

THE SICK CHILDREN'S TRUST

Company No: 01618435

Charity No: 284416

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2021

The Sick Children's Trust

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The Sick Children's Trust
Legal and Administrative Information

Address

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28-30 Worship Street
London EC2A 2AH

President

Michael Crawford CBE

Founders

Professor J Malpas
Dr J Pritchard

Ambassadors

Alice Beer
Anita Dobson
Tim Downie
Christina Johnston
Margaret Keys
Jen Pringle
Christopher Timothy
Sian Welby
Paul A Young

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 2020-2021

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 2021. 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 2020-21 (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.

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.

How we have dealt with the COVID-19 pandemic

Throughout 2020/21 the COVID-19 pandemic had a huge impact on the service we provide to families with a seriously ill child in hospital. We did and will continue to do all that we can to keep our ten 'Homes from Home' open to support families and our NHS partner hospitals across the country.

In April 2020 we closed two of our London 'Homes from Home' Rainbow and Guilford Street houses for 14 days as a family staying there tested positive for COVID-19 and we closed our other London 'Home from Home' Stevenson House for 4 months due to lack of need from the hospital, leading to low capacity and to ensure the safety of our staff. During this time we took the opportunity to make improvements to the home by refitting all bathrooms.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2020-21 (Continued)

We implemented the following measures, many of which are currently ongoing to protect our staff and the families staying in our 'Homes from Home'.

- We only used bedrooms with en-suite or allocated bathrooms in each of our homes. This reduced our capacity to approximately 50%.
- We closed our communal areas and kitchens but worked closely with infection control at each hospital with the aim of reopening these areas when it was safe to do so.
- Families were advised to use the home for sleeping, washing and laundry only, minimising contact with our front-line staff and other families staying with us.
- We followed hospital protocol, which in most cases meant only one family member could stay with us as only one approved family member could visit their child in the hospital at a time.
- Our house staff worked only as necessary to carry out essential tasks.
- No cash was being exchanged for our laundry facilities.
- No families were entering our staff office areas.
- All of our 'Homes from Home' continue to follow Government guidance on social distancing
- The hospital wards and/or the hospital accommodation team informed our house staff of any family members displaying symptoms of Coronavirus or confirmed cases. Any affected family members were 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 worked well and meant our 'Homes from Home' were able to be kept open for families who need them as they face the worry of having a seriously ill child alongside the additional COVID-19 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 23 March 2020 and has remained closed since then. We continue to follow Government guidelines to work from home where possible and will reopen our office when it is safe to do so.

In 2020/21 we estimated that we would see a loss of income of 25-30% due to the cancellation of events, and as a result of our corporate partners and individuals having to postpone their fundraising activities. However, we were able to utilise the Coronavirus Job Retention Scheme and we claimed £283,204 from this, with a further £50,000 claimed under the COVID-19 Business Rates Grants. This meant we saw a loss of income of £136,461, 6%. If Government Grant income is excluded, we saw a loss of income of £469,665, 22%.

Emergency income and expenditure budgets were produced to limit all non-essential expenditure, although we did have additional expenditure ensuring our Head office staff had the equipment they needed to work from home.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2020-21 (Continued)

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'.

Operations - who used and benefited from our service

The Sick Children's Trust last year supported 1521 families made up of 1249 new families and 272 returning families. The average length of stay across our ten houses was 14.1 days. We now have 148 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. 82 rooms were operational as at March 2021.

Demand for our services remains high with waiting lists in operation in some of the houses. The average occupancy for the year is high at 83% given the COVID-19 situation. 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.

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. During the pandemic, even with reduced facilities we still received excellent feedback from families.

98% of our families said that having the whole family close by was beneficial for their child's wellbeing and recovery, 99% said staying in the 'Home from Home' helped them to cope, which was particularly important during the pandemic. 99% of our families said they would recommend the 'Home from Home' to another family in a similar position.

100% 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 95% 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.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2020-21 (Continued)

Our dedicated staff support families and are at the heart of our 'Homes from Home'. 98% of families felt that it was important to have house staff on hand to give support during their stay. 79% 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'. This was lower than normal due to social distancing and smaller capacity of the 'Homes from Home' during the pandemic.

By providing accommodation parents are able to play an active part in their child's care and treatment. 90% of families helped with the personal care (washing and dressing) of their seriously ill child in hospital and 45% 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. The pandemic has meant that our volunteering opportunities have changed but we have still had the support of several volunteers who have helped in a number of ways including fundraising and communications, and work in our 'Homes from Homes' including painting and general maintenance.

Gifts in Kind

We are fortunate that a lot of our essential household items such as House bed linen and towels are donated to us free of charge from Beaumont Brown, Dreams Ltd, Next Retail Ltd and Argos Ltd. These donations represented an estimated cost saving of £28,910 for the year.

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Trustees' Report for Annual Accounts 2020-21 (Continued)

Review of activities 20-21

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:

- We kept our 'Homes from Home' open to families with seriously ill children despite the pandemic and social distancing restrictions
- Helped 1,521 families to be together with their sick children in hospital
- Introduced amenities to make staying with us more comfortable while communal areas were closed such as tea and coffee stations in rooms
- Achieved an occupancy level of 83% nationally
- Provided a total of 21,888 night's accommodation across all our 'Homes from Home' (based on rooms occupied)
- Successfully completed a refurbishment project of the bathrooms at Stevenson House
- Implemented a one year strategy to refocus priorities in reaction to the pandemic to ensure we are meeting our core organisation objective of keeping families together and raising income to do so
- Launched an emergency appeal in April to combat the predicted loss of income and secured coverage across national, regional and broadcast outlets
- Raised income of £2,041,256
- Redecorating of Crawford House, courtesy of Newcastle Hospital Trusts
- Review of internal communications with an increased focus on staff wellbeing and regular communication to keep all informed while working remotely. This included weekly emails from the wellbeing committee, monthly updates from the CEO, a refocused staff newsletter and the introduction of a virtual walking group and book club
- Successful launch of our first-ever digital event, the online Auction House, which raised £30,613
- Growing our Christmas appeal digitally through selling products via the online shop and exceeding the target of £20,000 to over £33,639, with 291 pieces of coverage gained
- Overall the annual staff survey returned some very positive results. It had a 100% completion rate with 98% of responses feeling positive about working at The Sick Children's Trust, with furloughed staff feeling less positive. Gratitude was shown towards the new staff benefit package implemented from the previous year
- Increased our social media following across Facebook, Twitter, Instagram and LinkedIn collectively by 17% over the 12 month period. This is 7% above target.

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Trustees' Report for Annual Accounts 2020-21 (Continued)

Fundraising and Communications update

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.

Any 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.

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 and foundations, corporate partners, organised events and individuals' fundraising including gaining committed regular givers. Historically, 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'. However, this year due to cancelled fundraising events and government restrictions as a result of the COVID-19 pandemic, we have had to adapt a digital approach to fundraising, finding innovative ways that our individual supporters can continue to fundraise for us remotely. From launching a host of virtual fundraising ideas on the website, to taking part in the national 2.6 challenge to encouraging Facebook fundraising we have managed to retain a steady income from individuals although have still seen a decline in this stream. In order to hit our fundraising target, roles within the fundraising team have been restructured so that we can maximise opportunities with charitable trusts and legacy fundraising. It continues to be imperative that the charity continues to provide 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 has been leading on the charity's new digitally integrated approach in light of the COVID-19 pandemic, ensuring the need for our services and the impact of our 'Homes from Home' are communicated effectively and efficiently to raise the charity's profile and vital funds. This has been demonstrated through both the emergency and Christmas appeals, and the increased focus on external communications via the organisation's website, social media, e-news, online bi-annual newsletter and public relations activity which has secured excellent press coverage in these difficult times.

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Trustees' Report for Annual Accounts 2020-21 (Continued)

This year there has also been an increased focus on unified campaigns which have explored paid social media advertising in order to reach new audiences. The team continue to engage existing supporters through monthly email communications, annual mailings and the annual Impact Report.

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 6% to £2,041,256 due to a combination of factors primarily due to decreases in Community, Corporate and Events income all directly linked to the impact of COVID-19 on fundraising from both our supporters and by our fundraisers as well as a significant reduction in Legacy income. These decreases were partially offset by £333,204 received in Government grant income relating to the Coronavirus Job Retention Scheme and local business rate COVID-19 grants. The Statement of Financial Activities (SOFA) shows that our main source of income continues to be donations. Investment income decreased with lower interest rates and reduced donations income, and cash will remain on short-term deposit due to liquidity requirements during the COVID-19 crisis.

Income was split between £1,325,716 unrestricted (65%) and £715,540 restricted income (35%). The restricted income was raised to meet running costs and capital refurbishments of the individual houses.

Total expenditure in 2020/21 decreased to £2,463,497, down £82,586 (3%) on 2019/20, with decreases in event costs due to many events being postponed or cancelled as a result of the COVID-19 pandemic, decreases in property costs as a result of the closure of Head Office due to government recommendations for home working and also decreased usage in our Houses due to government COVID-19 restrictions, decreases in recruitment costs as a result of high staff retention levels and decreases in travel costs due to government COVID-19 restrictions. These decreases were partially offset by increases in staffing costs to ensure staff salaries remained competitive.

Cost of generating funds came to £693,389 and expressed as a ratio for every £1 spent, a return of £2.94 was achieved. Charitable activity costs account for 72% of the total resources expended. This is largely comparable with 2019/20.

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 £2,582,244 of which restricted funds account for £155,000 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.

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Trustees' Report for Annual Accounts 2020-21 (Continued)

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 £8,697,136. £155,000 is restricted for specific purposes and £6,205,381 is tied up in fixed assets (the majority of which relates to the houses) and so is not available to spend. £1.2 million of funds are 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).

Until we have fully assessed the financial impact of the COVID-19 crisis, the capital projects relating to the new houses previously under discussion have been put on hold.

This leaves a balance of £1,136,755 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 2021/22 such reserves should be between six and twelve months' running costs. This is between approximately £1,130,000 and £2,260,000 for the forthcoming year, which will ensure uninterrupted services and delivery of the charity's objectives. The free reserves at the year end are within this range and trustees are satisfied with the position, given the current circumstances.

Going Concern

As set out 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 as they fall due, and consequently that the going concern basis of preparation remains appropriate.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2020-21 (Continued)

Plans for the future

Our key aim for 2021/22 is to work with our hospital partners, including their infection control teams, to open up more bedrooms and communal facilities within our 'Homes from Home' whilst maintaining a safe environment for staff and families. This will allow us to be there for more families who need our support.

Over the last year, many of our staff have been working on flexible furlough in order to maintain social distancing, but over the next few months we will be gradually increasing staff hours to their full contracted hours.

Last year all non-essential expenditure was removed from the budget including some house refurbishment projects and whilst we will continue to closely monitor income against expenditure we do hope to be in a position to make improvements to some of our 'Homes from Home' so that they can provide a high standard of accommodation and a comfortable place for families to rest and relax. Over the coming year, Eckersley House will have upgrades to some of the bathrooms and bedrooms and communal spaces. Acorn House will have new carpets and laminate flooring in the original section of the house and Guilford Street and Stevenson House will have some of the communal areas redecorated.

Our Head Office staff have been working from home since March 2020 but we hope to reopen Head Office in Summer/Autumn 2021 in line with Government Guidance and restrictions. Many of our staff have enjoyed working from home and benefitted from the flexibility this has allowed them so we would like to consider a hybrid model of working for the future and we will be consulting with staff about this over the coming months.

From a fundraising perspective we do know that the year ahead is likely to be challenging and our priority will be raising sufficient funds to cover running cost expenditure.

Our incredible team of staff, trustees and volunteers are fully committed and united in their desire to continue to provide our essential services. Our fundraising plan is to launch a Regular Giving campaign in July, with a specific focus to recruit new regular givers to The Sick Children's Trust to help us to create a solid income stream we can rely on year to year, and continue to make approaches to warm supporters, Trusts, Foundations and Corporates.

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Trustees' Report for Annual Accounts 2020-21 (Continued)

With in-person events still vulnerable, we are also now promoting a new on-line challenge event called Sit-up for The Sick Children's Trust and we will be holding a further on-line Auction House event in October 2021. In addition, we have recently partnered with Beyond (an online Will Service) to offer a free online Will Service to our supporters as a way of looking to the longer-term sustainability of the charity and help us to plan for the future. We will also continue to focus on digital fundraising campaigns including our Christmas Campaign which was very successful in 2020.

To go alongside this we will continue to drive awareness of the charity through our traditional methods such as PR, using family stories to generate engaging content and through our digital channels. We will also explore new ways to do this through our social media strategy.

Whilst our aim is to grow and be able to support more families at different hospital locations across the UK we will need to be confident in the fundraising landscape before continuing discussions with the Royal National Orthopaedic Hospital in London about a new 'Home from Home' on the hospital site or with the Royal Victoria Infirmary in Newcastle about additional accommodation at the hospital.

We have again this year developed a one year plan but as we look to the future, we will begin working on a new Five Year Strategy starting with a Strategic Planning meeting in June for Trustee's and Senior Management Team to look at our longer term accommodation strategy. We plan to launch the new strategy in 2022, our 40th Anniversary Year. This will be a year of celebration, looking at the impact the charity has had over its 40 years and thanking our wonderful supporters many of whom have been part of The Sick Children's Trust family for a long time.

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 2020-21 (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 Sick Children's Trust

Trustees' Report for Annual Accounts 2020-21 (Continued)

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.

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. Since the outset of the COVID-19 pandemic in March 2020, so many aspects of life in the UK have changed rapidly and The Sick Children's Trust, like many charities, is working hard to keep people safe, deliver critical services, and keep generating income to be able to keep funding our work:

The trustees consider the key risks of the charity to be:

- Governance- the charity does not achieve its strategic, charitable, regulatory and ethical objectives due to inadequate governance
- People – loss of key individuals with appropriate skills, adversely impacting the delivery of our services
- Health and Safety – keeping staff and the families we support safe
- Operational – inability to provide agreed service across our ten 'Homes from Home' and having to reduce capacity in our 'Homes from Home'
- IT –the risk of loss resulting from cyber-crime, malicious disruption to our networks or from theft, misplacing, interception, corruption or deletion of information
- Financial –fraud, including fundraising fraud

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Trustees' Report for Annual Accounts 2020-21 (Continued)

- Fundraising Sustainability – the cancellation of our own events programme, third party and supporter events and the effects of coronavirus on fundraising
- Environment & External – poor or adverse publicity or external issues which reflect negatively on The Sick Children's Trust
- Data protection compliance and GDPR- An event or incident such as an external data breach or inadvertent internal error resulting in the accidental or unlawful, destruction, loss, unauthorised disclosure of or access to personal data.

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

A Governance, Risk and Compliance Committee comprising five trustees, the CEO, Head of Communications and Marketing and Heads of Operations meets to ensure that The Sick Children's Trust's risks are assessed on a bi-annual basis and for any issues identified, appropriate remediation plans are put into place and tracked to completion in a timely manner. The Audit and Finance and Health and Safety Committee's report in to the Governance, risk and Compliance Committee on their areas of specialism and report annually into the full Trustee Meeting. All committees are chaired by a Trustee.

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 Sick Children's Trust
Trustees' Report for Annual Accounts 2020-21 (Continued)

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 7 July 2021 and signed on its behalf by:



.....
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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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

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.

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

The Sick Children's Trust

Independent Auditors' Report to the Members (Continued)

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by auditing standards) and from inspection of the charitable company's legal correspondence, and we discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

Secondly the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; data protection and certain aspects of company legislation, recognising the nature of the charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we became aware of actual or suspected non-compliance and considered the effect as part of our procedures on the related financial statement items. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in any further disclosure within our report or the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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/auditorsresponsibilities.

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: 7 July 2021

The Sick Children's Trust
Statement of financial activities for the year ended 31st March 2021

	Note	Unrestricted funds	Restricted funds	Total 2021	Total 2020
		£	£	£	£
Income and endowments from:					
Donations and legacies	2	931,049	705,541	1,636,590	1,973,675
Government grant income	2	333,204	-	333,204	-
Other trading activities		60,460	9,999	70,459	195,449
Investments		1,003	-	1,003	8,593
Total	2	1,325,716	715,540	2,041,256	2,177,717
Expenditure on:					
Raising funds		693,389	-	693,389	606,079
Charitable activities		1,054,568	715,540	1,770,108	1,940,004
Total	3	1,747,957	715,540	2,463,497	2,546,083
Net income / (expenditure)		(422,241)	-	(422,241)	(368,366)
Transfers between funds	15	(5,000)	5,000	-	-
Net income/(expenditure) after transfers		(427,241)	5,000	(422,241)	(368,366)
Reconciliation of funds					
Funds at 1st April 2020		8,969,377	150,000	9,119,377	9,487,743
Funds at 31st March 2021	15	8,542,136	155,000	8,697,136	9,119,377

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


The notes on pages 27 to 41 form part of these financial statements.

The Sick Children's Trust
Balance Sheet as at 31st March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	7		6,193,061		6,434,740
Intangible fixed assets	8		12,320		24,640
Current assets					
Debtors	9	82,874		35,682	
Cash at bank and in hand		<u>2,582,244</u>		<u>2,798,781</u>	
		2,665,118		2,834,463	
Creditors: amounts falling due within one year	10	<u>(153,403)</u>		<u>(149,368)</u>	
Net current assets			<u>2,511,715</u>		<u>2,685,095</u>
Total assets less current liabilities			8,717,096		9,144,475
Creditors: amounts falling due after more than one year	11		<u>(19,960)</u>		<u>(25,098)</u>
Net assets			<u>8,697,136</u>		<u>9,119,377</u>
 Represented by:					
Restricted funds			155,000		150,000
Unrestricted funds					
Designated funds - Fixed assets			6,205,381		6,459,380
Designated funds - Capital projects			1,200,000		1,200,000
General unrestricted funds			<u>1,136,755</u>		<u>1,309,997</u>
Total funds	15		<u>8,697,136</u>		<u>9,119,377</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 7 July 2021.



.....

Fiona Blakemore (Trustee)

Registered company number 01618435

The notes on pages 27 to 41 form part of these financial statements.

The Sick Children's Trust
Statement of Cash Flows for the year ended 31st March 2021

	Note	2021	2020
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	13	(44,138)	48,691
Cash flow from investing activities			
Interest received		1,003	8,593
Payments to acquire fixed assets		(173,402)	(164,550)
Loss on fixed asset disposal		0	3,146
Net cash provided used in financing activities		(172,399)	(152,811)
Change in cash and cash equivalents in the year		(216,537)	(104,120)
Cash and cash equivalents at the beginning of the year		2,798,781	2,902,901
Net funds at end of year		2,582,244	2,798,781

The notes on pages 27 to 41 form part of these financial statements.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2021

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. During 2020/21 the charity has worked hard to engage with supporters and to raise funds in new and innovative ways. This, coupled with a reduction in cost through a review of non-essential spend, has resulted in the charity ending the year in reasonable position, despite the challenges faced. Although the uncertainties caused by the corona virus outbreak are continuing into the new financial year, 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 as they fall due 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 Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2021 (Continued)

The cost of raising and administering such funds are charged against the specific fund.
Investment income is allocated to the appropriate fund.

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.

Government grants are included in the statement of financial activities on a receivable basis. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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 2021 (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 straight line basis
IT:	three years, straight line basis
Furniture and office equipment:	five 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 2021 (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 2021 (Continued)

2 Donations and legacies

Donations and legacies	Unrestricted	Restricted	2021
	£	£	Total
Legacies & covenants	2,102	-	2,102
Donations & appeals	900,037	705,541	1,605,578
Gifts in kind	28,910	-	28,910
	931,049	705,541	1,636,590
	931,049	705,541	1,636,590

Donations and legacies	Unrestricted	Restricted	2020
	£	£	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
	1,334,309	639,366	1,973,675
	1,334,309	639,366	1,973,675

Gifts in kind comprise essential household items such as bed linen and towels provided to the houses.

Analysis of total income

	Donations and legacies	Other trading activities	Investments	2021
	£	£	£	Total
				£
Events programme	-	68,242	-	68,242
Corporate	254,456	-	-	254,456
Charitable Trusts	378,534	-	-	378,534
Hospitals	161,293	-	-	161,293
Community	340,477	-	-	340,477
Government grant income	333,204	-	-	333,204
Other income	93,624	2,217	1,003	96,844
Major Gifts	302,158	-	-	302,158
Donations in memoriam	75,036	-	-	75,036
Legacies	2,102	-	-	2,102
Gifts in kind	28,910	-	-	28,910
	1,969,794	70,459	1,003	2,041,256
	1,969,794	70,459	1,003	2,041,256

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2021 (Continued)

	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
	1,973,675	195,449	8,593	2,177,717

3 Total resources expended

	Basis of allocation	Costs of raising funds £	Charitable activities £	2021 £
Staff costs (note 6)	Direct	449,014	856,513	1,305,527
Property costs	Direct	45,153	255,169	300,322
Advertising & publications	Direct	17,619	15,727	33,346
Professional fees	Direct	7,764	9,836	17,600
Recruitment & training	Direct	5,557	1,846	7,403
Events	Direct	4,193	1,145	5,339
Catering	Direct	2,833	4,002	6,835
Equipment rental	Direct	724	1,065	1,789
Insurance	Direct	16,351	16,351	32,702
Merchandising costs	Direct	-	-	-
Audit & accountancy	Direct	5,070	5,070	10,140
Depreciation	Direct	5,002	410,079	415,081
Amortisation	Direct	6,160	6,160	12,320
Support costs allocated to activities				
Staff costs (note 6)	Headcount	99,268	148,902	248,170
Postage & telephone	Headcount	5,623	11,075	16,698
Stationery	Headcount	602	2,216	2,817
Travel	Headcount	(135)	(136)	(271)
Recruitment & training	Headcount	1,056	351	1,407
Sundry (incl computing costs)	Headcount	18,427	21,629	40,057
Insurance	Headcount	3,108	3,108	6,216
At 31 March 2021		693,389	1,770,108	2,463,497

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2021 (Continued)

	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		606,079	1,940,004	2,546,083

4 Net increase in funds

	2021 £	2020 £
The net increase in funds is arrived at after charging:		
Depreciation	415,081	403,504
Amortisation	12,320	12,320
Auditor's remuneration	10,140	10,020
Hire of equipment	1,789	1,888
Operating lease costs for premises	72,370	75,516

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2021 (Continued)

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.

6 Staff costs

	2021	2020
	£	£
Salaries and wages	1,341,658	1,276,089
Social security costs	125,788	116,632
Pension costs	86,251	65,272
	<u>1,553,697</u>	<u>1,457,993</u>

The number of higher paid employees was:

	2021	2020
	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:

	2021	2020
	Number	Number
House managers and assistants	19	19
Management & administration of the charity	7	7
Cost of generating funds	<u>17</u>	<u>18</u>
	<u>43</u>	<u>44</u>

The average number of employees analysed by function was:

	2021	2020
	Number	Number
House managers and assistants	26	26
Management & administration of the charity	8	8
Cost of generating funds	<u>18</u>	<u>18</u>
	<u>52</u>	<u>52</u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2021 (Continued)

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.

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 2020/21 they were:

- A Besser
- F Blakemore – Trustee
- J Featherstone
- A Fisher
- S Griggs
- S Haley
- P Jardine – Chairman
- K Rosier

The total employee benefits of the key management personnel of the charity were £330,750 relating to FTE equivalent of 6 (2020: £321,642 relating to FTE equivalent of 6).

7 Tangible Fixed Assets

	Freehold Property £	Short Leasehold Property £	IT £	Furniture & Office Equipment £	Total £
Cost					
At 1 April 2020	1,240,021	9,972,624	17,813	551,139	11,781,597
Additions	6,660	140,957	-	25,785	173,402
Disposals	-	-	-	(3,599)	(3,599)
At 31 March 2021	<u>1,246,681</u>	<u>10,113,581</u>	<u>17,813</u>	<u>573,325</u>	<u>11,951,400</u>
Depreciation					
At 1 April 2020	490,815	4,384,696	17,813	453,533	5,346,857
Charge for year	31,167	344,570	-	39,344	415,081
Disposals	-	-	-	(3,599)	(3,599)
At 31 March 2021	<u>521,982</u>	<u>4,729,266</u>	<u>17,813</u>	<u>489,278</u>	<u>5,758,339</u>
Net Book Value					
At 31 March 2021	<u><u>724,699</u></u>	<u><u>5,384,315</u></u>	<u><u>-</u></u>	<u><u>84,047</u></u>	<u><u>6,193,061</u></u>
At 31 March 2020	<u><u>749,206</u></u>	<u><u>5,587,928</u></u>	<u><u>-</u></u>	<u><u>97,606</u></u>	<u><u>6,434,740</u></u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2021 (Continued)

8 Intangible Fixed Assets

	Website development costs
	£
Cost	
At 1 April 2020	36,960
Additions	-
Disposals	-
	-
At 31 March 2021	36,960
Depreciation	
At 1 April 2020	12,320
Charge for year	12,320
Disposals	-
	-
At 31 March 2021	24,640
Net Book Value	
At 31 March 2021	12,320
At 31 March 2020	24,640

9 Debtors

	2021	2020
	£	£
Other debtors	56,118	4,285
Prepayments & accrued income	26,756	31,397
	82,874	35,682
	82,874	35,682

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 2021 (Continued)

10 Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	24,620	10,590
Taxation and social security	32,226	32,725
Defined benefit pension liability (note 17)	6,763	6,566
Other creditors	14,524	11,689
Accruals and deferred income	75,270	87,798
	<u>153,403</u>	<u>149,368</u>

Deferred income

	£
Deferred income at 1 April 2020	48,903
Resources deferred during the year	36,368
Amounts released from previous years	<u>(48,903)</u>
Deferred income at 31 March 2021	<u>36,368</u>

11 Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Defined benefit pension liability (note 17)	<u>19,960</u>	<u>25,098</u>

12 Commitments under operating leases

At 31 March 2021 the company had future minimum lease payments under non cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	73,943	75,516
Later than 1 year and not later than 5 years	<u>-</u>	<u>75,516</u>
	<u>73,943</u>	<u>151,032</u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2021 (Continued)

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

	2021 £	2020 £
Net expenditure for the year	(422,241)	(368,366)
Interest receivable	(1,003)	(8,593)
Depreciation charge	415,081	403,504
Amortisation charge	12,320	12,320
(Increase) / decrease in debtors	(47,192)	76,368
(Decrease) / increase in creditors	(1,103)	(66,542)
Net cash provided by/ (used in) operating activities	<u>(44,138)</u>	<u>48,691</u>

	Balance b/f at 1 April 2020	Cash flows £	Balance c/f at 31 March 2021 £
Cash at bank and in hand	2,798,781	(216,537)	2,582,244
Net debt	<u>2,798,781</u>	<u>(216,537)</u>	<u>2,582,244</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>

4 Analysis of Net Assets between Funds

	Unrestricted			2021 Total £
	General £	Designated £	Restricted £	£
Tangible fixed assets	-	6,193,061	-	6,193,061
Intangible fixed assets	-	12,320	-	12,320
Net assets	<u>1,136,755</u>	<u>1,200,000</u>	<u>155,000</u>	<u>2,491,755</u>
	<u>1,136,755</u>	<u>7,405,380</u>	<u>155,000</u>	<u>8,697,136</u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2021 (Continued)

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

15 Statement of Funds

	Balance b/f at 1 April 2020	Incoming Resources £	Resources expended £	Transfers between funds £	Balance c/f at 31 March 2021 £
Restricted funds	150,000	715,540	(715,540)	5,000	155,000
General Unrestricted Funds	1,309,997	1,325,716	(1,574,555)	75,597	1,136,755
Designated Funds - Fixed assets	6,459,380	-	-	(253,999)	6,205,381
Designated Funds - Capital projects	1,200,000	-	(173,402)	173,402	1,200,000
Total funds	9,119,377	2,041,256	(2,463,497)	-	8,697,136

	Balance b/f at 1 April 2019	Incoming Resources £	Resources expended £	Transfers between funds £	Balance c/f at 31 March 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	9,487,743	2,177,717	(2,546,083)	-	9,119,377

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2021 (Continued)

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.

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 transfers represent the movement in these 'tied up funds' in the year, arising from projects undertaken to maintain the balance at the expected future spend.

16 Related Party Transactions

During the year costs of £21,094 (2020: £26,815) 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.

In addition, costs of £2,222 were paid to BI Wines and Spirits in relation to wines purchased for the planned Supper Club event that was subsequently cancelled due to the COVID-19 pandemic. Gary Boom, trustee, is a director of this company.

During the year donations totalling £48,945 (2020: £14,859) were received from the Trustees.

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 2021 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.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2021 (Continued)

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 £6,578 (2020: £6,601) and £548 (2020: £532) 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 2021 was £26,723 (2020: £31,664).

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, 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. 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 2021 the Trust has 48 active members in the scheme.

Contributions for the year totalled £84,614 (2020: £65,418). The total amounts outstanding as at the year end were £7,327 (2020: £6,410).

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 1,521 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.

Addenbrooke's Charitable Trust	Sovereign Health Care
Adint Charitable Trust	Standard Life Aberdeen Charitable Foundation
BBC Children In Need	The Band Trust
BGL Group	The Borrows Charitable Trust
Candlelighters	The Brian Mitchell Charitable Settlement
CAF Resilience Fund	The D'Oyly Carte Charitable Trust
Cenkos Securities Plc	The EBM Charitable Trust
Children's Heart Surgery Fund	The February Foundation
Children's Heart Unit Fund	The Hearth Foundation
Christine Hall Trust	The Helen Roll Charity
City Bridge Trust	The Jessie Spencer Trust
Fortem	The Kirby Laing Foundation
Fowler Smith and Jones Charitable Trust	The Linden Charitable Trust
GMS Estates	The Liz and Terry Bramall Foundation
Great Ormond Street Hospital Charity	The Lord Belstead Charitable Settlement
John Horniman's Children's Trust	The Mahoro Charitable Trust
Michael Crawford's Children's Charity	The Marsh Christian Trust
Penelope Martin Charitable Trust	The Peacock Charitable Trust
People's Postcode Trust	The Royal London Children's Hospital at Barts Health NHS Trust
PF Charitable Trust	The Sir James Reckitt Charity
QBE Foundation	The Thomas J Horne Memorial Trust
Sheffield Children's NHS Foundation Trust	The William Leech Charity
Sheffield Church Burgesses Trust	The Worshipful Company of Bowyers
Sir Hugh and Lady Stevenson	
Sir John Priestman Charity Trust	