

Life
Education
Centres

**Annual Report and Consolidated
Accounts**

31 March 2003

Company Limited by Guarantee
Registration Number
2328941 (England and Wales)

Charity Registration Number
800727

Buzzacott

Contents

Reports

Legal and administrative information	1
Chairman's statement	2
Trustees' report	4
Independent auditors' report	12

Accounts

Charity statement of financial activities	14
Consolidated statement of financial activities	14
Charity balance sheet	16
Consolidated balance sheet	17
Principal accounting policies	18
Notes to the consolidated accounts	20

Legal and administrative information

Trustees	Lord Russell of Liverpool (Chairman) J D Barker T H Earle A D Gamble R Hazlehurst Professor J A Henry J E Illsley M R Lacey G K Medlock OBE D A E R Peake H C Pickles
Secretary	G K Medlock OBE
Registered office	12 New Fetter Lane London EC4A 1AG
Company registration number	2328941 (England and Wales)
Charity registration number	800727
Auditors	Buzzacott 12 New Fetter Lane London EC4A 1AG
Bankers	Coutts & Co Strand Office 440 Strand London WC2R 0QS
Solicitors	Bates Wells & Braithwaite Cheapside House 138 Cheapside London EC2V 6BB

Reports from public and private bodies about the growing problems of obesity, binge drinking and smoking among young people clearly indicate a greater than ever need for increased emphasis on health education. However, the need to deliver effective and consistent health messages to young people extends beyond the classroom and is the responsibility of the community as a whole, including teachers, health professionals, employers and parents.

This year we have invested considerable time and effort in highlighting the important role of partnerships in encouraging and supporting families and the community to work together to achieve healthier lifestyles. We have closely examined and re-defined our mission statement to ensure it fully reflects the scope of our work in health education and our desire to encourage those community partnerships. Our mission to work in partnership with schools and engage with others in the community to help children make healthy choices is clearly demonstrated through:

- ◆ contributing to the life-skills and health education programmes utilising models of best practice
- ◆ educating children about the effects and risks associated with the use of drugs, including alcohol and tobacco
- ◆ working with and supporting parents, carers, teachers and others in the community in communicating healthy life-style messages effectively.

In addition to redefining our mission we have begun developing plans for an overall review of our work incorporating a comprehensive evaluation strategy. The overall objective of this major exercise, which will take place over a three-year period, is to improve the ways in which we deliver our work and, most importantly, to define and ensure the highest standards of service throughout the country.

Revised programmes for use in primary schools have now been successfully introduced across all our regions and the feedback has been uniformly positive. A priority this year has been to develop new programmes which involve parents more actively in health education and encourage children to communicate the positive health messages they have learned through Life Education. We are particularly pleased that our new Class Assembly programmes and Parenting Skills workshops, which have now been piloted in a number of areas, including Bradford, Leicester and Birmingham, have been so well received by parents and schools, as well as officials at the DfES and Home Office.

The charity continues to grow and is in a position of renewed financial strength. Eleven new mobile classrooms have been recently delivered or are currently in production, which will reach more than 120,000 more children across the country. Three new fundraising groups have been established and are making excellent progress towards their goals of bringing Life Education into new areas.

I am delighted that during this year the Duke of Westminster agreed to formalise his long-term commitment to our work by becoming our Honorary President, and this has had a very uplifting effect throughout the organisation.

As always I am very grateful for the generous support we have received from so many people who have made our work possible. We have a number of prestigious and committed supporters who have endorsed our work this year. This has enabled the achievement of key strategic objectives from developing our infrastructure; increasing the level of support we provide to our local groups; improving our communications; to equipping our classrooms with the latest technology.

Long-term and valued supporters of our work, Henry Smith's Charity, Garfield Weston and CHK Charities, provided significant donations. We also received major support from corporate partners at BUPA and Samsung and we have continued to enjoy increasing support from a range of Government agencies including the DfES, Home Office, Department of Health and individually from a number of government ministers. In addition our work was highlighted in a recent Ofsted report as a valuable resource for schools, emphasising the importance of positive values and life-skills in helping children make healthy choices.

Finally, I would like to pay tribute to all the staff, educators and volunteers, throughout the organisation whose energy and commitment continue to inspire our growth and development. Thank you once again to all of the trusts, foundations and corporate supporters who demonstrate their support for our work and enable us to consolidate our position as a leading provider of health education to primary school children in the UK.

Our aim is to create partnerships with government agencies, health professionals, teachers, businesses and the community at large to continue making an impact on the health of children who are our citizens of the future.

Lord Russell of Liverpool

Chairman Life Education Centres

Trustees' report Year to 31 March 2003

The Trustees present their statutory report together with the consolidated accounts of Life Education Centres and its subsidiary company for the year ended 31 March 2003.

The report has been prepared in accordance with Part VI of the Charities Act 1993.

The accounts have been prepared in accordance with the accounting policies set out on pages 18 and 19 of the attached accounts and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in October 2000.

Constitution

Life Education Centres is constituted as a company limited by guarantee, Company Registration No 2328941, and is registered for charitable purposes with the Charity Commission, Charity Registration No 800727.

Liability of members

In the event of the charitable company being wound up, company members are each required to contribute an amount not exceeding £1.

Principal aims and activities

The principal aims of the charity are to provide health education and life-skills development programmes, which specifically support schools in fulfilling the aims of the Government's strategy for drug and health education. The strategy is defined in the Personal, Social and Health Education and Citizenship section of Curriculum 2000, and closely follows recommended best practice as set out in recent Department of Health and Department for Education and Skills publications.

The principal activities are to:

- ◆ develop and maintain innovative educational programmes, which meet the expectations of schools and enthuse children;
- ◆ design and source high-tech mobile classrooms and other materials and resources needed to maximise the effectiveness of programme delivery;
- ◆ train educators in the delivery of programmes in schools;
- ◆ encourage and support the creation of local operating trusts to implement Life Education programmes in their community; and
- ◆ ensure the overall quality of programme delivery through monitoring and evaluation.

Organisation

Life Education Centres is responsible for the promotion and overall efficacy of its health education programmes throughout the United Kingdom. Separately registered charities, usually run by volunteers and often with support from Rotary Clubs, are authorised to use the charity name for the purposes of fundraising and local delivery of the approved programmes. After acquiring their first mobile classroom many find demand for the service grows, and go on to place more classrooms in service. Depending on local circumstances, funding is derived from a combination of grants, local fundraising and fees from schools and local education authorities.

Some statutory authorities are also authorised to use the charity name where they meet the charity's criteria for programme delivery.

Where there is no current Life Education Centres presence, the national charity looks to establish a branch for fundraising purposes until such time as it becomes fully operational, when it will become a local operating trust.

Progress during the year

A notable development this year has been to re-define our mission, which now clearly incorporates our broader work in health education, ready to work in partnership with schools, the government and other relevant organisations both locally and nationally. This has received favourable reaction both inside and outside the organisation, with many people commenting positively on the unique value we provide to primary schools and our ability to cover a wider range of health issues affecting the children of today. Following this, we have started work on a long-term detailed review and evaluation strategy, with the objective of ensuring a high level of service throughout the country.

During the year we completed a long-term project to update all of our programmes for primary school aged children (Key Stage 1 and Key Stage 2) and these have now been introduced in our classrooms operating throughout Great Britain and Ireland. This has been made possible with help from a very wide range of health and education professionals in both government and non-government organisations. We would also like to acknowledge the considerable contribution made by Samsung in equipping all of our classrooms with DVD players which have significantly improved the quality and delivery of the audio/visual elements of the programmes. Many Trusts around the country staged their own local events to launch the new programmes using our new range of promotional literature, display stands and audio-visual materials, which have been well received.

Our main achievements during this year have been successfully establishing a stronger financial base to underpin our future development; improving our recognition and credibility with external agencies resulting in increased support and making significant progress in growing and developing our services.

Harold's Campaign, the fundraising initiative launched last year focusing on placement of 30 new classrooms over three years, has stimulated the growth of the organisation. Eleven new mobile classrooms have been built during the year or currently in production, which will enable us to reach more children in Northumberland; Nottinghamshire; Oxford;

Progress during the year (continued)

Westminster; Hillingdon; Surrey; Dorset; Cheshire/The Wirral; Northamptonshire; Salford and Birmingham.

This increasing strength is also reflected in Life Education's development into more parts of the country, there now being 34 trusts and 7 statutory bodies operating 75 classrooms. This means that we are now able to reach over 850,000 children a year in more than 3,500 schools throughout the UK.

Local groups in Somerset and North Devon made excellent progress towards commencing operations soon, with the former becoming an independent operating trust with effect from 1 April 2003. A new fundraising group was established in Hampshire and groups in several other areas are working towards similar status.

The national organisation took over temporary management of services in Worcestershire, following withdrawal of the local education authority as a statutory member, until such time as a local charitable trust can be established for that purpose.

Long-term and valued supporters of our work, Henry Smith's Charity, Garfield Weston and CHK Charities, provided significant donations. We also received major sponsorship from corporate partners at BUPA and Samsung and we have continued to enjoy increasing support from a range of government agencies including the Department for Education and Skills, the Home Office, Department of Health and individually from a number of government ministers. In addition our work was highlighted in a recent Ofsted report as a valuable resource for schools, emphasising the importance of positive values and life-skills in helping children make health choices.

We are delighted to report that His Grace the Duke of Westminster became Honorary President of Life Education Centres during the year, reflecting his view that we have made considerable progress as an organisation over the past two years.

In February we held a joint event with Making Sense of Health at the House of Commons to discuss ways of achieving a more cohesive approach to improving children's health through education. The occasion was sponsored by BUPA, and intended as a catalyst for change by encouraging better partnership through shared responsibility. Attendance was excellent, with broad representation from government, health and education, charities and businesses, which effectively recognised the importance of working together.

Following a review of publicity requirements, we decided to focus more attention on building profile with health and education professionals and less on general public media. This change of strategy has proven to be much more cost effective in reaching key target audiences for our work.

To our regret, Penny Holton-Oakey, one of the Trustees elected by the members of Life Education Centres, decided to stand down in January because of personal commitments. We would like to record our thanks for her long-term support and contribution to the work of the charity. In her place, we were delighted to co-opt Dick Hazlehurst, ex-Chairman of Bradford Life Education, as a trustee on 29 April 2003 until new elections are held at the forthcoming Annual General Meeting.

Progress during the year (continued)

Our main priorities over the coming year will be to:

- ◆ continue improving the quality of programme delivery;
- ◆ extend our services into new areas of Great Britain and Ireland;
- ◆ develop new programmes aimed at helping teachers and parents;
- ◆ commence a comprehensive review and evaluation of our work; and
- ◆ improve services to members responsible for local delivery of services.

No charity would exist without the drive and determination of its volunteers. Life Education is no exception and we are fortunate to have had magnificent support from all our volunteers, throughout the organisation. Their enthusiasm and commitment is immeasurable from participating in committees, contributing to national strategy, fundraising and promoting the work of Life Education Centres. We are enormously grateful for all their hard work.

Financial report for the year

The charity has now achieved a much stronger financial position with general funds at 31 March 2003 up over 70 per cent to £279,288, which represents over four months of expenditure, excluding trading activities.

Total incoming resources were up 18 per cent to £1,450,268 largely due to sale of more classrooms to members and temporary inclusion of services in Worcestershire. Fundraising activities as a whole yielded £512,979, up almost 25 per cent. This was partly due to the efforts of local fundraising groups but most significantly the generosity of several major trusts and foundations, including The Henry Smith Charity, providing £200,000, and The Garfield Weston Foundation with £75,000, plus £70,000 in Sponsorship from BUPA.

Regional income was up 25 per cent to £184,000, reflecting growth of the organisation in both membership and training fees. Also, we received the remaining instalments of £146,180 in grants from the Community Fund for Programme and Regional Development.

Total charitable expenditure was up 16 per cent to £1,361,017. This was mainly due to a 16 per cent increase in services for health education, which reached £1,041,681, including purchase of new classrooms, training more educators and completion of the new education programmes in mobile classrooms. Support costs were up £21,683 to £202,728 and cost of generating funds down £33,860 to £90,458 reflecting our strategy to refocus activity on direct services and helping local operating groups with their work. Management and administration rose £17,621 to £116,608 due to the one-time costs of moving to smaller and more economic premises.

Financial report for the year (continued)

Total net resources showed a small outgoing of £1,207 with net incoming unrestricted funds of £117,830 slightly below an outgoing of £119,037 in restricted funds. This is almost entirely due to the release of restricted funds following completion of the new health education programmes and transfer of a mobile classroom to a local trust.

Therefore, total funds at 31 March 2003 amounted to £462,297, with unrestricted general funds of £279,288 now representing 60 per cent of this amount, up from 35 per cent last year and underlining the improving financial position.

Towards the end of the year, the charity completed a retrospective VAT registration and we are expecting receipt of a significant repayment.

State of affairs and future prospects

Details of the consolidated income and expenditure for the year are given in the statement of financial activities. The financial position of the charity and of the consolidated group as at 31 March 2003 is set out in the balance sheets. These accounts should read in conjunction with their related notes.

In the opinion of the Trustees the future prospects of the charity and its subsidiary are satisfactory.

Reserves policy

The charity carries out a diverse range of activities, some of which comprise short term and externally funded projects whilst others comprise long term projects requiring significant ongoing financial commitment and investment. The Trustees have examined the requirement for unrestricted reserves and consider that, given the nature of the charity's work, the level of such reserves should be equivalent to 6 months' total resources expended by the charity or approximately £440,000 as at 31 March 2003. Actual unrestricted reserves at that date are £279,288 or just under 4 months' of resources expended.

Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The Trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

Trustees' responsibilities statement

Company law requires the Trustees (who are directors of the company for the purpose of the Companies Act) to prepare accounts which give a true and fair view of the state of affairs of the surplus or deficit for the financial year. In preparing accounts giving a true and fair view, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company, and the charitable company and its subsidiary, and which enable them to ensure that the accounts comply with the Companies Act 1985. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees

The Trustees constitute directors of the charity for the purposes of the Companies Act 1985.

The minimum number of Trustees is 3 with a maximum of 12 of whom up to 6 may be 'Appointed Trustees' and up to 6 'Elected Trustees'.

'Appointed Trustees' are individual members who are not Trustees, employees, other officers or official persons of any charitable organisation which falls under the definition of a charity member. They serve for a period of three years and may seek re-election any number of times.

The members elect 'Elected Trustees' who retire by rotation such that the longest serving two elected Trustees retire at each Annual General Meeting. Elected Trustees may seek re-election providing it does not mean they would serve for more than six years of continuous service.

The following Trustees were in office at 31 March 2003 and served throughout the year except where indicated.

Trustees

Lord Russell of Liverpool (Chairman)

J D Barker

T H Earle

A D Gamble

Professor J A Henry

Mrs P L Holton-Oakey

J E Illsley

M R Lacey

Resigned 21 January 2003

Trustees (continued)

Trustees

G K Medlock OBE
D A E R Peake
H C Pickles

Since the year end R Hazlehurst has been co-opted as a Trustee.

No trustee received any remuneration for services as a trustee (2002 - £nil) but a total of £7,115 (2002 - £7,283) was reimbursed for travelling expenses. No trustee had any beneficial interest in any contract with the charity or its subsidiary company during the year.

Company secretary

G K Medlock OBE

Senior executives

The following senior executives were in post during the year:

S D Burgess	National Director
D Burton	Operations Director
Ms J Forshaw	Educational Services Director
Ms S M Cullen	Communications Director

Employees

Life Education Centres strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. Life Education Centres is committed to a programme of action to make this policy effective, and brings it to the attention of all employees.

Volunteers

Life Education Centres is greatly indebted to the many volunteers, who not only raise money for the cause, but also participate in the work of its various. Their sustained efforts and long-term commitment are greatly appreciated.

Trustees' report Year to 31 March 2003

Auditors

The auditors, Buzzacott, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985. We are grateful to them for their advice and support.

Approved by and signed on behalf of the Trustees:

Lord Russell of Liverpool
Trustee

Approved by the Trustees on: 9 September 2003

Report of the independent auditors to the members of Life Education Centres

We have audited the accounts on pages 14 to 29 which have been prepared under the historical cost convention and the accounting policies set out on pages 18 and 19.

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

Respective responsibilities of Trustees and auditors

As described on page 9 the Trustees, who are also the directors of Life Education Centres for the purposes of company law, are responsible for the preparation of the Trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

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

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

Basis of opinion (continued)

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the charitable company, and the charitable company and its subsidiary, as at 31 March 2003 and of their incoming resources and application of resources, including their income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Buzzacott
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

9 September 2003

Charity statement of financial activities Year to 31 March 2003

	Notes	Unrestricted funds £	Restricted funds £	Total 2003 funds £	Total 2002 funds £
Income and expenditure					
Incoming resources					
Donations and similar incoming resources					
. Community Fund grants		—	146,180	146,180	202,639
. Other grants and donations		296,594	88,627	385,221	407,168
. Sponsorship		—	13,000	13,000	—
. Gifts in Kind		—	10,000	10,000	—
. Gift Aid from trading subsidiary	1	32,053	—	32,053	—
. Fundraising events		5,717	10,041	15,758	—
Incoming resources from activities in furtherance of the charity's objects					
. Regional income		184,000	—	184,000	147,780
. Local Operations (Worcestershire)		—	65,800	65,800	—
. Sale of publications & Services		37,128	7,005	44,133	29,849
Bank Interest receivable		1,380	1,585	2,965	3,031
Total incoming resources		556,872	342,238	899,110	790,467
Cost of generating funds	2	74,731	15,727	90,458	124,318
Net incoming resources available for charitable application		482,141	326,511	808,652	666,149
Charitable expenditure					
Cost of activities in furtherance of the charity's objectives:					
. Services for Health Education	3	284,583	210,966	495,549	419,729
. Support costs	4	108,365	75,580	183,945	180,487
. Management and administration of the charity	5	81,259	30,278	111,537	97,184
Total charitable expenditure		474,207	316,824	791,031	697,400
Total resources expended		548,938	332,551	881,489	821,718
Net incoming (outgoing) resources before transfers					
		7,934	9,687	17,621	(31,251)
Transfers between funds					
		87,683	(87,683)	—	—
Net incoming (outgoing) resources for the year					
	6	95,617	(77,996)	17,621	(31,251)
Balances brought forward at 1 April 2002					
		141,582	185,033	326,615	357,866
Balances carried forward at 31 March 2003					
		237,199	107,037	344,236	326,615

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the charity's activities derived from continuing operations during the above two financial periods.

The charity has no recognised gains and losses other than those shown above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

	Notes	Unrestricted funds £	Restricted funds £	Total 2003 funds £	Total 2002 funds £
--	-------	-------------------------	-----------------------	-----------------------	-----------------------

Consolidated statement of financial activities Year to 31 March 2003

Income and expenditure					
Incoming resources					
Donations and similar incoming resources					
. Community Fund grants		—	146,180	146,180	202,639
. Other grants and donations		296,594	88,627	385,221	407,168
. Sponsorships		60,000	13,000	73,000	—
. Gifts in Kind		29,000	10,000	39,000	—
. Fundraising events		5,717	10,041	15,758	—
Incoming resources from activities in furtherance of the charity's objects					
. Regional income		184,000	—	184,000	147,780
. Local Operations (Worcestershire)		—	65,800	65,800	—
. Sale of publications		37,128	7,005	44,133	29,849
. Sale of mobile units		449,206	—	449,206	394,270
. Sale of teacher resource packs		31,078	—	31,078	32,855
Bank interest receivable		2,109	1,586	3,695	5,166
Other income		13,197	—	13,197	9,992
Total incoming resources		1,108,029	342,239	1,450,268	1,229,719
Cost of generating funds	2	74,731	15,727	90,458	124,318
Net incoming resources available for charitable application		1,033,298	326,512	1,359,810	1,105,401
Charitable expenditure					
Cost of activities in furtherance of the charity's objectives					
. Services for Health Education	3	830,714	210,967	1,041,681	897,925
. Support costs	4	127,148	75,580	202,728	181,045
Management and administration of the charity	5	86,330	30,278	116,608	98,987
Total charitable expenditure		1,044,192	316,825	1,361,017	1,177,957
Total resources expended		1,118,923	332,552	1,451,475	1,302,275
Net (outgoing) incoming resources before transfers		(10,894)	9,687	(1,207)	(72,556)
Transfer between funds		128,724	(128,724)	—	—
Net incoming (outgoing) resources for the year	6	117,830	(119,037)	(1,207)	(72,556)
Balances brought forward at 1 April 2002		161,458	302,046	463,504	536,060
Balances carried forward at 31 March 2003		279,288	183,009	462,297	463,504

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the group's activities derived from continuing operations during the above two financial periods.

The group has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Charity balance sheet 31 March 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	9		208,486		170,742
Investments	10		100		100
			<u>208,586</u>		<u>170,842</u>
Current assets					
Stocks	11	13,967		11,908	
Debtors	12	175,510		155,856	
Cash at bank and in hand		<u>61,792</u>		<u>83,713</u>	
		251,269		251,477	
Creditors: amounts falling due within one year	13	<u>(115,619)</u>		<u>(95,704)</u>	
Net current assets			135,650		155,773
Total net assets	15		<u>344,236</u>		<u>326,615</u>
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	14		107,037		185,033
Unrestricted funds					
General fund			<u>237,199</u>		<u>141,582</u>
			<u>344,236</u>		<u>326,615</u>

Approved by the Trustees
and signed on their behalf by:

Lord Russell of Liverpool

Trustee

Approved on: 9 September 2003

Consolidated balance sheet 31 March 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	9		287,123		281,416
Current assets					
Stocks	11	60,609		64,808	
Debtors	12	302,572		150,198	
Cash at bank and in hand		173,492		172,328	
		<u>536,673</u>		<u>387,334</u>	
Creditors: amounts falling due within one year	13	<u>(361,499)</u>		<u>(205,246)</u>	
Net current assets			175,174		182,088
Total net assets	15		<u>462,297</u>		<u>463,504</u>
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	14		183,009		302,046
Unrestricted funds					
. General fund			<u>279,288</u>		<u>161,458</u>
			<u>462,297</u>		<u>463,504</u>

Approved by the Trustees
and signed on their behalf by:

Lord Russell of Liverpool

Trustee

Approved on: 9 September 2003

Principal accounting policies 31 March 2003

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1985. Applicable United Kingdom accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) have been followed in these accounts.

Basis of consolidation

The statement of financial activities and balance sheet consolidate the accounts of the charity and its trading subsidiary up to the balance sheet date.

Income

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Expenditure

Expenditure is included in the statement of financial activities when incurred. The charity has reviewed the allocation of expenditure during the year to ensure an accurate reflection of the charity's activities is presented.

Resources expended comprise the following:

- a. The costs of generating funds, which include the salaries, direct costs and overheads associated with generating donated income, together with the operating and other costs of the charity's subsidiary.
- b. The costs of activities in furtherance of the charity's objects, which comprise expenditure on the charity's primary charitable purpose i.e. drug services for health and education.
- c. Support costs, which are represented by indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of financial procedures, provision of office services and equipment and a suitable working environment.
- d. Management and administration, which comprise the costs which are directly attributable to the management of the charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements.

Cash flow

The accounts do not include a cash flow statement because the group (i.e. the charity and its subsidiary), as a small reporting entity, is exempt from the requirement to prepare such a Statement under Financial Reporting Standard 1, 'Cash Flow Statements'.

Principal accounting policies 31 March 2003

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is provided at the following annual rates on a straight line basis in order to write off the cost of each asset over its estimated useful life:

◆ Video masters	-	20%
◆ Educational programmes development	-	20%
◆ Mobile classrooms	-	10%
◆ Fixtures and fittings	-	10 - 25%
◆ Computer equipment	-	33.3%

Depreciation has been charged to reflect the useful life of the mobile classrooms. All repairs to these mobile classrooms are written off to the statement of financial activities as incurred.

Investments

The investment in the subsidiary company is stated at cost.

Stocks

Stocks of publications are valued at the lower of cost and net realisable value.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and applied at the discretion of the Trustees.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

Pensions

Contributions in respect of employees' personal pension plans are charged to the statement of financial activities in the year in which they are due.

Notes to the accounts Year to 31 March 2003

1 Profit for the financial year of subsidiary company

The charity has one wholly owned subsidiary, Life Education Mobiles Limited, which is incorporated in the United Kingdom. Life Education Mobiles Limited purchases mobile classrooms on behalf of local fundraising groups of Life Education Centres and subsequently sells them to those groups. It also purchases mobile classrooms which it leases to groups, using funds received from those groups. The subsidiary company donates its taxable profit, if any, to Life Education Centres. A summary of the subsidiary company's results is shown below. Audited accounts will be filed with the Registrar of Companies.

	Total 2003 £	Total 2002 £
Profit and loss account		
Turnover	487,481	431,116
Sponsorship	60,000	—
	<u>547,481</u>	<u>431,116</u>
Cost of sales	515,333	(401,364)
Gross profit	32,148	29,752
Other income	76,768	77,831
Other development expenditure	(19,815)	—
Administrative expenses	(33,414)	(38,532)
Loss on disposal of fixed assets	(14,097)	(40,658)
Profit on ordinary activities before Gift Aid	<u>41,590</u>	<u>28,393</u>
Gift Aid	(32,053)	—
Profit for the financial year	<u>9,537</u>	<u>28,393</u>
Retained profit at 1 April 2002	32,550	4,157
Retained profit at 31 March 2003 (Note 10)	<u>42,087</u>	<u>32,550</u>

2 Cost of generating funds

	Unrestricted funds £	Restricted funds £	Total 2003 £	Total 2002 £
Charity and group				
Staff costs	39,068	—	39,068	82,272
Campaigns and promotions	35,663	15,727	51,390	42,046
	<u>74,731</u>	<u>15,727</u>	<u>90,458</u>	<u>124,318</u>

Notes to the accounts Year to 31 March 2003

3 Services for Health Education

Charity	Unrestricted funds £	Restricted funds £	Total 2003 £	Total 2002 £
Grants to local operating groups	—	—	—	172,910
Depreciation	71,982	5,829	77,811	26,940
Publications	33,444	—	33,444	14,869
Educator Training	87,000	15,000	102,000	103,164
Organisational Development and Research	3,554	85,910	89,464	60,472
Establishment costs	79,787	99,094	178,881	41,374
Miscellaneous	8,816	5,133	13,949	—
	284,583	210,966	495,549	419,729

Group	Unrestricted funds £	Restricted funds £	Total 2003 £	Total 2002 £
Grants to local operating groups	—	—	—	172,910
Purchase of mobile classrooms for resale	483,467	—	483,467	378,341
Depreciation	62,889	30,502	93,391	63,115
Publications	34,476	—	34,476	14,869
Educator Training	87,000	15,000	102,000	103,164
Organisational Development and Research	3,554	85,910	89,464	60,472
Establishment cost	118,646	60,324	178,970	41,374
Teachers' Resource Pack	31,866	—	31,866	23,023
Loss on disposal of mobile units	—	14,098	14,098	40,657
Miscellaneous	8,816	5,133	13,949	—
	830,714	210,967	1,041,681	897,925

Notes to the accounts Year to 31 March 2003

4 Support costs

Charity	Unrestricted funds £	Restricted funds £	Total 2003 £	Total 2002 £
Staff costs	54,093	—	54,093	88,920
Regional support	5,097	61,426	66,523)	
General expenses	49,175	14,154	63,329)	91,567
	108,365	75,580	183,945	180,487

Group	Unrestricted funds £	Restricted funds £	Total 2003 £	Total 2002 £
Staff costs	54,093	—	54,093	88,920
Regional support	23,880	61,426	85,306)	
General expenses	49,175	14,154	63,329)	92,125
	127,148	75,580	202,728	181,045

5 Management and administration of the charity

Charity	Unrestricted funds £	Restricted funds £	Total 2003 £	Total 2002 £
Staff costs	48,083	—	48,083	47,879
Legal and professional	2,344	7,400	9,744	6,328
Audit fees	4,700	—	4,700	1,750
Accountancy fees	4,607	—	4,607	1,956
Depreciation	1,153	—	1,153	—
General expenses	20,372	22,878	43,250	39,271
	81,259	30,278	111,537	97,184

Group	Unrestricted funds £	Restricted funds £	Total 2003 £	Total 2002 £
Staff costs	48,083	—	48,083	47,879
Legal and professional	2,494	7,400	9,894	6,328
Audit fees	6,700	—	6,700	3,450
Accountancy fees	5,307	—	5,307	2,006
Depreciation	1,153	—	1,153	—
General expenses	22,593	22,878	45,471	39,324
	86,330	30,278	116,608	98,987

Notes to the accounts Year to 31 March 2003

6 Net incoming (outgoing) resources for the year

This is stated after charging:

Charity	Total 2003 £	Total 2002 £
Staff costs (Note 7)	350,125	356,846
Grants to local operating groups (Note 3)	—	172,910
Auditors' remuneration		
. statutory audit	4,700	5,000
. other services	4,607	5,589
Depreciation (Note 9)	81,198	26,940
Operating lease rentals	29,480	26,549

Group	Total 2003 £	Total 2002 £
Staff costs (Note 7)	350,125	356,846
Grants to local operating groups (Note 3)	—	172,910
Auditors' remuneration		
. statutory audit	6,700	6,700
. other services	5,307	5,639
Depreciation (Note 9)	109,541	63,115
Operating lease rentals	29,480	26,549

7 Staff costs and Trustees' remuneration

Charity and group	2003 £	2002 £
Staff costs during the year were as follows:		
Wages and salaries	285,606	297,083
Social security costs	28,867	27,151
Other pension costs	35,652	32,612
	350,125	356,846
Staff costs per function were as follows:		
Generation of funds	39,068	82,272
Charitable activities		
. Services for Health Education	208,881	137,775
. Support	54,093	88,920
. Management and administration	48,083	47,879
	350,125	356,846

Notes to the accounts Year to 31 March 2003

7 Staff costs and Trustees' remuneration (continued)

The number of employees who earned £50,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2003	2002
£50,001 - £60,000	1	1

The average number of employees during the year, calculated on a full time equivalent basis and analysed by function, was as follows:

	2003	2002
Generation of funds	1	2
Charitable activities		
. Services for Health Education	6	4
. Support	1	2
. Management and administration	2	2
	10	10

The above numbers include 2 persons employed for the delivery of services in Worcestershire (2002 – none).

No Trustee received any remuneration in respect of their services as Trustees during the year (2002 - £nil).

Total out of pocket travelling expenses of £7,115 (2002 - £7,283) were reimbursed to Trustees during the year.

8 Taxation

Life Education Centres is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The subsidiary company, Life Education Mobiles Limited, donates its taxable profits, if any, to Life Education Centres each year.

Notes to the accounts Year to 31 March 2003

9 Tangible fixed assets

Charity	Mobile classrooms £	Classroom programme £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2002	—	264,453	31,216	295,669
Additions	10,000	87,683	21,259	118,942
Disposals	—	—	(14,204)	(14,204)
At 31 March 2003	10,000	352,136	38,271	400,407
Depreciation				
At 1 April 2002	—	96,726	28,201	124,927
Charge for year	5,000	68,162	8,036	81,198
On disposals	—	—	(14,204)	(14,204)
At 31 March 2003	5,000	164,888	22,033	191,921
Net book values				
At 31 March 2003	5,000	187,248	16,238	208,486
At 31 March 2002	—	167,727	3,015	170,742
Group				
Group	Mobile classrooms £	Classroom programme £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2002	277,708	264,453	66,557	608,718
Additions	10,000	87,683	21,259	118,942
Disposals	(30,974)	—	(14,203)	(45,177)
At 31 March 2003	256,734	352,136	73,613	682,483
Depreciation				
At 1 April 2002	173,368	96,726	57,208	327,302
Charge for year	29,673	68,162	11,706	109,541
On disposals	(27,279)	—	(14,204)	(41,483)
At 31 March 2003	175,762	164,888	54,710	395,360
Net book values				
At 31 March 2003	80,972	187,248	18,903	287,123
At 31 March 2002	104,340	167,727	9,349	281,416

Notes to the accounts Year to 31 March 2003

10 Investments

At 31 March 2003 Life Education Centres owned the entire called up ordinary share capital of 100 ordinary £1 shares in Life Education Mobiles Limited (Note 1).

At 31 March 2003, the aggregate of the share capital and reserves of Life Education Mobiles Limited amounted to £583 (2002 - £32,650).

11 Stocks

	Charity		Group	
	2003 £	2002 £	2003 £	2002 £
Publications and teacher resource packs	13,967	11,908	60,609	64,808

12 Debtors

	Charity		Group	
	2003 £	2002 £	2003 £	2002 £
Sundry debtors	39,855	13,994	63,691	22,904
Proceeds receivable in respect of mobile unit disposals and sales	55,200	64,400	207,081	113,300
Amount due from subsidiary company	60,452	70,510	—	—
Other debtors and prepayments	20,003	6,952	31,800	13,994
	175,510	155,856	302,572	150,198

Included within other debtors and prepayments are loans totalling £41,800 (2002 - £52,400) due after more than one year.

13 Creditors: amounts falling due within one year

	Charity		Group	
	2003 £	2002 £	2003 £	2002 £
Expense creditors	52,779	35,013	112,373	59,223
Accruals	51,276	40,552	95,745	40,570
Mobile unit sales income in advance	—	—	87,831	79,048
Other creditors	11,564	20,139	65,550	26,405
	115,619	95,704	361,499	205,246

14 Restricted funds

The income funds of the charity and the group include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	At 1 April 2002 £	Incoming resources £	Expenditure and transfers £	At 31 March 2003 £
Regional Development Fund: Community Fund	21,816	139,580	161,396	—
Programme Development: Community Fund	546	6,600	7,146	—
	22,362	146,180	168,542	—
Programme Development – Other Grants	—	30,000	30,000	—
Working with Parents Fund	19,000	—	19,000	—
Mobile Classroom Fund	105,000	—	105,000	—
BUPA Community Connections Campaign	—	10,000	10,000	—
Local fundraising groups	38,671	73,250	5,399	106,522
Worcestershire LEC	—	82,809	82,294	515
Charity total	185,033	342,239	420,235	107,037
LEM Leased Mobile Fund	117,013	—	41,041	75,972
Group total	302,046	342,239	461,276	183,009

The purpose for which each fund is held is as follows:

- ◆ Regional Development Fund
This fund was granted by the Community Fund to develop resources and support services provided by the Charity to its local operating groups so that their task of delivering programmes, operating mobile classrooms and working in community partnerships could be made more effective. The total grant from the Community Fund towards this project amounted to £269,709. The grant has now been fully expended.
- ◆ Programme Development
The charity holds two funds for the purpose of completing a major redevelopment of programmes delivered in the mobile classrooms. Both funds have now been fully expended.
 - ◆ Programme Development (Community Fund)
This fund was created by a Community Fund grant totalling £115,500. A final instalment of £6,600 was received and expended during the year.
 - ◆ Programme Development (Other grants)
This fund was created with several grants from a number of supporters, the final £30,000 of which was received and expended during the year.

Notes to the accounts Year to 31 March 2003

14 Restricted funds (continued)

- ◆ Working with Parents Fund
The fund represents monies received to develop the Charity's work in supporting parents with health education for the benefit of children.
- ◆ Mobile Classroom Fund
The fund represents grants and donations for promotional work in London and to fulfil work in other areas of the country where there is a need.
- ◆ BUPA Community Connection Campaign
A fund created by a gift from BUPA to promote partnership in health education. This was used to fund an event at the House of Commons for that purpose.
- ◆ Local fundraising groups
The total of several funds raised by local groups under licence from Life Education Centres to provide programmes in their community.
- ◆ Worcestershire LEC
The fundraising and expenditure of Worcestershire LEC following the donation to them of a classroom by Worcestershire LEA, and pending their registration as a local charity.
- ◆ LEM Leased Mobile Fund
The value of mobile classrooms owned by Life Education Mobiles Limited and leased to local operating trusts under agreement for use in their particular area. Subsequent depreciation on these mobile classrooms is charged to the restricted fund.

15 Analysis of net assets between funds

Charity	Unrestricted funds £	Restricted funds £	Total 2003 £
Fund balances at 31 March 2003			
are represented by:			
Fixed assets	201,986	6,600	208,586
Current assets	126,417	124,852	251,269
Current liabilities	(91,204)	(24,415)	(115,619)
Total net assets	237,199	107,037	344,236

Notes to the accounts Year to 31 March 2003

15 Analysis of net assets between funds (continued)

Group	Unrestricted funds £	Restricted funds £	Total 2003 £
Fund balances at 31 March 2003			
are represented by:			
Fixed assets	204,551	82,572	287,123
Current assets	411,821	124,852	536,673
Current liabilities	(337,084)	(24,415)	(361,499)
Total net assets	279,288	183,009	462,297

16 Operating leases

The charity and the group have annual commitments of £21,177 (2002 - £1,121) in respect of non-cancellable operating leases expiring:

	Property £	Other £	2003 £	2002 £
Within one to two years	—	—	—	1,121
Within two to five years	18,000	3,177	21,177	—
	18,000	3,177	21,177	1,121

The lease on the property also makes provision for a service charge which is to be agreed on an annual basis.

17 Local Fundraising Groups

The financial statements include the assets, liabilities, and income and expenditure of the charity's Local Fundraising Groups. The Local Fundraising Groups form an integral part of the charity.

In the year ended 31 March 2003 three (2002 - two) Local Fundraising Groups existed and in total contributed a surplus of £67,851 (2002 - £12,676) during the year. No Local Fundraising Groups (2002 - three) became separately registered charities during the year: there was no consequent transfer therefore of net assets during the year (2002 - £172,910).

18 Liability of members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

19 Related party transactions

During the year ended 31 March 2003 there were no donations from or transactions with related parties. For the year ended 31 March 2002, donations totalling £1,000 were received from A E R Peake, a trustee of the charity.