

THE SICK CHILDREN'S TRUST

Company No: 01618435

Charity No: 284416

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2020

The Sick Children's Trust

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The Sick Children's Trust
Legal and Administrative Information

Address

4th Floor
28-30 Worship Street
London EC2A 2AH

President

Michael Crawford CBE

Founders

Professor J Malpas
Dr J Pritchard

Vice-Presidents

Dame Judi Dench
Gary Lineker OBE
Carmel Kinnear
Christopher Timothy
Dame Esther Rantzen CBE
Chris Tarrant OBE
Alice Beer
Anita Dobson
Paul A Young
Margaret Keys
Christina Johnston
Tim Downie
Sian Welby
Jen Pringle

Trustees

Paul Jardine (Chairman)
Fiona Blakemore
Gary Boom
Vicky Carter
Tim Craig
Peter Cunard
Stephen Masters
Jo Mier
Patrick James Rigby
Michael Robinson
Dr Jack Singer
Polly Staveley
Soren Tholstrup

Secretary

Stephen Masters

The Sick Children's Trust
Legal and Administrative information (Continued)

Principal Bankers

Coutts and Co
Specialist Commercial Banking
440 Strand
London WC2R 0QS

Solicitors

CMS Cameron McKenna LLP
Cannon Street
78 Cannon Street
London EC4N 6AF

Weil, Gotshal & Manges
110 Fetter Lane
London EC4A 1AY

Both CMS Cameron McKenna and Weil, Gotshal & Manges, provide legal services on a pro bono basis

Independent Auditor

UNW LLP
Chartered Accountants and Statutory Auditor
Citygate
St James' Boulevard
Newcastle upon Tyne NE1 4JE

The Sick Children's Trust

Trustees' Report for Annual Accounts 2019-2020

The trustees (who are also directors of the charity for the purposes of the Companies Act and the Members of Council under the terms of the governing document) present their annual report together with the audited financial statements of The Sick Children's Trust (The SCT) for the year ended 31 March 2020. The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and Activities

Policies and objectives

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 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 upon Tyne) - 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
- Scott House - supporting the children's heart unit at The Freeman Hospital (Newcastle upon Tyne) – Opened September 2014

The provision of toys, games and play facilities for children being treated at hospital and for any children visiting them.

The provision of facilities and assistance to parents, guardians, relatives and friends of sick children in order to promote the welfare of such children.

Acquire property for the promotion of the purpose of The Sick Children's Trust.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2019-20 (Continued)

Strategies and activities for achieving objectives

Our main activities 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. The trustees confirm that they have had due regard to the law relating to public benefit and the Charity Commission's guidance on the subject.

How we are dealing with the Coronavirus pandemic

The coronavirus pandemic has had a huge impact on our service provision. We are continuing to do all that we can to keep our ten 'Homes from Home' open to support our NHS partner hospitals across the country. We have implemented the following measures to protect our staff and families staying in the houses.

- We are only using bedrooms with en-suite or allocated bathrooms in each of our houses. This has reduced our capacity to approximately 50%
- Our communal kitchens are closed until further notice, however corporate sponsorship for food vouchers is being arranged to support families.
- Families have been advised to use the house for sleeping, washing and laundry only, minimising contact with our front-line staff and other families staying with us.
- Only family members cleared to visit their child in hospital will have access to our 'Homes from Home'.
- Our house staff are working only as necessary to carry our essential tasks.
- No cash is being exchanged for our laundry facilities.
- No families are entering our staff office areas.
- All of our 'Homes from Home' are following Government guidance on social distancing
- The hospital wards and/or the hospital accommodation team inform our house staff of any family members displaying symptoms of Coronavirus or confirmed cases. Any affected family members are asked to return home and isolate prior to being able to return back to both our 'Home from Home' and the hospital ward.

The above measures are working well and ensuring our 'Homes from Home' are able to be kept open for families that need them as they face the worry of having a seriously ill child alongside the additional Covid19 concerns. We will look to reopen communal facilities when it is safe to do so in consultation with Hospital Infection control teams.

Our Head Office closed on the 23rd March and all staff are working at home until Government recommendations change. Risk assessments are being carried out and a plan is being drawn up to reopen the office whilst still complying with social distancing guidelines.

We estimate that we will see a loss of income of 25-30% in 2020/21 due to the cancellation of our special events, and as a result of our corporate partners and individuals having to postpone their fundraising activities. It is likely we will need to draw on our reserves to meet this funding shortfall and we have already moved £200,000 from our designated funds into free reserves. Emergency income and expenditure budgets have been produced which limit all non-essential expenditure. The Trustees have always had a prudent approach and remain confident that the charity will have the resources to be able to continue operating in all ten of our 'Homes from Home'.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2019-20 (Continued)

Operations - who used and benefited from our service

The Sick Children's Trust has ten 'Homes from Home' providing services to support seriously ill children and their families at eight hospitals in five cities around the UK. Our houses provide both practical and emotional support to families with seriously ill children in hospital. All our houses vary in size and layout but the key elements remain the same – private family bedrooms so family members can relax in privacy and communal kitchens and living areas so families can have a degree of normal family life. House staff ensure the smooth running of the house and offer emotional and practical support to families.

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. We work with the medical teams to ensure that families most in need are able to utilise our services. 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. 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' because there is nowhere else for them to stay at the hospital.

The Sick Children's Trust last year supported 3,788 families made up of 2,848 new families and 940 returning families. The average length of stay across our ten houses was 12.4 days. Last year we supported 924 siblings. We now have 147 family bedrooms, which includes three flats - a bone marrow transplant flat at Rainbow House in London, a liver transplant flat at Eckersley House in Leeds and a heart transplant flat at Scott House in Newcastle upon Tyne. These allow post-transplant children to stay with their families so that they can recover and prepare to go home.

Demand for our services remains high with waiting lists in operation in the majority of the houses. The average occupancy for the year is very high at 93%. In line with current NHS provision, paediatric services have become more centralised at specialist centres across the UK, so children are having to travel far from home to receive the treatment they need, making our services even more essential.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2019-20 (Continued)

Continuing efficiency

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.

We continue to review our services on a regular basis and ask all families who use our services to complete a feedback form. This feedback helps us to evaluate the services we provide and shapes future services and developments.

98.85% of our families said that having the whole family close by was beneficial for their child's wellbeing and recovery and 100% of our families said they would recommend the 'Home from Home' to another family in a similar position.

99.5% of families who completed the survey felt having the opportunity to stay in a private room helped them cope with the strain of having a seriously ill child in hospital and 98.6% of house users felt staying in a 'Home from Home' allowed their family to keep a sense of normality and that this was important to them.

Our houses not only provide practical support but our dedicated house staff are at the heart of our work and are on hand to offer emotional support too. 98.2% of families felt that it was important to have house staff on hand to give support during their stay. 89.8% of families who spent time talking with other families in the house found it to be a supportive aspect of staying in a 'Home from Home'.

By providing accommodation parents are able to play an active part in their child's care and treatment. 90.5% of families helped with the personal care (washing and dressing) of their seriously ill child in hospital and 44.8% learned to use medical equipment whilst their child was in hospital.

Volunteers

We are very fortunate to have a number of volunteers who give their time to support our work. Volunteers support in a number of ways including fundraising and communications, office and administration and work in our 'Homes from Homes'. A number of corporate supporters provide volunteers who have decorated our houses, prepared meals for families staying in the houses and carried out important research for us.

Gifts in Kind

We are fortunate that a lot of our House bed linen and towels are donated to us free of charge from Beaumont Brown. This represented an estimated cost saving of £13,621 for the year.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2019-20 (Continued)

Review of activities

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.

Our key achievements this year are:

- Helped 3,788 families with sick children in hospital.
- Provided a total of 48,657 nights' accommodation across all our 'Homes from Home'.
- Achieved an occupancy level of 93% nationally.
- Successfully completed a refurbishment project of the top floor of Eckersley House in Leeds including new carpets and beds for all rooms.
- Held a Trustees' meeting in Leeds to provide our Trustees with further hands on experience in our Leeds and Sheffield Houses.
- Developed and launched a new user focused website to help drive fundraising.
- Undertook a review and update of our brand to make it more modern and relevant to our target audiences.
- Increased our social media following across Facebook, Twitter, Instagram and LinkedIn collectively by 16% over the 12 month period. This is almost double the previous year.
- Raised income of £2,177,717.
- Reviewed staff salaries and our benefits package and made some significant improvements including decreasing the working week to 35 hours, introducing flexible start and finish times, adding two bonus days of leave for birthdays and an extra day in December. We introduced an online HR system to streamline HR processes for all staff. In addition to this we have put staff wellbeing high on the agenda and now have an internal wellness group of ambassadors helping to ensure staff wellbeing.
- Our annual staff survey returned some very positive results including, staff being motivated increasing by 37% on previous year, staff feeling they are paid appropriately up by 32% and 89% of staff felt their wellbeing was a priority.

Fundraising and Communications

Fundraising activities undertaken by the charity are carried out with reference to the Code of Fundraising Practice. We are also registered with the Fundraising Regulator and abide by its best-practice recommendations.

All complaints received by the charity are recorded and investigated in line with the charity's complaints policy. During the year we received no complaints in relation to our fundraising practices. If complaints are received they are all managed effectively by being dealt with locally where possible, swiftly and consistently across the board. As soon as the complainants are communicated with, all relevant areas of The Sick Children's Trust, led by the CEO and Senior Management Team, are briefed on what the complaint relates to, and changes made to our processes and procedures where necessary to avoid such complaints arising in the future.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2019-20 (Continued)

As a charity, we do not use the services of external call centres or sales canvassing companies to support our fundraising activities, and we do not engage in some fundraising methods that have proved controversial, such as face-to-face fundraising in the street or on the doorstep. We take the privacy of our donors very seriously and treat their data in line with GDPR. We do not engage in practices such as data-matching, tele-matching, or sharing of or selling personal data, and we do not buy donor mailing lists. Our Privacy policy can be found on our website.

In order to provide a sustainable income base for the future operations of our 'Homes from Home', we endeavour to have a wide and balanced range of income streams, including charitable trusts, corporate partners, organised events and individuals' fundraising. A significant portion of our income comes from fundraising by our beneficiaries, who put on their own events or take on challenges as a way of saying 'thank you' for the support they have received in our 'Homes from Home'. The charity therefore provides guidance and training to employees and volunteers on dealing with people in vulnerable circumstances, with a particular emphasis on ensuring that no family member feels unduly pressured to donate.

Our Communications and Marketing Team is helping to reach new supporters and make them aware of the need for our services and the impact our 'Homes from Home' have on families. They do this through securing press coverage, our website and our social media channels. They are also working hard to keep existing supporters engaged through monthly email communications and our bi annual newsletter.

Financial review

With continued public support and increased activities, the charity is pleased with its financial performance in light of the difficult conditions this year.

Income decreased by 5% to £2,177,717 primarily due to Supper Club in 2019/20 being postponed as a result of the Corona virus outbreak. This decrease in Event income was partially offset by an increase in Corporate and Legacy income. The Statement of Financial Activities (SOFA) shows that our main source of income continues to be donations. Investment income increased and cash will remain on short-term deposit due to liquidity requirements during the COVID-19 crisis.

Income was split between £1,516,734 unrestricted (70%) and £660,983 restricted income (30%). The restricted income was raised to meet running costs and capital refurbishments of the individual houses.

Total expenditure in 2019/20 increased to £2,546,083, up £12,343 (1%) on 2018/19, with increases in staff costs following the review of staff salaries and benefits package conducted during the year. These increases were partially offset by a reduction in events costs as a result of the postponement of our Supper Club event.

As mentioned in our review of activities, our staff salaries and benefits package were reviewed by the CEO and Trustees with several significant improvements being made.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2019-20 (Continued)

Cost of generating funds came to £606,079 and expressed as a ratio for every £1 spent, a return of £3.59 was achieved. Charitable activity costs account for 76% of the total resources expended. This is largely comparable with 2018/19.

The Sick Children's Trust continues to annually review how to keep its costs low and its operations as efficient as possible, through optimising costs and undertaking efficiency drives.

At the end of this financial year The Sick Children's Trust had cash resources of £2,798,781 of which restricted funds account for £150,000 to be spent on the 'Homes from Home' operations and upcoming capital projects. This is in line with our reserves policy which is discussed further below.

The trustees are satisfied that the income streams of the charity continue to hold up well in a difficult climate. During the year the trustees maintained a programme of review that will continue and which will ensure the operations of the charity are streamlined to ensure the delivery of the stated aims and objectives.

Reserves policy

The Sick Children's Trust has total reserves of £9,119,377. £150,000 is restricted for specific purposes and £6,459,380 is tied up in fixed assets (the majority of which relates to the houses) and so is not available to spend. The £1.4 million of funds that were previously designated by the trustees as funds set aside for specific capital projects (including new houses that are currently under discussion and upgrades to existing houses which we expect to spend in the next two to three years and) has been decreased to £1.2 million in 2019/20 to ensure there are sufficient general unrestricted funds.

Until we have fully assessed the full financial impact of the COVID-19 crisis, the capital projects relating to the new houses previously under discussion will not proceed.

This leaves a balance of £1,309,997 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.

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 2020/21 such reserves should be between six and twelve months' running costs. This is between approximately £1,200,000 and £2,400,000 for the forthcoming year, which will ensure uninterrupted services and delivery of the charity's objectives.

The trustees therefore believe that in order for the 'free' reserves to be at a satisfactory level, £200,000 of the designated capital reserves is required to be transferred to the 'free' reserves as outlined above. This will be kept under constant review to ensure they are adequate for The Sick Children's Trust's future expected operational needs.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2019-20 (Continued)

Going Concern

As set out about in the accounting policies, the charity has adequate reserves that are held as cash. Despite the current uncertainties caused by the COVID-19 crisis, which is expected to lead to a reduction in income in the short term, the trustees are satisfied that the charity has sufficient resources to meet its liabilities and consequently that the going concern basis of preparation remains appropriate.

Plans for the future

In 2020/21 The Sick Children's Trust will continue to give families with a seriously ill child in hospital somewhere to stay and someone to talk to when they need it. However, as we look forward, we know that the COVID-19 pandemic will pose many challenges for us and for the charity sector generally. Our focus is on working with our NHS hospital partners to keep our 'Homes from Home' open and safe for families and for our staff and direct our efforts where they are most needed.

We estimate that we will see a loss of income of 25-30% in 2020/21 and it is likely we will need to draw on our reserves to meet this funding shortfall but our incredible team of staff, trustees and volunteers are fully committed and united in their desire to continue to provide our essential services.

Given the current COVID-19 pandemic, we have developed a one year emergency fundraising strategy whose key focus will be to maintain and develop relationships with key individuals, Corporate partners, Trusts and Foundations, as well as a plan to develop and implement a Legacy Giving strategy. There is also a plan to develop new campaigns and fundraising initiatives including virtual challenges and on-line special events to generate income, increase awareness and keep our individual, community and corporate supporters engaged.

We are very proud to have managed to keep 7 out of our 10 Homes from Home open at the start of 2020/21 during the peak of the COVID-19 pandemic. Stevenson House was closed for refurbishment purposes as described below, and Acorn and Chestnut Houses were closed in consultation with Addenbrooke's Hospital due to circumstances directly related to COVID-19. Our staff, trustees and volunteers worked extremely hard to re-open both Acorn and Chestnut Houses at the earliest opportunity. These were re-opened in mid-June.

Ensuring a high standard of accommodation in all our 'Homes from Home' will continue to be a priority with plans to install all new bathrooms at Stevenson House, London. Whilst the budget for 20/21 was reviewed and all non essential expenditure removed as a result of COVID-19, this project is deemed to be urgent.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2019-20 (Continued)

We will monitor our performance against the objectives set out in our new one year strategy with a new set of key performance indicators and four organisational aims that form part of the plan:

- We will ensure our 'Homes from Home' positively impact the health and wellbeing of sick children and their families – 100% of our families have said that having the whole family close by was beneficial for their child's wellbeing and recovery.
- We will attract and retain the best people who share our vision and values
- The wellbeing of our staff, strong internal communication and staff training and development will continue to be a key focus
- We will raise the profile of The Sick Children's Trust as the leading provider of 'Home from Home' family accommodation at hospitals in the UK - we will continue to monitor both our media coverage and social media following.
- We will increase income and revenue streams to maintain existing 'Homes from Home' and meet the demand for new family accommodation -we will continue to look for new areas of funding to ensure that we have a diverse range of income. Action Plans have been drawn up for all areas of fundraising and these will be monitored regularly.

Our aim is to grow and be able to support more families at different hospital locations across the UK. Before considering whether we can continue discussions with the Royal National Orthopaedic Hospital about a new 'Home from Home' on the hospital site or with the Royal Victoria Infirmary about additional accommodation at the hospital, we will need to fully assess the impact of the COVID- 19 crisis on our finances. We also need to have confidence in the fundraising landscape before launching any capital appeals.

Structure, governance and management

Constitution

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

The SCT 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 Sick Children's 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.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2019-20 (Continued)

Management

The management of the charity is the responsibility of the trustees who are also the directors of the charitable company.

The trustees are 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 thirteen.

The recruitment of new trustees takes place in the form of 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.

Policies adopted for the induction and training of trustees

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.

Organisational structure and decision making

The trustees collectively are responsible for directing the affairs of the charity ensuring that it is solvent, well run and delivering the charitable outcomes for which it was set up, and ensuring compliance with charity law and all other applicable legislation and regulation. The trustees also determine the strategy and key objectives and vote on major policy decisions affecting the charity which they monitor through regular meetings.

The board meets quarterly and is responsible for the strategic direction and policy of the charity. Presently the board has members from a variety of professional backgrounds relevant to the work of the charity. The trustees are responsible for appointing a chief executive (Mrs J Featherstone) and it is she who is the link between the board and staff.

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 continue to develop their skills and working methods in line with good practice.

The day to day running of the head office is the responsibility of the chief executive with a total staff of 26 employees. This includes finance and administration, fundraising and communications staff and senior managers lead in these areas.

The Heads of house operations in the North and South have responsibility for the day to day operational management of the 'Homes from Home', and individual supervision of the house team. The Heads of house operations report directly to the chief executive.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2019-20 (Continued)

Public benefit

In accordance with S17 of the Charities Act 2011, the trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charity and when planning the future activities. The trustees assess how new activities planned will contribute to the overall aims and objectives they have set and periodically review existing activities to ensure ongoing public benefit.

Principal risks and uncertainties

As part of their responsibilities the trustees ensure that the major risks to which the charity is exposed are reviewed and systems established to mitigate those risks. The trustees consider the key risks of the charity to be:

- Governance – inadequate strategy, planning, structure or objectives for the charity
- People – loss of key individuals with appropriate skills, adversely impacting the delivery of our services
- Operational – inability to provide agreed service across our ten 'Homes from Home'
- IT – systems fail to meet ongoing operational needs or the risk of loss resulting from cyber-crime, malicious disruption to our networks or from theft, misplacing, interception, corruption or deletion of information
- Financial – lack of accurate financial information or reporting or fraud, including fundraising fraud
- Environment & External – poor or adverse publicity or external issues which reflect on The Sick Children's Trust
- Compliance – inadequate compliance with laws and regulation

Procedures are in place covering Strategic, People, Operational, Financial, IT, Environmental & External, Compliance, Reputation and Data Protection; these are regularly monitored (monthly) and reviewed on an annual basis by both the management and Board of Trustees.

An audit and risk sub-group (comprising four trustees, the CEO and Head of Finance) is in place to ensure that The Sick Children's Trust's risks are assessed on a periodic basis and for any issues identified, appropriate remediation plans are put into place and tracked to completion in a timely manner.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2019-20 (Continued)

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 the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of 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 of the Charities SORP;
- make judgments and accounting 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 operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 2006. 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.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this trustees report is approved has confirmed that:

- As far as that trustee is aware, there is no relevant audit information of which the charity's auditors are unaware.
- That trustee has taken all the steps that ought to be taken as a trustee in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report, comprising the Trustees' Strategic Report and Trustees' Financial Report, was approved by the board on 22 September 2020 and signed on its behalf by:



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Paul Jardine (Chairman)

The Sick Children's Trust

Independent Auditors' Report to the Members

Opinion

We have audited the financial statements of The Sick Children's Trust for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 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 and the Charities Act 2011.

Basis of opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Respective Responsibilities of Trustees and Auditors

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The Sick Children's Trust

Independent Auditors' Report to the Members (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the trustees' report for which the financial statements are prepared is consistent with the financial statements, and the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the trustees' report

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditors-responsibilities. The description forms part of our auditor's report.

Who we are reporting to

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 charitable 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 anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Anne Hallowell BA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

Date: 22 September 2020

The Sick Children's Trust
Statement of Financial Activities (incorporating income and expenditure account)
for the year ended 31st March 2020

	Note	Unrestricted funds	Restricted funds	Total 2020	Total 2019
		£	£	£	£
Income and endowments from:					
Donations and legacies	2	1,334,309	639,366	1,973,675	1,823,086
Other trading activities		173,832	21,617	195,449	460,730
Investments		8,593	-	8,593	6,563
Total	2	1,516,734	660,983	2,177,717	2,290,379
Expenditure on:					
Raising funds		606,079	-	606,079	647,259
Charitable activities		1,279,021	660,983	1,940,004	1,886,481
Total	3	1,885,100	660,983	2,546,083	2,533,740
Net income / (expenditure)		(368,366)	-	(368,366)	(243,361)
Transfers between funds	15	-	-	-	-
Net income/(expenditure) after transfers		(368,366)	-	(368,366)	(243,361)
Reconciliation of funds					
Funds at 1st April 2019		9,337,743	150,000	9,487,743	9,731,104
Funds at 31st March 2020	15	8,969,377	150,000	9,119,377	9,487,743

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

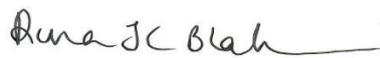
The notes on pages 23 to 37 form part of these financial statements.

The Sick Children's Trust
Balance Sheet as at 31st March 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible fixed assets	7		6,434,740		6,713,800
Intangible fixed assets	8		24,640		-
Current assets					
Debtors	9	35,682		112,050	
Cash at bank and in hand		<u>2,798,781</u>		<u>2,902,901</u>	
		2,834,463		3,014,951	
Creditors: amounts falling due within one year	10	<u>(149,368)</u>		<u>(208,970)</u>	
Net current assets			<u>2,685,095</u>		<u>2,805,981</u>
Total assets less current liabilities			9,144,475		9,519,781
Creditors: amounts falling due after more than one year	11		<u>(25,098)</u>		<u>(32,038)</u>
Net assets			<u>9,119,377</u>		<u>9,487,743</u>
Represented by:					
Restricted funds			150,000		150,000
Unrestricted funds					
Designated funds - Fixed assets			6,459,380		6,713,800
Designated funds - Capital projects			1,200,000		1,400,000
General unrestricted funds			<u>1,309,997</u>		<u>1,223,943</u>
Total funds	15		<u>9,119,377</u>		<u>9,487,743</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 September 2020.



.....

Fiona Blakemore (Trustee)

Registered company number 01618435

The notes on pages 23 to 37 form part of these financial statements.

The Sick Children's Trust
Statement of Cash Flows for the year ended 31st March 2020

	Note	2020	2019
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	13	48,691	182,538
Cash flow from investing activities			
Interest received		8,593	6,563
Payments to acquire fixed assets		(164,550)	(482,284)
Loss on fixed asset disposal		3,146	-
Net cash provided used in financing activities		(152,811)	(475,721)
Change in cash and cash equivalents in the year		(104,120)	(293,183)
Cash and cash equivalents at the beginning of the year		2,902,901	3,196,084
Net funds at end of year		2,798,781	2,902,901

The notes on pages 23 to 37 form part of these financial statements.

The Sick Children's Trust

Acknowledgements

1 Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the charity and are rounded to the nearest £1.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Going Concern

The charity has adequate reserves, as set out in the reserves policy within the trustees report, that are held as cash. Despite the current uncertainties caused by the corona virus outbreak, which is expected to lead to a reduction in income in the short term, the trustees are satisfied that the charity has sufficient resources to meet its liabilities and consequently these financial statements are prepared on a going concern basis.

Company status

The charity is a company limited by guarantee and is incorporated in the United Kingdom and registered in England and Wales. 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 company.

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.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

Income

All income is included in the statement of financial activities when the charity is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. Where income is performance related it is deferred or accrued into the period to which it relates. For legacies, entitlement is the earlier of the company being notified of an impending distribution or the legacy being received.

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 included in the statement of financial activities at a reasonable estimate of their value at the time they are utilised by the charity, with an equivalent amount recognised as charitable expenditure. No amounts are included in the financial statements for services donated by volunteers.

Income received in relation to fundraising events that have not yet taken place is deferred into the period in which the event that gives rise to the income occurs.

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 Sick Children's Trust's 'Homes from Home'.

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

Support costs are those incurred directly in support of expenditure on the objects of the company, including those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

All resources expended are inclusive of irrecoverable VAT.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

Tangible fixed assets and depreciation

Tangible assets are stated at cost less 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, on a straight line basis
Leasehold property:	over the shorter of the period of the lease or its estimated remaining useful life, on a reducing balance basis
Furniture and office equipment:	five years, straight line basis
IT:	three years, straight line basis

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

Intangible fixed assets and depreciation

Intangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Amortisation is provided on all intangible assets so as to write off the cost of an asset over its estimated useful life as follows:

Website development costs:	five years, straight line basis
----------------------------	---------------------------------

Assets residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

Operating leases

Rentals payable under operating leases are charged to the income statement on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Pensions

The Trust has one member who is a participant in The Pensions Trust Growth Plan Scheme which is a multi-employer defined benefit scheme. The charity is unable to identify its share of the underlying assets and liabilities and therefore accounts for this Scheme as if it was a defined contribution scheme. The scheme is in deficit and the charity has agreed to a deficit funding arrangement. A liability is recognised on the balance sheet for the net present value of the deficit reduction contributions payable under the agreement.

The Trust also participates in a defined contribution scheme with Scottish Widows. The assets of the Scheme are held separately from those of the Trust in an independently administered fund, and contributions to the Scheme are charged to the SOFA as they fall due.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the directors do not consider there were any significant areas of judgement that were required in applying the company's accounting policies as set out above.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

2 Donations and legacies

	2020		
Donations and legacies	Unrestricted	Restricted	Total
	£	£	£
Legacies & covenants	152,494	7,005	159,499
Donations & appeals	1,181,815	618,740	1,800,555
Gifts in kind	-	13,621	13,621
	<hr/>	<hr/>	<hr/>
	<u>1,334,309</u>	<u>639,366</u>	<u>1,973,675</u>

	2019		
Donations and legacies	Unrestricted	Restricted	Total
	£	£	£
Legacies & covenants	104,812	-	104,812
Donations & appeals	1,126,683	580,819	1,707,502
Gifts in kind	-	10,772	10,772
	<hr/>	<hr/>	<hr/>
	<u>1,231,495</u>	<u>591,591</u>	<u>1,823,086</u>

Gifts in kind comprise bed linen provided to the houses.

Analysis of total income

	Donations and legacies	Other trading activities	Investments	2020 Total
	£	£	£	£
Events programme	-	182,927	-	182,927
Corporate	386,100	-	-	386,100
Charitable Trusts	240,870	-	-	240,870
Hospitals	176,629	-	-	176,629
Community	606,265	-	-	606,265
Government grant income	1,249	-	-	1,249
Other income	113,147	12,522	8,593	134,262
Major Gifts	150,920	-	-	150,920
Donations in memoriam	125,375	-	-	125,375
Legacies	159,499	-	-	159,499
Gifts in kind	13,621	-	-	13,621
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,973,675</u>	<u>195,449</u>	<u>8,593</u>	<u>2,177,717</u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

	Donations and legacies £	Other trading activities £	Invest- ments £	2019 Total £
Events programme	-	443,077	-	443,077
Corporate	243,820	-	-	243,820
Charitable Trusts	260,080	-	-	260,080
Hospitals	192,010	-	-	192,010
Community	706,999	-	-	706,999
Other income	105,722	17,653	6,563	129,938
Major Gifts	121,360	-	-	121,360
Donations in memoriam	77,511	-	-	77,511
Legacies	104,812	-	-	104,812
Gifts in kind	10,772	-	-	10,772
	<u>1,823,063</u>	<u>460,730</u>	<u>6,563</u>	<u>2,290,379</u>

3 Total resources expended

	Basis of allocation	Costs of raising funds £	Charitable activities £	2020 £
Staff costs (note 6)	Direct	343,434	900,992	1,244,426
Property costs	Direct	55,853	278,589	334,442
Advertising & publications	Direct	22,009	22,352	44,361
Professional fees	Direct	10,614	12,678	23,292
Recruitment & training	Direct	13,481	26,735	40,216
Events	Direct	21,785	32,792	54,577
Catering	Direct	417	529	946
Equipment rental	Direct	861	1,027	1,888
Insurance	Direct	11,189	17,455	28,644
Merchandising costs	Direct	2,428	2,427	4,855
Audit & accountancy	Direct	-	10,020	10,020
Depreciation	Direct	-	403,504	403,504
Amortisation	Direct	-	12,320	12,320
Support costs allocated to activities				
Staff costs (note 6)	Headcount	94,173	141,259	235,432
Postage & telephone	Headcount	4,988	13,142	18,130
Stationery	Headcount	2,824	5,206	8,030
Travel	Headcount	3,332	23,780	27,112
Recruitment & training	Headcount	2,550	5,058	7,608
Sundry (incl computing costs)	Headcount	14,024	26,837	40,861
Insurance	Headcount	2,117	3,302	5,419
At 31 March 2020		<u>606,079</u>	<u>1,940,004</u>	<u>2,546,083</u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

	Basis of allocation	Costs of raising funds £	Charitable activities £	2019 £
Staff costs (note 6)	Direct	304,382	857,801	1,162,183
Property costs	Direct	60,317	259,055	319,372
Advertising & publications	Direct	27,904	28,966	56,870
Professional fees	Direct	11,392	16,016	27,408
Recruitment & training	Direct	24,875	27,130	52,005
Events	Direct	81,112	32,980	114,092
Catering	Direct	202	1,006	1,208
Equipment rental	Direct	538	605	1,143
Insurance	Direct	11,324	16,331	27,655
Merchandising costs	Direct	7,116	8,721	15,837
Audit & accountancy	Direct	-	10,080	10,080
Depreciation	Direct	-	416,470	416,470
Support costs allocated to activities				
Staff costs (note 6)	Headcount	79,693	119,539	199,232
Postage & telephone	Headcount	6,428	13,814	20,242
Stationery	Headcount	2,183	4,980	7,163
Travel	Headcount	6,217	28,922	35,139
Recruitment & training	Headcount	4,263	4,651	8,914
Sundry (incl computing costs)	Headcount	17,372	36,614	53,986
Insurance	Headcount	1,941	2,800	4,741
At 31 March 2019		647,259	1,886,481	2,533,740

4 Net increase in funds

	2020 £	2019 £
The net increase in funds is arrived at after charging:		
Depreciation	403,504	416,470
Amortisation	12,320	-
Auditor's remuneration	10,020	10,080
Hire of equipment	1,888	1,143
Operating lease costs for premises	75,516	75,516

5 Taxation

The Sick Children's Trust, as a charity, qualifies for exemption from corporation tax on most income streams provided that the proceeds are applied for charitable purpose in furtherance of its objects. There is no corporation tax due on the activities undertaken during the current or previous financial year.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

6 Staff costs

	2020	2019
	£	£
Salaries and wages	1,276,089	1,176,448
Social security costs	116,632	106,952
Pension costs	65,272	60,886
	<u>1,457,993</u>	<u>1,344,286</u>

The number of higher paid employees was:

	2020	2019
	number	number
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

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

	2020	2019
	Number	Number
House managers and assistants	19	19
Management & administration of the charity	7	6
Cost of generating funds	<u>18</u>	<u>16</u>
	<u>44</u>	<u>41</u>

The average number of employees analysed by function was:

	2020	2019
	Number	Number
House managers and assistants	26	25
Management & administration of the charity	8	7
Cost of generating funds	<u>18</u>	<u>17</u>
	<u>52</u>	<u>49</u>

None of the Members of the Council, nor the President and Vice-Presidents, received any remuneration from The Sick Children's Trust in either period, and no trustees' expenses were incurred in either period.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

Key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the Trustees for planning, directing and controlling the activities of the charity. During 2019/20 they were:

- A Besser
- F Blakemore – trustee
- J Featherstone
- A Fisher
- S Griggs (from 1 April 2019)
- S Haley (from 1 April 2019)
- P Jardine – Chairman
- K Rosier

The total employee benefits of the key management personnel of the charity were £321,642 relating to FTE equivalent of 5 (2019: £238,776 relating to FTE equivalent of 5).

7 Tangible Fixed Assets

	Freehold Property	Short Leasehold Property	IT	Furniture & Office Equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2019	1,206,030	9,952,272	17,813	760,082	11,936,197
Additions	33,991	20,352	-	73,247	127,590
Disposals	-	-	-	(282,190)	(282,190)
At 31 March 2020	<u>1,240,021</u>	<u>9,972,624</u>	<u>17,813</u>	<u>551,139</u>	<u>11,781,597</u>
Depreciation					
At 1 April 2019	459,814	4,051,372	17,813	693,398	5,222,397
Charge for year	31,001	333,324	-	39,179	403,504
Disposals	-	-	-	(279,044)	(279,044)
At 31 March 2020	<u>490,815</u>	<u>4,384,696</u>	<u>17,813</u>	<u>453,533</u>	<u>5,346,857</u>
Net Book Value					
At 31 March 2020	<u>749,206</u>	<u>5,587,928</u>	<u>-</u>	<u>97,606</u>	<u>6,434,740</u>
At 31 March 2019	<u>746,216</u>	<u>5,900,900</u>	<u>-</u>	<u>66,684</u>	<u>6,713,800</u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

8 Intangible Fixed Assets

	Website development costs	£
Cost		
At 1 April 2019	-	-
Additions	36,960	
Disposals	-	-
At 31 March 2020	36,960	
Depreciation		
At 1 April 2019	-	-
Charge for year	12,320	
Disposals	-	-
At 31 March 2020	12,320	
Net Book Value		
At 31 March 2020	24,640	
At 31 March 2019	-	-

9 Debtors

	2020	2019
	£	£
Other debtors	4,285	85,472
Prepayments & accrued income	31,397	26,578
	35,682	112,050

All amounts included within debtors fall due within one year.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

10 Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	10,590	45,227
Taxation and social security	32,725	26,213
Defined benefit pension liability (note 17)	6,566	6,374
Other creditors	11,689	7,982
Accruals and deferred income	<u>87,798</u>	<u>123,174</u>
	<u><u>149,368</u></u>	<u><u>208,970</u></u>

Deferred income	£
Deferred income at 1 April 2019	30,500
Resources deferred during the year	48,903
Amounts released from previous years	<u>(30,500)</u>
Deferred income at 31 March 2020	<u><u>48,903</u></u>

11 Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Defined benefit pension liability (note 17)	<u>25,098</u>	<u>32,038</u>

12 Commitments under operating leases

At 31 March 2020 the company had future minimum lease payments under non cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	75,516	75,516
Later than 1 year and not later than 5 years	<u>75,516</u>	<u>151,032</u>
	<u><u>151,032</u></u>	<u><u>226,548</u></u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

13 Reconciliation of net Income/(expenditure) to net cash inflow from operating activities

	2020	2019
	£	£
Net (expenditure)/income for the year	(368,366)	(243,361)
Interest receivable	(8,593)	(6,563)
Depreciation charge	403,504	416,470
Amortisation charge	12,320	-
Decrease in debtors	76,368	6,443
(Decrease)/ increase in creditors	(66,542)	9,549
Net cash provided by/ (used in) operating activities	<u>48,691</u>	<u>182,538</u>

	Balance b/f at 1 April 2019	Cash flows £	Balance c/f at 31 March 2020
			£
Cash at bank and in hand	2,902,901	(104,120)	2,798,781
Net debt	<u>2,902,901</u>	<u>(104,120)</u>	<u>2,798,781</u>

	Balance b/f at 1 April 2018	Cash flows £	Balance c/f at 31 March 2019
			£
Cash at bank and in hand	3,196,084	(293,183)	2,902,901
Net debt	<u>3,196,084</u>	<u>(293,183)</u>	<u>2,902,901</u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

14 Analysis of Net Assets between Funds

	Unrestricted			2020
	General	Designated	Restricted	Total
	£	£	£	£
Tangible fixed assets	-	6,434,740	-	6,434,740
Intangible fixed assets	-	24,640	-	24,640
Net assets	<u>1,309,997</u>	<u>1,200,000</u>	<u>150,000</u>	<u>2,659,997</u>
	<u><u>1,309,997</u></u>	<u><u>7,659,380</u></u>	<u><u>150,000</u></u>	<u><u>9,119,377</u></u>

	Unrestricted			2019
	General	Designated	Restricted	Total
	£	£	£	£
Tangible fixed assets	-	6,713,800	-	6,713,800
Net assets	<u>1,223,943</u>	<u>1,400,000</u>	<u>150,000</u>	<u>2,773,943</u>
	<u><u>1,223,943</u></u>	<u><u>8,113,800</u></u>	<u><u>150,000</u></u>	<u><u>9,487,743</u></u>

15 Statement of Funds

	Balance b/f	Incoming	Resources	Transfers	Balance c/f
	at 1 April	Resources	expended	between	at 31 March
	2019	£	£	funds	2020
				£	£
Restricted funds	150,000	660,983	(660,983)	-	150,000
General Unrestricted Funds	1,223,943	1,516,734	(1,720,550)	289,870	1,309,997
Designated Funds - Fixed assets	6,713,800	-	-	(254,420)	6,459,380
Designated Funds - Capital projects	1,400,000	-	(164,550)	(35,450)	1,200,000
Total funds	<u>9,487,743</u>	<u>2,177,717</u>	<u>(2,546,083)</u>	<u>-</u>	<u>9,119,377</u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

	Balance b/f at 1 April 2018	Incoming Resources £	Resources expended £	Transfers between funds £	Balance c/f at 31 March 2019 £
Restricted funds	189,843	596,715	(636,558)	-	150,000
General Unrestricted Funds	1,493,275	1,693,664	(1,414,898)	(548,098)	1,223,943
Designated Funds - Fixed assets	6,647,986	-	-	65,814	6,713,800
Designated Funds - Capital projects	1,400,000	-	(482,284)	482,284	1,400,000
Total funds	9,731,104	2,290,379	(2,533,740)	-	9,487,743

Restricted funds represent balances where funds have been raised for specific purposes and not yet spent. Each of the "Homes from Home" has a restricted fund where income has been received specifically for that house, and these funds are used towards the running costs of that particular house in any given year.

Designated funds - Fixed Assets represent the value of 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.

Designated funds - Capital Projects represent the value of those funds set aside for specific future capital projects including upgrades to the houses which we expect to be carried out in the next 2-3 years and new houses that are currently under discussion. 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 'tied up funds' in the year.

16 Related Party Transactions

During the year costs of £26,815 (2019: £27,646) were paid to T L Dallas Group Limited and its subsidiaries in relation to insurance costs. Polly Staveley, trustee, is a director of these companies.

During the year donations totalling £14,859 (2019: £25,082) were received from the Trustees.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2020 (Continued)

17 Pension schemes

The Pensions Trust Growth Plan Scheme

The Sick Children's Trust participates in The Pensions Trust Growth Plan Series 3 Scheme which is a multi-employer defined benefit scheme. At 31 March 2020 The Sick Children's Trust has one active member in the Scheme.

The Sick Children's Trust is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the Scheme. The Scheme is currently in deficit, arising from changes in pension legislation and resulting in all employers becoming liable for additional accrued benefits under the Scheme, although no additional payments to the Scheme have been requested for Series 3 members to date.

Where the assets and liabilities cannot be separately identified, FRS 102 requires The Sick Children's Trust to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Contributions for the year totalled £6,601 (2019: £6,599) and £532 (2019: £552) are outstanding at the year end.

FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The balance sheet liability at 31 March 2020 was £31,664 (2019: £38,411).

The Plan's buy-out deficit increased overall to £151.5m in 2019, an increase of £1.9m from 2018. This change in funding position is largely due to negative changes in gilt yields that have resulted in an increase in the value of the past service liabilities. This impact has been partially offset by better than assumed investment performance.

When an employer withdraws from a multi-employer defined benefit (DB) pension scheme where it is in deficit, the employer must – by law – to pay its share of the deficit, calculated on a statutory basis known as the buy-out valuation basis.

The estimated cost of withdrawal has been calculated to be £87,870.24. This figure has an effective date of 30 September 2019.

Scottish Widows Stakeholder Pension Scheme

The Trust participates in a defined contribution scheme with Scottish Widows.

At 31 March 2020 the Trust has 46 active members in the scheme.

Contributions for the year totalled £65,418 (2019: £57,170). The total amounts outstanding as at the year end were £6,410 (2019: £4,033).

The Sick Children's Trust Acknowledgements

We are so very grateful to every one of our supporters, volunteers and staff who have helped us make a difference to the lives of families with seriously ill children over the last year. Your support enabled us to help 3,535 families who had nowhere else to turn when their child was in hospital for lifesaving treatment.

Thank you to our regular givers and donors, to our long-term supporters, and to those who organised a fundraiser, took part in a sponsored activity or attended an event. And thank you to all the individuals, organisations and companies who supported us through donations, sponsorship, gifts in kind, pro bono work and volunteering.

We would like to extend a special thank you to the following organisations and individuals, and to those who have asked to remain anonymous.

Access Capital Partners	Penelope Martin Charitable Trust
Addenbrooke's Charitable Trust	PF Charitable Trust
Aveva	Sheffield Children's NHS Foundation Trust
Bakkavor	Sheffield Church Burgesses Trust
Beaumont & Brown Ltd	Taylor Rose LLP
BGL Group	The Boltini Trust
Buffalo Partners	The Brian Mitchell Charitable Settlement
Candlelighters	The Childwick Trust
Cawingredients Limited	The D'Oyly Carte Charitable Trust
Children's Heart Surgery Fund	The Ernest Kleinwort Charitable Trust
City Bridge Trust	The February Foundation
Dasvandh Trust	The John Coates Charitable Trust
Dennis Publishing	The Kirby Laing Foundation
Farr Vintners	The Mahoro Charitable Trust
GMS Estates	The Marsh Christian Trust
Great Ormond Street Hospital	The Peacock Charitable Trust
Harrison Foundation	The Royal London Children's Hospital at Barts Health NHS Trust
John Horniman's Children's Trust	The Thomas J Horne Memorial Trust
Leeds Cares	The Worshipful Company of Bowyers
Michael Crawford's Children's Charity	