

THE SICK CHILDREN'S TRUST

Company No: 01618435

Charity No: 284416

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2014

The Sick Children's Trust
Statement of Financial Activities
For the year ended 31st March 2014

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The Sick Children's Trust

Legal and Administrative Information

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Founders

Professor J Malpas
Dr J Pritchard

Vice-Presidents

Dame Judi Dench
Loyd Grossman OBE
Gary Lineker OBE
Peter Baldwin
Carmel Kinnear
Christopher Timothy
Esther Rantzen CBE
Chris Tarrant OBE
Alice Beer
Anita Dobson
Paul a Young

Members of the Council

Stephen Catlin (Chairman)
Gary Boom
Peter Cunard
Stephen Masters
Patrick Rigby
Michael Robinson
Dr Jack Singer
Fiona Smart
Pernille Tholstrup
Soren Tholstrup
Polly Staveley (Appointed 12 December 2013)

Secretary

Stephen Masters

Principal Bankers

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The Sick Children's Trust

Trustees' Report for Annual Accounts 2013-14

1. Reference and administrative details of the charity, its trustees and advisers

Constitution and objectives

The Sick Children's Trust (The SCT) is a company registered in England and Wales under company number 01618435 and governed by its memorandum and articles of association. It does not have share capital and the liability of members is limited by guarantee.

The company is a charity under the terms of Section 3 of the Charities Act 1993 and the registration number is 284416.

The principal activity of the Trust is to provide essential accommodation and amenities for parents, guardians, relatives and friends of children undergoing treatment at a number of leading hospitals around the country. There have been no material changes to this policy in the year under review. We work in collaboration with NHS Hospitals to develop 'Homes from Home' within minutes of the ward.

2. Structure, governance and management

Structure

The Board of Trustees of eleven members meets quarterly and is responsible for the strategic direction and policy of the charity. Presently the trustee board has members from a variety of professional backgrounds relevant to the work of the charity. They receive reports from the Chief Executive (who is also responsible for the Financial Management), the Deputy Chief Executive, PR Manager, Marketing Manager and the House Operations Manager.

The Chief Executive is responsible for ensuring that the charity delivers the services set out in its objectives, meets its performance targets and that the staff team continue to develop their skills and working methods in line with good practice. The House Operations Manager has responsibility for the day to day operational management of the 'Homes from Home', and individual supervision of the house team.

The charity is supported by an independent voluntary fundraising committee in Cambridge which organises a busy schedule of events in the area, specifically in order to raise funds for Acorn House 'Home from Home' at Addenbrooke's Hospital and Chestnut House at The Rosie Hospital. The Cambridge Fundraising Committee for The Sick Children's Trust has been in existence for over ten years and traditionally raises a significant proportion of Acorn House's annual running costs. This group's activity has proved invaluable to the charity in establishing improved links within the community. The charity does not receive any government funding.

Methods adopted for the recruitment, appointment, induction and training of new trustees:

Governance

The Board of Trustees is always looking to have a full complement of skill sets, so that every member of the board has something different to contribute to the work of the charity. The board likes to have at least eight serving members at any one time, but not more than twelve.

The recruitment of new trustees takes place in the form of a visit to Head Office with an introduction to the staff as well as a tour of one or two of our 'Homes from Home' followed by an interview with one or two of the existing trustees. Upon a satisfactory interview, the candidate is invited to present his or her credentials at the next trustees' meeting after which a vote takes place to determine whether the person will become a new trustee.

Depending on the role the new trustee has been appointed to fulfil, the trustee will meet with the relevant staff and/or outside agencies with which the charity has any dealings or contact. Courses are offered within the industry for trustees to attend throughout the year.

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Trustees' Report Annual Accounts 2013-14 (Continued)

Management

The day to day running of the Head Office is the responsibility of the CEO with a total staff of thirteen employees. In the 'Homes from Home' programme the charity employs a total of seven full time and thirteen part time house staff. The house staff report to a House Operations Manager (dedicated role) who reports directly to the CEO. The Fundraising Department is managed by the Deputy Chief Executive and is made up of six other full-time and two part-time members of staff, with Regional Fundraisers operating in the North East and in Yorkshire. The Communications Department with two full-time and one part-time members of staff is responsible for PR and Marketing and reports to the Deputy Chief Executive, and The SCT's Events Programme is run by a Special Events Manager who is a member of the FR team. The CEO is responsible for the general operations of the charity, including the management of the three administrative staff members, Deputy Chief Executive and House Operations Manager.

Risk

During the year, The Sick Children's Trust conducted a thorough risk assessment of all of its activities, with pro bono support provided by the Global Compliance Assurance Team at Barclays Bank, a process which began in early 2013. With the involvement of all employees, by September existing controls were listed and other risks identified that were not being addressed by existing controls. New risk mitigation plans were developed which are presently being moved forward by senior managers. Major developments that have taken place throughout the financial year include:

- 1 Governance: The establishment of a Risk sub-group to ensure that The SCT's risks are assessed on a periodic basis and for any issues identified, appropriate remediation plans put into place and tracked to completion in a timely manner. An independent member, Catlin's Chief Operating Officer Paul Jardine, was recruited to advise The SCT on risk and ensure that our approach follows best practice. Barclays Bank is continuing to provide support.
- 2 People: A process to review the performance of our trustees on an annual basis began with the first 121 meetings scheduled between The SCT chair and individual trustees. This is consistent with the annual appraisal system that is already in place for paid employees and long-term volunteers.
- 3 Operational: Regular internal audits for each of The SCT's 'Homes from Home' have been introduced. Using a predetermined check-list, these audits will help to ensure consistency and a high standard of quality across all of our properties and provide a framework for employees to highlight areas that need improving.
- 4 Financial: A review of existing financial controls took place. This identified that the systems already in place are effective, including the expense management system, the fundraising plan and updates to trustees, the annual financial audit, financial reconciliations and management meetings. However, gaps have been identified that pose risks, therefore new risk mitigation plans have been developed that will see internal audits taking place every six months, employees provided with guidelines and the introduction of internal house financial audits.
- 5 IT: Existing controls around disaster recovery and back-up of data, third party providers and IT management have been identified. However, more work needs to be done to understand how best to manage and control our IT and roll out a simplified and updated business continuity plan across the organisation.
- 6 Environment & External: Existing procedures for families wishing to share their experiences in user case studies were reviewed and found to be robust. These ensure that all the necessary permissions have been secured before family case studies are used to represent the organisation in any capacity.
- 7 Compliance: The task of ensuring that The SCT's processes and policies are in line with government and regulatory policies and procedures began. This is a cross-department initiative involving the monitoring and review of a wide range of regulatory bodies ranging from the Charity Commission to HMRC. Once completed, this activity will take place annually.

3. Objectives and activities

The core purpose of the charity as set out in the company's memorandum of association is to benefit the public by promoting and furthering the care, relief and treatment of sick children at any hospital in Great Britain and Northern Ireland. To meet this aim the objectives of the charity are as follows:

The Sick Children's Trust

Trustees' Report for Annual Accounts 2013-14 (Continued)

- 1 The provision of essential accommodation and amenities for parents, guardians, relatives and friends in need thereof when visiting such children. This accommodation is provided in the following houses:
 - Rainbow House - supporting Great Ormond Street Hospital (London) - Opened 1984
 - Guilford Street - supporting Great Ormond Street Hospital (London) - Opened 1990
 - Eckersley House - opened in 1993 at St James's Hospital (Leeds), moved to the Leeds General Infirmary 2010

 - Crawford House - supporting The Royal Victoria Infirmary (Newcastle) - Opened 1996
 - Acorn House - supporting Addenbrooke's Hospital (Cambridge) - Opened 2000
 - Treetop House - supporting Sheffield Children's Hospital (Sheffield) - Opened 2001
 - Stevenson House - supporting The Royal London Children's Hospital (London) - Opened 2003
 - Chestnut House - supporting Rosie Hospital (Cambridge) - Opened 2012
 - Magnolia House - supporting Sheffield Children's Hospital (Sheffield) - Opened December 2013
- 2 The provision of toys, games and play facilities for children being treated at hospital and for any children visiting them.
- 3 The provision of facilities and assistance to parents, guardians, relatives and friends of sick children in order to promote the welfare of such children.
- 4 Acquire property for the promotion of the purpose of The Sick Children's Trust.

Charitable Objectives, Strategies and Activities for the year:

The charity reviews the aims, objectives and activities each year. This review looks at what we have achieved and the outcomes of our work in the previous twelve months, and the benefits that have been brought to the people we were set up to help. It also keeps us focused on our stated purpose.

- 1 The charity is finalising a new 5 year strategic plan, and with the support of a secondee from John Lewis, we have been able to draw out key priorities and activities that will provide a real focus for our strategic direction.
- 2 A new 'Home from Home' was successfully completed at Sheffield Children's Hospital in December 2013, providing an 11 bedroom facility which had supported a total of 140 families by March 2014. This home is in addition to the existing 13 bedrooms we offer at Treetop House and means we are able to support an additional 300 families a year. In December 2013 we commenced on site to build a new 'Home from Home' at the Freeman Hospital in Newcastle after many obstacles.
- 3 Eckersley House accommodated 513 families during 2013/14, an increase of 99 families over the previous year. The average length of stay for families in this house is 16 nights and on many occasions a waiting list operates, with the occupancy at 99.6%. This house operates under extreme pressure of demand for its services and this will be reviewed in the forthcoming year.
- 4 We plan to build a new 'Home from Home' at The Royal National Orthopaedic Hospital in Stanmore. Discussions have commenced and initial indications are that an 18 bedroom facility would be most suitable to operate on this site. This hospital has a world-renowned reputation and the hospital governing body has plans to reconfigure the whole hospital site.
- 5 We continue to review our services on an ongoing basis with many families expressing their complete satisfaction with the overall service and the high standard of the accommodation. Working closely with the hospital professional teams, we are able to collaborate and then make informed decisions about the services we provide.

Communications, Fundraising & Events Objectives, Strategies & Activities for the year:

Fundraising Department

- 1 To support the running costs of our existing 'Homes from Home'.
- 2 To raise the balance of funds for a new 'Home from Home' at Sheffield Children's Hospital.
- 3 To launch a new fundraising appeal for a new 'Home from Home' at The Freeman hospital in Newcastle upon Tyne.
- 4 To continue to develop relationships with families that stay in our houses and our existing supporters to encourage long-term support.

Events Department

- 1 To work with the HoneyPot charity to organise a Fine Wine Dinner.
- 2 To grow on the success of existing events including the cricket event and carol service.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2013-14 (Continued)

Communications Department

- 1 To raise awareness of the charity on a national level through increased national media coverage.
- 2 To develop a new two year communications strategy to continue to increase awareness of our work.
- 3 To develop a social media strategy to ensure we provide a positive experience for users.
- 4 To secure an ongoing media partnership for The Big Chocolate Tea Party campaign.
- 5 To analyse our direct communications with our supporters.
- 6 To undertake a communications review for the whole charity.

How our activities deliver public benefit

Our main activities and who we help are described below. All of our charitable activities focus on the provision of 'Home from Home' accommodation for the families of sick children receiving treatment in hospital. These are our main beneficiaries. The activities we undertake promote our charitable purposes for the public benefit in the UK. We believe we fully satisfy the public benefit test.

Achievements and Performance

The Sick Children's Trust continues to thrive and deliver excellence, and we continue to maintain a prudent approach to our expenditure management. This year, the charity has:

- 1 Helped 3,466 families with sick children in hospital, an increase of 124 (3.7%) on the previous year.**
- 2 Increased to a 95% annual occupancy of all our 'Homes from Home'.**
- 3 Opened a new house in Sheffield at Sheffield Children's Hospital with an extra 11 bedrooms and communal areas, so we now provide 127 bedrooms every night.**
- 4 Increased media coverage by a huge 164% over the previous year with national coverage performing strongly. We also enjoyed excellent coverage for our Big Chocolate Tea campaign.**
- 5 Worked on the strategic plan with all of The SCT team so we are clear about our direction and focus over the next five years.**
- 6 Seen the staff team continue to excel; the house staff see first hand how our service improves a family's stress levels, financial strain and worry about siblings.**
- 7 Raised a record £2,427,572 income with Gifts in Kind of £45,000 which brings the total this year to £2,472,572. Areas of fundraising that saw the biggest increase were: Trusts, which realised a very healthy 124% increase, Events which increased by 35% and Legacies and Covenants, which went up by over 500%.**
- 8 Experienced increased charitable expenditure by 11% to £1,378,398, which again reflects an increase in service users due to the provision of an additional 'Home from Home'.**
- 9 Still managed to achieve low running costs in providing a room for a family - £28 per room per night.**
- 10 Raised £5.72 for every £1 spent on fundraising, an increase from £5.12 from last year 2012/13.**

Operations - who used and benefited from our service

We provide our services at seven hospitals in five cities around the UK, and the families we currently support come from across the country, but mainly from the wider regions surrounding each of our 'Homes from Home': 27% from Yorkshire; 9% from the Midlands; 13% from the North East and Cumbria; 12% from East Anglia; 12% from Greater London; 20% from the Home Counties. 1% of service users were sponsored families from abroad. The rest of The SCT families (6%) came from other parts of the UK, including the South West, Wales, Scotland and Northern Ireland.

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Trustees' Report for Annual Accounts 2013-14 (Continued)

Operations - who used and benefited from our service (contd/...)

The service provided by The Sick Children's Trust 'Homes from Home' is free of charge and we welcome all families irrespective of their personal circumstances, financial or otherwise. The majority of referrals are based on a family's needs and requirements i.e. distance from home, siblings in attendance, type of illness and length of stay. Demand for our services still remains high with waiting lists in operation in the majority of the houses. The number of bedrooms available throughout the UK every night has now increased to one hundred and twenty seven (127) including two transplant flats. The average occupancy for the year is very high at 95% with demand still continuing to rise but we are maintaining a good quality service for all families with a sick child in hospital.

We believe that open access to our services is key to our success and must be shared by all families making use of our facilities. The impact of our work goes beyond those who we help directly and includes reducing the physical stress of the hospital environment, taking the family away for much needed rest and quiet periods. This allows medical staff to focus solely on the child during certain stages of treatment.

66.4% of the families we supported last year had a child on paediatric intensive care, neo-natal intensive care or the high dependency unit. These figures have grown significantly in recent years, following the opening of Chestnut House in Cambridge, which solely supports families with a baby on the neo-natal intensive care unit, and Magnolia House in Sheffield, which is specifically for the use of families with a child on Sheffield Children's Hospital's critical care unit. Families with a child on intensive care or high dependency are our highest priority when it comes to allocating rooms in our 'Homes from Home'.

In terms of conditions, 14.3% of families had a child receiving cardiac care, a figure that was particularly high at our two houses supporting Great Ormond Street and at Eckersley House in Leeds. We envisage this figure increasing next year with the opening of our new 'Home from Home' at The Freeman Hospital in Newcastle upon Tyne. 11.3% of families had a child with a respiratory condition; 10.4% had a child on a surgical unit; 8.8% of families had a child on gastroenterology; 6.6% had a child with a neurological condition and 5.7% had a child receiving oncology treatment. The numbers of oncology families we have supported has decreased greatly in the last two years, partly due to issues with capacity at our Leeds 'Home from Home', but we do recognise that these are some of our longest-stay families.

The Sick Children's Trust last year supported 3,466 families and the average length of stay across our nine houses is 11.3 nights. Following the opening of Magnolia House in December 2013, we now have 127 family bedrooms, which includes two flats - a bone marrow transplant flat at Rainbow House in London and a liver transplant flat at Eckersley House in Leeds.

The construction of Magnolia House at the Sheffield Children's Hospital in Sheffield was completed in December 2013, with 11 bedrooms and communal areas. This new 'Home from Home' is part of the hospital's increase in specialist areas such as the Burns Unit.

Continuing Efficiency

The charity sets the following priorities for the operation of our 'Homes from Home': focus on families and their wellbeing to the extent that they are physically and emotionally supported; focus on equality of access to our service; evaluating all health and safety factors in the home environment; and strengthening the working relationship with the hospital and clinical staff.

We endeavour to see all families during their stay in our houses at least once to make sure they are happy, though this is not always possible, depending on the length of stay or the hours the family spends over in the hospital. We understand the commitment they have towards their sick child and it can be difficult for them to spare the time to speak to our staff or to complete an evaluation form. We are however happy to report that we received 462 feedback forms, with a range of positive responses - among other responses, over 98% of families said how reassuring it was to be close to their sick child's bedside, and over 98% of families who had financial concerns during their child's stay in hospital said that staying in the 'Home from Home' helped to ease these concerns.

The new 'Home from Home' project in Newcastle at The Freeman Hospital will provide another 19 bedrooms supporting families whose child is receiving treatment for serious cardiac illnesses, some undergoing heart transplants. The principal goals as always are to accommodate more families who have travelled many miles from their home, to support the families emotionally and alleviate the stress they endure at this traumatic time. Many families travelling to The Freeman will be from Northern Ireland. An extensive consultative process took place between all involved parties and we made sure that the project that would be delivered would provide the best tangible results.

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Trustees' Report for Annual Accounts 2013-14 (Continued)

Continuing Efficiency (contd/.....)

The Sick Children's Trust 'Homes from Home' provide care and support to families, clinical staff, social workers and others who are in contact with us and who are aware of the effects of a child being treated in hospital. The mainstay of our service remains our 'Home from Home' staff who provide emotional support, a friendly face and a sympathetic ear. We are pleased that by working and connecting with our partners we are able to share the responsibility of looking after these families, and this can reduce overall stress, upset and sense of helplessness in many cases.

As a result of the inevitable wear and tear experienced by the houses, considerable costs are incurred periodically. Any repair or maintenance issues are resolved as quickly as possible with minimum disruption, so the high standard of accommodation offered to families can be maintained. The upkeep of the London houses proves the most costly as these are older properties.

With over 30 years experience in providing 'Homes from Home', the charity remains successful and at this significant milestone we continue to dedicate our time and effort to building on this solid foundation through working with hospital partners to continue to help families in a very tangible manner achieving favourable outcomes along the way. A dedicated team of staff and volunteers continues to work extremely hard to make a significant difference to these families' lives at a difficult time.

Communications and Fundraising

The Sick Children's Trust had a very successful fundraising year with a total income (incl. gifts in kind) of £2,472,572. This represented a 25% increase on the previous financial year and our highest income in the history of The SCT. There was a general increase in nearly all areas of income but there were several key things that contributed to the high level of growth: the contribution of the Children's Heart Unit Fund (CHUF) towards our project to build a new 'Home from Home' at the Freeman Hospital in Newcastle upon Tyne, a single legacy that increased legacy income by 531% on the previous year to £91,369 and the incredible support of some of our very loyal existing supporters and families that have stayed in our houses.

A successful fundraising campaign to raise funds for a new house in Sheffield meant that we were able to open Magnolia House in December 2013. A high profile appeal in the local area and generosity of the local community in Sheffield as well as donations from some of our existing supporters helped us to reach our appeal target.

Income from Charitable Trusts and Foundations continues to be a key source of income for us with grants from trusts supporting both running costs of our existing houses and new capital projects. Income from Trusts and Foundations was £495,428, a 30% increase on the previous year. Corporate Fundraising income was £235,694. Whilst this was not as high as the previous financial year, we did work with some new corporate partners who we hope will become long-term supporters. Our regional fundraisers in Newcastle upon Tyne and Sheffield continue to develop new relationships with companies in those areas.

Families that have stayed in our houses continue to support our work as testament to how much they value our services at their time of need. Donations received in our houses totalled £134,725 and events organised by supporters was again very high at £339,021. For some of the families that stay in our houses there is terrible sadness when they lose a child and it is incredibly humbling when families then support our work – donations in memory this year totalled £44,055. Many of our supporters enjoy taking on very active challenges such as the London Marathon, Royal Parks Half Marathon, Great North Run and sponsored income this year totalled £87,752. One of the most daring challenges was Conrad Swinfield-Wells who took on a 30,000 kilometre jump from space in Memphis USA in memory of his son Tomas.

Our Cambridge Fundraising Committee has had another busy year of events and activities which has raised a staggering £56,794.82 for Acorn and Chestnut Houses. Our newly formed committee in the North East are continuing to grow their events in Newcastle upon Tyne in support of Crawford House.

Our special events raised a total of £184,311. Our Annual Carol Service has become a very popular event for families, trustees, staff and long-term supporters and this year sold out. Next year we will hold the carol service at a larger church that will accommodate the increased demand. In March 2014, we held a joint event with The Honey-pot charity. The Fine Wine Dinner raised a total of £240,000 which was split equally between the two charities. Our second cricket event took place again at The Honourable Artillery Club in Moorgate, London. Our celebrity team included Mark Ramprakash, Devon Malcolm and Colin Salmon who challenged the Authors XI. The event raised a total of £40,000 and will now be a regular event in our annual events calendar.

Awareness and Media

With the objective of increasing overall awareness of The Sick Children's Trust and the support provided to families with seriously ill children in hospital, this year our communications team has worked closely with the media to secure 1,334 pieces of press coverage. This is an increase of 164% on the previous financial year.

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Trustees' Report for Annual Accounts 2013-14 (Continued)

Awareness and Media (contd/....)

National coverage performed strongly with 107 pieces in total, through stories in newspapers such as The Independent, Daily Express and Daily Mail and features in magazines including Prima, Woman's Own and Pick Me Up. We had a very successful year regionally, particularly with our community fundraising stories, which achieved 439 pieces of press coverage. 102 pieces of family story coverage also helped inspire existing and new supporters by demonstrating the impact of our work.

The Sheffield Telegraph media partnership for Magnolia House, our new 'Home from Home' at Sheffield Children's Hospital, generated weekly pieces in the paper and online. With supporter and fundraising news and family stories, the campaign helped encourage the Sheffield public to support the 'Branching Out Appeal' and they did indeed give generously to the cause. The campaign culminated in the successful official opening of the new house in February 2014.

Our celebrity supporters continued to dedicate their time and drive awareness, with special mention to our President Michael Crawford, whose CBE appointment achieved a record-breaking 374 pieces of press coverage for a single Sick Children's Trust story. We also forged links with new celebrities and were pleased to welcome Anita Dobson and Paul a Young as Vice Presidents and Sian Lloyd as our newest celebrity ambassador.

Our annual direct mail continues to be a successful communications tool in re-engaging with ex-service users and supporters as well as a fundraising stream. However we are mindful that as the number of houses/house users increases, so too does our mailing list incurring an increase in cost of direct mail communication. A communications review was undertaken charity wide, looking at communication paths for all stakeholder groups. This review concluded with the development of a targeted communications programme developed to nurture stakeholder relationships with the long-term goal of encouraging loyalty and increasing donations.

Marketing support for special events continues to yield results. A number of ¼ page and a full page adverts were secured free of charge in both the Evening Standard and Metro to promote the Christmas Carol Service which resulted in the event becoming sold out within a week of the adverts appearing. The Big Chocolate Tea Party continues to grow with increased participation from many families and supporters, the previous year's income was £20,651 and for this financial year the figure is £27,930 an increase of 35%. We expect future growth to continue next year.

Financial Review

2013/14 was a very positive year for The SCT with income increasing by 25% to £2,472,572. The Statement of Financial Activities (SOFA) shows that our main source of income is voluntary income. Investment income remains low due to low interest rates on short-term deposits and cash will remain on short-term deposit due to liquidity requirements for the forthcoming projects in 2014/15.

Voluntary income was split between £1,219,748 unrestricted (49%) and £1,253,095 restricted income (51%); this included £650,482 of capital income. Capital income is split between the Magnolia House project in Sheffield and the build of a new 'Home from Home' at The Freeman Hospital in Newcastle. The balance of restricted income of £602,613 was allocated to meet running costs of the houses.

Total expenditure in 2013/14 increased to £1,821,464, up £186,274 (11%) on 2012/13. The majority of the increase relates to a full year of operating costs (predominantly staff costs and property costs) and depreciation for Chestnut House and 3 months of operating costs relating to Magnolia House which opened in December 2013. For every £1 spent on fundraising the charity raised £5.72.

Charitable activity costs account for 76% of the total resources expended. The SCT continues to annually review how to keep its costs low and operations as efficient as possible, this is done through optimising costs and undertaking efficiency drives.

At the end of this financial year the Trust had cash resources of £1,669,726 of which restricted funds accounts for £725,722 to be spent on the 'Homes from Home' operation. The minimum cash required for six months running costs in 2013/14 was £766,752. The Sick Children's Trust aims to maintain sufficient reserves to meet its operating and administrative costs that will not be financed by existing restricted or designated income.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2013-14 (Continued)

Reserves Policy

The Sick Children's Trust has total reserves of £7,590,105. £725,722 is restricted for specific purposes and £5,983,189 has been designated as the funds tied up in the operational homes and fixed assets and so is not available to spend. This leaves a balance of £881,194 as general unrestricted funds or what the Charity Commission define as 'free' reserves to provide for the charity's working capital needs, and provide a sensible contingency against an unexpected shortfall in fundraising income, emergency expenditure or seed money for new projects. At the start of 2014/15 financial year we are committed to raising funds for completing the new 'Home from Home' in Newcastle and starting work on new 'Home from Home' on The Royal National Orthopaedic Hospital in Stanmore.

In line with the guidance issued by The Charity Commission, the trustees have considered the future expenditure needs of the charity and deem that in 2014/15 such reserves should be between six and 12 months worth of running costs. This is between approximately £800,000 and £1,600,000 for the forthcoming year, which will ensure uninterrupted services and delivery of the Charity's objectives. The trustees therefore believe that the current level of 'free' reserves is satisfactory, but will keep this under constant review to ensure they are adequate for The SCT's future expected operational needs.

Plans for the Future

Strategic Plans - This will be finalised during the next financial period (2014/15). We have already confirmed our new vision, mission and core values that we believe defines our vision for the future. Business is still very much about improving a family's wellbeing whilst their sick child is being treated in hospital.

New Developments - We will continue our vital work and we look to the future of a potential partnership with the Royal National Orthopaedic Hospital in Stanmore. The hospital will undergo a major re-configuration programme in the coming years and The Sick Children's Trust will be very happy to be involved with this. Close and detailed discussions will take place to come with with the best possible solution to their accommodation needs. Based on their statistics the 'Home from Home' would provide 18 bedrooms.

Fundraising - To maximise fundraising opportunities within our houses and the regions surrounding our houses including developing more volunteer-led committees. We would also like to continue to fundraise for the outstanding amount needed to build a new house at The Freeman Hospital in Newcastle upon Tyne. With a new project looming we will launch a fundraising appeal for a new 'Home from Home' at the Royal National Orthopaedic Hospital in Stanmore. In conjunction with the new charity five year strategic plan we will develop a new five year fundraising strategy. We will communicate effectively with all our supporters so that they feel valued and engaged with our work to encourage long term support.

PR - We will develop a new five year integrated communications strategy in line with the overall five year business plan, to continue to raise awareness of The Sick Children's Trust's vital work by increasing overall media coverage by 40%. We will also conduct a review of all digital communications and develop a new communications strategy for our website and social media channels in order to grow activity by 30%. The team will develop a Family Ambassador programme to increase regional awareness and also create new opportunities for celebrity engagement with the view to securing one ambassador for each of our 'Homes from Home'.

Marketing -The department will restructure to separate out the Campaigns from the mainstream marketing activities and new strategic aims will be set when the overall five year plan is confirmed.

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Sick Children's Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

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Trustee's Report for Annual Accounts 2013-14 (continued)

Statement of Trustees' Responsibilities (continued)

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.

Statement of disclosure to auditors

(a) So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware and:

(b) 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 company's auditors are aware of that information.

Trustees' Indemnity Insurance

The Trust provides indemnity insurance to cover the liability of the Members of the Council in respect of neglect, or breach of trust or duty to the Trust. The cost of this insurance was £1,361 (2013 - £1,361) in the year ended 31 March 2014.

Small Company Rules

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

Auditors

Kingston Smith LLP have indicated their willingness to continue in office. A resolution proposing their re-appointment will be submitted at the Annual General Meeting.

This report was approved by the Board of Trustees on
and signed on its behalf by:

.....
Member of the Council

Independent Auditors' Report to the Members

The Sick Children's Trust

We have audited the financial statements of The Sick Children's Trust for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and 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 explained more fully in the Trustees' Responsibilities Statement [set out on page 9] the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent Auditors' Report to the Members The Sick Children's Trust

Matters on which we are required to report by

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditors
Date:

Devonshire House
60 Goswell Road
London EC1M 7AD

The Sick Children's Trust
Statement of Financial Activities
For the year ended 31st March 2014

| | Note | Unrestricted Funds | Restricted Funds | Total 2014 | Total 2013 |
|------------------------------------------------|------|-------------------------|-----------------------|-------------------------|-------------------------|
| | | £ | £ | £ | £ |
| Incoming Resources | | | | | |
| <i>Incoming resources from generated funds</i> | | | | | |
| Voluntary income | 2 | 1,201,291 | 1,253,095 | 2,454,386 | 1,965,514 |
| Activities for generating funds | | 13,864 | - | 13,864 | 12,444 |
| Investment income | | 4,322 | - | 4,322 | 4,748 |
| Total Incoming Resources | | <u>1,219,477</u> | <u>1,253,095</u> | <u>2,472,572</u> | <u>1,982,706</u> |
| Resources Expended | | | | | |
| <i>Costs of generating voluntary income</i> | | 432,100 | - | 432,100 | 386,988 |
| <i>Charitable activities</i> | | 614,817 | 763,581 | 1,378,398 | 1,238,002 |
| <i>Governance costs</i> | | 10,967 | - | 10,967 | 10,200 |
| Total Resources Expended | 3 | <u>1,057,884</u> | <u>763,581</u> | <u>1,821,465</u> | <u>1,635,190</u> |
| Net Incoming Resources before transfers | | 161,593 | 489,514 | 651,107 | 347,516 |
| Transfers between funds | 12 | 350,014 | (350,014) | - | - |
| Net Movement in funds | | | | | |
| Funds at 1st April 2013 | | <u>6,352,775</u> | <u>586,222</u> | <u>6,938,997</u> | <u>6,591,481</u> |
| Funds at 31st March 2014 | 11 | <u><u>6,864,383</u></u> | <u><u>725,722</u></u> | <u><u>7,590,105</u></u> | <u><u>6,938,997</u></u> |

All amounts relate to continuing operations. There are no other recognised gains and losses other than those shown above.

The notes on pages 16 to 22 form part of these financial statements.

The Sick Children's Trust

Balance Sheet at 31st March 2014

| | Notes | 2014 £ | 2014 £ | 2013 £ | 2013 £ |
|-------------------------------------------------------|-----------|------------------|------------------|------------------|------------------|
| Fixed Assets | | | | | |
| Tangible Fixed assets | 7 | | 5,983,189 | | 5,117,209 |
| Current Assets | | | | | |
| Debtors and prepayments | 8 | 123,744 | | 158,391 | |
| Cash at bank and in hand | | 1,669,724 | | 1,776,689 | |
| | | 1,793,468 | | 1,935,080 | |
| Creditors: Amounts falling due within one year | 9 | (186,552) | | (113,292) | |
| Net Current Assets | | | 1,606,916 | | 1,821,788 |
| Net Assets | | | 7,590,105 | | 6,938,997 |
| Represented by: | | | | | |
| Restricted funds | | | 725,722 | | 586,222 |
| Unrestricted Funds | | | | | |
| Designated Funds | | | 5,983,189 | | 5,117,209 |
| General Unrestricted Funds | | | 881,194 | | 1,235,566 |
| Total Funds | 11 | | 7,590,105 | | 6,938,997 |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

.....
 Stephen Masters
 Member of Council
 Date:

The notes on pages 16 to 22 form part of these financial statements.

The Sick Children's Trust
Cash Flow Statement
For the year ended 31st March 2014

| | Note | 2014 £ | 2013 £ |
|---------------------------------------------------------------------|-----------|------------------|------------------|
| Net cash inflow from operating activities | 10 | 1,111,475 | 653,039 |
| Returns on investment and servicing of finance | | | |
| Interest received | | 4,322 | 4,748 |
| Capital expenditure | | | |
| Payments to acquire fixed assets | | (1,222,762) | (187,178) |
| Increase in cash in the year | | <u>(106,965)</u> | <u>470,609</u> |
| Reconciliation of net cash flow to movement in net funds | | | |
| Increase in cash in the year | | (106,965) | 470,609 |
| Net funds at start of year | | <u>1,776,689</u> | <u>1,306,080</u> |
| Net funds at end of year | | <u>1,669,724</u> | <u>1,776,689</u> |

The notes on pages 16 to 22 form part of these financial statements.

The Sick Children's Trust

Notes to the Financial Statements

For the year ended 31st March 2014

Accounting Policies

Basis of accounting

The financial statements are prepared under the historical cost basis and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and in compliance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005).

Company status

The charity is a company limited by guarantee. The members of the company are the members of the Council of Management named in the Annual Report. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

The cost of raising and administering such funds are charged against the specific fund.

Investment income is allocated to the appropriate fund.

Incoming resources

All income resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donated income represents donations, covenanted income and income from fundraising activities, received and banked in the year, and donations certified as held by third parties at the year end on behalf of the Trust.

Gifts in kind are recognised when they are considered to be material to the financial statements and the value can easily be identified.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The majority of costs are directly attributable to specific activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a staff time basis consistent with use of resources and estimated amount attributable to that activity in the year.

Cost of activities in furtherance of the charity's objects represents expenses incurred in the running of the Trust's homes.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.

Governance costs are those incurred to ensure compliance with constitutional and statutory requirements.

Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the excess of cost over estimated residual values of fixed assets in equal annual instalments over their expected useful economic lives at the following rates:

| | |
|---------------------------------|------------------------------------------------------------------------------------|
| Freehold property: | over the shorter of 40 years or its estimated remaining useful life |
| Leasehold property: | over the shorter of the period of the lease or its estimated remaining useful life |
| Furniture and office equipment: | 20% per annum |

Assets purchased at a cost of less than £1,000 are written off in the year of purchase.

Stock

Stock is not capitalised and included in the financial statements as its value is not considered to be material.

Pension costs

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund.

The Sick Children's Trust
Notes to the Financial Statements
For the year ended 31st March 2014 (continued)

1 Accounting Policies (continued)

Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

| 2 Voluntary Income | Unrestricted | Restricted | 2014 Total | 2013 Total |
|----------------------------------|---------------------|-------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Legacies & covenants | 91,369 | - | 91,369 | 14,932 |
| Donations, appeals & fundraising | 1,085,922 | 1,232,095 | 2,318,017 | 1,950,582 |
| Gifts in Kind | 24,000 | 21,000 | 45,000 | - |
| | <u>1,201,291</u> | <u>1,253,095</u> | <u>2,454,386</u> | <u>1,965,514</u> |

Gifts in kind included above consisted of advertising, printing and legal services provided to the charity at no cost to them.

3 Total Resources Expended

| | Costs of Generating voluntary income | Charitable activities | Governance costs | 2014 | 2013 |
|----------------------------|---------------------------------------------------------|----------------------------------|-----------------------------|------------------|------------------|
| | £ | £ | £ | £ | £ |
| Staff costs (note 6) | 266,240 | 600,444 | - | 866,684 | 760,115 |
| Postage & telephone | 4,813 | 8,367 | - | 13,180 | 14,355 |
| Property costs | 5,944 | 321,586 | - | 327,530 | 297,418 |
| Stationery | 2,627 | 7,521 | - | 10,148 | 8,630 |
| Advertising & publications | 40,792 | 4,750 | - | 45,542.22 | 34,873 |
| Travel | 3,333 | 14,282 | - | 17,615 | 17,637 |
| Professional fees | 5,649 | 7,510 | - | 13,159 | 16,152 |
| Recruitment & training | 12,083 | 5,300 | - | 17,383 | 20,378 |
| Events | 63,178 | 6,424 | - | 69,602 | 74,798 |
| Catering | 186 | 750 | - | 936 | 638 |
| Sundry | 8,906 | 21,167 | - | 30,073 | 17,866 |
| Equipment rental | 282 | 94 | - | 376 | 398 |
| Insurance | 3,896 | 23,421 | - | 27,317 | 23,323 |
| Merchandising costs | 14,171 | - | - | 14,171 | 6,643 |
| Audit & accountancy | - | - | 10,967 | 10,967 | 10,200 |
| Depreciation | - | 356,782 | - | 356,782 | 331,766 |
| | <u>432,100</u> | <u>1,378,398</u> | <u>10,967</u> | <u>1,821,465</u> | <u>1,635,190</u> |
| At 31 March 2013 | <u>386,988</u> | <u>1,238,002</u> | <u>10,200</u> | | <u>1,635,190</u> |

4 Net Increase in Funds

The net increase in funds is arrived at after charging:

| | 2014 | 2013 |
|-----------------------|-------------|-------------|
| | £ | £ |
| Depreciation | 356,782 | 331,766 |
| Auditors remuneration | 10,800 | 10,500 |
| Hire of equipment | 376 | 398 |
| | <u>376</u> | <u>398</u> |

5 Taxation

The Trust has charitable status and therefore is exempt from Corporation Tax.

The Sick Children's Trust
Notes to the Financial Statements
For the year ended 31st March 2014
(continued)

| 6 Staff Costs | 2014 | 2013 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Salaries and wages | 763,720 | 673,870 |
| Social security costs | 67,539 | 58,885 |
| Pension costs | 35,426 | 27,360 |
| | <u>866,685</u> | <u>760,115</u> |

No employees received emoluments in excess of £60,000 during the year.

The average number of full time equivalent employees analysed by function was:

| | 2014 | 2013 |
|--------------------------------------------|---------------|---------------|
| | Number | Number |
| House managers and Assistants | 14 | 13 |
| Management & administration of the charity | 3 | 3 |
| Cost of generating funds | 11 | 10 |
| | <u>28</u> | <u>26</u> |

The pension charge above represents contributions payable by the Trust to the fund in respect of its defined contribution scheme during the year ended 31 March 2014. Contributions totalling £4,221 (2013 - £3,782) were due to the fund at the year end and are included in creditors.

None of the Members of the Council, nor the President and Vice-Presidents, received any remuneration from the Trust during the year. Total expenses of £22 for 1 trustee (2013 - £NIL), relating to travel on Trust business, was reimbursed to a Member of the Council during the year.

| 7 Fixed Assets | Assets Under | Freehold | Short | | Furniture & | |
|-----------------------|---------------------|-----------------|------------------|----------------|------------------------|------------------|
| | Course of | Property | Leasehold | Website | Office | Total |
| | Construction | | Property | £ | Equipment | £ |
| | £ | £ | £ | | £ | £ |
| Cost | | | | | | |
| At 1 April 2013 | 132,683 | 957,775 | 6,477,980 | 17,813 | 541,884 | 8,128,135 |
| Additions | 389,879 | - | 795,660 | - | 37,223 | 1,222,762 |
| | <u>522,562</u> | <u>957,775</u> | <u>7,273,640</u> | <u>17,813</u> | <u>579,107</u> | <u>9,350,897</u> |
| At 31 March 2014 | | | | | | |
| Depreciation | | | | | | |
| At 1 April 2013 | - | 307,915 | 2,235,802 | 5,938 | 461,271 | 3,010,926 |
| Charge for year | - | 23,944 | 303,333 | 5,938 | 23,567 | 356,782 |
| | <u>-</u> | <u>331,859</u> | <u>2,539,135</u> | <u>11,876</u> | <u>484,838</u> | <u>3,367,708</u> |
| At 31 March 2014 | | | | | | |
| Net Book Value | | | | | | |
| At 31 March 2014 | <u>522,562</u> | <u>625,916</u> | <u>4,734,505</u> | <u>5,937</u> | <u>94,269</u> | <u>5,983,189</u> |
| At 31 March 2013 | <u>132,683</u> | <u>649,860</u> | <u>4,242,179</u> | <u>11,875</u> | <u>80,613</u> | <u>5,117,211</u> |

The Sick Children's Trust
Notes to the Financial Statements
For the year ended 31st March 2014 (continued)

7 Fixed Assets (continued)

The retention of the above properties at 31 March 2014 is intrinsic to the Trust continuing to meet its charitable aims of providing essential accommodation and amenities to relatives and friends of patients undergoing treatment. Accordingly, the trustees generally have no intention to dispose of the Trust's properties.

Assets in the course of construction represent The Freeman Hospital project which had not come into operation at the year end.

| 8 Debtors | 2014 | 2013 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Other debtors | 109,661 | 146,275 |
| Prepayments & accrued income | 14,083 | 12,116 |
| | <u>123,744</u> | <u>158,391</u> |

All amounts included within debtors fall due within one year.

| 9 Creditors: Amounts falling due within one year | 2014 | 2013 |
|---------------------------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 132,048 | 75,737 |
| Taxation and social security | 19,196 | 18,602 |
| Other creditors | 4,920 | 4,221 |
| Accruals and deferred income | 30,388 | 14,732 |
| | <u>186,552</u> | <u>113,292</u> |

10 Reconciliation of Net Incoming Resources to Net Cash Inflow from Operating Activities

| | 2014 | 2013 |
|-------------------------------------------|------------------|----------------|
| | £ | £ |
| Net increase/(decrease) in funds | 651,107 | 347,516 |
| Interest receivable | (4,322) | (4,748) |
| Depreciation charge | 356,782 | 331,766 |
| (Increase)/decrease in debtors | 34,648 | (72,451) |
| Increase/(decrease) in creditors | 73,260 | 50,956 |
| Net cash inflow from operating activities | <u>1,111,475</u> | <u>653,039</u> |

| 11 Analysis of Funds at 31 March 2014 | Unrestricted | | Restricted | Total |
|----------------------------------------------|---------------------|-------------------|-------------------|------------------|
| | General | Designated | £ | £ |
| | £ | £ | | |
| Tangible fixed assets | - | 5,460,628 | 522,562 | 5,983,189 |
| Net assets | <u>881,194</u> | <u>522,561</u> | <u>203,160</u> | <u>1,606,916</u> |
| | <u>881,194</u> | <u>5,983,189</u> | <u>725,722</u> | <u>7,590,105</u> |

The Sick Children's Trust
Notes to the Financial Statements
For the year ended 31st March 2014 (continued)

12 Funds

| | Balance b/f at 1 April 2013 | Incoming Resources £ | Outgoing Resources £ | Transfers between funds £ | Balance c/f at 31 March 2014 £ |
|---------------------------------|-----------------------------------|----------------------------|----------------------------|------------------------------------|-----------------------------------------|
| Restricted funds | 586,222 | 1,253,095 | (763,581) | (350,014) | 725,722 |
| General Unrestricted Funds | 1,235,566 | 1,219,477 | (1,057,884) | (515,964) | 881,195 |
| Designated Funds (fixed assets) | 5,117,209 | - | - | 865,978 | 5,983,187 |
| | <u>6,938,997</u> | <u>2,472,572</u> | <u>(1,821,465)</u> | <u>-</u> | <u>7,590,104</u> |
| Total funds | <u>6,938,997</u> | <u>2,472,572</u> | <u>(1,821,465)</u> | <u>-</u> | <u>7,590,104</u> |

13 Transfers between funds - Notes

Designated funds represent the value fixed assets held on the balance sheet. The funds are designated to demonstrate that the funds are tied up in capital and are not freely available to spend. The transfer from designated to general funds represents the movement in these fixed assets in the year. The transfer from restricted funds represents the amounts of restricted funds received on which the restriction has now been satisfied.

14 Pension Schemes

The Charity has one member who is a participant in The Pensions Trust Growth Plan Scheme which is a multi-employer defined benefit scheme. In addition the Charity also participates in a defined contribution scheme with Scottish Widows.

Total Pension contributions made during the year were £54,050 (2013 - £43,223). The total amounts still outstanding as at the year end were £4,920 (2013 £4,221)

Employers that participate in the Growth Plan have previously been advised that, as a result of the change in the definition of Money Purchase contained in the Pensions Act 2011, Growth Plan Series 3 would switch from being a Money Purchase arrangement to a Defined Benefit arrangement once transitional regulations came into force. The final regulations came into force on 24 July 2014.

As a result of these changes, the Charity is required to provide additional disclosure in accordance with FRS17 which relates to the entire scheme. However it is not required to adopt the full deficit into its accounts as its share of the liability cannot be separately identified.

Assumptions

The assumptions used in the FRS17 valuation are those of the scheme actuary, which have been used for the scheme as a whole. The Trustees have accepted these assumptions. The principal actuarial assumptions at the balance sheet date were as follows:

Financial assumptions

| | Scheme funding valuation | |
|----------------------------------------------------------------------|--------------------------|------|
| | 2014 | 2013 |
| Pre retirement discount rate | 4.9% | 7.6% |
| Post retirement discount rate | | |
| Non-Pensioners | 4.2% | 5.1% |
| Pensioners | 4.2% | 5.6% |
| Return on growth assets over deficit recovery period | 5.65% | 8.4% |
| Inflation: Retail Prices Index (RPI) | 2.9% | 3.2% |
| Inflation: Consumer Prices Index (CPI) | 2.4% | n/a |
| Revaluation up to retirement | | |
| In line with RPI up to 5% p.a. (for certain ex-Final Salary members) | 2.9% | 3.2% |
| Pension increases in payment: | | |
| In line with RPI up to 5% p.a. | 2.8% | 3.0% |
| In line with RPI up to 2.5% p.a. | 2.1% | 2.3% |
| In line with CPI up to 5% p.a. | 2.4% | n/a |
| In lien with CPI up to 2.5% p.a. | 1.9% | n/a |

The Sick Children's Trust
Notes to the Financial Statements
For the year ended 31 March 2014

14 Pension Scheme cont.

Demographic assumptions

| | Scheme funding valuation | |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| | 2014 | 2013 |
| Mortality before retirement | 44% of S1PA Year of Birth CMI_2009 projection with long term rates of improvement of 1.5% p.a. for males and | 85% of S1NA Light Year of Birth Long cohort projection with a minimum improvement of 1% p.a. |
| Mortality after retirement | 90% of A1PA Year of Birth CMI_2009 projection with long term rates of improvement of 1.5% p.a. for males and | 90% of S1PA Year of Birth Long cohort projection with a minimum improvement of 1% p.a. |
| Withdrawal rates | None | None |
| Early retirement rates | None. All members assumed to retire at normal retirement age or at valuation date if already past that age | None. All members assumed to retire at normal retirement age or at valuation date if already past that age |
| Allowance for commutation of pension for cash | 50% of members commute 25% of each slice of benefit | 50% of members commute 25% of each slice of benefit |
| Allowance for dependant's pensions | | |
| % married at retirement | 100% of members are married at retirement if they have chosen '+' benefits | 100% of members are married at retirement if they have chosen '+' benefits |
| Age difference | Males 3 years older than females | Males 3 years older than females |
| Discretionary benefits | None | None |

The Sick Children's Trust
Notes to the Financial Statements
For the year ended 31 March 2014

14 Pension Scheme cont.

Reconciliation of assets **£'ms**

Value of assets at previous valuation **742.0**

| | |
|------------------------------------------------------------------------------------|---------|
| Investment return (includes £5.4m in respect of 0.7% per annum Series 3 charge) | 72.3 |
| Contributions received (i.e. additional Series 3 contributions including TV - ins) | 81.3 |
| Debt on withdrawal payments paid | 5.9 |
| Benefits paid | (139.3) |
| Expenses paid | (9.8) |

Value of assets at current valuation using previous assumptions to value insured assets **752.4**

| | |
|----------------------------------------------------|------|
| Change in assumptions | 27.9 |
| Financial assumptions: £30.9m | |
| Demographic assumptions: (£8.1m) | |
| Orphan employers valued on a solvency basis: £5.1m | |

Value of assets at current valuation using current assumptions to value insured assets **780.3**

Reconciliation of deficit

Surplus/(Deficit) at previous valuation **(28.6)**

| | |
|-----------------------------------------------------------------------------|--------|
| Interest on deficit | (5.9) |
| Investment return on the assets compared to assumed return | (30.1) |
| Expenses paid compared to those expected | (0.5) |
| Debt on withdrawal payments made | 5.9 |
| Membership movements (Cash commutation, transfer outs, deaths, refunds etc) | 14.0 |
| Miscellaneous | (0.3) |

Surplus/(Deficit) at current valuation using previous method and assumptions **(45.5)**

| | |
|-----------------------------------------------------|--------|
| Change in assumptions | (90.7) |
| Financial assumptions: £72.4m | |
| Demographic assumptions: (£4.6m) | |
| Orphan employers valued on a solvency basis: £22.9m | |

Change in treatment of expenses (11.4)

Surplus/(Deficit) at current valuation using current method and assumptions **(147.6)**
