

LIFELITES
TRUSTEES ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Charity Number: 1165791

LIFELITES

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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, FCMl

M Woodcock, JP, DLitt, CIntMC

SD Woolf BA (Hons), FCCA

Chairman of the board of trustees

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

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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.

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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)

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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

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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

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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).

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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.

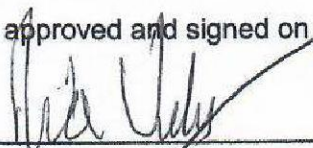
Disclosure of information to auditors

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

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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,

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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

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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

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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.

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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.

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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
		<u>3,904</u>	<u>3,087</u>
CURRENT ASSETS			
Debtors	8.	54	99
Investments	7.	104	201
Cash at bank and in hand		211	119
		<u>369</u>	<u>419</u>
CURRENT LIABILITIES			
Creditors falling due within one year	9.	(41)	(27)
NET CURRENT ASSETS			
		<u>328</u>	<u>392</u>
Total net assets		<u>4,232</u>	<u>3,479</u>
		<u>4,232</u>	<u>3,479</u>
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		<u>4,232</u>	<u>3,479</u>

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
-----	-----

LIFELITES

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.

LIFELITES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(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.

LIFELITES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(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:

	<u>Asset</u>	<u>Years</u>
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.

LIFELITES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(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.

LIFELITES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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
	<u>77</u>	<u>0</u>	<u>77</u>	<u>74</u>

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
	<u>147</u>	<u>0</u>	<u>147</u>	<u>163</u>

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
	<u>193</u>	<u>55</u>	<u>248</u>	<u>290</u>
	<u>262</u>	<u>217</u>	<u>479</u>	<u>670</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

5. STAFF COSTS	2021 £'000	2020 £'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).

LIFELITES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

6. TANGIBLE FIXED ASSETS

Equipment &
Furniture
£'000

Cost

Balance at 31 March 2020	5
Additions	0
Disposals	0
Balance at 31 March 2021	<u>5</u>

Depreciation

Balance at 31 March 2020	1
Charge for the year	1
Disposals	0
Balance at 31 March 2021	<u>2</u>

Net book value

At 31 March 2021	<u><u>3</u></u>
At 31 March 2020	<u><u>4</u></u>

LIFELITES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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)
	4,005	3,284

RECONCILIATION TO SOFA

Gains/(losses) on listed investments	763	(234)
Gains/(losses) within cash balances held	0	0
	763	(234)

LIFELITES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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.

LIFELITES

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.

LIFELITES

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).

LIFELITES

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.