freemasonry & other major partners Targeted corporate fundraising strategy New individual giving, philanthropy and legacy fundraising programme development Website development
Donor / Hospice database breakdown	Service disruption Funding relationships damaged Data protection breach Loss of data High expenditure to resolve	System held on Lifelites servers Some internal knowledge Significant risk for future development / system lacks modern functionality Database needs reviewed Preferred CRM system identified & initiated	Data migration Staff training
Non-compliance with Health and Safety Regulations	Criminal charges Reputational damage Death / injury to staff, volunteer, client, other stakeholder Litigation	Health & Safety Executive Guidelines followed but documentation requires improvement Established procedures for install, training etc. pre-visit questionnaires, risk assessments for delivery well established but need better documentation Serviced office Insurances in place	Review H&S documentation and procedures for install and training Embed risk assessments for each installation as standard

Risk Details	Impact	Existing Controls	Further Action
Fine or action from the ICO due to non compliance with GDPR	Criminal charges Fine Reputational damage	GDPR policy & procedures in place but due for review and overhaul with new database and website Data retention schedule in place but need to ensure compliance with new website and processes Consent record maintained on database but need to embed to new CRM	Review and refresh data protection, privacy and data retention schedule Embed procedures into new website and CRM
Loss of income due to competition, lack of public awareness etc	Loss of income Failure to deliver strategic objectives	Emotive & unique cause Case studies articulate impact Brand representation requires work Website review highlights major issues	New website development Marketing & communications plan 25th anniversary programme

Fundraising Standards

Lifelites operates its direct fundraising activities in accordance with the Chartered Institute of Fundraising Codes of Fundraising Practice, as follows:

- During the financial year pertaining to this report, no public fundraising activities were undertaken directly by Lifelites or its staff, including public collections, street face to face fundraising or telephone fundraising
- During the financial year pertaining to this report, neither the Charity nor any person acting on behalf of the Charity was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising
- No complaints were received by the Charity or any person acting on its behalf about the activities by the Charity or by a person on behalf of the Charity for the purposes of fundraising. In order to ensure that vulnerable people and other members of the public are protected from: a) unreasonable intrusion on a person's privacy, b) unreasonable or persistent approaches for the purposes of soliciting or otherwise procuring money or other property on behalf of the Charity, c) placing undue pressure on a person to give money or other property.
- All Lifelites staff have been trained on the latest data protection procedures which were implemented on 25 May 2018.

Public Benefit

The Trustees of Lifelites have had due regard to guidance published by the Charity Commission on public benefit. The purpose of Lifelites is to provide assistive technology and related services for children and young people cared for in children's hospices and similar settings in Britain and Ireland with the primary intention of enhancing their lives. As such, the Trustees are satisfied that the requirements of the public benefit test are being met.

Objectives and Activities

Lifelites is an innovative charity specialising in the provision of assistive technology and high-quality training across children's palliative care to empower children and young people with life-limiting conditions, along with their families, to experience unforgettable moments of connection and joy.

Lifelites consults regularly with partners across children's palliative care to understand the complex and evolving needs of the sector and children and families using services. To meet the needs of our partners and beneficiaries Lifelites regularly explores advances in technology, pilots new equipment and services to ensure that the Charity can provide the latest, high impact technologies to enhance children and young people's quality of life.



In addition to the provision of technology, Lifelites also provides bespoke, specialised training for staff across children's palliative care, to ensure that the latest practices are adopted and equipment is maximised to its full potential. Further to this, Lifelites also provides technical support for partners to ensure that technology is in working order, simple and efficient to use across multiple settings and locations.

Partners

Lifelites was established in 1999 as the Millennium Project for the Royal Masonic Trust for Girls and Boys (RMTGB). Lifelites continues to work in partnership with the Masonic Charitable Foundation (MCF, the Freemasons' Charity) at Freemasons' Hall.

The MCF provides Lifelites with office premises and specialist administrative support, such as IT and HR services, at no cost. This generous in-kind support maximises the amount of fundraising income that can be used to deliver our life-changing work for children with life-limiting conditions.

The MCF also nominates up to one third of Lifelites' trustees, which helps to strengthen the partnership and maintain effective relationships across Freemasonry.



In addition, Lifelites has a long-standing strategic partnership with the Worshipful Company of Information Technologists (WCIT), who were one of the architects of the Lifelites project and continue to provide both funding and technical advice.

The Charity is a proud member of Together for Short Lives and through our service delivery model is privileged to partner children's palliative care services across Britain and Ireland, including every children's hospice service.

In addition to these strong historic partnerships, Lifelites is grateful for the support of numerous trusts, foundations, companies and individual supporters who invest in our important work bringing fun, happiness and connection for children and families across the country.

Volunteers

Fundraising

Volunteers (individuals and groups) and Trustees play important roles in fundraising and other essential support. Volunteers actively support fundraising activities and serve on the Fundraising and Communications Committee, which supports staff to set Lifelites' fundraising strategy and communications plan.

Technical advice and support

WCIT was one of the architects of the Lifelites project and continues to advise Lifelites on service developments along with funding, thus maintaining this strong partnership. The Charity benefits from other volunteers who serve on the Charitable Projects Committee, who provide specialist advice and support on new technology and enhance our understanding of the evolving world of children's palliative care.

Financial Summary

With the launch of the Charity's new strategy the Trustees planned for a year of transition in order to lay foundations for Lifelites to become more resilient and diversify fundraising over the next five years. This foundation building also coincided with high staff turnover in the fundraising department and the recruitment of a new Head of Fundraising and Communications. In addition, the external fundraising landscape continued to be extremely challenging, with traditional sources of funding, like trusts and foundations increasingly competitive.

As a result, during the 12 months to 31 March 2024, donations and legacies amounted to £384k (2022/23 £548k), a decrease of 30%, though the lower return was forecast and planned for from early in the period. Investments generated income of £108k (2022/23 £106k) and investment gains of £524k (2022/23 losses £209k). Donations made to Lifelites during this period included support for installations at specific sites, palliative care staff training, project management and the technical support of all its projects.

The cost of all the projects including equipment, training and installation and maintenance work carried out by Lifelites during this 12 month period was £608k (2022/23 £575k). Expenditure on the cost of generating income was £185k (2022/23 £183k) and the investment management costs were £20k (2022/23 £21k).

As at 31 March 2024, there was an operational loss of £321k but gains on investments of £524k delivered a net movement of funds of £203k leaving residual funds to the value of £4,758k (31 Mar 2023 £4,555k).

The planned investment in sustainability through increased brand awareness and income diversification is expected to continue for the next two to three years, during which time the Charity intends to utilise some reserves to establish long-term sustainable sources of income from corporate partnerships, events, philanthropy and individual giving.

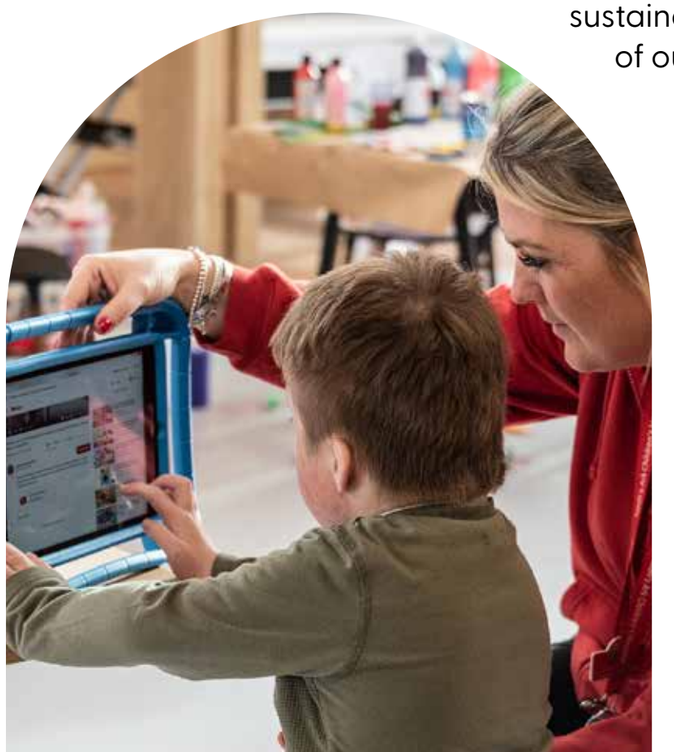
Staff Pay and Remuneration

The pay of charity staff and key management personal is reviewed annually and any changes suggested are discussed and approved by the Trustees. Lifelites Performance and Remuneration Policy seeks to benchmark pay competitively within the sector whilst also rewarding staff performance.

Reserves Policy

When Lifelites was established as a separate charity in 2006, the Royal Masonic Trust for Girls and Boys made a donation to Lifelites comprising the residue of the fund created when Lifelites was set up as their Millennium project. At the time of this gift, the funds were treated like an endowment and invested to generate income to support the costs of developing sustainable sources of income. This approach served the charity well for many years, whilst the organisation established its services and fundraising activities.

With the launch of our new strategy, the Trustees have re-considered the purposes for which the Charity needs to hold reserves. They believe that the reserves should be clearly structured to cover the financial impact of risks to which the Charity is exposed, provide sufficient funds to safeguard against the volatility of key income streams, to honour the Charity's short-term commitments to its partners, to invest in income sustainability and to deliver the key objectives of our strategy.



To achieve this the Trustees are resolved to utilise the Charity's reserves more proactively over the period of the strategy. Accordingly, the Trustees have established a series of designated funds to meet both short and longer-term strategic objectives. In addition, the Trustees have set target levels for retained free reserves and outlined Lifelites' obligations in relation to restricted funds.

As a result of the planned use of designated funds as detailed below, it is anticipated that Lifelites' overall reserves will decrease year on year as programmes are delivered.

Restricted funds

Lifelites generates income from supporters who wish to restrict funding to specific elements of Lifelites' work, be that geographical or service specific. Lifelites honours these restrictions and holds restricted funds from a number of funders until such time as they can be utilised in accordance their wishes.

Designated funds

Financial Impact of Risk

Lifelites has established a designated reserve connected directly to the Charity's Risk Management Policy and Risk Register to ring-fence funds to enable to Charity to respond effectively to risk events. Projections are based on the assessment of key risks and their likely financial impact. The purpose of this designated reserve is to respond to risk events and to ensure that there is no significant disruption to our charitable activities.

Service Continuity

The Trustees have designated a fund to honour and protect its moral commitment to its service partners due for installation of new technology within the next 12 months in the event of significant down turn in income generation activities. This will include the cost of equipment, procurement, installation, training and scaled down administration.

Sustainability

Diversifying income and increasing brand awareness are key priorities within Lifelites strategy. The Trustees have established a designated fund to invest in brand awareness growth and long-term income diversification, relationship management and sustainability over the duration of the strategy.

Lifelites 25

The Trustees have designated funds to act as a catalyst for our strategic ambitions spanning our 25th anniversary, by investing in activities to improve the quality of services delivered through technology and increase access to assistive technology across children's palliative care. Funding will be utilised and invested in carefully identified projects from April 2025 to March 2028.

Free Reserves / Unrestricted Funds

The Trustees have reviewed the need to set acceptable levels for free reserves, which ensure that the Charity holds sufficient working capital to safeguard against unforeseen risks and short-term income volatility in addition to providing the agility to take advantage of unforeseen opportunities as well as those planned. After taking into account the proactive and planned use of reserves through designated funds, the Trustees have resolved that the Charity's free reserves should have a target range of no less than six months and no more than 12 months of its business as usual operational costs. Included within the free reserves will be the calculation for shutdown costs, which, in the event it was necessary, to ensure the safe and compliant shutdown of the organisation.

The Trustees will monitor reserve levels periodically and take remedial action where necessary to ensure levels comply with the policy.

In accordance with the policy, the Trustees have structured the Charity's reserves into defined funds, as follows:

	£,000
Total funds held at 31 March 2024	**4,758**
Restricted funds	
Restricted funds	268
Endowment – The Ted Gostling Fund	196
Designated funds	
Financial Impact of Risk	535
Service Continuity	589
Sustainability	500
Lifelites 25	2,000
Unrestricted funds	
Total free reserves	670

Investment Policy

Lifelites benefits from a CAIF – Charity Authorised Investment Fund professionally managed under the supervision of the MCF Investment Committee. The MCF Investment Committee is advised by Asset Risk Consultants (ARC). This is a unit trust with a highly efficient tax wrapper in which the MCF and all its partner charities own their shares in the form of units. Units will be sold as required in order to top up the Cash Reserve on a quarterly basis. The investment strategy is directed for "Steady Growth", which is a medium-high risk strategy. Risk is managed through diversification, with the funds split between four different fund managers operating on multi-asset mandates but utilising differing investment management styles. The overall fund manager is Thesis Unit Trust Management Limited and the custodian in Northern Trust.

The Trustees regularly reviewed Lifelites' investments and fund manager performance throughout the year, and are satisfied that investment risks are being managed in such a manner as to protect the future of Lifelites charitable activities.

The income generated from Lifelites' investment portfolio is ring-fenced to the cost of generating income, which helps to maximise the impact of donations.



Trustees Responsibilities

The Trustees are responsible for preparing the report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to Trustees in England and Wales requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- Observe the methods and principles in the Charities' SORP 2019 (FRS102)
- Select suitable accounting standards and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departure disclosed and explained in the financial statements
- Prepare the financial statements 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 which disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure that the financial statements of the Charity comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each trustee at the date of approval of this report is aware:

i. There is no relevant audit information of which the Charity's auditors are unaware;

i. And the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The report was approved and signed on behalf of the Trustees by:

Signed _____ 11 September 2024

ADG Harvey, Chair



Independent Auditors' Report to the Trustees of Lifelites

Opinion

We have audited the financial statements of Lifelites (the 'charity') for the year ended 31 March 2024 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the Trustees Report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.



Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Statement of Recommended Practice. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including payroll expenditure; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation; and
- Corroboration of investment valuation with third party reports, and inspection of controls report on investment manager.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Chartered Accountants, Statutory Auditor
9 Donnington Park, 85 Birdham Road
Chichester, West Sussex, PO20 7AJ

Signed: Kreston Reeves LLP

Date: 17 September 2024

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.



Statement of financial activity

YEAR ENDED 31 MARCH 2024

(Including an Income and Expenditure Account)

	Note	Unrestricted funds	Restricted funds	The Ted Gosling funds	Total funds	Total funds
		2024	2024	2024	2024	2023
		£'000	£'000	£'000	£'000	£'000
INCOME						
Donations		258	126	0	384	548
Legacies		0	0	0	0	1
Investment income	2	103	0	5	108	106
Total income		**361**	**126**	**5**	**492**	**655**
EXPENDITURE						
Cost of generating funds	3	(185)	0	0	(185)	(183)
Investment management costs		(19)	0	(1)	(20)	(21)
		(204)	**0**	**(1)**	**(205)**	**(204)**
Charitable activities	4	(444)	(136)	(28)	(608)	(575)
Total expenditure		**(648)**	**(136)**	**(29)**	**(813)**	**(779)**
Net gains/(losses) on investments	7	497	0	27	524	(209)
NET MOVEMENT IN FUNDS		**210**	**(10)**	**3**	**203**	**(333)**
Total funds brought forward		4,084	278	193	4,555	4,888
Total funds carried forward		**(4,294)**	**268**	**196**	**4,758**	**4,555**

All income and expenditure derive from continuing activities and all gains/losses are included in the statement of financial activities

The notes on pages 51 to 60 form part of these financial statements.

The prior year figures are analysed by fund in note 12 on page 61.

Balance sheet

YEAR ENDED 31 MARCH 2024

	Note	2024	2023
		£'000	£'000
FIXED ASSETS			
Intangible asset	6	67	23
Tangible asset	6	28	35
Investments	7	4,230	4,197
		4,325	**4,255**
CURRENT ASSETS			
Debtors	8	143	136
Investments	7	111	105
Cash at bank and in hand		248	127
		502	**368**
CURRENT LIABILITIES			
Creditors falling due within one year	9	(69)	(68)
NET CURRENT ASSETS		433	300
Total net assets		4,758	4,555
		4,758	**4,555**
CHARITABLE FUNDS			
Restricted income funds	10, 11	268	278
The Ted Gosling Fund	10, 11	196	193
Unrestricted funds			
Designated reserves	10, 11	1,624	2,383
Designated reserves 25 Anniversary	10, 11	2,000	1,000
General reserves	10, 11	670	701
Total charitable funds		**4,758**	**4,555**

The financial statements were approved and authorised for issue by the Trustee Board on 11 September 2024 and signed on their behalf by:

ADG Harvey - Chair

T Sherwood - Treasurer

The notes on pages 51 to 61 form part of these financial statements.

Cash flow statement

YEAR ENDED 31 MARCH 2024

		2024	2023
		£'000	£'000
Operating Activities			
Net cash provided by/(used in) Operating Activities	A	(520)	(345)
Cash flows from investing activities			
Dividends, interest and rents from investments		108	106
Purchase of intangible fixed assets		(46)	(24)
Purchase of tangible fixed assets		(5)	(33)
Proceeds from the sale of investments		570	280
Purchase of investments		0	(100)
Net cash provided by/(used in) Operating Activities		**641**	**236**
Change in cash and cash equivalents in the reporting period		121	(109)
Cash and cash equivalents at the beginning of the reporting period		127	236
Cash and cash equivalents at the end of the reporting period	B	**248**	**127**

Notes on the cash flow statement

A **Reconciliation of net income/(expenditure) to net cash flow from operating activities**

Net movement in funds as per the Statement of Financial Activities	203	(333)
Adjustments for:		
Dividends, interest and rents from investments	(108)	(106)
Movements in investments	(609)	125
(Increase)/decrease in debtors	(7)	(60)
Increase/(decrease) in creditors	1	29
Net cash provided by/(used in) Operating Activities	**(520)**	**(345)**

B **Analysis of cash and cash equivalents**

Cash held by investment managers	0	0
Cash at bank and in hand	248	127
Total funds carried forward	**248**	**127**

Notes to the financial statements

YEAR ENDED 31 MARCH 2024

1 **ACCOUNTING POLICIES**

(a) Statement of compliance

The financial statements of Lifelites (the "Charity") have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). Additionally, they comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in 2015 (the "SORP") in all material respects. The Charity meets the definition of a public benefit entity under FRS 102.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments, on a basis consistent with previous years. The functional currency of the Charity is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Charity operates.

(c) Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due and have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Trustees' responsibilities.

(d) Incoming resources

Revenue is recognised when the significant risks and rewards of ownership have been transferred, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Charity and when the specific criteria relating to each of the Charity's revenue channels
have been met, as described below:

i. Monetary donations are brought into account when received
ii. Legacies are recognised where there has been a grant of probate, the executors have identified that there are sufficient assets in the estate after settlement of liabilities to pay the legacy and any conditions attached to the legacy are either in control of the Charity or have been met. Legacies subject to the interest of a life tenant are not recognised during the lifetime of the life tenant.
iii. Dividends are recognised from the ex-dividend date when they become receivable.

(e) Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of any obligation can be measured reliably. All resources expended are recognised on an accruals basis, with the exception of grants as noted below.

Expenditure on generating funds includes costs of fundraising and maintenance of donor records, together with the management of the investment portfolios. These costs include the allocation of support costs relating to these activities, as detailed in note 3.

Grants are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated in writing to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award. Support costs are allocated to these activities as laid out in note 4.

(f) Fund accounting

Unrestricted funds may be utilised for any purpose in accordance with the charitable objectives of the Charity. Restricted funds represent donations given to support the costs of donations of equipment, hospice staff training, project management, installation and maintenance of equipment for specific services. Each Lifelites package is budgeted for on a four year basis in order to ensure maintenance of the equipment in good working order, provide regular training for hospice staff, and cover any regular subscription costs. A designated fund covers one year of this four year cycle, the remainder of the cost to be raised from new income.

(g) Intangible fixed assets

Intangible fixed assets, consisting of Corporate Rebranding, held by Lifelites are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Intangible fixed assets are subject to review for impairment when there is an indication of a reduction in their carrying value. They are reviewed annually and any impairment is recognised in the year in which it occurs. Depreciation is calculated using the straight-line method to allocate the cost of each asset less its residual value over its useful life, estimated at 10 years. Assets in the course of construction are not depreciated until available for use.

(h) Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on the following bases.

Computers, equipment and furniture are depreciated using the straight-line method to allocate the cost of each asset less its residual value over its estimated useful life, as follows:

Assets	Years
Computers and equipment	4

(i) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are stated at market value. All realised and unrealised gains and losses are recognised within the Statement of Financial Activities. Investments which the Charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year, which are held for investment purposes, are disclosed as current asset investments.

(j) Financial assets and liabilities

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities which qualify as basic financial instruments are initially recognised at the settlement amount after any trade discounts. They are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Where settlement is not expected within 12 months of the balance sheet date, then the asset or liability is discounted using the long term return of inflation plus 4 percent used as the target for the Charity's investment portfolio. Basic financial instruments include debtors, cash and creditors within the balance sheet.

(k) Foreign currencies

Transactions denominated in foreign currencies are translated into Pounds Sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

(l) Taxation

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and it is considered to pass the test set out in paragraph 1, schedule 6 of the Finance Act 2010, and therefore it meets the definition of a charity for UK Corporation Tax purposes. The Charity is unable to recover Valued Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

	Unrestricted funds	Restricted funds	Endow-ment funds	Total funds	Total funds
	2024	2024	2024	2024	2023
	£'000	£'000	£'000	£'000	£'000

2 INVESTMENT INCOME

Interest on bank deposits	3	0	0	3	0
Income from investment portfolios	100	0	5	105	106
	103	**0**	**5**	**108**	**106**

3 COST OF GENERATING FUNDS

Salaries, NI and pension contributions	115	0	0	115	116
Printing, stationery and advertising	69	0	0	69	64
Travel expenses	1	0	0	1	2
Staff training, conferences, subscriptions & staff costs	0	0	0	0	1
	185	**0**	**0**	**185**	**183**

4 CHARITABLE ACTIVITIES

Supply of equipment and technologies for use by beneficiaries	**203**	**118**	**28**	**349**	**364**
Service support and training:					
Salaries, NI and pension contributions	182	18	0	200	178
Printing, stationery, postage and telephone	1	0	0	1	4
Travel expenses	16	0	0	16	10
Professional fees	11	0	0	11	2
Staff training, conferences, subscriptions & staff costs	9	0	0	9	4
Sundry expenses	14	0	0	14	5
Audit fee	8	0	0	8	8
	241	18	0	259	211
	444	**136**	**28**	**608**	**575**

	2024	2023
	£'000	£'000

5 STAFF COSTS

Wages and salaries	267	248
Social security costs	23	22
Pension contributions	25	24
Employee benefits	0	0
	315	**294**

AVERAGE NUMBER OF STAFF

Generating funds	3	3
Charitable activities	4	4
	7	**7**

STAFF EARNING MORE THAN £60,000 (INC. BENEFITS)

£70,001 to £80,000	1	1
Total	**1**	**1**

Senior management remuneration paid for the year totalled £85k (2023: £85k). No trustees received remuneration during the year (2023: £Nil). Trustees received payment for travel and subsistence expenses during the year totalled £1k (2023: £Nil).

6 INTANGIBLE AND TANGIBLE FIXED ASSETS

	Lifelites Branding	Computers, Equipment & Furniture	Total
	£'000	£'000	£'000
Cost			
Balance at 31 March 2023	24	44	68
Additions	-	5	5
Work in progress	46	-	46
Disposals	-	-	-
Balance at 31 March 2024	**70**	**49**	**119**
Depreciation			
Balance at 31 March 2023	1	9	10
Charge for the year	2	12	14
Disposals	-	-	-
Balance at 31 March 2024	**3**	**21**	**24**
Net book value			
At 31 March 2024	67	28	95
At 31 March 2023	23	35	58

	2024	2023
	£'000	£'000

7 INVESTMENTS

Fixed Asset Investments:		
- Managed Funds		
MCF CAIF	4,230	4,197
	4,230	**4,197**
Current Asset Investments		
- RLAM	111	105
	111	105
	4,341	**4,302**

MOVEMENTS IN INVESTMENTS

Listed		
Balance at 1 April 2023	4,302	4,607
Additions	0	100
Disposals	(570)	(280)
Investment income reinvested	105	105
Management fees charged to the fund	(20)	(21)
Gains/(losses)	524	(209)
Balance at 31 March 2024	**4,341**	**4,302**

RECONCILIATION TO SOFA

Gains/(losses) on listed investments	524	(209)
	524	**(209)**

8 DEBTORS

Prepayments and accrued income	143	136
	143	**136**

9 CREDITORS

Falling due within one year		
Amounts owed to MCF	31	30
Accruals and deferred income	14	12
Taxation and social security	8	9
Other creditors	16	17
Balance at 31 March 2024	**69**	**68**

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets	Investments	Money Market Deposits	Current Assets	Current Liabilities	Total
	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS AND LIABILITIES						
Restricted funds	0	0	268	0	0	268
Endowment Reserves The Ted Gosling Fund	0	196	0	0	0	196
Unrestricted funds						
Designated reserves	0	1,624	0	0	0	1,624
Designated reserves 25 Anniversary	0	2,000	0	0	0	2,000
General reserves	95	410	(20)	254	(69)	670
Total funds	**95**	**4,230**	**248**	**254**	**(69)**	**4,758**

11 MOVEMENT IN FUNDS

The financial summary of the funds is set out below, together with an analysis of the restricted funds. Some restricted donations are given to cover costs at a site over a four-year period and so are not spent in the year they are given; these are shown as restricted. There are 56 different restricted funds, and each is individually immaterial and as such they are combined in the disclosure that follows. Designated funds are amounts already committed to multi-year projects as explained on page 36 of the Trustees Report.

	Balance 31 March 2023	Income	Expenditure	Gains/ (losses)	Transfers	Balance 31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Funds	278	126	(136)	0	0	268
The Ted Gosling Fund	193	5	(29)	27	0	196
Unrestricted funds:						
General reserves	701	361	(648)	497	(241)	670
Designated reserves – 25 Anniversary	1,000	0	0	0	1,000	2,000
Designated reserves – Hopsice Support	2,383	0	0	0	(759)	1,624
Total funds	**4,555**	**492**	**(813)**	**524**	**0**	**4,758**

12 STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds
		2023	2023	2023	2023
		£'000	£'000	£'000	£'000
INCOME					
Donations		403	145	0	548
Legacies		1	0	0	1
Investment income	2	101	0	5	106
Total income		**505**	**145**	**5**	**655**
EXPENDITURE					
Cost of generating funds	3	(183)	0	0	(183)
Investment management costs		(20)	0	(1)	(21)
		(203)	**0**	**(1)**	**(204)**
Charitable activities	4	(368)	(155)	(52)	(575)
Total expenditure		**(571)**	**(155)**	**(53)**	**(779)**
Net gains/(losses) on investments	7	(779)	0	12	(209)
NET MOVEMENT IN FUNDS		**(263)**	**(10)**	**(60)**	**(333)**
Total funds brought forward		4,347	288	253	4,888
Total funds carried forward		**4,084**	**278**	**193**	**4,555**

13 PENSION COMMITMENTS

The Charity made contributions to a defined contribution pension scheme for the benefit of nine employees. The pension cost charge represents contributions payable by the Charity of £25k (2022/23: £24k)

14 RELATED PARTY TRANSACTIONS

Financial services and office facilities are provided by the Masonic Charitable Foundation, both at no cost to the Charity.

Donations of £4k were received directly from trustees (2022/23: £3k). These donations had no conditions attached to them.

A balance of £31k (2022/23: £30k) was due to MCF at year end.

Lifelites

Lifelites

60 Great Queen Street, London, WC2B 5AZ
info@lifelites.org · 0207 440 4200

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LIFELITES

England & Wales - Charity number 1165791

Accounts

LIFELITES

TRUSTEES ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Charity Number: 1165791

LIFELITES

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LIFELITES

TRUSTEES ANNUAL REPORT

Report and Accounts of the Trustees of Lifelites for the year ended 31 March 2023

In accordance with statutory requirements and the Statement of Recommended Practice (2019), "Accounting and Reporting by Charities" (FRS102), the Trustees of Lifelites submit their report for the year ended 31 March 2023.

These financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

1. Administrative information

Name and registered office of the Charity
The name of the Charity is Lifelites and registered charity number is 1165791.
The registered office is 60 Great Queen Street, London WC2B 5AZ.

Constitution
Charitable status was granted by the Charity Commission on 2 August 2006. The Charity became a CIO on 29 February 2016 with a change of charity number from 1115655 to 1165791.

Lifelites Trustees

NK Feldman *(Appointed 16 March 2023)*	
ADG Harvey, FLPI, FIoL, FCMI, FCIPD, FRSA	Chair of the Board of Trustees from 10 August 2023
CP Noon, MPhil, MA (Oxon.), MBA, FRSA *(Appointed 15 February 2023)*	
L Shattock *(Appointed 18 May 2022)*	
NS Springer	Treasurer
KV Stewart FBCS CITP *(Appointed 15 February 2023)*	
D Strudley CBE, FRSA *(Resigned 22 June 2023)*	
HG Wilson	
PD Withams, FCIBS, FCMI *(Retired 28 February 2023)*	
M Woodcock, JP, DLitt, CIntMC	Chair of the Board of Trustees until 10 August 2023
SD Woolf, BA (Hons), FCCA *(Retired 28 February 2023)*	
S Umradia	

Lifelites executive

RW Lightfoot, BA (Hons)	Chief Executive

Relevant addresses

Auditor: **Kreston Reeves LLP**
9 Donnington Park, 85 Birdham Road, Chichester, West Sussex PO20 7AJ

Bankers: **National Westminster Bank Plc**
Bloomsbury Parr's Branch, 214 High Holborn, London WC1V 7BX

Solicitors: **Stone King LLP**
16 St John's Lane, London EC1M 4BS

2. Structure, governance and management

Governing document – The trust deed sets out the objectives of Lifelites, the powers of the Trustees, the manner of appointment, resignation and removal of Trustees, and the procedures and controls which govern the administration of the Charity.

Trustees – Trustees are appointed for a period of three years. The number of Trustees cannot be less than five or more than 13. Up to one third of the total number of Trustees are nominated by the Masonic Charitable Foundation (MCF). Each appointed trustee shall serve an initial term of three years, and shall be eligible to serve up to 3 consecutive terms, after which the appointed trustee must resign, and cannot be reappointed for a period of 12 months.

Induction and training of new Trustees – It is the policy of Lifelites to provide appropriate induction and training for new Trustees. Every trustee is encouraged to contribute effectively to the governance and fundraising of the Charity.

Committees – The Trustees have the power to delegate functions to committees, provided that any such committee comprises two or more persons and that at least two of the members are Trustees. Non-Trustees may be co-opted to these committees. The Trustees have appointed a **Charitable Projects Committee** to support the Charity's service delivery and act as technical advisers to provide policy recommendations to the Trustees and a **Fundraising and Communications Committee** to assist with fundraising strategy and communications planning.

Risk management – The Trustees have implemented a new comprehensive risk register to review the governance, operational, financial, regulatory, legal and strategic risks affecting Lifelites. The risk management process involves; risk identification; impact analysis; existing controls; residual risk analysis; and additional mitigation actions. High and emerging risk items are reviewed at each Trustees meeting, with a bi-annual review of all risks. The Trustees use this risk management process to structure work streams and target activity to reduce risks.

Listed below are risks identified with high residual risks after existing controls and agreed mitigations.

Risk Details	Impact	Existing Controls	Mitigation
Lifelites lacking strategic direction / no written strategic plan	Mission drift Reputational damage Conflict between strategy / operations Loss of funding	Refreshed Vision, Mission & Values Strategy in place 2023-28 Simple & high impact charitable objectives Well defined operational action plan in place, reviewed quarterly and aligned to staff PDRs	Working groups (Committees) to support and monitor action plan to deliver strategic priorities
Loss of key personnel / poor succession planning	Strategic & operational disruption Short-term increase in expenditure Staff cover / burnout Failure to deliver objectives	Appropriate notice periods for senior staff Supervision & Performance Development Reviews	Board/SLT skills audit Refresh Trustee Recruitment Policy Establish succession plan for leadership

	Low morale Loss of clear leadership	Shared responsibilities at Board Level & Terms of Reference for Committees	roles (Chair & Treasurer)
Sole trader - See IT Work - gives notice or unavailable for protracted period	Failure to deliver services Reputational damage Service quality reduced Loss of income	3-year contract covers eventualities and responsibilities for cover Maintained close contact and good relationship Lifelites 'owns' hospice relationships Service contract specification in place if replacement required	Establish contract review process Negotiate new contract from 2024
Donor / Hospice database breakdown / unsuitable database for strategic development	Service disruption Funding relationships damaged Data protection breach Loss of data High expenditure to resolve	Migration to new donor database in process	Data migration Develop automated stakeholder engagement plans in-built to new CRM Consider database needs for service partners
Loss of income due to competition, lack of public awareness etc.	Loss of income Failure to deliver strategic objectives Loss of relevance	Emotive & unique cause Case studies articulate impact Good relationships with existing supporters Rebranding & digital campaign	Develop marketing & communications plan 25th Anniversary campaign plans Develop celebrity & ambassador programme
Income dependency on Freemasonry & major partners	Longer-term sustainability Service impact Depleting reserves	Monthly income projections High prioritisation on stewardship Digital fundraising development	Targeted approach to Freemasonry & other major partners Corporate fundraising strategy developing Large trust applications in progress Donor recognition

Fundraising Standards – Lifelites operates its direct fundraising activities in accordance with the Chartered Institute of Fundraising Codes of Fundraising Practice, as follows:

- During the financial year pertaining to this report, no public fundraising activities were undertaken directly by Lifelites or its staff, including public collections, street face to face fundraising or telephone fundraising.
- During the financial year pertaining to this report, neither the Charity nor any person acting on behalf of the Charity was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising.
- No complaints were received by the Charity or any person acting on its behalf about the activities by the Charity or by a person on behalf of the Charity for the purposes of fundraising. In order to ensure that vulnerable people and other members of the public are protected from: a) unreasonable intrusion on a person's privacy, b) unreasonable or persistent approaches for the purposes of soliciting or otherwise procuring money or other property on behalf of the Charity, c) placing undue pressure on a person to give money or other property all Lifelites staff have been trained on the latest data protection procedures which were implemented on 25 May 2018.

3. Public benefit

The Trustees of Lifelites have had due regard to guidance published by the Charity Commission on public benefit. The purpose of Lifelites is to provide assistive technology and related services for children and young people cared for in children's hospices and similar environments in the British Isles with the primary intention of enhancing their lives. As such, the Trustees are satisfied that the requirements of the public benefit test are being met.

4. Objectives and activities

Lifelites is an innovative charity specialising in the provision of assistive technology and high-quality training across children's palliative care to empower children and young people with life-limiting conditions, along with their families, to experience unforgettable moments of connection and joy.

To achieve this Lifelites provides and maintains packages of special recreational and educational technologies for children and young people cared for by hospice services and other similar environments, with a particular focus on equipment for those with disabilities and life-limiting conditions.

Lifelites consults regularly with partners across children's palliative care to understand the complex and evolving needs of the sector and children and families using services. To meet the needs of our partners and beneficiaries Lifelites regularly explores advances in technology, pilots new equipment and services to ensure that the Charity can provide the latest, high impact technologies to enhance children and young people's quality of life.

Vision
We believe every child with a life-limiting condition, should be able to engage and interact with the people they love and enjoy the world they live in.

Mission
We harness innovative technology to empower all children and young people with life-limiting conditions, along with their families, to experience unforgettable moments of connection and joy.

Values
Dynamic - We constantly evolve to respond to the changing needs of our children, families and partners, adapting our approach and using our expertise to maximise our impact.

Inclusive - We look beyond the traditional, obvious and familiar to remove barriers that prevent children and families from connecting, playing and expressing themselves. We partner with and recruit people based on their merits and alignment to our goals.

Collaborative - We bring together and collaborate with diverse people and organisations that share a common passion for our vision, believing that combining resources improves outcomes for all.

Empowering - We believe everyone has an innate desire to play, create and communicate. Our services empower children, their families, our partners and our team to discover and reach their full potential.

Innovative - We constantly seek new ways to achieve our vision, serve children in need and their families, develop our team and build our relationships with our partners.

5. Lifelites' partners

Lifelites was established in 1999 as the Millennium Project for the Royal Masonic Trust for Girls and Boys (RMTGB). Today Lifelites continues to value and enjoy excellent relationships with Freemasonry and benefits from generous support from the Masonic Charitable Foundation (MCF), which donates HR and finance support and office accommodation. Lifelites also has a proud relationship with the United Grand Lodge of England, Metropolitan Grand Lodge of London, Provinces, Lodges and many individual Freemasons across the country. MCF also nominates up to one third of Lifelites' Trustees, which helps maintain positive partnerships with Freemasonry.

In addition, Lifelites has a long-standing strategic partnership with the Worshipful Company of Information Technologists, who were one of the architects of the Lifelites project and continue to provide both funding and technical advice.

In addition to these strong historic partnerships, Lifelites is grateful for the support of numerous trusts, foundations, companies and individual supporters who make our important work in Children's Palliative Care possible. We have a growing supporter base with other individuals and organisations across a variety of sectors.

6. Role and contribution of volunteers

Fundraising and administration – volunteers (individuals and groups) and Trustees play major roles in fundraising, administration and other essential support. Volunteers actively support fundraising activities and serve on the Fundraising and Communications Committee, which supports staff to set Lifelites' fundraising strategy and communications plan.

Technical advice and support – The Worshipful Company of Information Technologists (WCIT) was one of the architects of the Lifelites project and continues to advise Lifelites on service developments along with funding, thus maintaining this strong partnership. The Charity benefits from other volunteers who serve on the Charitable Projects Committee, who provide specialist advice and support on new technology and enhance our understanding of the evolving world of children's palliative care.

7. Achievements and performance

Projects for children and young people with life-limiting conditions – During the period, Lifelites continued to adapt and deploy its services creatively to meet the complex and evolving needs of our partners and children and young people with life-limiting conditions.

- The Charity successfully installed packages of new technology in 13 children's hospices across the British Isles.
- In addition, Lifelites installed packages of new technology for 2 partners operating in the wider children's palliative care sector, including a charity supporting children with acquired brain injury and a new partner which supports families of children with complex conditions through respite and family activities.
- Lifelites also commenced work consulting with other potential partners across children's palliative care to understand the needs of children and families and identify new projects and services for the future.

Children's palliative care staff training – During the period, Lifelites provided face-to-face initial training to coincide with the 15 new installations, upskilling 157 staff.

Lifelites has continued to deliver refresher training face-to-face and online, which has enabled the Charity to remain cost-effective without compromising on quality. This suite of training has proved highly effective, combining the more intensive, practical face-to-face training at the point of installation, in addition to an extended online offer, allowing new and existing hospice staff to refresh their knowledge and seek support with specific items of technology. During the period, Lifelites delivered refresher training for a further 118 staff.

Evaluation of training impact over the period demonstrates the quality of this service, with 98% of participants reporting improved skills and confidence in the use of technology with children with life-limiting conditions. Over the last three years, against a scale of 1-5, the confidence level of participants increased from an average of 2.4 to 4.5, indicating the strength and impact of this training.

Lifelites Showcase – Following the success of last year's Showcase, Lifelites produced a new video to highlight the extensive range of technology available to hospices and provide insight into how the technology can make a difference to the lives of the children cared for by palliative care services.

Rebrand – Our Strategic Review highlighted a fundamental disconnect between our unique service offer and a tired brand identity, not updated in many years.

Public perception about children's palliative care sector is often drawn towards tragic stories of medical care provided to terminally ill children as they approach the last days of their life. Whilst impossibly sad stories do exist, Lifelites' unique and innovative role needed to be captured by an identity which conveys the powerful impact of its services, with particular focus on the creation of cherished moments of connection and joy.

To express this new vision, Lifelites has been reimagined and repositioned. We asked our partners at Thinkology to work with us to realize a new brand that powerfully represents this dynamic, empowering and joyful identity. This rebrand has been recognized widely, including as a finalist in the 'Brand Development' category at the Third Sector Awards.

Supporter engagement and celebrations –In addition to regular e-news and stewardship, the Charity delivered traditional hospice celebration events 'in-person' and produced an engaging 'On the Road with Lifelites' digital communications feature to promote the installation of new technology packages.

The Trustees are grateful to all of our dedicated supporters, without whom we would not be able to provide life changing technology for children, young people and families across the British Isles.

Diversifying income – Like most charities, Lifelites has experienced a challenging environment to generate income for its services in during the period. However, Trustees took the opportunity to continue the development of its digital fundraising activity and build more targeted approaches to corporate and trust fundraising.

The digital activity produced a series of unique and emotive short films, featuring children, families and staff telling their stories and the impact of Lifelites' support. These compelling films were launched on Lifelites social media channels and resulted in an additional 8,000 visitors to our new website.

Our activities with new corporate partners and trusts and foundations is developing well, with a vastly increased pipeline and a more tailored approach to partnership working with our funders.

8. Plans for the future

Strategic Plan – During the period, we completed our extensive Strategic Review, which led to the development of the Charity's first Strategic Plan, which will cover the period 2023-28 and is designed to transform Lifelites from a donor of assistive technology for children's hospices into a trusted, dynamic and influential provider of services for children with life-limiting conditions, their families and our partners in children's palliative care.

This plan was launched on 1 April and communicated to our partners through a series of correspondence and meetings. Feedback to date from all stakeholders has been highly positive and the Trustees are committed to delivering our priorities in collaboration over the coming years.

Strategic Priorities
Lifelites has developed six Strategic Priorities collectively designed to achieve its Vision of enabling every child with a life-limiting condition to engage and interact with the people they love and enjoy the world they live in. These are split into direct mission focused priorities and 'enablers' which provide the foundations and resources to deliver our Strategic Plan.

Delivering our Mission

Improving impact - service development

We will improve existing and develop innovative new services.

We will achieve this by:

- Improving engagement and monitoring to ensure that our partners optimise the use of assistive technology, helping Lifelites to understand the impact of our services and areas for improvement.
- Developing our high quality, multi-platform training to increase the skills and confidence of our children's palliative care partners.
- Influencing technology providers to develop new equipment and identifying the latest assistive technology solutions for use in children's palliative care.

Increasing reach - service expansion

We will develop new services to extend our reach beyond children's hospice settings.

We will achieve this by:

- Increasing the number of children's palliative care partners benefitting from packages of technology and training.
- Extending provision of Lifelites' specialist training and consultancy to other partners across children's palliative care.
- Introducing support and resources for parents to make our unique knowledge and expertise accessible to all children and young people with a life-limiting condition.

Enabling our Mission

Income

We will generate more and sustainable income from new and existing funders.

We will achieve this by:

- Attracting multi-year funding streams through an improved partnership proposition for high value trust, corporate and philanthropic funders.
- Expanding our community and individual giving programmes through modern, emotive digital marketing campaigns.

- Developing more efficient and meaningful donor recognition plans to increase supporter engagement and increase sustainable giving.

Brand

We will become well known and trusted by potential beneficiaries, partners and supporters.

We will achieve this by:

- Implementing a modern, dynamic and compelling brand, visual identity and tone of voice to appeal to wider audiences, increase engagement and support.
- Identifying key audiences, channels and messages with a defined strategy and deliverable communications plan.
- Establishing Lifelites as a thought-leader in children's palliative care, technology and inclusion.

Governance

We will align our governance with the Charity Governance Code.

We will achieve this by:

- Ensuring that all stakeholders understand, align to and champion Lifelites' organisational purpose and objectives.
- Measuring governance practices against the Charity Governance Code benchmarks and improving systems, policies and procedures, risk management and reporting mechanisms.
- Improving diversity and representation at all levels of governance to better reflect our stakeholders and beneficiaries.

People

We will develop a skilled, motivated and well-resourced team within an empowering culture.

We will achieve this by:

- Benchmarking the current strengths, areas for development and engagement of Lifelites' people to identify areas for improvement.
- Implementing performance management processes to set objectives and activities aligned to Lifelites Strategic Plan.
- Establishing a confident, proactive and creative culture designed to increase productivity and improve outcomes.

Monitoring performance

This Strategic Plan will be monitored and refreshed periodically throughout its life-cycle to ensure that Lifelites remains agile and responsive to the needs of our partners, children and young people with life-limiting conditions and their families.

Celebrating Lifelites at 25

Lifelites Strategic Plan 2023-28 is specifically designed to centre on Lifelites 25th anniversary and it is intended to use this milestone as a catalyst to transform the organisation into a dynamic, influential provider of services across children's palliative care.

Plans are underway to celebrate the 25th anniversary year in 2025 and the Trustees look forward to providing further detail over the coming year.

9. Financial summary

During the 12 months to 31 March 2023, investments generated income of £106k (2021/22 £76k) and investment losses of £209k (2021/22 gains £346k). Donations and legacies amounted to £549k (2021/22 £978k). Donations made to Lifelites during this period included support for installations at specific sites, hospice staff training, project management and the specialist maintenance of all its projects.

The cost of all the projects including equipment, training and installation and maintenance work carried out by Lifelites during this 12 month period was £575k (2021/22 £593k).

As at 31 March 2023, Lifelites held funds to the value of £4,555k (31 Mar 2022 £4,888k).

Office facilities were provided by the RMTGB and financial and HR administrative support was given by the MCF, both at no cost to Lifelites.

Staff Pay and Remuneration – The pay of charity staff and key management personal is reviewed annually and any changes suggested are discussed and approved by the Trustees. As far as possible, salaries are set in line with current market trends in the sector. The Trustees have reviewed the approach to performance and remuneration and will introduce a new policy in 2023/24.

Reserves Policy

When Lifelites was established as a separate charity in 2006, the RMTGB made a donation to Lifelites comprising the residue of the fund created when Lifelites was set up as their Millennium project. The purpose of these funds was act like an endowment to support the costs of generating sustainable sources of income and to further the charitable objects.

The Trustees have considered the purposes for which the Charity needs to hold reserves. They believe that the level of reserves should be sufficient to cover the risks to which the Charity is exposed, safeguard against the volatility of key income streams, to honour the Charity's long-term commitments to its partners and to maintain the strong culture of innovation, impact and continuous improvement.

Looking forward the Trustees are resolved to utilise the Charity's reserves more proactively, whilst staying true to the original gift upon which the Charity has relied over the years. The environment in which Lifelites operates is changing at pace. Over five years, our Strategy seeks to transform Lifelites into a trusted, dynamic and influential provider of services for children with life-limiting conditions, their families and our partners in children's palliative care, and not just those in hospices.

Lifelites has developed a 5-year financial plan which sets out a framework for delivering our Strategy. To realise the scale of Lifelites' ambitions, the Trustees recognise the need to invest in service development and expansion, diversify and grow our income and target our resources towards.

To achieve these objectives, in addition to the restricted reserves, the Trustees have structured the Charity's reserves into defined funds, as follows:

	£,000
Total funds held at 31 March 2023	**4,555**
Restricted funds	278
Endowment – The Ted Gostling Fund	193
Designated funds - Hospice Support	2,383
Designated funds - Lifelites 25	1,000
Total free reserves at 31 March 2023	**701**

Restricted funds – Lifelites generates income from supporters who wish to restrict funding to specific elements of Lifelites' work, be that geographical or service specific. Lifelites honours these restrictions and holds funding from a number of funders until such time as it can be utilised as per their wishes.

Designated funds – Hospice Support – Lifelites' Trustees have taken a responsible and prudent path to managing charitable donations, seeking to guarantee its moral commitment to install, maintain and replace each package of technology on a four-yearly basis. To achieve this commitment, the Trustees have designated funds to insure against potential future fundraising fluctuations and ensure the four-year commitment to each of Lifelites' projects can be met, including regular hospice staff training, a technical helpline and onsite maintenance as required.

Designated funds – Lifelites 25 – Lifelites has created a designated reserve – Lifelites 25 – designed to act as a catalyst for our strategic ambitions spanning our 25th anniversary, demonstrate our appetite to invest a significant proportion our reserves and attract larger partners to help maximise the impact of our combined resources. Over the next 5 years, Lifelites will invest £1m its reserves to deliver our Mission, harnessing innovative technology to empower children and young people with life-limiting conditions, along with their families, to experience unforgettable moments of connection and joy.

Unrestricted funds – The Trustees have reviewed the required level of free reserves and determined that a minimum of 9 months is sufficient to cover the risks to which the charity is exposed. Lifelites reserve position has fluctuated due to external factors affecting the Charity's investments in recent years. To mitigate against the impact of further fluctuation, the Trustees include 5% of the total investment fund value, placing this in a low-risk cash reserve, to guard against losses, which could affect the Charity's short-term obligations. In addition, as the Charity seeks to increase the number of high value donors, it is exploring a range of diverse income sources, which may take some time to yield sustainable funding.

The Charity is aware that the need for its services are increasing, with children's hospices facing unprecedented demand from life-limited children with complex conditions. Whilst demand remains high and this new fundraising strategy is implemented, the Trustees believe it is prudent to hold these free reserves to maintain financial security and operational flexibility.

The Trustees will monitor reserve levels periodically and take remedial action where necessary to ensure levels comply with the policy.

Investment Policy

Lifelites benefits from a CAIF – Charity Authorised Investment Fund professionally managed under the supervision of the MCF Investment Committee which is attended by the Treasurer. The MCF Investment Committee is advised by Asset Risk Consultants (ARC). This is a unit trust with a highly efficient tax wrapper in which the MCF and all its subsidiary charities own their shares in the form of units. Units will be sold as required in order to top up the Cash Reserve on a quarterly basis. The investment strategy is directed for "Steady Growth", which is a medium-high risk strategy. Risk is managed through diversification, with the funds split between four different fund managers operating on multi-asset mandates but utilising differing investment management styles. The overall fund manager is Thesis Unit Trust Management Limited and the custodian in Northern Trust. The Trustees regularly reviewed Lifelites' investments and fund manager performance throughout the year, and are satisfied that investment risks are being managed in such a manner as to protect the future of Lifelites charitable activities.

The income generated from Lifelites' investment portfolio is ring-fenced to the cost of generating income, which helps to maximise the impact of donations. To this end, the Charity is seeking to ensure that donated funds are utilised on its charitable activities.

9. Trustees' responsibilities

The Trustees are responsible for preparing the report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to Trustees in England and Wales requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- observe the methods and principles in the Charities' SORP 2019 (FRS102);
- select suitable accounting standards and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departure disclosed and explained in the financial statements;
- prepare the financial statements 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 which disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure that the financial statements of the Charity comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each trustee at the date of approval of this report is aware:

i. there is no relevant audit information of which the Charity's auditors are unaware;

ii. and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The report was approved and signed on behalf of the Trustees by:

Signed _____ 16th October 2023

ADG Harvey, Chairman

Independent Auditors' Report to the Trustees of Lifelites

Opinion

We have audited the financial statements of Lifelites (the 'charity') for the year ended 31 March 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on

the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Statement of Recommended Practice. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including payroll expenditure; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation; and
- Corroboration of investment valuation with third party reports, and inspection of controls report on investment manager.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting

and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP

Chartered Accountants
Statutory Auditor
9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

Date: 25 October 2023

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

LIFELITES

STATEMENT OF FINANCIAL ACTIVITY YEAR ENDED 31 MARCH 2023

(Including an Income and Expenditure Account)

	Note	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	The Ted Gosling funds 2023 £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
INCOME						
Donations		403	145	0	548	978
Legacies		1	0	0	1	0
Investment income	2	101	0	5	106	76
Total income		505	145	5	655	1,054
EXPENDITURE						
Cost of generating funds	3	(183)	0	0	(183)	(131)
Investment management costs		(20)	0	(1)	(21)	(20)
		(203)	0	(1)	(204)	(151)
Charitable activities	4	(368)	(155)	(52)	(575)	(593)
Total expenditure		(571)	(155)	(53)	(779)	(744)
Net gains/(losses) on investments	7	(197)	0	(12)	(209)	346
NET MOVEMENT IN FUNDS		(263)	(10)	(60)	(333)	656
Total funds brought forward		4,347	288	253	4,888	4,232
Total funds carried forward		4,084	278	193	4,555	4,888

All income and expenditure derive from continuing activities and all gains/losses are included in the statement of financial activities

The notes on pages 21 to 32 form part of these financial statements.

The prior year figures are analysed by fund in note 12 on page 31

BALANCE SHEET as at 31 March 2023

	Note	2023 £'000	2022 £'000
FIXED ASSETS			
Intangible asset	6.	35	8
Tangible asset	6.	23	0
Investments	7.	4,197	4,504
		4,255	4,512
CURRENT ASSETS			
Debtors	8.	136	76
Investments	7.	105	103
Cash at bank and in hand		127	236
		368	415
CURRENT LIABILITIES			
Creditors falling due within one year	9.	(68)	(39)
NET CURRENT ASSETS		300	376
Total net assets		4,555	4,888
		4,555	4,888
CHARITABLE FUNDS			
Restricted income funds	10,11	278	288
The Ted Gosling Fund	10,11	193	253
Unrestricted funds			
Designated reserves	10,11	2,383	2,464
Designated reserves 25 Anniversary	10,11	1,000	1,000
General reserves	10,11	701	883
Total charitable funds		4,555	4,888

The financial statements were approved and authorised for issue by the Trustee Board on 16th October 2023 and signed on their behalf by:

ADG Harvey
Chairman

NS Springer
Treasurer

The notes on pages 21 to 32 form part of these financial statements

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2023

		2023 £'000	2022 £'000
Operating Activities			
Net cash provided by/(used in) Operating Activities	A	(345)	154
Cash flows from investing activities			
Dividends, interest and rents from investments		106	76
Purchase of intangible fixed assets		(23)	0
Purchase of tangible fixed assets		(27)	(5)
Proceeds from the sale of investments		280	200
Purchase of investments		(100)	(400)
Net cash provided by/(used in) Investing Activities		(236)	(129)
Change in cash and cash equivalents in the reporting period		(109)	25
Cash and cash equivalents at the beginning of the reporting period		236	211
Cash and cash equivalents at the end of the reporting period	B	127	236

Notes on the cash flow statement

A **Reconciliation of net income/(expenditure) to net cash flow from operating activities**

Net movement in funds as per the Statement of Financial Activities	(333)	656
Adjustments for:		
Dividends, interest and rents from investments	(106)	(76)
Movements in investments	125	(402)
(Increase)/decrease in debtors	(60)	(22)
Increase/(decrease) in creditors	29	(2)
Net cash provided by/(used in) Operating Activities	(345)	154

B **Analysis of cash and cash equivalents**

Cash held by investment managers	0	0
Cash at bank and in hand	127	236
Total cash and cash equivalents	127	236

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of Lifelites (the "Charity") have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). Additionally, they comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in 2015 (the "SORP") in all material respects. The Charity meets the definition of a public benefit entity under FRS 102.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments, on a basis consistent with previous years. The functional currency of the Charity is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Charity operates.

(c) Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due and have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Trustees' responsibilities.

(d) Incoming resources

Revenue is recognised when the significant risks and rewards of ownership have been transferred, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Charity and when the specific criteria relating to each of the Charity's revenue channels have been met, as described below:

i. Monetary donations are brought into account when received.
ii. Legacies are recognised where there has been a grant of probate, the executors have identified that there are sufficient assets in the estate after settlement of liabilities to pay the legacy and any conditions attached to the legacy are either in control of the Charity or have been met. Legacies subject to the interest of a life tenant are not recognised during the lifetime of the life tenant.
iii. Dividends are recognised from the ex-dividend date when they become receivable.

(e) **Resources expended**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of any obligation can be measured reliably. All resources expended are recognised on an accruals basis, with the exception of grants as noted below.

Expenditure on generating funds includes costs of fundraising and maintenance of donor records, together with the management of the investment portfolios. These costs include the allocation of support costs relating to these activities, as detailed in note 3.

Grants are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated in writing to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award. Support costs are allocated to these activities as laid out in note 4.

(f) **Fund accounting**

Unrestricted funds may be utilised for any purpose in accordance with the charitable objectives of the Charity. Restricted funds represent donations given to support the costs of donations of equipment, hospice staff training, project management, installation and maintenance of equipment for specific children's hospice services. Each Lifelites package is budgeted for on a four year basis in order to ensure maintenance of the equipment in good working order, provide regular training for hospice staff, and cover any regular subscription costs. The designated funds currently held are to cover this pledge and ensure the commitment over the four year cycle of each project can be met.

(g) **Intangible fixed assets**

Intangible fixed assets, consisting of Corporate Rebranding, held by Lifelites are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Intangible fixed assets are subject to review for impairment when there is an indication of a reduction in their carrying value. They are reviewed annually and any impairment is recognised in the year in which it occurs. Depreciation is calculated using the straight-line method to allocate the cost of each asset less its residual value over its useful life, estimated at 10 years. Assets in the course of construction are not depreciated until available for use.

(h) **Tangible fixed assets and depreciation**

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on the following bases.
Computers, equipment and furniture are depreciated using the straight-line method to allocate the cost of each asset less its residual value over its estimated useful life, as follows:

Assets	Years
Computers and equipment	4

(i) **Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are stated at market value. All realised and unrealised gains and losses are recognised within the Statement of Financial Activities. Investments which the Charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year, which are held for investment purposes, are disclosed as current asset investments.

(j) **Financial assets and liabilities**

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument.
Financial assets and liabilities which qualify as basic financial instruments are initially recognised at the settlement amount after any trade discounts. They are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Where settlement is not expected within 12 months of the balance sheet date, then the asset or liability is discounted using the long term return of inflation plus 4 percent used as the target for the Charity's investment portfolio. Basic financial instruments include debtors, cash and creditors within the balance sheet.

(k) **Foreign currencies**

Transactions denominated in foreign currencies are translated into Pounds Sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

(l) **Taxation**

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and it is considered to pass the test set out in paragraph 1, schedule 6 of the Finance Act 2010, and therefore it meets the definition of a charity for UK Corporation Tax purposes. The Charity is unable to recover Valued Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

2. INVESTMENT INCOME

	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Endowment funds 2023 £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income from investment portfolios	101	0	5	106	76
	101	0	5	106	76

3. COST OF GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total Funds £'000	Total Funds £'000
Salaries, NI and pension contributions	116	0	0	116	116
Printing, stationery and advertising	64	0	0	64	12
Travel expenses	2	0	0	2	2
Staff training, conferences, subscriptions & staff costs	1	0	0	1	1
	183	0	0	183	131

4. CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total Funds £'000	Total Funds £'000
Supply of equipment and technologies for use by beneficiaries	174	138	52	364	347
Service support and training:					
Salaries, NI and pension contributions	161	17	0	178	200
Printing, stationery, postage and telephone	4	0	0	4	3
Travel expenses	10	0	0	10	7
Professional fees	2	0	0	2	8
Staff training, conferences, subscriptions & staff costs	4	0	0	4	2
Sundry expenses	5	0	0	5	19
Audit fee	8	0	0	8	7
	194	17	0	211	246
	368	155	52	575	593

5. STAFF COSTS

	2023 £'000	2022 £'000
Wages and salaries	248	261
Social security costs	22	27
Pension contributions	24	26
Employee benefits	0	2
	294	316

AVERAGE NUMBER OF STAFF	2023	2022
Generating funds	3	3
Charitable activities	4	4
	7	7

STAFF EARNING MORE THAN £60,000 (INC. BENEFITS)	2023	2022
£70,001 to £80,000	1	1
Total	1	1

Senior management remuneration paid for the year totalled £85k (2022: £113k). No trustees received remuneration during the year (2022: £Nil). No trustees received payment for travel and subsistence expenses during the year (2022: £Nil).

6. INTANGIBLE AND TANGIBLE FIXED ASSETS

	Lifelites Branding £'000	Equipment & Furniture £'000	Total £'000
Cost			
Balance at 31 March 2022	11	-	11
Additions	33	24	57
Disposals	-	-	-
Balance at 31 March 2023	44	24	68
Depreciation			
Balance at 31 March 2022	3	-	3
Charge for the year	6	1	7
Disposals	-	-	-
Balance at 31 March 2023	9	1	10
Net book value			
At 31 March 2023	35	23	58
At 31 March 2022	8	-	8

7. INVESTMENTS

	2023 £'000	2022 £'000
Fixed Asset Investments:		
- Managed Funds		
MCF CAIF	4,197	4,504
	4,197	4,504
Current Asset Investments		
- RLAM	105	103
	105	103
	4,302	4,607

MOVEMENTS IN INVESTMENTS

Listed

Balance at 1 April 2022	4,607	4,005
Additions	100	400
Disposals	(280)	(200)
Investment income	105	76
Management fees	(21)	(20)
Gains/(losses)	(209)	346
Balance at 31 March 2023	4,302	4,607

RECONCILIATION TO SOFA

Gains/(losses) on listed investments	(209)	346
	(209)	346

8. DEBTORS

	2023	2022
	£'000	£'000
Prepayments and accrued income	136	76
	136	76

9. CREDITORS

	2023	2022
	£'000	£'000
Falling due within one year		
Amounts owed to MCF	30	12
Accruals and deferred income	12	14
Taxation and social security	9	8
Other creditors	17	5
	68	39

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ASSETS AND LIABILITIES	Fixed Assets £000s	Investments £000s	Money Market Deposits £000s	Current Assets £000s	Current Liabilities £000s	Fund Total £000s
Restricted funds	0	0	278	0	0	278
Endowment Reserves						
The Ted Gosling Fund	0	193	0	0	0	193
Unrestricted funds						
Designated reserves	0	2,383	0	0	0	2,383
Designated reserves 25 Anniversary	0	1,000	0	0	0	1,000
General reserves	58	621	(151)	241	(68)	701
Total funds	58	4,197	127	241	(68)	4,555

11. MOVEMENT IN FUNDS

The financial summary of the funds is set out below, together with an analysis of the restricted funds. Some restricted donations are given to cover costs at a site over a four-year period and so are not spent in the year they are given; these are shown as restricted. There are 56 different restricted funds, and each is individually immaterial and as such they are combined in the disclosure that follows. Designated funds are amounts already committed to multi-year projects as explained on page 10 of the Trustees Report.

	Balance 31 March 2022 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance 31 March 2023 £'000
Restricted Funds	288	145	(155)	0	0	278
The Ted Gosling Fund	253	5	(53)	(12)	0	193
Unrestricted funds:						
General reserves	883	505	(571)	(197)	81	701
Designated reserves – 25 Anniversary	1,000	0	0	0	0	1,000
Designated reserves – Hopsice Support	2,464	0	0	0	(81)	2,383
Total funds	4,888	655	(779)	(209)	0	4,555

12. STATEMENT OF FINANCIAL ACTIVITIES

(Including an Income and Expenditure Account)

PERIOD ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Endowment funds 2022 £'000	Total Funds 2022 £'000
INCOME					
Donations		444	284	250	978
Legacies		0	0	0	0
Investment income	2	76	0	0	76
Total income		520	284	250	1,054
EXPENDITURE					
Cost of generating funds	3	(131)	0	0	(131)
Investment management costs		(20)	0	0	(20)
		(151)	0	0	(151)
Charitable activities	4	(390)	(203)	0	(593)
Total expenditure		(541)	(203)	0	(744)
Net gains/(losses) on investments	7	343	0	3	346
NET MOVEMENT IN FUNDS		322	81	253	656
Total funds brought forward		4,025	207	0	4,232
Total funds carried forward		4,347	288	253	4,888

13. PENSION COMMITMENTS

The Charity makes contributions to a defined contribution pension scheme for the benefit of eleven employees. The pension cost charge represents contributions payable by the Charity of £24k (2021/22: £26k)

14. RELATED PARTY TRANSACTIONS

Financial services and office facilities are provided by the Masonic Charitable Foundation, both at no cost to the Charity.

Donations of £3k were received directly from trustees (2021/22: £2k). These donations had no conditions attached to them.

A balance of £30k (2021/22: £12k) was due to MCF at year end.

LIFELITES

England & Wales - Charity number 1165791

Accounts

LIFELITES

TRUSTEES ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Charity Number: 1165791

LIFELITES

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LIFELITES

TRUSTEES ANNUAL REPORT

Report and Accounts of the Trustees of Lifelites for the year ended 31 March 2022

In accordance with statutory requirements and the Statement of Recommended Practice (2015), "Accounting and Reporting by Charities" (FRS102), the Trustees of Lifelites submit their report for the year ended 31 March 2022.

These financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

1. Administrative information

Name and registered office of the Charity
The name of the Charity is Lifelites and registered charity number is 1165791.
The registered office is 60 Great Queen Street, London WC2B 5AZ.

Constitution
Charitable status was granted by the Charity Commission on 2 August 2006. The Charity became a CIO on 29 February 2016 with a change of charity number from 1115655 to 1165791

Lifelites Trustees

JB Aspden, BSc, MRPharmS *(Resigned 1 March 2022)*	
ADG Harvey, FRSA, FCMI, FCIPD, FITOL, FInstLM *(Appointed 15 December 2021)*	
CK Knight *(Resigned 15 September 2021)*	
NS Springer	Treasurer
D Strudley CBE, FRSA	
CG White, BSc (Hons) *(Resigned 15 December 2021)*	
HG Wilson (Appointed 15 December 2021)	
PD Withams, FCIBS, FCMI	
L Shattock *(Appointed 18 May 2022)*	
M Woodcock, JP, DLitt, CIntMC	Chairman of the Board of Trustees
SD Woolf, BA (Hons), FCCA	
S Umradia *(Appointed 15 September 2021)*	

Lifelites executive

S Enefer-Doy, BA (Hons), CIOF (Retired 31 March 2022)	Chief Executive
RW Lightfoot, BA (Hons) (Appointed 4 January 2022)	Chief Executive

Relevant addresses

Auditor: **Kreston Reeves LLP**
9 Donnington Park, 85 Birdham Road, Chichester, West Sussex PO20 7AJ

Bankers: **National Westminster Bank Plc**
Bloomsbury Parr's Branch, 214 High Holborn, London WC1V 7BX

Solicitors: **Stone King LLP**
16 St John's Lane, London EC1M 4BS

2. Structure, governance and management

Governing document – The trust deed sets out the objectives of Lifelites, the powers of the Trustees, the manner of appointment, resignation and removal of Trustees, and the procedures and controls which govern the administration of the Charity.

Trustees – Trustees are appointed for a period of three years. The number of Trustees cannot be less than five or more than 13. One third of the total number of Trustees are nominated by the Masonic Charitable Foundation (MCF). Each appointed trustee shall serve an initial term of three years, and shall be eligible to serve up to 3 consecutive terms, after which the appointed trustee must resign, and cannot be reappointed for a period of 12 months.

Induction and training of new Trustees – It is the policy of Lifelites to provide appropriate induction and training for new Trustees. Every trustee is encouraged to contribute effectively to the governance and fundraising of the Charity.

Committees – The Trustees have the power to delegate functions to committees, provided that any such committee comprises two or more persons and that at least two of the members are Trustees. Non-Trustees may be co-opted to these committees. The Trustees have appointed a **Charitable Projects Committee** to support the Charity's service delivery and act as technical advisers to provide policy recommendations to the Trustees and a **Fundraising and PR Committee** to assist with fundraising strategy and communications planning.

Risk management – The Trustees have implemented a new comprehensive risk register to review the governance, operational, financial, regulatory, legal and strategic risks affecting Lifelites. The risk management process involves; risk identification; impact analysis; existing controls; residual risk analysis; and additional mitigation actions. High and emerging risk items are reviewed at each Trustees meeting, with a bi-annual review of all risks. The Trustees use this risk management process to structure workstreams and target activity to reduce risks.

Listed below are risks identified with high residual risks after existing controls and agreed mitigations.

Risk Details	Impact	Existing Controls	Mitigation
Lifelites lacking strategic direction / no written strategic plan	Mission drift Reputational damage Conflict between strategy / operations Loss of funding	Simple & high impact charitable objectives Well defined operational calendar of activities to deliver	Refresh Vision, Mission & Values Create Strategic Plan Establish working groups & action plan to deliver strategic priorities
Loss of key personnel / poor succession planning	Strategic & operational disruption Short-term increase in expenditure Staff cover / burnout Failure to deliver objectives Low morale Loss of clear leadership	Appropriate notice periods for senior staff Supervision & Performance Development Reviews Shared responsibilities at Board Level (committees etc.)	Board/SLT skills audit Refresh Trustee Recruitment Policy Refresh sub-committee Terms of Reference Establish succession plan for leadership roles

		Need to consider succession planning for Chair, FPRC Chair & Treasurer	Develop strategic plan with defined objectives and continuity planning
Sole trader - See IT Work - gives notice or unavailable for protractred period	Failure to deliver services Reputational damage Service quality reduced Loss of income	3-year contract covers eventualities and responsibilities for cover Maintained close contact and good relationship Lifelites 'owns' hospice relationships Service contract specification in place if replacement required	Establish contract review process Negotiate new contract from 2024
Donor / Hospice database breakdown / unsuitable database for strategic development	Service disruption Funding relationships damaged Data protection breach Loss of data High expenditure to resolve	System held on Lifelites servers Some internal database knowledge	Review database needs Consider consulation for upgrade / cloud-based CRM system Consider integration with new website Develop automated stakeholder engagement plans in-built to new CRM
Loss of income due to competition, lack of public awareness etc	Loss of income Failure to deliver strategic objectives Loss of relevance	Emotive & unique cause Case studies articulate impact Strong relationships with existing supporters	Rebranding & digital campaign in development New website Marketing & communications plan
Income dependency on Freemasonry & major partners	Longer-term sustainability Service impact Depleting reserves	Monthly income projections High prioritisation on strewardship Digital fundraising development	Fundraising Strategy development Targetted approach to Freemasonry & other major partners Develop & implement rebrand & digital fundraising strategy

Fundraising Standards – Lifelites operates its direct fundraising activities in accordance with the Chartered Institute of Fundraising Codes of Fundraising Practice, as follows:

- During the financial year pertaining to this report, no public fundraising activities were undertaken directly by Lifelites or its staff, including public collections, street face to face fundraising or telephone fundraising.
- During the financial year pertaining to this report, neither the Charity nor any person acting on behalf of the Charity was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising.
- No complaints were received by the Charity or any person acting on its behalf about the activities by the Charity or by a person on behalf of the Charity for the purposes of fundraising. In order to ensure that vulnerable people and other members of the public are protected from: a) unreasonable intrusion on a person's privacy, b) unreasonable or persistent approaches for the purposes of soliciting or otherwise procuring money or other property on behalf of the Charity, c) placing undue pressure on a person to give money or other property all Lifelites staff have been trained on the latest data protection procedures which were implemented on 25 May 2018.

3. Public benefit

The Trustees of Lifelites have had due regard to guidance published by the Charity Commission on public benefit. The purpose of Lifelites is to provide assistive technology and related services for children and young people cared for in children's hospices and similar environments in the British Isles with the primary intention of enhancing their lives. As such, the Trustees are satisfied that the requirements of the public benefit test are being met.

4. Objectives and activities

Lifelites donates and maintains packages of special recreational and educational technologies for children and young people cared for by hospice services and other similar environments, with a particular focus on equipment for those with disabilities and life-limiting conditions. The objective is to provide the special equipment and services for every children's hospice service in the British Isles.

Lifelites also provides initial and on-going training in the use of this equipment for hospice staff, as well as a free helpline and on-site technical support to helps staff maximise the impact of the technology for its intended purpose.

The Lifelites Charitable Project Committee plays an essential role in the work of the Charity by regularly exploring advances in technology and suggesting ways that these might benefit and add value. This enables the children and young people to benefit from the provision of a full range of cutting edge technologies to enhance their quality of life.

5. Role and contribution of volunteers

Fundraising and administration – volunteers (individuals and groups) and Trustees play major roles in fundraising, administration and other essential support. Volunteers actively support fundraising activities and serve on the Fundraising and PR Committee, which supports staff to set Lifelites' fundraising strategy and communications plan.

Technical advice and support – The Worshipful Company of Information Technologists (WCIT) was one of the architects of the Lifelites project and continues to advise Lifelites on service developments along with funding, thus maintaining this strong partnership. The Charity benefits from other volunteers who serve on the Charitable Project Committee, who provide specialist advice and support on new technology and its application within children's hospices.

6. Achievements and performance

Projects for life-limited children and young people – During the period, Lifelites continued to adapt and deploy its services creatively to combat the ongoing Covid-19 restrictions.

Lifelites works hard to ensure that their provision stays relevant to developments in children's hospice services, in hospice buildings as well as in the community.

- The Charity successfully installed packages of new technology in 13 children's hospices across the British Isles.
- Children's Hospice at Home Services became much more important during 2021-22 as many life-limited and disabled children with compromised immune systems were forced to isolate. Children's hospices have greatly expanded their services to reach more life-limited children by providing palliative care in their homes and Lifelites has adapted its packages and training to help hospices extend their reach into the community. With the expansion of Children's Hospice at Home services, the Lifelites "Tech Trunks" - a range of the most portable technologies which can be taken by hospice care staff for use with the children in their own homes – came into their own.

Hospice staff training – During the period, Lifelites worked to return to face-to-face provision of initial training to coincide with the 13 new installations. In addition, the Charity provided initial training for 5 hospices which had been postponed from the previous year due to the pandemic.

Lifelites has continued to deliver on-going training for hospice staff online, which has enabled the Charity to remain cost-effective without compromising on quality. This suite of training has proved highly effective, combining the more intensive, practical face-to-face training at the point of installation, in addition to an extended online offer, allowing new and existing hospice staff to refresh their knowledge and seek support with specific items of technology. During the period, Lifelites delivered training for 118 hospice staff over nearly 200 hours.

Lifelites Showcase – Following the success of last year's Showcase, Lifelites produced a new video to highlight the extensive range of technology available to hospices and provide insight into how the technology can make a difference to the lives of the children cared for by the hospice services.

Understanding need – Lifelites has always sought to work closely with partners across the children's hospice and palliative care system. Over the period staff have kept pace with developments by attending industry seminars, meetings of the Children and Young People with Cancer consortium, and membership of Together for Short Lives and other support groups.

Supporter engagement and celebrations – As the world moved into the new phase of the pandemic, Lifelites worked hard to reconnect with new and existing supporters. In addition to regular e-news and stewardship, the Charity took its traditional hospice celebration events online, producing videos featuring the project and training team, hospice staff and supporters to help promote the installation of new technology packages. These videos were broadcast via social media channels to help tell the story of Lifelites' services.

Building relationships – Like most charities, the pandemic served to transform our service delivery processes and our funding model. In fundraising, Lifelites used the opportunity to rethink the strategy and innovate. This approach brought exciting new partnerships within the gaming industry, including our own Lifelites Game Time event and culminating in being selected as a charity partner of Jingle Jam, the world's biggest charity gaming event. The fundraising team also identified new ways to work with existing supporters within our traditional Freemasonry and Trust partners. The pinnacle of this new approach was our Lifelites Live series, which sought to highlight the unparalleled support of Freemasons Provinces providing funds for children's hospices in their local area. Lifelites was also delighted to work with The Edward Gostling Foundation, who provided a 10-year expendible endowment fund to enable the Charity to invest in the very latest technologies to help children to play, create and communicate.

During the period, Lifelites moved offices to the Charities Floor at Freemasons' Hall to work more closely with partners across Freemasonry.

End of an era and looking forward – In March, Lifelites celebrated the 16-year tenure of our outgoing Chief Executive, Simone Enefer-Doy, who retired at the end of the period. Simone was instrumental in establishing Lifelites' credentials as an innovative children's charity and laid strong foundations for the Charity to look forward with ambition and confidence. As incoming Chief Executive, Rob Lightfoot led a Strategic Review across key strategic and operational areas and presented a series of overarching recommendations, which were adopted by the Trustees in March.

7. Plans for the future

Strategic Plan – The Strategic Review, conducted through a series of meetings, forums and desk research, identified a number of areas for development and unique opportunities to build on a strong foundation. The plans for the future outlined are designed to align with Lifelites' existing operational commitments for the next 12 months, with a view to setting a 4-year strategy for 2023-27.

Governance – Lifelites is a well-governed organisation with effective operational procedures. Over the coming 12 months, the Senior Leadership Team will review and consolidate these policies and procedures, including a more proactive, robust risk management mechanism and establishing a more systematic approach to its governance processes.

Board development – From its origins as a Millennium Project of the Royal Masonic Trust for Girls and Boys (RMTGB), latterly also enjoying support from MCF, Lifelites has always benefitted from a committed Board of Trustees, primarily selected from these organisations. Moving forward, as Lifelites seeks to attract new audiences and supporters, so to advance this work, it is seeking to increase diversity at Board level to bring in different skills, perspectives and experiences. Work is underway to audit existing skills and develop a recruitment programme to attract new talent onto the Board.

Brand and communications refresh – Over the next five years, Lifelites is seeking to diversify income streams, attract new audiences and increase service reach and impact. To facilitate this journey, the Charity plans to engage internal and external stakeholders in a consultation about Lifelites' mission and values. Following this, Lifelites will evaluate its existing brand, marketing and communications assets to understand the effectiveness of its brand presence and marketing strategy. The results of this exercise will provide Trustees with recommendations and an action plan to refresh the brand to facilitate the strategic development of the Charity into a well-resourced, vibrant and modern provider of services for life-limited children.

Fundraising strategy – Lifelites has befitted from excellent relationships from Freemasonry, Livery Companies and other Trusts and Foundations. Over the coming year, the Charity will refocus efforts on building strong, mutually beneficial relationships with key supporters and seek to generate more sustainable income from multi-year commitments with these high value supporters. In addition, as the Charity seeks to modernise and increase impact, Lifelites will seek to diversify income streams further. This will see Lifelites building on a programme of digital fundraising and corporate partnerships particularly with the tech and gaming industries. Whilst testing these new approaches, Lifelites intends to develop a new 4-year fundraising plan to facilitate the delivery of Lifelites' strategy.

The Trustees are aware that, in current economic climate, and whilst these new fundraising streams are developed, income certainty may reduce, and they are monitoring developments closely and will take remedial action if required.

Building our partnerships – Lifelites will maintain close working relationships with Together for Short Lives - the children's palliative care umbrella charity - and every children's hospice service in the British Isles. In addition, the Charity intends to cement working relationships with MCF, WCIT to align objectives

and maximise our collective voice. We are also keen to maintain and build upon our strong relationships with the BMJ and City Livery Companies.

Needs analysis and service development – In research by Together for Short Lives, children's hospice services indicated that 10,000 children and families access their services. However, the research suggested that there are around 100,000 children and young people in need of palliative care services in the UK. As a solution-provider, Lifelites intends to work with partners across the children's palliative care sector to identify the needs of potential service users and develop or extend services to increase accessibility, reach and impact.

Funding for new technology packages - With its status as the only charity in the British Isles focused on the provision and maintenance of technologies for life-limited children in hospices, Lifelites is committed to its current programme for replacing and maintaining equipment at each existing site. The Charity has identified 14 services around the country in need of new packages from Lifelites, which will be installed between September and March.

Developing resources for hospice staff and parents – Using the learning and efficiencies initiated during the pandemic, Lifelites will dedicate more resources to encourage best practice and maximise usage of the Lifelites technologies in hospices. These training guides will be available online via the Charity's website for hospice staff and parents. Lifelites will continue to provide initial and on-going training and is seeking to improve quality and increase uptake from hospice staff.

8. Financial summary

During the 12 months to 31 March 2022, investments generated income of £76k (2020/21 £77k) and investment gains of £346k (2020/21 £763k). Donations and legacies amounted to £978k (2020/21 £497k). Donations made to Lifelites during this period included support for installations at specific sites, hospice staff training, project management and the specialist maintenance of all its projects.

The cost of all the projects including equipment, training and installation and maintenance work carried out by Lifelites during this 12 month period was £593k (2020/21 £479k).

As at 31 March 2022, Lifelites held funds to the value of £4,888k (31 Mar 2021 £4,232k).
Office facilities were provided by the RMTGB and financial and HR administrative support was given by the Masonic Charitable Foundation (MCF), both at no cost to Lifelites.

Staff Pay and Remuneration – The pay of charity staff and key management personal is reviewed annually and any changes suggested are discussed and approved by the Trustees. As far as possible, salaries are set in line with current market trends in the sector.

Reserves Policy

When Lifelites was established as a separate charity in 2006, the RMTGB made a donation to Lifelites comprising the residue of the fund created when Lifelites was set up as their Millennium project.

The purpose of these funds was act like an endowment to support the costs of generating sustainable sources of income and to further the charitable objects.

The Trustees have considered the purposes for which the Charity needs to hold reserves. They believe that the level of reserves should be sufficient to cover the risks to which the Charity is exposed, safeguard against the volatility of key income streams, to honour the Charity's long-term commitments to its partners and to maintain the strong culture of innovation, impact and continuous improvement.

To achieve these objectives, in addition to the restricted reserves, the Trustees have structured the Charity's reserves into defined funds, as follows:

	£,000
Total funds held at 31 March 2022	**4,888**
Restricted funds	288
Endowment – The Ted Gostling Fund	253
Designated funds - Hospice Support	2,464
Designated funds - Lifelites 25	1,000
Total free reserves at 31 March 2022	**883**

Designated funds – Hospice Support – Lifelites' Trustees have taken a responsible and prudent path to managing charitable donations, seeking to guarantee its moral commitment to install, maintain and replace each package of technology on a four-yearly basis. To achieve this commitment, the Trustees have designated funds to insure against potential future fundraising fluctuations and ensure the four-year commitment to each Lifelites project can be met, including regular hospice staff training, a technical helpline and onsite maintenance as required.

Designated funds – Lifelites 25 – Subject to the appropriate research, evaluation and project planning, the Trustees have designated a significant sum to enable Lifelites to celebrate its 25th anniversary with an investment in projects and services complementary to its existing hospice 'offer' and aligned to its charitable objectives. Over the coming 12 months, the Charity will evaluate options in discussion with

key strategic partners. It is also the intention of the Charity to seek match-funding from partners to maximise the scale and impact of this programme, likely to commence in 2024/5.

Unrestricted funds – The Trustees have reviewed the required level of free reserves and determined that a minimum of 9 months is sufficient to cover the risks to which the charity is exposed. Lifelites reserve position has fluctuated due to external factors affecting the Charity's investments in recent years. To mitigate against the impact of further fluctuation, the Trustees include 5% of the total investment fund value, placing this in a low-risk cash reserve, to guard against losses, which could affect the Charity's short-term obligations. In addition, as the Charity seeks to reduce its historic reliance on support from Freemasonry, it is exploring a range of diverse income sources, which may take some time to yield sustainable funding.

The Charity is aware that the need for its services are increasing, with children's hospices facing unprecedented demand from life-limited children with complex conditions. Whilst demand remains high and this new fundraising strategy is implemented, the Trustees believe it is prudent to hold these free reserves to maintain financial security and operational flexibility.

The Trustees will monitor reserve levels periodically and take remedial action where necessary to ensure levels comply with the policy.

Investment Policy

Lifelites benefits from a CAIF – Charity Authorised Investment Fund professionally managed under the supervision of an MCF committee which is attended by the Treasurer. The MCF Committee is advised by Asset Risk Consultants (ARC). This is a unit trust with a highly efficient tax wrapper in which the MCF and all its subsidiary charities own their shares in the form of units. Units will be sold as required in order to top up the Cash Reserve on a quarterly basis. The investment strategy is directed for "Steady Growth", which is a medium-high risk strategy. Risk is managed through diversification, with the funds split between four different fund managers operating on multi asset mandates but utilising differing investment management styles. The overall fund manager is Thesis Unit Trust Management Limited and the custodian in Northern Trust. The Trustees regularly reviewed Lifelites' investments and fund manager performance throughout the year, and are satisfied that investment risks are being managed in such a manner as to protect the future of Lifelites charitable activities.

The income generated from Lifelites' investment portfolio is ring-fenced to the cost of generating income, which helps to maximise the impact of donations. To this end, the Charity is seeking to ensure that donated funds are utilised on its charitable activities.

9. Trustees' responsibilities

The Trustees are responsible for preparing the report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to Trustees in England and Wales requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- observe the methods and principles in the Charities' SORP 2015 (FRS102);
- select suitable accounting standards and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departure disclosed and explained in the financial statements;

- prepare the financial statements 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 which disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure that the financial statements of the Charity comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each trustee at the date of approval of this report is aware:

i. there is no relevant audit information of which the Charity's auditors are unaware;

ii. and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The report was approved and signed on behalf of the Trustees by:

Signed _____ 1 September 2022

Mike Woodcock, Chairman

Independent Auditors' Report to the Trustees of Lifelites

Opinion

We have audited the financial statements of Lifelites (the 'charity') for the year ended 31 March 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on

the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Statement of Recommended Practice. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including payroll expenditure; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation; and
- Corroboration of investment valuation with third party reports, and inspection of controls report on investment manager.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting

and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP

Chartered Accountants
Statutory Auditor
9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

Date: 20 September 2022

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

LIFELITES

STATEMENT OF FINANCIAL ACTIVITY YEAR ENDED 31 MARCH 2022

(Including an Income and Expenditure Account)

	Note	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	The Ted Gosling Endowment funds 2022 £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
INCOME						
Donations		444	284	250	978	497
Investment income	2	76	0	0	76	77
Grant (Furlough)		0	0	0	0	60
Total income		520	284	250	1,054	634
EXPENDITURE						
Cost of generating funds	3	(131)	0	0	(131)	(147)
Investment management costs		(20)	0	0	(20)	(18)
		(151)	0	0	(151)	(165)
Charitable activities	4	(390)	(203)	0	(593)	(479)
Total expenditure		(541)	(203)	0	(744)	(644)
Net gains/(losses) on investments	7	343	0	3	346	763
NET MOVEMENT IN FUNDS		322	81	253	656	753
Total funds brought forward		4,025	207	0	4,232	3,479
Total funds carried forward		4,347	288	253	4,888	4,232

All income and expenditure derive from continuing activities and all gains/losses are included in the statement of financial activities

The notes on pages 19 to 30 form part of these financial statements.

The prior year figures are analysed by fund in note 12 on page 29

BALANCE SHEET as at 31 March 2022

	Note	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible asset	6.	8	3
Investments	7.	4,504	3,901
		4,512	3,904
CURRENT ASSETS			
Debtors	8.	76	54
Investments	7.	103	104
Cash at bank and in hand		236	211
		415	369
CURRENT LIABILITIES			
Creditors falling due within one year	9.	(39)	(41)
NET CURRENT ASSETS		376	328
Total net assets		4,888	4,232
		4,888	4,232
CHARITABLE FUNDS			
Restricted income funds	10,11	288	207
The Ted Gosling Endowment Reserves	10,11	253	0
Unrestricted funds			
Designated reserves	10,11	2,464	2,579
Designated reserves 25 Anniversary	10,11	1,000	0
General reserves	10,11	883	1,446
Total charitable funds		4,888	4,232

The financial statements were approved and authorised for issue by the Trustee Board on 1st September 2022 and signed on their behalf by:

Michael Woodcock
Chairman

Nicholas Springer
Treasurer

The notes on pages 19 to 30 form part of these financial statements

CASH FLOW STATEMENT

		YEAR ENDED 31 MARCH 2022	
		2022	2021
		£'000	£'000
Operating Activities			
Net cash provided by/(used in) Operating Activities	A	154	(86)
Cash flows from investing activities			
Dividends, interest and rents from investments		76	77
Purchase of tangible fixed assets		(5)	1
Proceeds from the sale of investments		200	200
Purchase of investments		(400)	(100)
Net cash provided by/(used in) Investing Activities		(129)	178
Change in cash and cash equivalents in the reporting period		25	92
Cash and cash equivalents at the beginning of the reporting period		211	119
Cash and cash equivalents at the end of the reporting period	B	236	211

Notes on the cash flow statement

A **Reconciliation of net income/(expenditure) to net cash flow from operating activities**

Net movement in funds as per the Statement of Financial Activities	656	753
Adjustments for:		
Dividends, interest and rents from investments	(76)	(77)
Movements in investments	(402)	(821)
(Increase)/decrease in debtors	(22)	45
Increase/(decrease) in creditors	(2)	14
Net cash provided by/(used in) Operating Activities	154	(86)

B **Analysis of cash and cash equivalents**

Cash held by investment managers	0	0
Cash at bank and in hand	236	211
Total cash and cash equivalents	236	211

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of Lifelites (the "Charity") have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). Additionally, they comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in 2015 (the "SORP") in all material respects. The Charity meets the definition of a public benefit entity under FRS 102.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments, on a basis consistent with previous years. The functional currency of the Charity is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Charity operates.

(c) Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. Any reduction in income caused by the Covid-19 pandemic will be covered by reserves and cost savings. After taking into account the impact of Covid-19, and these considerations, it is concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Trustees responsibilities.

(d) Incoming resources

Revenue is recognised when the significant risks and rewards of ownership have been transferred, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Charity and when the specific criteria relating to each of the Charity's revenue channels have been met, as described below:

i. Monetary donations are brought into account when received.
ii. Legacies are recognised where there has been a grant of probate, the executors have identified that there are sufficient assets in the estate after settlement of liabilities to pay the legacy and any conditions attached to the legacy are either in control of the Charity or have been met. Legacies subject to the interest of a life tenant are not recognised during the lifetime of the life tenant.
iii. Dividends are recognised from the ex-dividend date when they become receivable.

(e) **Resources expended**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of any obligation can be measured reliably. All resources expended are recognised on an accruals basis, with the exception of grants as noted below.

Expenditure on generating funds includes costs of fundraising and maintenance of donor records, together with the management of the investment portfolios. These costs include the allocation of support costs relating to these activities, as detailed in note 3.

Grants are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated in writing to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award. Support costs are allocated to these activities as laid out in note 4.

(f) **Fund accounting**

Unrestricted funds may be utilised for any purpose in accordance with the charitable objectives of the Charity. Restricted funds represent donations given to support the costs of donations of equipment, hospice staff training, project management, installation and maintenance of equipment for specific children's hospice services. Each Lifelites package is budgeted for on a four year basis in order to ensure maintenance of the equipment in good working order, provide regular training for hospice staff, and cover any regular subscription costs. The designated funds currently held are to cover this pledge and ensure the commitment over the four year cycle of each project can be met.

(g) **Tangible fixed assets and depreciation**

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on the following bases.
Computers, equipment and furniture are depreciated using the straight-line method to allocate the cost of each asset less its residual value over its estimated useful life, as follows:

	Assets	Years
i.	Computers and equipment	4

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

(h) **Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are stated at market value. All realised and unrealised gains and losses are recognised within the Statement of Financial Activities. Investments which the Charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year, which are held for investment purposes, are disclosed as current asset investments.

(j) **Financial assets and liabilities**

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument.
Financial assets and liabilities which qualify as basic financial instruments are initially recognised at the settlement amount after any trade discounts. They are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Where settlement is not expected within 12 months of the balance sheet date, then the asset or liability is discounted using the long term return of inflation plus 4 percent used as the target for the Charity's investment portfolio. Basic financial instruments include debtors, cash and creditors within the balance sheet.

(k) **Foreign currencies**

Transactions denominated in foreign currencies are translated into Pounds Sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

(l) **Taxation**

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and it is considered to pass the test set out in paragraph 1, schedule 6 of the Finance Act 2010, and therefore it meets the definition of a charity for U.K. Corporation Tax purposes. The Charity is unable to recover Valued Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

2. INVESTMENT INCOME

	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Endowment funds 2022 £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Income from investment portfolios	76	0	0	76	77
	76	0	0	76	77

3. COST OF GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total Funds £'000	Total Funds £'000
Salaries, NI and pension contributions	116	0	0	116	136
Printing, stationery and advertising	12	0	0	12	11
Travel expenses	2	0	0	2	0
Staff training, conferences, subscriptions & staff costs	1	0	0	1	0
	131	0	0	131	147

4. CHARITABLE ACTIVITIES

	Unrestricted funds 0 £'000	Restricted funds 0 £'000	Endowment funds 0 £'000	Total Funds 0 £'000	Total Funds 0 £'000
Supply of equipment and technologies for use by beneficiaries	158	189	0	347	231
Service support and training:					
Salaries, NI and pension contributions	186	14	0	200	225
Printing, stationery, postage and telephone	3	0	0	3	6
Travel expenses	7	0	0	7	2
Professional fees	8	0	0	8	2
Staff training, conferences, subscriptions & staff costs	2	0	0	2	4
Sundry expenses	19	0	0	19	3
Audit fee	7	0	0	7	6
	232	14	0	246	248
	390	203	0	593	479

5. STAFF COSTS

	2022 £'000	2021 £'000
Wages and salaries	261	293
Social security costs	27	26
Pension contributions	26	29
Employee benefits	2	2
Redundancy	0	11
	316	361

AVERAGE NUMBER OF STAFF	2022	2021
Generating funds	3	4
Charitable activities	4	5
	7	9

STAFF EARNING MORE THAN £60,000 (INC. BENEFITS)	2022	2021
£70,001 to £80,000	1	1
Total	1	1

Senior management remuneration paid for the year totalled £113k (2021: £99k). No trustees received remuneration during the year (2021: £Nil). No trustees received payment for travel and subsistence expenses during the year (2021: £Nil).

6. TANGIBLE FIXED ASSETS

	Equipment & Furniture £'000
Cost	
Balance at 31 March 2021	5
Additions	6
Disposals	-
Balance at 31 March 2022	11
Depreciation	
Balance at 31 March 2021	2
Charge for the year	1
Disposals	-
Balance at 31 March 2022	3
Net book value	
At 31 March 2022	8
At 31 March 2021	3

7. INVESTMENTS

	2022 £'000	2021 £'000
Fixed Asset Investments:		
- Managed Funds		
MCF CAIF	4,504	3,901
	4,504	3,901
Current Asset Investments		
- RLAM	103	104
	103	104
	4,607	4,005

MOVEMENTS IN INVESTMENTS

Listed

Balance at 1 April 2021	4,005	3,284
Additions	400	100
Disposals	(200)	(200)
Investment income	76	76
Management fees	(20)	(18)
Gains/(losses)	346	763
Balance at 31 March 2022	4,607	4,005

RECONCILIATION TO SOFA

Gains/(losses) on listed investments	346	763
	346	763

8. DEBTORS

	2022 £'000	2021 £'000
Prepayments and accrued income	76	54
	76	54

9. CREDITORS

	2022 £'000	2021 £'000
Falling due within one year		
Amounts owed to MCF	12	13
Accruals and deferred income	14	16
Taxation and social security	8	7
Other creditors	5	5
	39	41

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ASSETS AND LIABILITIES	Fixed Assets £000s	Investments £000s	Money Market Deposits £000s	Current Assets £000s	Current Liabilities £000s	Fund Total £000s
Restricted funds	0	0	288	0	0	288
Endowment Reserves						
The Ted Gosling Fund	0	253	0	0	0	253
Unrestricted funds						
Designated reserves	2,579	(115)	0	0	0	2,464
Designated reserves 25 Anniversary	0	1,000	0	0	0	1,000
General reserves	7	787	(52)	180	(39)	883
Total funds	2,586	1,925	236	180	(39)	4,888

11. MOVEMENT IN FUNDS

The financial summary of the funds is set out below, together with an analysis of the restricted funds. Some restricted donations are given to cover costs at a site over a four-year period and so are not spent in the year they are given; these are shown as restricted. There are 55 different restricted funds, and each is individually immaterial and as such they are combined in the disclosure that follows. Designated funds are amounts already committed to multi-year projects as explained on page 10 of the Trustees report.

	Balance 31 March 2021 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £'000	Transfers £'000	Balance 31 March 2022 £'000
Restricted Funds	207	284	(203)	0	0	288
The Ted Gosling Fund	0	250	0	3	0	253
Unrestricted funds:						
General reserves	1,446	520	(541)	343	(885)	883
Designated reserves – 25 Anniversary	0	0	0	0	1,000	1,000
Designated reserves – Hopsice Support	2,579	0	0	0	(115)	2,464
Total funds	4,232	1,054	(744)	346	0	4,888

NOTES TO THE FINANCIAL STATEMENTS

12. STATEMENT OF FINANCIAL ACTIVITIES

(Including an Income and Expenditure Account)

PERIOD ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total Funds 2021 £'000
INCOME				
Donations		203	294	497
Legacies		0	0	0
Investment income	2	77	0	77
Grant (Furlough)		60	0	60
Total income		340	294	634
EXPENDITURE				
Cost of generating funds	3	(147)	0	(147)
Investment management costs		(18)	0	(18)
		(165)	0	(165)
Charitable activities	4	(262)	(217)	(479)
Total expenditure		(427)	(217)	(644)
Net gains/(losses) on investments	7	763	0	763
NET MOVEMENT IN FUNDS		676	77	753
Total funds brought forward		3,349	130	3,479
Total funds carried forward		4,025	207	4,232

13. PENSION COMMITMENTS

The Charity makes contributions to a defined contribution pension scheme for the benefit of eleven employees. The pension cost charge represents contributions payable by the Charity of £25,582 (2020/21: £29,001).

14. RELATED PARTY TRANSACTIONS

Financial services are provided by the Masonic Charitable Foundation, and office facilities are provided by the Royal Masonic Trust for Girls and Boys, both at no cost to the Charity.

Donations of £25k were received directly from trustees (2020/21: £3k). These donations had no conditions attached to them.

A balance of £12k (2020/21: £13k) was due to MCF at year end.

LIFELITES

England & Wales - Charity number 1165791

Accounts

LIFELITES

TRUSTEES ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Charity Number: 1165791

LIFELITES

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LIFELITES

TRUSTEES ANNUAL REPORT

Report and Accounts of the Trustees of Lifelites for the year ended 31 March 2021

In accordance with statutory requirements and the Statement of Recommended Practice (2015), "Accounting and Reporting by Charities" (FRS102), the trustees of Lifelites submit their report for the year ended 31 March 2021.

These financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

1. Administrative information

Name and registered office of the charity
The name of the charity is Lifelites and registered charity number is 1165791.
The registered office is 26 Great Queen Street, London WC2B 5BL.

Constitution

Charitable status was granted by the Charity Commission on 2 August 2006. The charity became a CIO on 29 February 2016 with a change of charity number from 1115655 to 1165791

Lifelites trustees

JB Aspden, BSc, MRPharmS	
CK Knight	
Lady P Kalms (resigned November 2020)	
NS Springer, FCA	
D Strudley CBE FRSA	
CG White, BSc (Hons)	
PD Withams, FCIBS, FCMI	
M Woodcock, JP, DLitt, CIntMC	Chairman of the board of trustees
SD Woolf BA (Hons), FCCA	

Lifelites executive

S Enefer-Doy BA (Hons), CIOF	Chief Executive

Relevant addresses

Auditor: **Kreston Reeves LLP**
9 Donnington Park, 85 Birdham Road, Chichester, West Sussex PO20 7AJ

Bankers: **National Westminster Bank Plc**
Bloomsbury Parr's Branch, 214 High Holborn, London WC1V 7BX

Solicitors: **Stone King LLP**
16 St John's Lane, London EC1M 4BS

2. Structure, governance and management

Governing document –The trust deed sets out the objectives of Lifelites, the powers of the trustees, the manner of appointment, resignation and removal of trustees, and the procedures and controls which govern the administration of the charity.

Trustees – Trustees are appointed for a period of three years. The number of trustees cannot be less than five or more than 13.

Induction and training of new trustees – It is the policy of Lifelites to provide appropriate induction and training for new trustees. Every trustee is encouraged to contribute effectively to the governance and fundraising of the charity.

Committees – The trustees have the power to delegate functions to committees, provided that any such committee comprises two or more persons and that at least two of the members are trustees. Non-trustees may be co-opted to these committees. The trustees have appointed a **Charitable Projects Committee** to support the charity's day-to-day activities and to provide policy recommendations to the Trustees and a **Fundraising and PR Committee** to assist with fundraising.

The Charitable Projects Committee is also advised by a **Technical Advisory Panel** of expert volunteers which continually reassesses the technology provision for children cared for in hospices and similar environments to ensure benefits for the users and value for money for the charity.

Risk management – The trustees periodically review the operational, financial, regulatory, legal and strategic risks affecting Lifelites and risk management procedures. Appropriate measures to mitigate the effects of identified risks are in place and remain under review.

The principal risks identified and agreed actions to mitigate are shown in the following table.

Potential risk	Potential impact	Mitigation
A major international issue shuts down the country	We are unable to continue with our work for children's hospice services. One or more fundraising source becomes restricted to us or is diverted to crisis causes	Business continuity plan in place. Agree contingencies in case of partial or complete shutdown. Maintain and develop a mixed and flexible fundraising portfolio.
Significant unexpected financial loss	Reputational damage, loss of confidence with key stakeholders and impact upon continuing financial sustainability	Business continuity plan in place. Strong financial procedures, particularly budgetary planning and control. Oversight from the trustees.
Significant long-term loss in the value of the investment portfolio	Impacts financial sustainability and reputational damage with donors	Business continuity plan in place. Appointment of Asset Risk Consultants as expert investment advisors, providing monthly performance reporting and analysis. Oversight from the Treasurer and the Board.
Loss of donation of office or office accommodation unavailable	Operations compromised	The MCF have committed to maintain the donation of our office facilities. Business continuity plan and remote working procedures developed. All records kept electronically.

Fraud	Financial loss, reputational damage, adverse impact upon staff	Fraud prevention integral to staff induction. Auditable procedures are in place for our mail to ensure secure handling of donations.
Loss of donated IT services or cyber attack	All key operations are compromised	Negotiated with MCF and United Grand Lodge of England (UGLE) to maintain the donation of our IT services. UGLE and IT network providers have strong security procedures in place covering access, protection, backups and disaster recovery facilities.
Data protection breach	Reputational damage and significant financial penalties	Data protection policies, IT security and HR policies are in place.
Lack of compliance with employment legislation	Breach of legal obligations, potential financial penalties, breakdown of staff morale and adverse impact upon service provision	HR procedures and staff handbook. Induction processes for new staff. Ongoing management training and personal development reviews
Undue reliance on key persons	Operational breakdown, adverse impact upon staff morale, poor service to beneficiaries	Business continuity plan in place. Database and other processes created for consistent record keeping. Regular Charitable Projects Committee meetings ensure adherence to policies. Support for Lifelites chief executive if required is available on a pro bono basis via the MCF.
Internet safety via our equipment is called into question	Reputational risk	Internet safety falls under the hospices' own duty of care. Hospices sign our internet safety declaration when new equipment is installed clarifying their responsibility for internet safety.

Risks are actively monitored by and formally reviewed by the trustees' board at each meeting.

Fundraising Standards - Lifelites operates its direct fundraising activities in accordance with the Chartered Institute of Fundraising Codes of Fundraising Practice, as follows:

- During the financial year pertaining to this report, no public fundraising activities were undertaken directly by Lifelites or its staff, including public collections, street face to face fundraising or telephone fundraising.
- During the financial year pertaining to this report, neither the charity nor any person acting on behalf of the charity was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising.
- No complaints were received by the charity or any person acting on its behalf about the activities by the charity or by a person on behalf of the charity for the purposes of fundraising. In order to ensure that vulnerable people and other members of the public are protected from: a) unreasonable intrusion on a person's privacy, b) unreasonable or persistent approaches for the purposes of soliciting or otherwise procuring money or other property on behalf of the charity, c)

placing undue pressure on a person to give money or other property, all Lifelites staff have been trained on the latest data protection procedures which were implemented on 25 May 2018.

3. Public benefit

The trustees of Lifelites have had due regard to guidance published by the Charity Commission on public benefit. The purpose of Lifelites is to provide assistive technology and related services for children and young people cared for in children's hospices and similar environments in the British Isles with the primary intention of enhancing their lives. As such, the trustees are satisfied that the requirements of the public benefit test are being met.

4. Objectives and activities

Lifelites donates and maintains packages of special recreational and educational technologies for children and young people cared for by hospice services and other similar environments, with a particular focus on equipment for those with special needs. The objective is to provide the special equipment and services for children using every children's hospice service in the British Isles.

Lifelites also provides training in the use of this equipment for hospice staff, as well as a free helpline and on-site technical support plus facilities to encourage best practice with the equipment, including an annual conference or similar (see below) and online forums.

The Lifelites Technical Advisory Panel plays an essential role in the work of the charity by regularly exploring advances in technology and suggesting ways that these might benefit and add value to the Lifelites offering. This enables the children and young people to benefit from the provision of a full range of cutting edge technologies for recreational and educational purposes.

5. Role and contribution of volunteers

Fundraising and administration – volunteers (individuals and groups) and trustees play major roles in fundraising, administration and other essential support.

The Worshipful Company of Information Technologists – The Company was one of the architects of the Lifelites project and continues to advise Lifelites on service developments along with funding, thus maintaining this strong partnership.

6. Achievements and performance

Covid-19 – In common with the rest of the country and the world, Coronavirus impacted the charity's performance throughout the financial year 2020/21, as well as into the new financial year. At the time of this report, although many services have resumed, there is no clear timeline for the children's hospices to return to full normality. Throughout the summer of 2020, essential technical support was maintained, while some members of the team were furloughed to minimise the outgoings of the charity until projects work could be resumed. From autumn onwards, staff were brought back to work and Lifelites was able to deliver all the planned new installations, as well as instigate remote training for hospice staff. The fundraising and PR team focused on raising the funds to enable Lifelites to deliver new technology packages for around a quarter of the projects during the year, as well as the ongoing training and maintenance for all the other hospices. The Trustees continue to review the situation, and will take decisions in light of the progress of the pandemic and accompanying Government advice.

Projects for life-limited children and young people - Lifelites works hard to ensure that their provision stays pertinent to developments in children's hospice services, in hospice buildings as well as in the community.

- Children's Hospice at Home Services became much more important during 2020 as many life-limited and disabled children with compromised immune systems were forced to isolate. Children's hospice service have greatly expanded their services to reach more life-limited children

by providing palliative care in their own homes and Lifelites is keen to support them with this development

- With the expansion of children's hospice at home services, the Lifelites "Tech Trunk" - a range of the most portable technologies which can be taken by hospice care staff for use with the children in their own homes – came into their own. During the year, some 50 "Tech Trunks" of different sizes were supplied to carry various items such as iPads, portable Eyegaze, VR and a special selection of computer controlled gadgets and toys inside.
- Throughout the year, Lifelites donated and installed new packages of equipment for the children using a total of 13 children's hospice services.

Keeping abreast of changes in an evolving society – The charity has operated in a fast evolving environment over the past year, responding to the circumstances beyond its control which have required innovative solutions. There have been many changes requiring attention in both fundraising and projects work and staff have endeavored to keep pace with these developments through attending industry seminars, meetings of the Children and Young People with Cancer consortium and other support groups. Particular assistance has been obtained from the Foundation for Social Improvement (FSI), the industry body for small charities.

Lifelites Showcase – Due to the pandemic, it was not possible for the popular Lifelites children's hospice staff conference to take place. The aim of the conference is - partly - to talk to staff from all the hospices and to showcase new and exciting technology being offered to the current year's applicants. As an alternative, a video showcase was developed which has been distributed to all Lifelites' hospice staff contacts at every children's hospice service. The **Showcase** seeks to highlight everything on offer from the Lifelites arsenal and provides an insight into how the technology can make a difference to the lives of the children cared for by the hospice services.

Hospice staff training – During the financial year, Lifelites hospice staff training was taken online and delivered entirely via Zoom. This has enabled this vital aspect of the Lifelites' support for hospice staff to continue, to ensure that the best use is made of the special technology Lifelites' provides. The success of the use of this medium has led to the decision to adopt online training as a flexible and more cost-effective alternative to face-to-face sessions.

New technologies – The two new technologies introduced in the past financial year – Sensory Tent and Tilt Table - were enthusiastically adopted by hospices. Tilt Tables worked well within the newly restricted environments in the hospices as they could be taken to where ever the families were based and were easy to wipe down to control infection. The Sensory Tent was also used for children in the personal infection-safe environments created inside the hospices for them and their families, as well as in their own homes.

V-news and Thank You Videos – During the year, face to face meetings with supporters were not possible and Lifelites donors were unable to visit the children's hospices to see the benefit of their contributions. To ensure contact was maintained, a monthly v-news has been developed, as well as bespoke 'thank you' videos which have been distributed and well received.

7. Plans for the future

Digital transformation project – Lifelites has embarked on an audit of its digital administration in order to align with the Digital Code of Practice for Charities. This has become particularly important over the past year the work of the charity has been sustained mainly from home bases. This project is seeking to help the charity use digital tools to support efficiency.

Together for Short Lives research – Children's hospice services indicated a current workload of 10,000 children and families who benefit from their services. Research commissioned and published last year by Together for Short Lives, has indicated that there are around 100,000 children and young people in need of palliative care services in the UK. The children's hospices are currently exploring ways in which they may

Developing resources for hospice staff and parents – more resources are being developed to encourage best practice and maximum benefit from the Lifelites technologies for life-limited and disabled children using hospice services. These will be available on line via the charity's website for hospice staff and parents. In addition, plans are in place to further increase accessibility to these resources with the development of an app which can be downloaded to iPads or smart phones, helping to ensure ease of access to technology and activities guides at any time and wherever the user is.

Website – developments aimed at improving the impact of the Lifelites website and the visitor experience are currently being undertaken.

Funding for new technology packages - With its status as the only charity in the British Isles focused on the provision and maintenance of appropriate technologies for life limited children in hospices and similar environments, Lifelites will continue to seek new funding partners in order to maintain and, as funds permit, develop its current programme for replacing and maintaining equipment at each existing site. Subject to satisfactory fundraising during the financial period 2021/22, the charity identified 13 services around the country in need of new packages from Lifelites.

Fundraising - The charity has no doubt that the current economic circumstances present a challenging environment for Lifelites to continue to fundraise for its existing projects and developing ambitions. The whole fundraising team is engaged in ensuring that funds are used effectively and frugally, as well as identifying new sources for donations. During the lockdown period, they took the opportunity to focus all the fundraisers on applications to appropriate charitable trusts. Many trusts generously donated including The Joicey Trust and Orange Tree Trust.

New fundraising initiatives – Efforts are being focused on several new fundraising initiatives; activities which are possible as society continues to cautiously open up. A streamer gaming event is currently being planned. The face-to-face **Lifelites Live** speaking tour (which was put on hold during the pandemic), has been revived in the form of online presentations. An online magazine style fundraising event **Every Second Counts** has been conceived for later in the year. Virus permitting, there is the potential for a **Lift for Lifelites** led by women drivers to coincide with International Women's Day on 8th March in 2022.

Managing risk - The charity plans to continue to develop the provision of technologies and related support services in line with technological advances. Any suitable new technologies will be assessed against potential risks in a children's hospice environment and, where necessary, piloted before being introduced as standard.

The trustees are aware that, in current economic climate, income may reduce, and they are monitoring developments closely and will take remedial action if required.

Partners – Lifelites maintains a close working relationship with Together for Short Lives - the children's palliative care umbrella charity - and every children's hospice service in the British Isles. Lifelites also acknowledges several major charitable partners including the Masonic Charitable Foundation and the Worshipful Company of Information Technologists.

8. Financial summary

During the 12 months to 31 March 2021, investments generated income of £77k (2019/20 £74k) and investment gains of £763k (2019/20 losses of £234k). Donations and legacies amounted to £497k (2019/20 £705k). Donations made to Lifelites during this period included support for installations at specific sites, hospice staff training, project management and the specialist maintenance of all its projects.

The cost of all the projects including equipment, training and installation and maintenance work carried out by Lifelites during this 12 month period was £479k (2019/20 £670k).

LIFELITES

As at 31 March 2021, Lifelites held funds to the value of £4,232k (31 Mar 2020 £3,479k).

Office facilities were provided by the RMTGB and financial and HR administrative support was given by the Masonic Charitable Foundation (MCF), both at no cost to Lifelites.

Staff Pay and Remuneration – The pay of charity staff and key management personal is reviewed annually and any changes suggested are discussed and approved by the trustees. As far as possible, salaries are set in line with current market trends in the sector.

Investment policy – Lifelites benefits from a pooled investment fund, professionally managed under the supervision of an MCF committee which is attended by the treasurer. The fund is split between several managers whose performance is measured against expectations of total real return consistent with prudent management of risk. The trustees regularly reviewed Lifelites' investments and fund manager performance throughout the year, and are satisfied that investment risks are being managed in such a manner as to protect the future of Lifelites charitable activities.

Reserves' policy – When Lifelites was established as a separate charity in 2006, the RMTGB made a donation to Lifelites comprising the residue of the fund created when Lifelites was set up as their Millennium project.

Lifelites is supporting 10,000 children using every children's hospice service throughout the British Isles. This number is set to rise to reach out to more of the estimated 100,000 children and young people who need the help of palliative care services.

Designated funds - Lifelites' trustees have taken a responsible and prudent path to managing charitable donations. Each Lifelites package is budgeted for on a four year basis in order to ensure maintenance of the equipment in good working order, provide regular training for hospice staff, and cover any regular subscription costs. It costs Lifelites approximately £50,000 for each multi-year project. The trustees have designated funds to insure against potential future fundraising issues and ensure the four year commitment to each Lifelites projects can be met, including regular hospice staff training, a technical helpline and onsite maintenance as required. With this back up, the sustainability of each project is secured for four years and ensures that the vulnerable children Lifelites exists to support will not suffer if they are unable to raise sufficient funds during this time.

9. Trustees' responsibilities

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

The law applicable to trustees in England and Wales requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- observe the methods and principles in the Charities' SORP 2015 (FRS102);
- select suitable accounting standards and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departure disclosed and explained in the financial statements;
- prepare the financial statements 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 which disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure that the financial statements of the charity comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each trustee at the date of approval of this report is aware:

i. there is no relevant audit information of which the Charity's auditors are unaware;

ii. and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The report was approved and signed on behalf of the trustees by:

Signed _____ 15 September 2021

Mike Woodcock, Chairman

Independent Auditors' Report to the Trustees of Lifelites

Opinion

We have audited the financial statements of Lifelites (the 'charity') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information,

we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Statement of Recommended Practice. We communicated identified laws

and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including payroll expenditure; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation; and
- Corroboration of investment valuation with third party reports, and inspection of controls report on investment manager.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP

Chartered Accountants
Statutory Auditor
9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

Date: 28/09/2021

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2021

(Including an Income and Expenditure Account)

	Note	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
INCOME					
Donations		203	294	497	645
Legacies		0	0	0	60
Investment income	2	77	0	77	74
Grant (Furlough)		60	0	60	0
Total income		340	294	634	779
EXPENDITURE					
Cost of generating funds	3	(147)	0	(147)	(163)
Investment management costs		(18)	0	(18)	(17)
		(165)	0	(165)	(180)
Charitable activities	4	(262)	(217)	(479)	(670)
Total expenditure		(427)	(217)	(644)	(850)
Net gains/(losses) on investments	7	763	0	763	(234)
NET MOVEMENT IN FUNDS		676	77	753	(305)
Total funds brought forward		3,349	130	3,479	3,784
Total funds carried forward		4,025	207	4,232	3,479

All income and expenditure derive from continuing activities and all gains/losses are included in the statement of financial activities.

The notes on pages 16 to 28 form part of these financial statements. The prior year figures are analysed by fund in note 12 on page 27.

BALANCE SHEET as at 31 March 2021

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible asset	6.	3	4
Investments	7.	3,901	3,083
		3,904	3,087
CURRENT ASSETS			
Debtors	8.	54	99
Investments	7.	104	201
Cash at bank and in hand		211	119
		369	419
CURRENT LIABILITIES			
Creditors falling due within one year	9.	(41)	(27)
NET CURRENT ASSETS		328	392
Total net assets		4,232	3,479
		4,232	3,479
CHARITABLE FUNDS			
Restricted income funds	10,11	207	130
Unrestricted funds			
Designated reserves	10,11	2,579	0
General reserves	10,11	1,446	3,349
Total charitable funds		4,232	3,479

The financial statements were approved and authorised for issue by the Trustee Board on 15th September 2021 and signed on their behalf by:

.....
Michael Woodcock

Chairman

.....
Nicholas Springer

Treasurer

The notes on pages 16 to 28 form part of these financial statements

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2021

		2021	2020
		£'000	£'000
Operating Activities			
Net cash provided by/(used in) Operating Activities	A	(86)	(290)
Cash flows from investing activities			
Dividends, interest and rents from investments		77	74
Purchase of tangible fixed assets		1	(4)
Proceeds from the sale of investments		200	151
Purchase of investments		(100)	0
Net cash provided by/(used in) Investing Activities		178	221
Change in cash and cash equivalents in the reporting period		92	(69)
Cash and cash equivalents at the beginning of the reporting period		119	188
Cash and cash equivalents at the end of the reporting period	B	211	119

Notes on the cash flow statement

A **Reconciliation of net income/(expenditure) to net cash flow from operating activities**

Net movement in funds as per the Statement of Financial Activities	753	(305)
Adjustments for:		
Dividends, interest and rents from investments	(77)	(74)
Movements in investments	(821)	177
(Increase)/decrease in debtors	45	(81)
Increase/(decrease) in creditors	14	(7)
Net cash provided by/(used in) Operating Activities	(86)	(290)

B **Analysis of cash and cash equivalents**

Cash held by investment managers	0	0
Cash at bank and in hand	211	119
Total cash and cash equivalents	211	119

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of Lifelites (the "Charity") have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). Additionally, they comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in 2015 (the "SORP") in all material respects. The Charity meets the definition of a public benefit entity under FRS 102.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments, on a basis consistent with previous years. The functional currency of the Charity is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Charity operates.

(c) Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. Any reduction in income caused by the Covid-19 pandemic will be covered by reserves and cost savings. After taking into account the impact of Covid-19, and these considerations, it is concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Trustees responsibilities.

(d) **Incoming resources**

Revenue is recognised when the significant risks and rewards of ownership have been transferred, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Charity and when the specific criteria relating to each of the Charity's revenue channels have been met, as described below:

i. Monetary donations are brought into account when received.
ii. Legacies are recognised where there has been a grant of probate, the executors have identified that there are sufficient assets in the estate after settlement of liabilities to pay the legacy and any conditions attached to the legacy are either in control of the Charity or have been met. Legacies subject to the interest of a life tenant are not recognised during the lifetime of the life tenant.
iii. Dividends are recognised from the ex-dividend date when they become receivable.

(e) **Resources expended**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of any obligation can be measured reliably. All resources expended are recognised on an accruals basis, with the exception of grants as noted below.

Expenditure on generating funds includes costs of fundraising and maintenance of donor records, together with the management of the investment portfolios. These costs include the allocation of support costs relating to these activities, as detailed in note 3.

Grants are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated in writing to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award. Support costs are allocated to these activities as laid out in note 4.

(f) **Fund accounting**

Unrestricted funds may be utilised for any purpose in accordance with the charitable objectives of the Charity. Restricted funds represent donations given to support the costs of donations of equipment, hospice staff training, project management, installation and maintenance of equipment for specific children's hospice services. Each Lifelites package is budgeted for on a four year basis in order to ensure maintenance of the equipment in good working order, provide regular training for hospice staff, and cover any regular subscription costs. The designated funds currently held are to cover this pledge and ensure the commitment over the four year cycle of each project can be met.

(g) **Tangible fixed assets and depreciation**

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on the following bases.
Computers, equipment and furniture are depreciated using the straight-line method to allocate the cost of each asset less its residual value over its estimated useful life, as follows:

	Asset	Years
i.	Computers and equipment	4

(h) **Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are stated at market value. All realised and unrealised gains and losses are recognised within the Statement of Financial Activities. Investments which the Charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year, which are held for investment purposes, are disclosed as current asset investments.

(j) **Financial assets and liabilities**

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument.
Financial assets and liabilities which qualify as basic financial instruments are initially recognised at the settlement amount after any trade discounts. They are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Where settlement is not expected within 12 months of the balance sheet date, then the asset or liability is discounted using the long term return of inflation plus 4 percent used as the target for the Charity's investment portfolio. Basic financial instruments include debtors, cash and creditors within the balance sheet.

(k) **Foreign currencies**

Transactions denominated in foreign currencies are translated into Pounds Sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

(l) **Taxation**

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and it is considered to pass the test set out in paragraph 1, schedule 6 of the Finance Act 2010, and therefore it meets the definition of a charity for U.K. Corporation Tax purposes. The Charity is unable to recover Valued Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

2. INVESTMENT INCOME

	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Income from investment portfolios	77	0	77	74
	77	0	77	74

3. COST OF GENERATING FUNDS

	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Salaries, NI and pension contributions	136	0	136	139
Printing, stationery and advertising	11	0	11	19
Travel expenses	0	0	0	4
Staff training, conferences, subscriptions & staff costs	0	0	0	1
	147	0	147	163

4. CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Supply of equipment and technologies for use by beneficiaries	69	162	231	380
Service support and training:				
Salaries, NI and pension contributions	170	55	225	255
Printing, stationery, postage and telephone	6	0	6	4
Travel expenses	2	0	2	18
Professional fees	2	0	2	1
Staff training, conferences, subscriptions & staff costs	4	0	4	2
Sundry expenses	3	0	3	4
Audit fee	6	0	6	6
	193	55	248	290
	262	217	479	670

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

5. STAFF COSTS

	2021	2020
	£'000	£'000
Wages and salaries	293	329
Social security costs	26	32
Pension contributions	29	32
Employee benefits	2	1
Redundancy	11	0
	361	394

AVERAGE NUMBER OF STAFF	2021	2020
Generating funds	4	4
Charitable activities	5	6
	9	10

STAFF EARNING MORE THAN £60,000 (INC. BENEFITS)	2021	2020
£70,001 to £80,000	1	1

Senior management remuneration paid for the year totalled £99k (2020: £97k). No trustees received remuneration during the year (2020: £Nil). No trustees received payment for travel and subsistence expenses during the year (2020: £Nil).

6. TANGIBLE FIXED ASSETS

	Equipment & Furniture £'000
Cost	
Balance at 31 March 2020	5
Additions	0
Disposals	0
Balance at 31 March 2021	5
Depreciation	
Balance at 31 March 2020	1
Charge for the year	1
Disposals	0
Balance at 31 March 2021	2
Net book value	
At 31 March 2021	3
At 31 March 2020	4

7. INVESTMENTS

	2021 £'000	2020 £'000
Fixed Asset Investments:		
- Managed Funds		
MCF CAIF	3,901	3,083
	3,901	3,083
Current Asset Investments		
- RLAM	104	201
	104	201
	4,005	3,284

MOVEMENTS IN INVESTMENTS

Listed

Balance at 31 March 2020	3,284	3,612
Additions	100	0
Disposals	(200)	(151)
Investment income	76	74
Management fees	(18)	(17)
Changes in cash balances held	0	0
Gains/(losses)	763	(234)
Balance at 31 March 2021	4,005	3,284

RECONCILIATION TO SOFA

Gains/(losses) on listed investments	763	(234)
Gains/(losses) within cash balances held	0	0
	763	(234)

8. DEBTORS

	2021 £'000	2020 £'000
Prepayments and accrued income	54	34
Other debtors	0	65
	54	99

9. CREDITORS

	2021 £'000	2020 £'000
Falling due within one year		
Amounts owed to MCF	13	1
Accruals and deferred income	16	11
Taxation and social security	7	9
Other creditors	5	6
	41	27

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The assets and liabilities representing each fund at 31st March 2021 were as follows:

ASSETS AND LIABILITIES	Fixed Assets £000s	Investments £000s	Money Market Deposits £000s	Current Assets £000s	Current Liabilities £000s	Fund Total £000s
Restricted funds	0	0	207	0	0	207
Unrestricted funds						
Designated reserves	0	2,579	0	0	0	2,579
General reserves	3	1,322	4	158	(41)	1,446
Total funds	3	3,901	211	158	(41)	4,232

11. MOVEMENT IN FUNDS

The financial summary of the funds is set out overleaf, together with an analysis of the restricted funds. Some restricted donations are given to cover costs at a site over a four-year period and so are not spent in the year they are given; these are shown as restricted.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

11. MOVEMENT IN FUNDS

	Balance at 31 March	Income	Expenditure	Gains/ (losses)	Transfers	Balance at 31 March
Restricted funds						
Acorns in Birmingham	0	2	2	0	0	0
Andy's at St Andrews	1	2	2	0	0	1
Bluebell Wood	0	14	14	0	0	0
Brian House	0	4	1	0	0	3
Charlton Farm (CHSW)	0	6	6	0	0	0
Chestnut Tree House	1	33	25	0	0	9
Christopher's (CHASE)	0	3	2	0	0	1
Claire House	0	8	8	0	0	0
Demelza House Kent	0	50	34	0	0	16
Demelza, S E London	0	11	11	0	0	0
Derian House	0	1	1	0	0	0
EACH Ipswich (The Treehouse)	0	5	2	0	0	3
EACH Milton	1	1	1	0	0	1
Each Quidenham	9	2	11	0	0	0
Ellenor	0	4	1	0	0	3
Forget Me Not	0	1	1	0	0	0
Francis House	1	10	7	0	0	4
Haven House	0	1	1	0	0	0
Helen House	13	3	2	0	0	14
Hope House	0	2	2	0	0	0
Hospice at Home Isle of Wight	21	0	1	0	0	20
Jessie May	0	7	7	0	0	0
Jigsaw	2	15	8	0	0	9
Julia's House, Poole	0	1	1	0	0	0
Julia's House, Devizes	0	4	1	0	0	3
Keech Hospice Care	0	3	2	0	0	1
Little Bridge House (CHSW)	0	1	1	0	0	0
Little Harbour (CHSW)	0	5	2	0	0	3
Little Haven's Hospice	0	1	1	0	0	0
Martin House	3	7	7	0	0	3
Naomi House & Jacksplace	34	1	2	0	0	33
Noah's Ark Children's Hospice	0	4	4	0	0	0
Oakwell and Jersey Hospice	0	41	14	0	0	27
Pepper Nurses	1	5	1	0	0	5
Rachel House	0	4	2	0	0	2
Rainbows Children's Hospice	1	7	2	0	0	6
Rebecca House, Isle of Man	25	0	2	0	0	23
Robin House Children's Hospice	0	4	2	0	0	2
Shooting Star (CHASE)	2	1	1	0	0	2
St Oswalds, Newcastle (Pr The Bridge)	2	7	9	0	0	0
The Children's Trust	7	6	3	0	0	10
Ty Hafan	3	0	0	0	0	3
Zoe's Place Coventry	3	5	8	0	0	0
Zoe's Place Liverpool	0	2	2	0	0	0
	130	294	217	0	0	207
Unrestricted funds: General reserves	3,349	340	427	763	(2,579)	1,446
Designated reserves	0	0	0	0	2,579	2,579
Total funds	3,479	634	644	763	0	4,232

Designated funds are amounts already committed to multi-year projects as explained on page 9 of the Trustees report.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

12. STATEMENT OF FINANCIAL ACTIVITIES

(Including an Income and Expenditure Account)
PERIOD ENDED 31 MARCH 2020

	Note	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total Funds 2020 £'000
INCOME				
Donations		358	287	645
Legacies		60	0	60
Investment income	2	74	0	74
Total income		492	287	779
EXPENDITURE				
Cost of generating funds	3	(111)	(52)	(163)
Investment management costs		(17)	0	(17)
		(128)	(52)	(180)
Charitable activities	4	(419)	(251)	(670)
Total expenditure		(547)	(303)	(850)
Net gains/(losses) on investments	7	(234)	0	(234)
NET MOVEMENT IN FUNDS		(289)	(16)	(305)
Total funds brought forward		3,638	146	3,784
Total funds carried forward		3,349	130	3,479

13. PENSION COMMITMENTS

The Charity makes contributions to a defined contribution pension scheme for the benefit of eleven employees. The pension cost charge represents contributions payable by the Charity of £29,001 (2019/20: £32,184).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

14. RELATED PARTY TRANSACTIONS

Financial services are provided by the Masonic Charitable Foundation, and office facilities are provided by the Royal Masonic Trust for Girls and Boys, both at no cost to the Charity.

Donations of £3k were received directly from trustees (2019/20: £10k). These donations had no conditions attached to them.

A balance of £13k (2019/20: £1k) was due to MCF at year end.