

THE SICK CHILDREN'S TRUST

Company No: 01618435

Charity No: 284416

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2022

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 (resigned September 2021)
Vicky Carter
Tim Craig
Peter Cunard
Stephen Masters
Jo Mier (resigned September 2021)
Abbie Pokorny (appointed March 2022)
Patrick James Rigby
Michael Robinson
Dr Jack Singer
Polly Staveley
Soren Tholstrup (resigned September 2021)

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 2021-2022

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 2022. 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 House - 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 – Opened 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 2013
- Scott House - supporting the children's heart unit at The Freeman Hospital (Newcastle upon Tyne) – Opened 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 2021-22 (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.

The Sick Children's Trust **Trustees' Report for Annual Accounts 2021-22 (Continued)**

How we have dealt with the COVID-19 pandemic

During 2021/22 the COVID-19 pandemic continued to have 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.

Since March 2021, the transition throughout the year has been very gradual, house specific and in accordance with the partner hospital trust protocols together with considering the Government guidance and local COVID-19 infection ratings and hospitalisations. There has been a slow, but steady process, with appropriate risk mitigations in place. This has enabled us to re-open more bedrooms a few at a time in some houses, to gradually introduce the sharing of bathroom facilities, to re-open kitchens and some communal areas when it was considered safe to do so and with the approval of the appropriate Infection Control teams.

By March 2022 we had 102 of our 148 bedrooms open and we continued to balance Government guidelines versus hospital partnerships regarding how to respond to close contacts with COVID-19 cases, PCR testing/isolation, staff member's school age children requiring isolation etc. which was a continuous challenge. All previous risk mitigations were maintained along with the monitoring of the wellbeing of our house staff. Some staff were by then struggling with the constant challenges and the reduced service provision, so far from the role they loved in pre-pandemic times when they had so much more contact with families. The situation in each of our 'Homes from Home' continued to vary in line with varying hospital interpretations of their guidelines. We have maintained a constant relationship, working closely with infection control with a view to returning to pre COVID-19 services.

We continued to follow Government guidelines to work from home where possible at the start of the financial year. In July 2021, we gradually began to re-open our Head Office as it was safe to do so. The Sick Children's Trust has adopted a hybrid working policy whereby our Head Office staff now work from a combination of both home and Head Office.

In 2021-22, we continued to utilise the Coronavirus Job Retention Scheme and we claimed £99,973 from this up to and including September 2021 when the Scheme ended. We continued to see the effects of the cancellation of events, and postponement of fundraising activities by our corporate partners and individuals which resulted in a loss of income of £122,120 - 6%. If Government Grant income is excluded, we saw an increase in income of £111,111 - 7%.

More optimistic income and expenditure budgets have been produced as we start to see both fundraising activity increasing and our homes re-opening after the pandemic.

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 2021-22 (Continued)

Operations - who used and benefited from our services

The Sick Children's Trust supported 2,153 families in the year ending 31 March 2022, made up of 1,761 new families and 392 returning families. The average length of stay across our ten houses was 13 days. With 102 of our 148 bedrooms open by March 2022 we look forward to further gradual changes in the provision we can offer to make our service available to the pre-pandemic numbers of families supported, which was in the region of 4,000 per year. Our rooms include 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. We look forward to hospital restrictions being relaxed to enable us to welcome recovering patients and/or their siblings into these flats and with the re-opening of more of our bedrooms to expand the service to many more families that need our support.

Demand for our service remains high with constant waiting lists in some of the houses, especially whilst still at reduced capacity. The average occupancy across our ten houses for the year to March 2022 was 90%. This is high 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 support we provide and shapes future services and developments. During the pandemic, even with reduced facilities we still received excellent feedback from families.

In 2021/22 99% of our families said that having the whole family close by was beneficial for their child's wellbeing and recovery, 100% said staying in the 'Home from Home' helped them to cope, which was particularly important during the pandemic, while 100% said it was reassuring to be able to be close to their sick child. 100% of our families said they would recommend the 'Home from Home' to another family in a similar position.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2021-22 (Continued)

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 service users felt staying in a 'Home from Home' helped to alleviate financial concerns.

Our dedicated staff support families and are at the heart of our 'Homes from Home'. 94% of families felt that it was important to have house staff on hand to give support during their stay. Even with restrictions in place, 75% 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 our 'Homes from Home' during the pandemic.

By providing accommodation parents are able to play an active part in their child's care and treatment. 85% of families helped with the personal care (washing and dressing) of their seriously ill child in hospital and 57% 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 bed linen and towels for our 'Homes from Home' are donated to us free of charge from Beaumont Brown. These donations represented an estimated cost saving of £20,318 for the year.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2021-22 (Continued)

Review of activities 2021-22

The charity reviews its 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

- We kept our 'Homes from Home' open to families with seriously ill children despite the pandemic and social distancing restrictions and were able to start to open more rooms and facilities for families
- Helped 2,153 families to be together with their sick child in hospital. This is an increase of 632 on the previous year.
- Achieved an occupancy level of 90% nationally, up from 83% in 2020/21
- Provided a total of 29,003 night's accommodation across all our 'Homes from Home' (based on rooms occupied)
- Implemented our second 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
- Raised income of £1,919,136
- Redecorated Eckersley House, courtesy of B&Q Foundation
- Continued to focus on digital fundraising and events with the second online Auction House raising £18,156.
- We continued to build on the success of virtual fundraising by offering virtual products in our shop which have been popular
- The Great North Run had a great year, raising £49,560 from 49 charity place runners and 4 ballot place runners
- Continuing to raise vital awareness of the charity through social media and PR
- The annual staff engagement survey returned some very positive results. 97% of staff felt proud to work at The Sick Children's Trust, with 96% enjoying working for the charity.
- Increased our social media following across Facebook, Twitter, Instagram and LinkedIn collectively by over 10% over the 12 month period.
- We successfully launched a new online feedback portal, Knack to gather family feedback which means we have access to up-to-date, in depth data and we save time on inputting responses and analysis

The Sick Children's Trust

Trustees' Report for Annual Accounts 2021-22 (Continued)

Fundraising and Communications Update

Fundraising activities undertaken by the charity are carried out with reference to the Code of Fundraising Practice. We are 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 charity. 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 are made to our processes and procedures where necessary to avoid such complaints arising in the future.

During this financial year, our Fundraising Team has continued to focus on engaging and cultivating all our current and existing supporters with the aim of sustaining income and building longer-term relationships, Key individuals, major donors, trusts, foundations, hospital funders, corporates, local groups and committees have all played an important part in helping to fund the essential operating and capital costs of our ten 'Homes from Home' throughout the year. Whilst we were not able to acquire as many new individual supporters as in pre-pandemic years due to the pandemic decreasing the footfall in our homes, the kindness and generosity of many individuals and families across the year significantly helped with the sustainability of our ten homes. The opportunity to re-establish our special events programme was further impacted this year due to the continued post-pandemic climate. However, we have been delighted to see both challenge and supporter events starting to increase. With the gradual re-opening of all our bedrooms, we hope to return to pre-pandemic levels and grow income from all areas of fundraising, enabling us to also re-instate corporate volunteering opportunities that we hope will open us up to further opportunities for new local and national corporate partnerships.

Our Communications and Marketing Team has continued to lead on the charity's digital approach 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 the Christmas appeal, support for our online Auction House, and the increased focus on external communications via the organisation's website, social media, e-news and online bi-annual newsletter. Public relations activity has secured 503 individual press coverage articles to help raise awareness around the country.

They have pushed and developed the brand to ensure our campaigns stand out from our competitors as well as ensuring internal staff are empowered to use it correctly.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2021-22 (Continued)

The team continues to engage existing supporters through monthly email communications, annual mailings and the annual Impact Report as well as new audiences through paid social media and by a new project for regular communications with families.

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 £1,919,136 due to a combination of factors including decreases in Government Grant income funding with the termination of the Coronavirus Job Retention Scheme and the ongoing impact of COVID-19 on our Corporate, Major Gifts and Donations in memoriam. These decreases were partially offset by Legacy income due to receiving a significant interim legacy payment and we expect to receive further related income in 2022-23. There were also increases in both Community and Events income as these fundraising income streams began to return after the pandemic.

The Statement of Financial Activities (SOFA) shows that our main source of income continues to be individual donations. Investment income decreased with reduced donations income, and cash will remain on short-term deposit due to liquidity requirements. We have already identified some additional counterparties to consider placing longer term deposits with, to further generate greater investment returns as we all move forwards from the pandemic.

Income was split between £1,333,151 unrestricted (69%) and £585,985 restricted income (31%). The restricted income was raised to meet running costs and capital refurbishments of individual houses.

Total expenditure in 2021/22 decreased to £2,412,577, down £50,920 (2%) on 2020/21, primarily due to reduced staffing costs as a result of delays in recruiting for positions that became vacant, and several staff on maternity leave. This decrease was partially offset by small increases across the board as we started to move out of the pandemic, with increased event costs, travel costs, Head Office related costs and merchandise costs.

Cost of generating funds came to £667,991 and expressed as a ratio for every £1 spent, a return of £2.87 was achieved. Charitable activity costs account for 72% of the total resources expended. This is equivalent to the level in 2020/21.

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.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2021-22 (Continued)

At the end of this financial year The Sick Children's Trust had cash resources of £2,412,466 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.

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 £8,203,695. £155,000 is restricted for specific purposes and £5,900,620 is tied up in fixed assets (the majority of which relates to the houses) and so is not available to spend. £800,000 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).

The impact of the COVID-19 crisis meant that previous discussions relating to new house capital projects were put on hold between ourselves and our NHS hospital partners. We look forward to 2022/23 when we hope to restart these discussions and move forward with prior plans.

This leaves a balance of £1,348,075 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 2022/23 such reserves should be between six and twelve months' running costs. This is between approximately £1,290,000 and £2,580,000 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 difficult times caused by the COVID-19 crisis, which has led to a continued reduction in income, 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 2021-22 (Continued)

Plans for the Future

Our key aim for 2022/23 is to fully open our 'Homes from Home' so that we can help more families giving them the care and support they need. We will continue to work with our hospital partners, including their infection control teams, to open up all of the bedrooms and communal facilities within our 'Homes from Home' and to allow all family members including siblings of children in hospital back into the houses whilst maintaining a safe environment for staff and families. This will allow us to be there for more families who need our support and ultimately keep families together when they need it most.

It is important that our houses offer a comfortable, homely place to stay for families and this year several of the houses will have bedrooms or communal areas redecorated and have carpets replaced. Acorn House will benefit from the refurbishment of the office but the main renovation project will be to Guilford Street House which will have a new kitchen and laundry room and full external redecoration. There is also essential repair work to be carried out on the roof of the flat at Rainbow House.

Our Head Office reopened in July 2021 and staff have returned to the office enjoying the flexibility of a hybrid working model with staff working between home and Head Office. We plan to continue working on this basis for the foreseeable future.

From a fundraising perspective it has been an incredibly tough couple of years as we have seen the financial impact of events not taking place and a drop in corporate donations as well as donations in our 'Homes from Home' as a result of them not being fully open and supporting less families. However, in the last quarter, we have been pleased to see an increase in the number of supporter events taking place, and a rise in corporate donations and as we open more bedrooms and support more families, we hope that donations through the houses will increase whilst obviously being sensitive to the situation that many of the families are facing. We plan to build on this by splitting the fundraising team in two with a Head of Fundraising managing the areas of Corporate, Charitable Trust's, Philanthropy, Legacy and Hospital income and recruiting a new Head of Fundraising to grow our public fundraising income which will include Special Events, Challenge Events and Community Fundraising. This additional post reflects our ambition to grow all areas of fundraising to meet our rising running costs and future capital project needs.

This year, the charity celebrates its 40th anniversary. We are incredibly proud to have supported over 73,000 families in our 'Homes from Home' since we were founded 40 years ago and we will be celebrating this throughout the year and recognising the incredible support we have received from so many over the last four decades. We will be launching an anniversary fundraising appeal to raise £237,000, enough to support all 148 rooms in our 'Homes from Home' for 40 nights and there will be parties in the houses to celebrate this important milestone and an Anniversary Awards Event in September.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2021-22 (Continued)

We plan to use our 40th Anniversary 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.

In the Autumn of this year, we are holding a strategic planning meeting for Trustee's and the Senior Management Team to look at our longer term accommodation strategy. Ongoing meetings are taking place with our exiting hospital partners to understand their future needs and we are in discussion with several new hospital partners but before we can commit to any new projects and potential large scale capital appeals we are focusing on how we will bring the charity back to operating with a surplus. This is a key element of our five-year strategy which we plan to launch in 2022/23.

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 wards.

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 Sick Children's Trust

Trustees' Report for Annual Accounts 2021-22 (Continued)

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 25 employees. This includes finance and administration, fundraising and communications staff with senior managers leading 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 teams. The Heads of House Operations report directly to the Chief Executive.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2021-22 (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. 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 generate 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 reopening communal facilities and additional family bedrooms to increase 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
- Fundraising Sustainability – the cancellation of our own events programme, third party and supporter events and the effects of COVID-19 and other external factors such as the rise in the cost of living, the war in Ukraine and public support of this 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 senior management and Board of Trustees.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2021-22 (Continued)

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 quarterly 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 Committees report into the Governance, Risk and Compliance Committee on their areas of specialism and report annually into the full Trustee Meeting. Following an independent review, there is also a newly formed Nominations and Remuneration Committee. 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 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.

The Sick Children's Trust
Trustees' Report for Annual Accounts 2021-22 (Continued)

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 29 June 2022 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 'the charitable company' for the year ended 31 March 2022 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 Financial Reporting Standard 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 2022 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

Basis for 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 charitable company'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)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 the financial year for which the financial statements are prepared is consistent with the financial statements, and,
- 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 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 extent to which our procedures 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 in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit 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 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; health and safety, employment law, data protection, environmental law, 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 did not become aware of any actual or suspected non-compliance material to the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

Use of our report

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 BSc FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

Date: 29 June 2022

The Sick Children's Trust
Statement of financial activities for the year ended 31st March 2022

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income and endowments from:					
Donations and legacies	2	1,101,304	576,322	1,677,626	1,636,590
Government grant income	2	99,973	-	99,973	333,204
Other trading activities		131,471	9,663	141,134	70,459
Investments		403	-	403	1,003
Total	2	1,333,151	585,985	1,919,136	2,041,256
Expenditure on:					
Raising funds		667,991	-	667,991	693,389
Charitable activities		1,139,584	605,002	1,744,586	1,770,108
Total	3	1,807,575	605,002	2,412,577	2,463,497
Net expenditure		(474,424)	(19,017)	(493,441)	(422,241)
Transfers between funds	15	(19,017)	19,017	-	-
Net expenditure after transfers		(493,441)	-	(493,441)	(422,241)
Reconciliation of funds					
Funds at 1 April 2021		8,542,136	155,000	8,697,136	9,119,377
Funds at 31 March 2022	15	8,048,695	155,000	8,203,695	8,697,136

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 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible fixed assets	7		5,894,620		6,193,061
Intangible fixed assets	8		6,000		12,320
Current assets					
Debtors	9	63,380		82,874	
Cash at bank and in hand		<u>2,412,466</u>		<u>2,582,244</u>	
		2,475,846		2,665,118	
Creditors: amounts falling due within one year	10	<u>(168,936)</u>		<u>(153,403)</u>	
Net current assets			<u>2,306,910</u>		<u>2,511,715</u>
Total assets less current liabilities			<u>8,207,530</u>		<u>8,717,096</u>
Creditors: amounts falling due after more than one year	11		<u>(3,835)</u>		<u>(19,960)</u>
Net assets			<u><u>8,203,695</u></u>		<u><u>8,697,136</u></u>
 Represented by:					
Restricted funds			155,000		155,000
Unrestricted funds					
Designated funds - Fixed assets			5,900,620		6,205,381
Designated funds - Capital projects			800,000		1,200,000
General unrestricted funds			<u>1,348,075</u>		<u>1,136,755</u>
Total funds	15		<u><u>8,203,695</u></u>		<u><u>8,697,136</u></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 29 June 2022.



.....
 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 2022

	Note	2022	2021
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	13	(44,026)	(44,138)
Cash flow from investing activities			
Interest received		403	1,003
Payments to acquire fixed assets		(132,780)	(173,402)
Loss on fixed asset disposal		6,625	0
Net cash provided used in financing activities		(125,752)	(172,399)
Change in cash and cash equivalents in the year		(169,778)	(216,537)
Cash and cash equivalents at the beginning of the year		2,582,244	2,798,781
Cash and cash equivalents at the end of year		2,412,466	2,582,244

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 2022

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

As set out in the accounting policies, the charity has adequate reserves that are held as cash.

Despite the difficult times caused by the COVID-19 crisis, which has led to a continued reduction in income, 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

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 2022 (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.

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 2022 (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 Amortisation

Intangible assets are stated at cost less accumulated amortisation 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 2022 (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 charity 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 charity 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 2022 (Continued)

2 Donations and Legacies

Donations and legacies	Unrestricted	Restricted	2022
	£	£	Total
			£
Legacies & covenants	141,501	-	141,501
Donations & appeals	959,803	556,004	1,615,780
Gifts in kind	-	20,318	20,318
	<u>1,101,304</u>	<u>576,322</u>	<u>1,677,626</u>
	<u><u>1,101,304</u></u>	<u><u>576,322</u></u>	<u><u>1,677,626</u></u>

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
	<u>931,049</u>	<u>705,541</u>	<u>1,636,590</u>
	<u><u>931,049</u></u>	<u><u>705,541</u></u>	<u><u>1,636,590</u></u>

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	2022
	£	£	£	Total
				£
Events programme	-	134,593	-	134,593
Corporate	157,942	-	-	157,942
Charitable Trusts	365,108	-	-	365,108
Hospitals	192,573	-	-	192,573
Community	419,136	-	-	419,136
Government grant income	99,973	-	-	99,973
Other income	95,252	6,541	403	102,196
Major Gifts	230,896	-	-	230,896
Donations in memoriam	54,900	-	-	54,900
Legacies	141,501	-	-	141,501
Gifts in kind	20,318	-	-	20,318
	<u>1,777,599</u>	<u>141,134</u>	<u>403</u>	<u>1,919,136</u>
	<u><u>1,777,599</u></u>	<u><u>141,134</u></u>	<u><u>403</u></u>	<u><u>1,919,136</u></u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2022 (Continued)

	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

3 Total Resources Expended

	Basis of allocation	Costs of raising funds £	Charitable activities £	2022 £
Staff costs (note 6)	Direct	407,712	790,316	1,198,028
Property costs	Direct	47,655	258,583	306,238
Advertising & publications	Direct	21,211	19,252	40,463
Professional fees	Direct	9,465	12,748	22,213
Recruitment & training	Direct	5,139	5,108	10,247
Events	Direct	6,093	5,945	12,038
Catering	Direct	52	265	317
Equipment rental	Direct	895	1,114	2,009
Insurance	Direct	17,800	17,800	35,600
Merchandising costs	Direct	2,264	2,264	4,528
Audit & accountancy	Direct	5,207	5,207	10,414
Depreciation	Direct	3,820	414,777	418,597
Amortisation	Direct	6,160	6,160	12,320
Support costs allocated to activities				
Staff costs (note 6)	Headcount	100,655	150,983	251,638
Postage & telephone	Headcount	7,536	13,478	21,014
Stationery	Headcount	1,088	3,348	4,436
Travel	Headcount	664	1,863	2,527
Recruitment & training	Headcount	1,079	1,073	2,152
Sundry (incl computing costs)	Headcount	19,757	30,563	50,320
Insurance	Headcount	3,739	3,739	7,478
At 31 March 2022		667,991	1,744,586	2,412,577

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2022 (Continued)

	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

4 Net increase in funds

	2022 £	2021 £
The net increase in funds is arrived at after charging:		
Depreciation	418,596	415,081
Amortisation	12,320	12,320
Auditor's remuneration	10,414	10,140
Hire of equipment	2,009	1,789
Operating lease costs for premises	69,223	72,370

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2022 (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

	2022	2021
	£	£
Salaries and wages	1,262,474	1,341,658
Social security costs	116,974	125,788
Pension costs	70,218	86,251
	<u>1,449,666</u>	<u>1,553,697</u>

The number of higher paid employees was:

	2022	2021
	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:

	2022	2021
	Number	Number
House managers and assistants	18	19
Management & administration of the charity	7	7
Cost of generating funds	15	17
	<u>40</u>	<u>43</u>

The average number of employees analysed by function was:

	2022	2021
	Number	Number
House managers and assistants	25	26
Management & administration of the charity	8	8
Cost of generating funds	15	18
	<u>48</u>	<u>52</u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2022 (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 2021/22 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 £325,734 relating to FTE equivalent of 7 (2021: £330,750 relating to FTE equivalent of 6).

7 Tangible Fixed Assets

	Assets under construction	Freehold Property	Short Leasehold Property	IT	Furniture & Office Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2021	-	1,246,681	10,113,581	17,813	573,325	11,951,400
Additions	2,450	31,835	34,537	-	57,958	126,780
Disposals	-	-	-	-	(9,081)	(9,081)
	<u>2,450</u>	<u>1,278,516</u>	<u>10,148,118</u>	<u>17,813</u>	<u>622,202</u>	<u>12,069,099</u>
Depreciation						
At 1 April 2021	-	521,982	4,729,266	17,813	489,278	5,758,339
Charge for year	-	31,963	343,977	-	42,656	418,596
Disposals	-	-	-	-	(2,456)	(2,456)
	<u>-</u>	<u>553,945</u>	<u>5,073,243</u>	<u>17,813</u>	<u>529,478</u>	<u>6,174,479</u>
Net Book Value				-		
At 31 March 2022	<u>2,450</u>	<u>724,571</u>	<u>5,074,875</u>	<u>-</u>	<u>92,724</u>	<u>5,894,620</u>
At 31 March 2021	<u>-</u>	<u>724,699</u>	<u>5,384,315</u>	<u>-</u>	<u>84,047</u>	<u>6,193,061</u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2022 (Continued)

8 Intangible Fixed Assets

	Assets under construction	Website development costs	Total
	£	£	£
Cost			
At 1 April 2021	-	36,960	36,960
Additions	6,000	-	6,000
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2022	<u>6,000</u>	<u>36,960</u>	<u>42,960</u>
Depreciation			
At 1 April 2021	-	24,640	24,640
Charge for year	-	12,320	12,320
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2022	<u>-</u>	<u>36,960</u>	<u>36,960</u>
Net Book Value			
At 31 March 2022	<u>6,000</u>	<u>-</u>	<u>6,000</u>
At 31 March 2021	<u>-</u>	<u>12,320</u>	<u>12,320</u>

9 Debtors

	2022 £	2021 £
Other debtors	12,188	56,118
Prepayments & accrued income	<u>51,192</u>	<u>26,756</u>
	<u>63,380</u>	<u>82,874</u>

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 2022 (Continued)

10 Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	28,325	24,620
Taxation and social security	30,111	32,226
Defined benefit pension liability (note 17)	2,197	6,763
Other creditors	14,637	14,524
Accruals and deferred income	93,666	75,270
	<u>168,936</u>	<u>153,403</u>

Deferred income

	£
Deferred income at 1 April 2021	36,368
Resources deferred during the year	46,368
Amounts released from previous years	<u>(36,368)</u>
Deferred income at 31 March 2022	<u>46,368</u>

11 Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Defined benefit pension liability (note 17)	<u>3,835</u>	<u>19,960</u>

12 Commitments Under Operating Leases

At 31 March 2022 the company had future minimum lease payments under non cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	69,223	73,943
Later than 1 year and not later than 5 years	<u>-</u>	<u>-</u>
	<u>69,223</u>	<u>73,943</u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2022 (Continued)

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

	2022 £	2021 £
Net expenditure for the year	(493,441)	(422,241)
Interest receivable	(403)	(1,003)
Depreciation charge	418,596	415,081
Amortisation charge	12,320	12,320
Decrease / (increase) in debtors	19,494	(47,192)
Decrease in creditors	(592)	(1,103)
Net cash provided by/ (used in) operating activities	<u>(44,026)</u>	<u>(44,138)</u>

	Balance b/f at 1 April 2021	Cash flows £	Balance c/f at 31 March 2022 £
Cash at bank and in hand	2,582,244	(169,778)	2,412,466
Net debt	<u>2,582,244</u>	<u>(169,778)</u>	<u>2,412,466</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>

14 Analysis of Net Assets between Funds

	Unrestricted			2022 Total £
	General £	Designated £	Restricted £	£
Tangible fixed assets	-	5,894,620	-	5,894,620
Intangible fixed assets	-	6,000	-	6,000
Net assets	<u>1,348,075</u>	<u>800,000</u>	<u>155,000</u>	<u>2,303,075</u>
	<u>1,348,075</u>	<u>6,700,620</u>	<u>155,000</u>	<u>8,203,695</u>

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2022 (Continued)

	Unrestricted			2021
	General	Designated	Restricted	Total
	£	£	£	£
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><u>1,136,755</u></u>	<u><u>7,405,380</u></u>	<u><u>155,000</u></u>	<u><u>8,697,136</u></u>

15 Statement of Funds

	Balance b/f at 1 April 2021	Incoming Resources £	Resources expended £	Transfers between funds £	Balance c/f at 31 March 2022 £
Restricted funds	155,000	585,985	(605,002)	19,017	155,000
General Unrestricted Funds	1,136,755	1,333,151	(1,674,795)	552,964	1,348,075
Designated Funds - Fixed assets	6,205,381	-	-	(304,761)	5,900,620
Designated Funds - Capital projects	1,200,000	-	(132,780)	(267,220)	800,000
Total funds	<u><u>8,697,136</u></u>	<u><u>1,919,136</u></u>	<u><u>(2,412,577)</u></u>	<u><u>-</u></u>	<u><u>8,203,695</u></u>

	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	<u><u>9,119,377</u></u>	<u><u>2,041,256</u></u>	<u><u>(2,463,497)</u></u>	<u><u>-</u></u>	<u><u>8,697,136</u></u>

The Sick Children's Trust

Notes to the Financial Statements for the year ended 31st March 2022 (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 a reduction in the amount the trustees wish to designate to future projects at present, in order to maintain free reserves following the reduction in income caused by the covid pandemic.

16 Related Party Transactions

During the year costs of £21,708 (2021: £21,094) 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 £10,227 (2021: £48,945) 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 2022 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.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2022 (Continued)

Contributions for the year totalled £6,775 (2021: £6,578 and £565 (2021: £548) 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 2022 was £6,032 (2021: £26,723).

The Plan's buy-out deficit increased overall to £140.7m in 2020, a decrease of £10.8m from 2019. 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 £87,823. This figure has an effective date of 30 September 2020.

Scottish Widows Stakeholder Pension Scheme

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

At 31 March 2022 the Trust has 47 active members in the scheme.

Contributions for the year totalled £84,252 (2021: £84,614). The total amounts outstanding as at the year end were £7,091 (2021: £7,327).

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 2,153 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.

8C Capital Fund	The Adint Charitable Trust
Addenbrooke's Charitable Trust	The Band Trust
B&Q Foundation	The Barbour Foundation
Cambridge Fundraising Committee	The Boltini Trust
Candlelighters	The Borrowes Charitable Trust
Children's Heart Surgery Fund	The Childwick Trust
Children's Heart Unit Fund	The Evelyn Trust
Christine Hall Trust	The February Foundation
EBM Charitable Trust	The Harrison Foundation
Fowler Smith and Jones Trust	The Hearth Foundation
GMS Estates	The Helen Roll Charity
Leeds Hospital Charity	The Hope Family
Lord Barnby's Foundation	The Jessie Spencer Trust
Michael Crawford's Children's Charity	The Kirby Laing Foundation
NEPAC	The Kirkby Foundation
Newline Group	The Lord Belstead Charitable Settlement
Scott Taylor	The Marsh Charitable Trust
Sheffield Children's NHS Foundation Trust	The Peacock Charitable Trust
Sheffield Church Burgesses Trust	The Penelope Martin Charitable Trust
Sir Hugh and Lady Stevenson	The Royal London Children's Hospital at Barts Health NHS Trust
Sir James Knott Trust in memory of Joan Duckett who was Chair of The League of Friends of the Freeman Hospital	The Thomas J Horne Memorial Trust
Sir John Priestman Charity Trust	The Toon Council
Smile for Miley	The Worshipful Company of Bowyers