

**Life
Education
Centres**

**Annual Report and Consolidated
Accounts**

31 March 2006

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

Charity Registration Number
800727

BUZZACOTT

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Reference and administrative information

| | |
|------------------------------------|---|
| Honorary President | His Grace the Duke of Westminster KG OBE TD DL |
| Honorary Vice President | K Medlock OBE JP DL |
| Trustees | Lord Russell of Liverpool (Chairman) C N Allan I A M Beattie T H Earle A D Gamble R J S Hazlehurst Professor J A Henry J E Illsley R King M R Lacey K Lord J Medlock D A E R Peake H Stirling I Thomson |
| Secretary | S D Burgess |
| Senior Executives | S D Burgess (National Director) D Burton (Operations Director) J Forshaw (Educational Services Director) S Kaplin (Research Director) O Sokoya (Finance and Systems Manager) T Young (Corporate Development Manager) |
| Registered office | 12 New Fetter Lane London EC4A 1AG |
| Company registration number | 2328941 (England and Wales) |
| Charity registration number | 800727 |
| Website | www.lifeeducation.org.uk |

Reference and administrative information

| | |
|-------------------|--|
| Auditors | Buzzacott 12 New Fetter Lane London EC4A 1AG |
| Bankers | Coutts & Co Strand Office 440 Strand London WC2R 0QS |
| Solicitors | Bates Wells & Braithwaite 2 – 6 Cannon Street London EC4M 6YH |

Chairman's statement Year to 31 March 2006

The policy climate and public mood surrounding Life Education's work continues to be very favourable to our central message of helping children to make healthy choices.

The introduction in October 2005 of the Health Bill is an example of this since, among its important provisions, is the proposal to ban smoking in most public places, something which we heartily approve. The intervention during the year of celebrity Chef Jamie Oliver into the debate about children's eating habits gave added support to those parts of our programme concerned with diet and exercise.

Life Education was arguably the first organisation to recognise the importance of concerted community action in support of children's health. The Every Child Matters framework, which derives directly from the Children Act of 2004, has confirmed the relevance of Life Education's work to the central thrust of Government policy on children's potential. Consequently, in May 2005 we published a complete review of our "PSHE & Citizenship including drug education: Support for Schools", containing a re-statement of our mission and methodology and demonstrating how schools could use Life Education services most effectively in support of this framework and the new Ofsted Self-Evaluation Form.

During the year 200,000 young people experienced our programmes for the first time and the organisation achieved its aim of reaching 850,000 children per annum in over 3,500 schools. Our ultimate aim is that every primary school child should benefit from our work and that our message about making healthy choices should also be carried by parents into the home. With these objectives in mind, the board is undertaking a thorough review of strategy to reach more children and parents in new and innovative ways that will form the basis for our development during the next few years.

Our first major national corporate partnership with BUPA continues to grow with increasing local participation from their local business units and staff with our operating trusts around the country. We are searching for other businesses that will share our commitment to helping children make healthy choices.

We are grateful for continuing support from Professor the Lord Winston, who kindly agreed to appear in a promotional video for our work, and ongoing financial support from The Henry Smith Charity, the Garfield Weston Foundation and the Pfizer UK Foundation. They are just a few of many individuals and organisations who value and support what we do.

The organisation is now in a more secure financial position than at any time in its history but changing priorities and statutory funding streams have meant that our local trusts have to work harder than ever to secure the funds necessary to enable them to deliver what everyone recognises as a valuable contribution to the well-being of children.

Nothing we do would be of any value without the continued dedication and professionalism of our educators, supported by a small army of volunteers locally. Our thanks are due to all of them for all that they do to make a real difference to the life chances of the nation's children.

Chairman's statement Year to 31 March 2006

This statement would not be complete without mention of one of our longest serving Trustees, Ken Medlock, who retired from the board at the beginning of the year aged 91. Ken has worked tirelessly for Life Education for more than 10 years, travelling across the country and even the world in our support. I am delighted that our President, His Grace the Duke of Westminster, invited him to become a Vice President, in which position he has continued to make a significant contribution.

Chairman

Life Education Centres

Trustees' report Year to 31 March 2006

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 2006.

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 22 and 23 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 February 2005.

Structure, Governance and Management

Organisation

Life Education Centres is responsible for the design, promotion and overall effectiveness of its health education programmes throughout the United Kingdom. Separately registered charities, usually run by volunteers, are authorised to use the charity's name for the purposes of fundraising and local delivery of the approved programmes. Funding sources vary from one area to another but typically include grants from Trusts and Foundations, local fundraising and fees from schools and Local Education Authorities.

Some statutory authorities are also authorised to use the charity's name where they meet the 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 (LOT), normally a charity in its own right.

We maintain close contact with countries outside the UK where Life Education programmes are being delivered. Last year we had a visit from the programme development manager from Australia and the UK National Director will be visiting there later this year. We also have co-operative arrangements in place for local groups in Ireland, Finland, Hungary, and Cyprus. We are expecting work to commence this year in Barbados.

Where we operate

Life Education Centres operates in the following areas of the UK:

| | | |
|-------------------|------------------|----------------------|
| Aberdeenshire | Bedfordshire | Belfast |
| Berkshire | Birmingham | Bolton |
| Bradford | Bristol | Bromley |
| Buckinghamshire | Bury | Cambridgeshire |
| Cheshire | Croydon | Cumbria |
| Derbyshire | Dorset | Gloucestershire |
| Halton | Hampshire | Hammersmith & Fulham |
| Hillingdon | Isle of Man | Kensington & Chelsea |
| Lancashire | Leicestershire | Devon |
| North Down & Ards | Northamptonshire | Northumberland |
| Nottinghamshire | Kent | Oldham |
| Oxfordshire | Plymouth | Rochdale |

Structure, Governance and Management (continued)

Where we operate (continued)

| | | |
|--------------|----------------|-------------------|
| Salford | Somerset | South East Antrim |
| St. Helens | Staffordshire | Stockport |
| Surrey | Swindon | Warrington |
| Warwickshire | West Sussex | West Bromwich |
| Westminster | Wigan | Wiltshire |
| Wirral | Worcestershire | |

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.

Trustees

The Trustees constitute the directors of the charity for the purposes of the Companies Act 1985. The full complement of Trustees is 16 of whom up to eight are “appointed” and eight “elected”.

‘Appointed Trustees’ are elected by the Board for a period of three years and may be re-elected indefinitely.

The ‘Elected Trustees’ are elected by the members – currently 43 Local Operating Trusts – for a period of three years subject to a maximum period of six years. At the next AGM to be held in July it will be proposed that “Elected Trustees” be subject to the same re-election provisions as the “Appointed Trustees”.

All appointments to the Board undergo a Criminal Records Bureau disclosure and all candidates are interviewed by no fewer than two Board members prior to recommendation for election.

New Trustees are briefed on the activities of the organisation by the National Director and at least one Trustee and at the same time are provided with all documentation relevant to the charity and their role within it. They also attend a session in one of our mobile learning centres to get first-hand experience of the work that we do in schools.

Structure, Governance and Management (continued)

Trustees (continued)

The following Trustees were in office at 31 March 2006 and served throughout the year except where indicated.

| Trustees | Sub Committee | Appointed/resigned |
|--------------------------------------|----------------------|---------------------------|
| Lord Russell of Liverpool (Chairman) | ① | |
| C N Allan | ⑤ | Appointed 8 October 2005 |
| I A M Beattie | ③ | |
| T H Earle | ③ ④ | |
| A D Gamble | ③ ⑤ | |
| R J S Hazlehurst | ③ ④ ⑤ | |
| Professor J A Henry | ② | |
| J E Illsley | ① | |
| R King | ① ② ④ | |
| M R Lacey | ④ ⑤ | |
| K Lord | | |
| G K Medlock | | Resigned 5 April 2005 |
| J Medlock | ① ④ | Appointed 5 April 2005 |
| D A E R Peake | ① ② | |
| H Stirling | | Appointed 5 April 2005 |
| I Thomson | ③ | |

The symbols indicate membership of the following committees:

① - Chairman's Committee, ② - Audit Committee, ③ - Regional Liaison Committee, ④ - Finance & General Purposes Committee, ⑤ - Strategy & Policy Committee

No Trustee received any remuneration for services as a Trustee (2005 - £nil) but a total of £3,001 (2005 - £8,829) 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

| | |
|-------------|------------------------|
| S D Burgess | Appointed 5 April 2005 |
|-------------|------------------------|

Senior executives

The following senior executives were in post during the year:

| | |
|-------------|-------------------------------|
| S D Burgess | National Director |
| D Burton | Operations Director |
| J Forshaw | Educational Services Director |
| S Kaplin | Research Director |
| O Sokoya | Finance and Systems Manager |
| T Young | Corporate Development Manager |

Structure, Governance and Management (continued)

Trustees' responsibilities statement

The charitable company's Trustees are responsible for preparing the annual report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 charity as at the balance sheet date and of its incoming resources and application of resources, including its income and expenditure, for the financial year then ended. 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ 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.

The Trustees' are responsible for the maintenance and integrity of the charitable company website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

The Trustees confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Structure, Governance and Management (continued)

Trustees' Committees

During the year a review of the Trustees' committee structure was undertaken and the Board approved the establishment of new or modified institutions as follows:-

- ◆ Chairman's Committee

Helps the Chairman to oversee the effective governance of the charity, recruit new Trustees and obtain major sources of new funding.
- ◆ Audit Committee

Monitors the charity's internal financial control systems and risk management, and reviews the annual audited accounts and recommends them to the Board.
- ◆ Finance and General Purposes Committee

Oversees preparation of the annual plan and budget, monitors financial performance and uses delegated authority from the Board to approve financial and general matters which are generally within the budget.
- ◆ Strategy and Policy Committee

Responsible for ensuring that the organisation's policies and strategy enable it to carry out its mission in the most effective way.
- ◆ Regional Liaison Committee

Supports and encourages effective communications on a local and regional basis and between Life Education nationally and the LOTs.

Volunteers

Without the support of a large force of volunteers, many of them Rotarians, Life Education could not function. This is particularly true of LOTs where, in addition to acting as local Trustees, volunteers also undertake administrative, supervisory and other tasks essential to developing the role and reputation in the community. These include marketing the service to schools, engaging the interest and support of local people, managing staff and fund raising.

The sustained effort and long-term commitment of all volunteers are greatly appreciated.

Structure, Governance and Management (continued)

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, 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 LOTs and employees.

Although Life Education nationally does not have direct control over the terms and conditions of Educators, the national office has launched a study of roles and responsibilities of Educators and other employed staff throughout the UK. It is anticipated that guidelines on terms and conditions will be published to LOTs, based upon professional evaluation, and the national office will use every means available to encourage compliance with good practice.

Risk management

The Trustees have assessed the major risks to which the charity is exposed, both operational and financial and are satisfied that appropriate measures are in place to limit and manage those risks. Additionally guidance on limiting and managing risk will be given to Life Education's LOTs so that they may draw up their own risk management policy.

Objectives and activities

The objectives of the charity are to provide innovative health education and life-skills development programmes, which enthuse children, engage parents and the community and meet the expectations of Schools. During the past year services have been reviewed against the Government's "Every Child Matters" outcomes framework and the new Ofsted Self Evaluation form, to ensure that the organisation continues to provide value-added support to statutory agencies in the development of children's potential.

The principal activities are to:

- ◆ research, develop and deliver innovative educational programmes, which enthuse children, engage parents and the community and meet the expectations of schools;
- ◆ design and source mobile learning centres (MLCs) and other materials and resources needed to maximise the effectiveness of programme delivery;
- ◆ train educators in the delivery of programmes in schools and for parents/carers;

Objectives and activities (continued)

- ◆ encourage and support the creation and development of LOTs to implement and cultivate Life Education's programmes in their communities; and
- ◆ ensure the overall quality of programme delivery through monitoring and evaluation.

It is most important that Life Education keeps up to date with government health education strategy and recognised good practice. During the year an Education Reference Group – comprising authoritative professionals from the public and voluntary sectors – was established to advise on programme development and strategy and critique plans.

Achievements and performance

Programme delivery

During the year Life Education achieved its aim of reaching 850,000 children in approx 3,500 schools with its age-related programmes. Over 200,000 children experienced Life Education for the first time.

No new Trusts were established during the period but mergers between Shepway and East Kent and also between Surrey and Croydon improved the operating efficiency of those areas. At the same time new Mobile Learning Centres were commissioned in Thames Valley (2), Kent and Bromley.

An inflatable facility was piloted as a potential alternative to the towable MLC which, however effective, constitutes an entry barrier on grounds of capital cost. Based upon these pilot projects discussions are now in hand with a range of Headteachers and their staff to determine whether the "Life Bubble" might be used as a replacement for or as a complement to the MLC in appropriate cases.

A key feature in the relationship with schools is the more thorough engagement of teachers. In December 2005 Life Education's Educators were trained to introduce teachers to a more flexible "menu" approach in the use of our programmes, matching more effectively what we offer to the needs of particular schools and particular cohorts of pupils within them.

Internal communications

Significant progress has been made during the year in improving the internal communications of the organisation, most notably between the national office and Life Education's constituent Trusts. The information and advice available to Trusts through the Life Education website has been reviewed and improved and periodic regional meetings, organised by local trustees and attended by members of the national office staff, have been a most welcome addition to the links between national and local operations.

A very successful national conference, involving the national office, local trustees and educators, was held in October 2005.

Achievements and performance (continued)

External communications

Effective communication with a wide variety of groups and individuals has a key place in our strategy as Life Education seeks to bring its work to the attention of opinion-formers, health and education professionals and its main target, the nation's children.

This year we have enhanced our website and in collaboration with *Grid Learning* have developed an interactive healthy eating game, "Mission Inedible" which is now being played by over 40,000 children every month.

We continue to promote Life Education to the Westminster & Whitehall community and during the year our work was featured in a short article in the Parliamentary *House Magazine* by one of our keenest supporters, Dr Richard Taylor MP.

Programme development

Existing programmes both for pupils and parents are reviewed periodically to ensure their continued relevance and quality and from time to time new "products" are introduced which complement the mainstream of our offering.

Life Education, in addition to directly delivering programmes to pupils and parents, sees itself as a catalyst for community engagement and for brokering the involvement of other organisations in relevant fields.

A good example of external partnership was our contract to train staff of Education Bradford in the delivery of our seven session course for parents. They are now equipped to deliver our most important programme for parents, on our behalf and under our supervision as to quality.

Fundraising

Increasing corporate sponsorship for the national organisation is a key feature of our fund raising strategy and our relationship with our first significant corporate sponsor, BUPA, became fully active during 2005/06. This resulted in grants and sponsorship amounting to £100,000, together with a variety of other support given pro bono publico and including local production of newsletters, professional advice and sponsored meeting facilities. Free places were given in the BUPA-sponsored Great South Run.

However, our efforts to secure development funding from public sector sources – FutureBuilders and the Children, Young People and Families Grant Programme, were unsuccessful and it is a source of some disappointment that despite a presence in over half the country, we have so far been unable to convince government nationally of the value of investing in our community based health education programmes.

Achievements and performance (continued)

Fundraising (continued)

A charity whose main focus is children's health has to take particular care that the people and organisations it associates with are seen to be appropriate to the cause. Accordingly the Board discussed and agreed a policy on Ethical Fundraising which now acts as a guide to behaviour in this important area for both the national office and LOTS.

Health and safety

An organisation which works with children rightly takes its health and safety responsibilities very seriously. Safety features of the MLCs are a key part of the design and commissioning process and during the year fresh guidance and training was provided to educators and local trustees on their responsibilities for safety in operation.

Strategy development

A major review of the organisation's strategy is now underway, led by the Trustees' Policy & Strategy Committee and informed through discussions with *Pilotlight*, a charity which provides advice through a network of business people willing to donate their time and experience to charitable causes.

Our aim is to extend our services such that all primary school children and their families can benefit from Life Education. This goal may take some years to achieve and will depend upon creating a more integrated organisation capable of managing expansion while at the same time preserving and enhancing the quality of programmes and delivery methods.

In particular we need to ensure that our programmes always meet the changing and developing needs of schools, children and families and can be tailored to different local and ethnic minority needs. But at the same time our work must remain affordable and opportunities must be found to utilise existing resources most effectively, while taking advantage of new technology.

Life Education is a community based organisation and we continue to seek new ways of engaging members of the community – businesses, statutory organisations, the media, parents and grandparents – in promoting our work and helping the children of their community. This is a crucial advantage a charity such as Life Education holds over public and private sector organisations and we must maximise that opportunity.

Partnerships with other organisations will play an increasingly important role and we need to find ways to access the business community, not just as a source of funding but almost more importantly as a route to parents and children and volunteers to support our work.

Key objectives for the 2006/07 financial year

Our key objectives for next year will include developing a new programme aimed at the children and families of primary school children as they embark on the transition into secondary school. Research indicates that this a period when children are most at risk from pressure to make poor health choices and many fall through the gap as they make the change.

We will also provide more guidance and help to our local trusts in maximising their use of resources, improving efficiency and encouraging cooperative ventures to establish Life Education in more schools in new areas.

We welcome the new DfES Social and Emotional Aspects of Learning (SEAL) and will help schools implement this with help from our programmes.

Business support is essential and we will look for national sponsors to provide volunteers to promote our work in their local communities and schools and help with the funding required for development.

Good communication is vital and we will consult widely both externally and with our LOTs about these plans and invite their help with piloting and evaluation.

Financial review

The net income on unrestricted funds in the year was £16,977, resulting in a growth of 5 per cent in unrestricted funds to £336,973. Total funds grew by £18,298 to £379,196

Total incoming resources were down 10 per cent to £1,712,103. Income and expenditure for both Services for Health Education and Regional Support were down in the year. The major reason for Services for Health Education income falling by 9 per cent was a slowdown in the number of new classrooms ordered, although this was partially offset by an increase in fees for parenting courses.

Regional income fell by 5 per cent to £229,238 as member subscriptions were held at the same level in the year and there was a reduction in educator training for work in schools. Corporate support fell by £38,505 from the 2005 level of £154,005, which had included £70,000 carried forward from the previous year. Voluntary income increased by 9 per cent to £209,364.

Total expenditure was down 10 per cent to £1,693,805. Governance costs fell by 30 per cent mainly as a result of lower support costs incurred, particularly in respect of professional fees associated with the VAT reclaim. Regional support expenditure has fallen by 19 per cent, and Services for Health Education have fallen by 7 per cent which mirrors the fall in income related to each of these activities. The cost of generating funds fell by 29 per cent to £61,311 reflecting this year's lower support costs.

Financial review (continued)

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 (i.e. excluding trading subsidiary activities) or approximately £343,428 as at 31 March 2006. Actual free reserves at that date are £335,971.

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 2006 is set out in the balance sheets. These accounts should be read in conjunction with their related notes.

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

The charity's assets

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

Auditors

The auditors, Buzzacott, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985. The Trustees 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: 27 June 2006

Independent auditors' report

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

We have audited the accounts on pages 18 to 33 which have been prepared under the historical cost convention and the accounting policies set out on pages 22 and 23.

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 8 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 (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the 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 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 report to you whether in our opinion the information given in the Trustees' report is consistent with the audited accounts.

We read other information contained in the Trustees' report, and consider whether it is consistent with the audited accounts. This other information comprises only the Chairman's Statement.

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.

Independent auditors' report

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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.

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 in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company, and the charitable company and its subsidiary, as at 31 March 2006 and of their incoming resources and application of resources, including their income and expenditure, in the year then ended;
- ◆ have been properly prepared in accordance with the Companies Act 1985; and
- ◆ the information given in the Trustees' report is consistent with the financial statements.

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

27 June 2006

Consolidated statement of financial activities Year to 31 March 2006

| | Notes | Unrestricted funds £ | Restricted funds £ | 2006 Total funds £ | 2005 Total funds (Restated) £ |
|--|-------|----------------------------|--------------------------|-----------------------------|---|
| Income and expenditure | | | | | |
| Incoming resources | | | | | |
| Incoming resources from generated funds | | | | | |
| . Voluntary income | | 209,364 | — | 209,364 | 192,114 |
| . Corporate support | | 103,000 | 12,500 | 115,500 | 154,005 |
| . Activities for generating funds | | 10,066 | — | 10,066 | 7,106 |
| . Interest receivable | | 8,375 | — | 8,375 | 4,070 |
| Incoming resources from charitable activities | | | | | |
| . Regional income | | 229,238 | — | 229,238 | 241,735 |
| . Services for Health Education | | 1,139,560 | — | 1,139,560 | 1,256,640 |
| Other income | | | | | |
| . VAT refund | | — | — | — | 14,070 |
| . Miscellaneous | | — | — | — | 19,085 |
| Total incoming resources | | 1,699,603 | 12,500 | 1,712,103 | 1,888,825 |
| Resources expended | | | | | |
| Cost of generating funds | | | | | |
| . Cost of generating voluntary income | 2 | 61,311 | — | 61,311 | 78,942 |
| Charitable expenditure | | | | | |
| Charitable activities | | | | | |
| . Regional Support | 3a | 223,695 | 257 | 223,952 | 276,936 |
| . Services for Health Education | 3a | 1,369,538 | — | 1,369,538 | 1,477,299 |
| Governance costs | 3a | 39,004 | — | 39,004 | 55,825 |
| Total resources expended | | 1,693,548 | 257 | 1,693,805 | 1,889,002 |
| Net incoming (outgoing) resources for the year before transfers | | 6,055 | 12,243 | 18,298 | (177) |
| Transfers between funds | 13 | 10,922 | (10,922) | — | — |
| Net incoming (outgoing) resources for the year | 4 | 16,977 | 1,321 | 18,298 | (177) |
| Fund balances brought forward at 1 April 2005 | | 319,996 | 40,902 | 360,898 | 361,075 |
| Fund balances carried forward at 31 March 2006 | | 336,973 | 42,223 | 379,196 | 360,898 |

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 statement of financial activities Year to

| | Notes | Unrestricted funds £ | Restricted funds £ | 2006 Total funds £ | 2005 Total funds (Restated) £ |
|---|-------|----------------------------|--------------------------|-----------------------------|---|
| Income and expenditure | | | | | |
| Incoming resources | | | | | |
| Incoming resources from generated funds | | | | | |
| . Voluntary income | | 209,364 | — | 209,364 | 192,114 |
| . Gift Aid from subsidiary | | 94,957 | — | 94,957 | 225,582 |
| . Corporate support | | 73,000 | 12,500 | 85,500 | 74,005 |
| . Activities for generating funds | | 10,066 | — | 10,066 | 7,106 |
| . Interest receivable | | 5,445 | — | 5,445 | 2,962 |
| Incoming resources from charitable activities | | | | | |
| . Regional income | | 224,364 | — | 224,364 | 241,735 |
| . Services for Health Education | | 86,391 | — | 86,391 | 68,502 |
| Other income | | | | | |
| . VAT refund | | — | — | — | 14,070 |
| . Miscellaneous | | — | — | — | 11,337 |
| Total incoming resources | | 703,587 | 12,500 | 716,087 | 837,413 |
| Resources expended | | | | | |
| Cost of generating funds | | | | | |
| . Cost of generating voluntary income | 2 | 61,311 | — | 61,311 | 78,942 |
| Charitable expenditure | | | | | |
| Charitable activities | | | | | |
| . Regional Support | 3a | 223,695 | 257 | 223,952 | 276,936 |
| . Services for Health Education | 3a | 364,489 | — | 364,489 | 412,427 |
| Governance costs | 3a | 37,104 | — | 37,104 | 51,325 |
| Total resources expended | | 686,599 | 257 | 686,856 | 819,630 |
| Net incoming resources for the year | | 16,988 | 12,243 | 29,231 | 17,783 |
| Fund balances brought forward at 1 April 2005 | | 318,983 | 23,483 | 342,466 | 324,683 |
| Fund balances carried forward at 31 March 2006 | | 335,971 | 35,726 | 371,697 | 342,466 |

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.

Consolidated balance sheet

| | Notes | 2006 £ | 2006 £ | 2005 £ | 2005 £ |
|---|-------|------------------|-----------------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 69,126 | | 131,227 |
| Current assets | | | | | |
| Stocks | 9 | 15,532 | | 13,493 | |
| Debtors | 10 | 299,108 | | 339,823 | |
| Cash at bank and in hand | | 397,269 | | 227,421 | |
| | | 711,909 | | 580,737 | |
| Creditors: amounts falling due within one year | 11 | (391,839) | | (321,066) | |
| Net current assets | | | 320,070 | | 259,671 |
| Creditors: amounts falling due after one year | 12 | | (10,000) | | (30,000) |
| Total net assets | 14 | | 379,196 | | 360,898 |
| Represented by: | | | | | |
| Funds and reserves | | | | | |
| <i>Income funds:</i> | | | | | |
| Restricted funds | 13 | | 42,223 | | 40,902 |
| Unrestricted funds | | | | | |
| . General fund | | | 336,973 | | 319,996 |
| | | | 379,196 | | 360,898 |

Approved by the Trustees
and signed on their behalf by:

Lord Russell of Liverpool

Trustee

Approved on: 27 June 2006

Charity balance sheet 31 March 2006

| | Notes | 2006 £ | 2006 £ | 2005 £ | 2005 £ |
|--|-------|------------------|-----------------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 52,629 | | 98,807 |
| Investments | 8 | | 100 | | 100 |
| | | | 52,729 | | 98,907 |
| Current assets | | | | | |
| Stocks | 9 | 7,492 | | 8,679 | |
| Debtors | 10 | 230,957 | | 277,519 | |
| Cash at bank and in hand | | 204,004 | | 58,581 | |
| | | 442,453 | | 344,779 | |
| Creditors amounts falling due within one year | 11 | (113,485) | | (71,220) | |
| Net current assets | | | 328,968 | | 273,559 |
| Creditors amounts falling due after one year | 12 | | (10,000) | | (30,000) |
| Total net assets | 14 | | 371,697 | | 342,466 |
| Represented by: | | | | | |
| Funds and reserves | | | | | |
| <i>Income funds:</i> | | | | | |
| Restricted funds | 13 | | 35,726 | | 23,483 |
| Unrestricted funds | | | | | |
| . General fund | | | 335,971 | | 318,983 |
| | | | 371,697 | | 342,466 |

Approved by the Trustees
and signed on their behalf by:

Lord Russell of Liverpool

Trustee

Approved on: 27 June 2006

Principal accounting policies

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 Generally Accepted Accounting Practice and the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP 2005) have been followed in these accounts.

The adoption of SORP 2005 has resulted in a number of changes in the presentation of the statement of financial activities and the re-classification of certain comparative figures contained therein.

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 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 charitable activities comprise expenditure on the charity’s primary charitable purpose i.e. services for health and education.

The majority of costs are directly attributable to specific activities. Certain shared support costs are apportioned to charitable activities based on estimated time spent by staff on each activity.

- c. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and 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

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

Defined 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

1 Loss 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 2006 | Total 2005 |
|---|-----------------------|---------------|
| | £ | £ |
| Profit and loss account | | |
| Turnover | 1,053,169 | 1,188,138 |
| Cost of sales | (992,473) | (1,024,961) |
| Gross profit | 60,696 | 163,177 |
| Other income | 48,726 | 103,975 |
| Administrative expenses | (14,476) | (39,071) |
| Loss on disposal of fixed assets | — | (5,340) |
| Profit on ordinary activities before Gift Aid | 94,946 | 222,741 |
| Gift Aid | (94,957) | (225,582) |
| Loss for the financial year | (11) | (2,841) |
| Retained profit at 1 April 2005 | 1,011 | 3,852 |
| Retained profit at 31 March 2006 | 1,000 | 1,011 |

2 Cost of generating funds

| | Unrestricted funds | Restricted funds | Total 2006 | Total 2005 (Restated) |
|--------------------------|-----------------------|---------------------|-----------------------|-----------------------------|
| | £ | £ | £ | £ |
| Charity and group | | | | |
| Staff costs | 40,388 | — | 40,388 | 39,669 |
| Campaigns and promotions | 20,923 | — | 20,923 | 39,273 |
| | 61,311 | — | 61,311 | 78,942 |

Notes to the accounts Year to

3a Analysis of direct and allocated costs

| Charity | Staff costs £ | Direct costs £ | Directly allocated support costs £ | Total 2006 £ | Total 2005 (Restated) £ |
|--|------------------|-------------------|---------------------------------------|------------------------|-------------------------------|
| Costs of generating funds | | | | | |
| . Costs of generating voluntary income | 40,388 | 3,806 | 17,117 | 61,311 | 78,942 |
| Charitable expenditure | | | | | |
| . Regional Support | 141,358 | 22,684 | 59,910 | 223,952 | 276,936 |
| . Services for Health Education | 161,551 | 134,470 | 68,468 | 364,489 | 412,427 |
| Governance costs | 20,194 | 8,351 | 8,559 | 37,104 | 51,325 |
| Total resources expended | 363,491 | 169,311 | 154,054 | 686,856 | 819,630 |

| Group | Staff costs £ | Direct costs £ | Directly allocated support costs £ | Total 2006 £ | Total 2005 (Restated) £ |
|--|------------------|-------------------|---------------------------------------|------------------------|-------------------------------|
| Costs of generating funds | | | | | |
| . Costs of generating voluntary income | 40,388 | 3,806 | 17,117 | 61,311 | 78,942 |
| Charitable expenditure | | | | | |
| . Regional Support | 141,358 | 22,684 | 59,910 | 223,952 | 276,936 |
| . Services for Health Education | 161,551 | 1,126,943 | 81,044 | 1,369,538 | 1,477,299 |
| Governance costs | 20,194 | 10,251 | 8,559 | 39,004 | 55,825 |
| Total resources expended | 363,491 | 1,163,684 | 166,630 | 1,693,805 | 1,889,002 |

Notes to the accounts Year to

3b Analysis of support costs

| Charity | Cost of generating funds £ | Regional Support £ | Services for Health Education £ | Gover- ance costs £ | Total 2006 £ | Total 2005) (Restated) £ |
|--------------------------|-------------------------------------|--------------------------|--|------------------------------|-----------------------------|-----------------------------------|
| Premises | 5,148 | 18,019 | 20,592 | 2,574 | 46,333 | 33,050 |
| Postage and stationery | 1,097 | 3,839 | 4,388 | 548 | 9,872 | 12,256 |
| Travel | 3,520 | 12,321 | 14,081 | 1,761 | 31,683 | 19,522 |
| Finance and legal costs | 3,770 | 13,196 | 15,081 | 1,886 | 33,933 | 113,259 |
| Communications and IT | 2,872 | 10,051 | 11,487 | 1,435 | 25,845 | 37,123 |
| Depreciation | 710 | 2,484 | 2,839 | 355 | 6,388 | 5,784 |
| Total expenditure | 17,117 | 59,910 | 68,468 | 8,559 | 154,054 | 220,994 |

The method of allocation of support costs is detailed in the accounting policies on page 22.

| Group | Cost of generating funds £ | Regional Support £ | Services for Health Education £ | Gover- ance Costs £ | Total 2006 £ | Total 2005) (Restated) £ |
|--------------------------|-------------------------------------|--------------------------|--|------------------------------|-----------------------------|-----------------------------------|
| Premises | 5,148 | 18,019 | 20,592 | 2,574 | 46,333 | 33,050 |
| Postage and stationery | 1,097 | 3,839 | 4,565 | 548 | 10,049 | 12,256 |
| Travel | 3,520 | 12,321 | 15,772 | 1,761 | 33,374 | 21,074 |
| Finance and legal costs | 3,770 | 13,196 | 9,832 | 1,886 | 28,684 | 133,211 |
| Communications and IT | 2,872 | 10,051 | 11,522 | 1,435 | 25,880 | 37,123 |
| Depreciation | 710 | 2,484 | 18,761 | 355 | 22,310 | 24,192 |
| Total expenditure | 17,117 | 59,910 | 81,044 | 8,559 | 166,630 | 260,906 |

3c Analysis of governance costs

| Charity | Total 2006 £ | Total 2005 £ |
|--------------------------|-----------------------------|--------------------|
| Audit fees | 5,350 | 8,800 |
| Trustee travel | 3,001 | 8,828 |
| Staff costs | 20,194 | 19,885 |
| Support costs | 8,559 | 13,812 |
| Total expenditure | 37,104 | 51,325 |

Notes to the accounts Year to

3c Analysis of governance costs (continued)

| Group | Total 2006 £ | Total 2005 £ |
|--------------------------|-----------------------------|-----------------------------|
| Audit fees | 7,250 | 13,300 |
| Trustee travel | 3,001 | 8,828 |
| Staff costs | 20,194 | 19,885 |
| Support costs | 8,559 | 13,812 |
| Total expenditure | 39,004 | 55,825 |

4 Net incoming (outgoing) resources for the year

This is stated after charging:

| Charity | Total 2006 £ | Total 2005 £ |
|----------------------------------|-----------------------------|-----------------------------|
| Staff costs (note 5) | 363,491 | 318,153 |
| Auditors' remuneration | | |
| . statutory audit - current year | 5,500 | 5,300 |
| . statutory audit - prior year | — | 1,500 |
| . other services | 1,000 | 2,000 |
| Depreciation (note 7) | 52,609 | 52,596 |
| Operating lease rentals | 19,793 | 21,177 |

| Group | Total 2006 £ | Total 2005 £ |
|----------------------------------|-----------------------------|-----------------------------|
| Staff costs (note 5) | 363,491 | 313,153 |
| Auditors' remuneration | | |
| . statutory audit - current year | 7,400 | 7,150 |
| . statutory audit - prior year | — | 3,250 |
| . other services | 1,000 | 2,900 |
| Depreciation (note 7) | 68,532 | 70,994 |
| Operating lease rentals | 19,793 | 21,177 |

5 Staff costs and Trustees' remuneration

| Charity and group | Total 2006 £ | Total 2005 £ |
|--|-----------------------------|--------------------|
| Staff costs during the year were as follows: | | |
| Wages and salaries | 297,138 | 258,414 |
| Social security costs | 30,860 | 26,817 |
| Other pension costs | 35,493 | 32,922 |
| | 363,491 | 318,153 |
| Staff costs per function were as follows: | | |
| Generation of funds | 40,388 | 39,769 |
| Charitable activities | | |
| . Services for Health Education | 161,551 | 139,192 |
| . Regional Support | 141,358 | 119,307 |
| Governance | 20,194 | 19,885 |
| | 363,491 | 318,153 |

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

| | 2006 | 2005 |
|-------------------|-------------|------|
| £60,001 - £70,000 | 1 | 1 |

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

| | 2006 | 2005 |
|---------------------------------|-------------|------|
| Generation of funds | 1.0 | 1.0 |
| Charitable activities | | |
| . Services for Health Education | 4.0 | 3.5 |
| . Regional Support | 3.5 | 3.0 |
| Governance | 0.5 | 0.5 |
| | 9.0 | 8.0 |

No Trustee received any remuneration in respect of their services as Trustees during the year (2005 - £nil).

Total out of pocket travelling expenses of £3,001 (2005 - £8,829) were reimbursed to 8 (2005 - 9) Trustees during the year.

6 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.

7 Tangible fixed assets

| Charity | Classroom programme £ | Fixtures, fittings and equipment £ | Total £ | |
|--------------------------|-----------------------------|---|---|----------------|
| Cost or valuation | | | | |
| At 1 April 2005 | 352,136 | 38,482 | 390,618 | |
| Additions | — | 6,431 | 6,431 | |
| At 31 March 2006 | 352,136 | 44,913 | 397,049 | |
| Depreciation | | | | |
| At 1 April 2005 | 258,512 | 33,299 | 291,811 | |
| Charge for year | 46,812 | 5,797 | 52,609 | |
| At 31 March 2006 | 305,324 | 39,096 | 344,420 | |
| Net book values | | | | |
| At 31 March 2006 | 46,812 | 5,817 | 52,629 | |
| At 31 March 2005 | 93,624 | 5,183 | 98,807 | |
| Group | | | | |
| Group | Mobile classrooms | Classroom programme £ | Fixtures, fittings and equipment £ | Total £ |
| Cost or valuation | | | | |
| At 1 April 2005 | 143,982 | 352,136 | 73,824 | 569,942 |
| Additions | — | — | 6,431 | 6,431 |
| At 31 March 2006 | 143,982 | 352,136 | 80,255 | 576,373 |
| Depreciation | | | | |
| At 1 April 2005 | 111,562 | 258,512 | 68,641 | 438,715 |
| Charge for year | 15,923 | 46,812 | 5,797 | 68,532 |
| At 31 March 2006 | 127,485 | 305,324 | 74,438 | 507,247 |
| Net book values | | | | |
| At 31 March 2006 | 16,497 | 46,812 | 5,817 | 69,126 |
| At 31 March 2005 | 32,420 | 93,624 | 5,183 | 131,227 |

Notes to the accounts Year to

8 Investments

At 31 March 2006 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 2006, the aggregate of the share capital and reserves of Life Education Mobiles Limited amounted to £1,000 (2005 - £1,011).

9 Stocks

| | Charity 2006 £ | Charity 2005 £ | Group 2006 £ | Group 2005 £ |
|---|-------------------------------|----------------------|-----------------------------|--------------------|
| Publications and teacher resource packs | 7,492 | 8,679 | 15,532 | 13,493 |

10 Debtors

| | Charity 2006 £ | Charity 2005 £ | Group 2006 £ | Group 2005 £ |
|--|-------------------------------|----------------------|-----------------------------|--------------------|
| Trade debtors | — | — | 152,235 | 121,531 |
| Sundry debtors | 7,746 | 18,410 | 7,746 | 18,410 |
| Proceeds receivable in respect of mobile sales | 25,962 | 31,409 | 33,077 | 113,133 |
| Amount due from subsidiary company | 94,957 | 160,167 | — | — |
| VAT recoverable | 30,456 | 22,533 | 30,456 | 22,533 |
| Other debtors and prepayments | 71,836 | 45,000 | 75,594 | 64,216 |
| | 230,957 | 277,519 | 299,108 | 339,823 |

Included within debtors are loans totalling £25,829 (2005 - £45,000) due after more than one year.

11 Creditors: amounts falling due within one year

| | Charity 2006 £ | Charity 2005 £ | Group 2006 £ | Group 2005 £ |
|---------------------------------|-------------------------------|----------------------|-----------------------------|--------------------|
| Expense creditors | 27,008 | 16,095 | 239,591 | 199,099 |
| Mobile Learning Centre deposits | — | — | 45,355 | — |
| Accruals and deferred income | 30,000 | 7,991 | 51,900 | 50,636 |
| Loans (see below) | 20,000 | 30,000 | 20,000 | 30,000 |
| Other creditors | 36,477 | 17,134 | 34,993 | 41,331 |
| | 113,485 | 71,220 | 391,839 | 321,066 |

Notes to the accounts Year to

The loans represent monies advanced to the charity to facilitate the purchase of mobile units.

12 Creditors: amounts falling due after one year

| | Charity 2006 | Charity 2005 | Group 2006 | Group 2005 |
|-----------------|-------------------------|-----------------|-----------------------|---------------|
| | £ | £ | £ | £ |
| Loans (note 11) | 10,000 | 30,000 | 10,000 | 30,000 |
| | 10,000 | 30,000 | 10,000 | 30,000 |

13 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 2005 | Incoming resources | Expenditure and transfers | At 31 March 2006 |
|--------------------------|-----------------------|-----------------------|---------------------------------|---------------------------------|
| | £ | £ | £ | £ |
| South Humberside LFG | 10,000 | — | — | 10,000 |
| Mobile Classroom Fund | 13,226 | — | — | 13,226 |
| Pfizer UK Foundation | — | 12,500 | — | 12,500 |
| Local fundraising groups | 257 | — | (257) | — |
| Charity total | 257 | 12,500 | (257) | 35,726 |
| LEM Leased Mobile Fund | 17,419 | — | (10,922) | 6,497 |
| Group total | 40,902 | 12,500 | (11,179) | 42,223 |

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

- ◆ South Humberside LFG
The fund represents monies raised for, and their use restricted to, the setting up of a local trust in South Humberside to provide programmes in the local community.
- ◆ 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.
- ◆ Pfizer UK Foundation
This fund represents a donation towards the pilot of a special assembly workshop programme for parents and children in schools in East Kent.

13 Restricted funds (continued)

- ◆ Local fundraising groups
The total of several funds raised by local groups under licence from Life Education Centres to provide programmes in their community.

 - ◆ 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.
- The transfer from restricted funds to unrestricted funds of £10,922 represents the depreciation charge relating to these mobile classrooms.

14 Analysis of net assets between funds

| Charity | Unrestricted funds £ | Restricted funds £ | Total 2006 £ |
|---|----------------------------|--------------------------|-----------------------------|
| Fund balances at 31 March 2006 are represented by: | | | |
| Fixed assets | 52,729 | — | 52,729 |
| Current assets | 406,727 | 35,726 | 442,453 |
| Current liabilities | (113,485) | — | (113,485) |
| Long-term liabilities | (10,000) | — | (10,000) |
| Total net assets | 335,971 | 35,726 | 371,697 |
| | | | |
| Group | Unrestricted funds £ | Restricted funds £ | Total 2006 £ |
| Fund balances at 31 March 2006 are represented by: | | | |
| Fixed assets | 69,126 | — | 69,126 |
| Current assets | 669,686 | 42,223 | 711,909 |
| Current liabilities | (391,839) | — | (391,839) |
| Long-term liability | (10,000) | — | (10,000) |
| Total net assets | 336,973 | 42,223 | 379,196 |

Notes to the accounts Year to

15 Operating leases

The charity and the group have annual commitments of £19,793 (2005 - £20,767) in respect of non-cancellable operating leases expiring:

| Charity and group | Property £ | Other £ | 2006 £ | 2005 £ |
|--------------------------|---------------|--------------|-------------------|---------------|
| Within one to two years | 18,000 | 1,434 | 19,434 | 2,050 |
| Within two to five years | — | 359 | 359 | 18,717 |
| | 18,000 | 1,793 | 19,793 | 20,767 |

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

16 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.

17 Related party transactions

Mr Ray King, a Trustee of Life Education Centres, is the Finance Director of BUPA. During the year ended 31 March 2006, the charity received a donation of £73,000 (2005 - £73,000) from BUPA and the charity's trading subsidiary, Life Education Mobiles Limited, received sponsorship income of £30,000 (2005 - £80,000) from BUPA.

During the year ended 31 March 2006 there were no further donations from or transactions with related parties (2005 - none).