

THE SICK CHILDREN'S TRUST

Company No: 01618435

Charity No: 284416

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

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
Vicky Carter
Tim Craig
Peter Cunard
Stephen Masters
Abbie Pokorny
Patrick James Rigby
Michael Robinson
Dr Jack Singer
Polly Staveley

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 2022-2023

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 2023. 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 2022-23 (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 support to families with a sick child in hospital at one of eight hospitals in five cities around the UK. Our homes provide both practical and emotional support to families with a seriously ill child in hospital. All our homes 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. Our house staff ensure the smooth running of the home and offer 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.

Coming out of the COVID-19 pandemic

Throughout 2022/23 we continued to transition from COVID-19 restrictions to opening all rooms in our homes and welcomed back siblings and visitors. As with the previous year this transition continued to be 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 and with the approval of the appropriate Infection Control teams.

More optimistic income and expenditure budgets have been produced as we start to see both fundraising activity increasing and our homes fully re-opening. As we resume full service we have budgeted our income accordingly and are optimistic we'll see a rise in income in the coming year.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2022-23 (Continued)

Operations - who used and benefited from our services

The Sick Children's Trust supported 3021 families in the year ending 31 March 2023, made up of 2,467 new families and 554 returning families. The average length of stay across our ten houses was 13 days. With the gradual re-opening of our bedrooms to meet demand during 2022/23 we returned to having 147 of our 148 bedrooms open by February 2023. We investigated damp in the remaining bedroom to bring this back into operation by May 2023. NHS strikes, nursing staff shortages and other regional issues in our partner hospitals has affected our occupancy levels but 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. With the relaxation of hospital restrictions we were able to welcome recovering patients and/or their siblings into these flats and with the re-opening of all our bedrooms we can expand the service to many more families that need our support.

Demand for our service fluctuated during 2022/23 in response to regional demand but it has remained high with constant waiting lists in some of the houses, especially whilst those were still at reduced capacity. The average occupancy across our ten houses for the year to March 2022 was 89%. 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.

In 2022/23, 514 families filled in our feedback form and all of them said they would recommend us to a family in a similar situation to them. 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, while 99% said it was reassuring to be able to be close to their sick child. 99% of families said that being supported in a 'Home from Home' and being close to their sick child helped their mental wellbeing. 96% of families felt staying in a 'Home from Home' helped to alleviate financial concerns that they may have had.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2022-23 (Continued)

Our dedicated staff support families and are at the heart of our 'Homes from Home'. 96% of families felt that it was important to have house staff on hand to give support during their stay. Peer to peer support can be a great help to parents and 82% of families who spent time talking with other families in the home found it to be a supportive aspect of staying in a 'Home from Home'.

By providing somewhere for families to stay close to their sick child, parents are able to play an active part in their child's care and treatment. 91% of families helped with the personal care (washing, bathing and dressing) of their sick child.

The longest staying family in 2022/23 was for 391 nights.

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.'

Gifts in Kind

We are fortunate that a lot of our essential household items such as bed linen for our 'Homes from Home' are donated to us free of charge from Beaumont Brown. These donations and the donation of a new kitchen for Stevenson House by ISG represented an estimated cost saving of £66,019 for the year.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2022-23 (Continued)

Review of activities 2022-23

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 families that we are here to help. It also keeps us focused on our stated purpose.

Our key achievements this year

- We supported 3,021 families to be together with their sick child in hospital. This was an increase of 868 families compared to the previous year.
- Achieved an occupancy level of 89% nationally, up from 83% during the pandemic.
- Provided a total of 40,803 nights' accommodation at all our 'Homes from Home' (based on rooms occupied).
- Raised income of £2,395,240.
- We celebrated our 40th anniversary with various fundraising initiatives including our first in person gala since before the pandemic which was ruby themed and raised £105,000.
- In June we held our first skydiving event, with participants raising over £20,000.
- In December we held our first hybrid event with our in-person carol service which we also live streamed to our Instagram audience. The event was successful raising £15,000.
- As part of our anniversary celebrations, we held an awards ceremony, highlighting our wonderful supporters and inspirational families.
- We continued to update our homes with new carpets and decorating throughout, at several of them.
- Guilford Street House had a new kitchen installed and the laundry was refurbished. Stevenson House had a new kitchen gifted and installed by ISG, valued at over £30,000.
- In September we had a BBC Lifeline appeal which generated fantastic awareness for the Charity and raised £30,551.
- We welcomed Strictly Come Dancing star Anton Du Beke as an ambassador.
- The Great North Run had a good year, raising £43,944 from sixty-two runners and our London Marathon team of eight raised £25,743.
- The annual staff engagement survey returned very positive results. 98% of staff felt proud to work at The Sick Children's Trust, with 97% enjoying working for the charity.
- We increased our social media following across Facebook, Twitter, Instagram and LinkedIn collectively by over 6% over the 12-month period.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2022-23 (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 have been able to reinstate special events, welcoming both old and new supporters to attend our 40th Anniversary Awards Ceremony, Gala Dinner, and annual Carol Concert. With the opportunity to re-engage face-to-face with our supporters, new opportunities and introductions have started to open, and plans to develop new challenges and further special events are taking shape. The focus to secure funding to cover the running costs of our 'Homes from Home' continues to be a key discussion amongst our warm and long-standing supporters who have generously afforded us some larger donations across the year to help us through the cost-of living crisis and sustainability of our 'Homes from Home'. As we look ahead to next year and to ensure the longer-term sustainability of our ten 'Homes from Home' we know that securing future proof pledged multi-year funding and growing our database of new supporters will be essential. Plans include the creation of a Fundraising Development Board to engage senior business leaders, a 2-year events programme to increase our offering to engage a wider audience, an extensive research plan to identify opportunities for shared-purpose corporate partnerships, together with a plan to proactively engage with local communities' schools and businesses surrounding our ten 'Homes from Home'. As we build upon the foundations to develop longer-term partnerships and support, we are excited to be introducing a new Recognition Programme to further thank and engage our warmest supporters.

Our Communications and Marketing Team has continued to produce high quality communications and marketing materials and campaigns to highlight the impact of our 'Homes from Home', ensuring this is communicated effectively to engage our audiences, raise the charity's profile and vital funds. Public relations activity has secured 466 individual press coverage articles to help raise awareness around the country.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2022-23 (Continued)

A 40th anniversary impact report highlighting our work over the four decades was created in 2022/23, the team lead on the BBC Lifeline appeal and Thank you awards and worked closely with all other teams across the charity to collect relevant content and stories and promoted all fundraising initiatives.

The team continues to engage existing supporters through monthly email communications, annual mailings and the bi annual newsletter as well as new audiences through paid social media.

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 increased by 25% to £2,395,240 due to a combination of factors including increases in Major Gifts, Community income, Trusts and our Events' Programme, all of which are indicators of our previous fundraising income stream levels beginning to return after the pandemic. These increases were partially offset by the termination of the Government Grant income funding from the Coronavirus Job Retention Scheme.

The Statement of Financial Activities (SOFA) shows that our main source of income continues to be individual donations. Investment income increased with the decision made to invest funds in the Flagstone Investment management platform that has provided significantly higher returns than those previously received, whilst ensuring sufficient levels of cash remain on short-term deposit due to liquidity requirements.

Income was split between £1,595,128 unrestricted (67%) and £800,112 restricted income (33%). The restricted income was raised to meet running costs and capital refurbishments of individual homes. We were also notified during the year that we are the residual beneficiary of a legacy in the region of £500,000 that is currently going through probate.

Total expenditure in 2022/23 increased to £3,000,658, up £588,081 (24%) on 2021/22, primarily due to increased staffing costs as a result of filling a number of vacant positions that had been open for a while and general increases in salary costs as a result of the increased cost of living. Furthermore, property costs relating to repairs and maintenance of the houses increased, and event costs also increased significantly as a result of us moving out of the pandemic and being fortunate in being able to return to a full annual program of events.

Cost of generating funds came to £883,357 and expressed as a ratio for every £1 spent, a return of £2.71 was achieved. Charitable activity costs account for 71% of the total resources expended. This is equivalent to the level in 2021/22.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2022-23 (Continued)

The Sick Children's Trust continues to annually review how to keep its operations as efficient as possible, through optimising costs and undertaking efficiency drives. This has been more challenging recently due to higher inflation and increases in energy costs.

At the end of this financial year The Sick Children's Trust had cash resources of £2,292,814 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 £7,598,277. £155,000 is restricted for specific purposes and £5,522,332 is tied up in fixed assets (the majority of which relates to the houses) and so is not available to spend. £375,000 of funds are designated by the trustees as funds set aside for specific future 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. As part of our Five Year Strategy we plan to restart discussions with both our existing and new hospital partners about their current and future accommodation needs.

This leaves a balance of £1,545,944 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 2023/24 such reserves should be between six and twelve months' running costs. This is between approximately £1,520,000 and £3,040,000 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.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2022-23 (Continued)

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 and the current cost of living crisis, which have 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.

Plans for the Future

With all our 'Homes from Home' now fully open, we will look to further increase the number of families we can support to pre-covid levels. We will also continue our refurbishment programme of our 'Homes from Home' to ensure that they all offer a comfortable, homely place for families to stay. In 2023-24 we plan to refurbish the ground floor kitchen at Eckersley House, replace six of the vanity units in the bedrooms at Acorn House and replace the bathroom flooring at Chestnut House.

In 2023-24 we will launch a new Five Year Strategy. Consultation with our key stake holders including hospital partners, service users, supporters, staff and Trustees has helped to shape our strategy which does not represent a sudden change in direction for the charity but a continued focus on high quality support for families, a positive working culture and reviewing our funding model to see how we best use our resources,

Over the next five years we will be working to deliver four key organisational aims:

1. Provide clean, comfortable 'Homes from Home' and caring staff to support families with a seriously ill child in hospital.
2. To work with our existing hospital partners and new hospital partners to support their accommodation needs, ensuring that we are engaging with the hospital senior executives to help understand gaps and potential future needs.
3. Deliver cost effective fundraising to cover our running costs and to fund new 'Homes from Home'.
4. To be the best employer we can, supporting our staff, Trustees and volunteers to be the best they can possibly be and making The Sick Children's Trust a place where people want to work.

We will produce a Five Year Strategy booklet which will break down the key aims in more detail. We will continue to monitor our performance against our aims to ensure that we remain on course to achieve them. Alongside the organisational strategy, there are more detailed fundraising and communications and marketing strategies with objectives to support the overall organisational aims.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2022-23 (Continued)

Supporting families who need us will remain at the centre of all we do. Ensuring they have a warm, comfortable and safe place to stay when their seriously ill child is admitted to hospital with caring, compassionate staff to support them will be our priority.

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 SCT 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.

In order to pursue our charitable objectives, we have entered into Related Party Transactions with T L Dallas Group Limited of £21,357 in relation to insurance costs.

Pay and remuneration of key management personnel are discussed and agreed by the Remuneration & Nominations Committee, taking into consideration industry benchmarking on an annual basis.

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.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2022-23 (Continued)

Policies adopted for the induction and training of trustees

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

Organisational Structure and Decision Making

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

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

The Chief Executive is responsible for ensuring that the charity delivers the services set out in its objectives, meets its performance targets and that the staff continue to develop their skills and working methods in line with good practice.

The day to day running of the Head Office is the responsibility of the Chief Executive with a total staff of 26 employees. This includes finance and administration, fundraising and communications staff 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.

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.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2022-23 (Continued)

Principal Risks and Uncertainties

As part of their responsibilities the trustees ensure that the major risks to which the charity is exposed are reviewed and systems established to mitigate those risks. The Sick Children's Trust continues to work hard to deliver our 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 – raising sufficient funds to cover the increased running costs of our 'Homes from Home' which have been impacted negatively by the rising cost of living and the general public support and ability to donate to charity.
- 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.

There are four Committees that all report on their areas of specialism on a quarterly basis to the full Board of Trustees. Namely, a Governance, Risk & Compliance Committee, a Finance & Audit Committee, a Health & Safety Committee and a Remuneration & Nominations Committee. All committees are chaired by a trustee.

The Sick Children's Trust

Trustees' Report for Annual Accounts 2022-23 (Continued)

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the Charities SORP
- make judgements 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 2022-23 (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' Financial Report, was approved by the board on 29 June 2023 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 2023 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 2023 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 2023

The Sick Children's Trust
Statement of financial activities for the year ended 31st March 2023

| | Note | Unrestricted funds | Restricted funds | Total 2023 | Total 2022 |
|--|----------|-----------------------|---------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Income and endowments from: | | | | | |
| Donations and legacies | | 1,354,411 | 791,639 | 2,146,050 | 1,677,626 |
| Government grant income | | - | - | - | 99,973 |
| Other trading activities | | 232,589 | 8,473 | 241,062 | 141,134 |
| Investments | 2 | 8,128 | - | 8,128 | 403 |
| Total | 2 | 1,595,128 | 800,112 | 2,395,240 | 1,919,136 |
| Expenditure on: | | | | | |
| Raising funds | | 883,357 | - | 883,357 | 667,991 |
| Charitable activities | | 1,317,189 | 800,112 | 2,117,301 | 1,744,586 |
| Total | 3 | 2,200,546 | 800,112 | 3,000,658 | 2,412,577 |
| Net expenditure | | (605,418) | - | (605,418) | (493,441) |
| Transfers between funds | 15 | - | - | - | - |
| Net expenditure after transfers | | (605,418) | - | (605,418) | (493,441) |
| Reconciliation of funds | | | | | |
| Funds at 1 April 2022 | | 8,048,695 | 155,000 | 8,203,695 | 8,697,136 |
| Funds at 31 March 2023 | 15 | 7,443,277 | 155,000 | 7,598,277 | 8,203,695 |

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

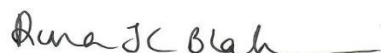
The notes on pages 26 to 40 form part of these financial statements.

The Sick Children's Trust
Balance Sheet as at 31st March 2023

| | Notes | 2023 £ | 2023 £ | 2022 £ | 2022 £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| Fixed assets | | | | | |
| Tangible fixed assets | 7 | | 5,511,390 | | 5,894,620 |
| Intangible fixed assets | 8 | | 10,943 | | 6,000 |
| Current assets | | | | | |
| Debtors | 9 | 120,084 | | 63,380 | |
| Cash at bank and in hand | | <u>2,292,814</u> | | <u>2,412,466</u> | |
| | | 2,412,898 | | 2,475,846 | |
| Creditors: amounts falling due within one year | 10 | <u>(335,306)</u> | | <u>(168,936)</u> | |
| Net current assets | | | <u>2,077,592</u> | | <u>2,306,910</u> |
| Total assets less current liabilities | | | 7,599,925 | | 8,207,530 |
| Creditors: amounts falling due after more than one year | 11 | | <u>(1,648)</u> | | <u>(3,835)</u> |
| Net assets | | | <u><u>7,598,277</u></u> | | <u><u>8,203,695</u></u> |
| Represented by: | | | | | |
| Restricted funds | | | 155,000 | | 155,000 |
| Unrestricted funds | | | | | |
| Designated funds - Fixed assets | | | 5,522,333 | | 5,900,620 |
| Designated funds - Capital projects | | | 375,000 | | 800,000 |
| General unrestricted funds | | | <u>1,545,944</u> | | <u>1,348,075</u> |
| Total funds | 15 | | <u><u>7,598,277</u></u> | | <u><u>8,203,695</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 2023.



.....
 Fiona Blakemore (Trustee)

Registered company number 01618435

The notes on pages 26 to 40 form part of these financial statements.

The Sick Children's Trust
Statement of Cash Flows for the year ended 31st March 2023

| | Note | 2023 | 2022 |
|--|-----------|-----------|-----------|
| | | £ | £ |
| Cash flows from operating activities: | | | |
| Net cash provided by operating activities | 13 | (32,617) | (37,401) |
| Cash flow from investing activities | | | |
| Interest received | | 8,128 | 403 |
| Payments to acquire fixed assets | | (95,163) | (132,780) |
| Net cash provided used in financing activities | | (87,035) | (132,377) |
| Change in cash and cash equivalents in the year | | (119,652) | (169,778) |
| Cash and cash equivalents at the beginning of the year | | 2,412,466 | 2,582,244 |
| Cash and cash equivalents at the end of year | | 2,292,814 | 2,412,466 |

The notes on pages 26 to 40 form part of these financial statements.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2023

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 2023 (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 2023 (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 2023 (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 2023 (Continued)

2 Donations and Legacies

| Donations and legacies | Unrestricted | Restricted | 2023 |
|-------------------------------|---------------------|-------------------|------------------|
| | £ | £ | Total |
| Legacies & covenants | 105,782 | - | 105,782 |
| Donations & appeals | 1,248,629 | 725,620 | 1,974,249 |
| Gifts in kind | - | 66,019 | 66,019 |
| | <u>1,354,411</u> | <u>791,639</u> | <u>2,146,050</u> |

| 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> |

Gifts in kind comprise essential household items such as bed linen provided to the houses and a new kitchen installed Stevenson House.

Analysis of Total Income

| | Donations and legacies | Other trading activities | Investments | 2023 |
|-----------------------|-------------------------------|---------------------------------|--------------------|------------------|
| | £ | £ | £ | Total |
| | | | | £ |
| Events programme | - | 230,224 | - | 230,224 |
| Corporate | 166,701 | - | - | 166,701 |
| Charitable Trusts | 469,378 | - | - | 469,378 |
| Hospitals | 162,752 | - | - | 162,752 |
| Community | 544,170 | - | - | 544,170 |
| Other income | 88,959 | 10,838 | 8,128 | 107,925 |
| Major Gifts | 421,546 | - | - | 421,546 |
| Donations in memoriam | 120,743 | - | - | 120,743 |
| Legacies | 105,782 | - | - | 105,782 |
| Gifts in kind | 66,019 | - | - | 66,019 |
| | <u>2,146,050</u> | <u>241,062</u> | <u>8,128</u> | <u>2,395,240</u> |

Investments income solely relates to Bank interest.

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2023 (Continued)

| | 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 |
| | 1,777,599 | 141,134 | 403 | 1,919,136 |

3 Total Resources Expended

| | Basis of allocation | Costs of raising funds £ | Charitable activities £ | 2023 £ |
|--|------------------------|--------------------------------|-------------------------------|-----------|
| Staff costs (note 6) | Direct | 566,573 | 807,674 | 1,374,247 |
| Property costs | Direct | 47,843 | 450,759 | 498,602 |
| Advertising & publications | Direct | 23,075 | 22,152 | 45,227 |
| Professional fees | Direct | 11,703 | 14,891 | 26,594 |
| Recruitment & training | Direct | 6,824 | 9,179 | 16,003 |
| Events | Direct | 51,605 | 33,437 | 85,042 |
| Catering | Direct | 295 | 413 | 708 |
| Equipment rental | Direct | 1,112 | 1,202 | 2,314 |
| Insurance | Direct | 17,233 | 17,233 | 34,466 |
| Merchandising costs | Direct | 3,935 | 3,935 | 7,870 |
| Audit & accountancy | Direct | 6,750 | 6,750 | 13,500 |
| Depreciation | Direct | 2,774 | 464,112 | 466,886 |
| Amortisation | Direct | 1,099 | 1,098 | 2,197 |
| Support costs allocated to activities | | | | |
| Staff costs (note 6) | Headcount | 87,548 | 204,279 | 291,827 |
| Postage & telephone | Headcount | 8,476 | 14,208 | 22,684 |
| Stationery | Headcount | 1,093 | 4,135 | 5,228 |
| Travel | Headcount | 7,766 | 15,589 | 23,355 |
| Recruitment & training | Headcount | 1,449 | 1,949 | 3,398 |
| Sundry (incl computing costs) | Headcount | 32,544 | 40,646 | 73,190 |
| Insurance | Headcount | 3,660 | 3,660 | 7,320 |
| At 31 March 2023 | | 883,357 | 2,117,301 | 3,000,658 |

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2023 (Continued)

| | 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 |

4 Net increase in funds

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| The net increase in funds is arrived at after charging: | | |
| Depreciation | 466,886 | 418,596 |
| Amortisation | 2,197 | 12,320 |
| Auditor's remuneration for the statutory audit of these accounts | 13,500 | 10,414 |
| Hire of equipment | 2,314 | 2,009 |
| Operating lease costs for premises | 86,023 | 69,223 |

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2023 (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

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Salaries and wages | 1,431,526 | 1,262,474 |
| Social security costs | 141,990 | 116,974 |
| Pension costs | 92,558 | 70,218 |
| | <u>1,666,074</u> | <u>1,449,666</u> |

The number of higher paid employees was:

| | 2023 | 2022 |
|-------------------------------|---------------|---------------|
| | 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:

| | 2023 | 2022 |
|--|---------------|---------------|
| | Number | Number |
| House managers and assistants | 19 | 18 |
| Management & administration of the charity | 7 | 7 |
| Cost of generating funds | <u>15</u> | <u>15</u> |
| | <u>41</u> | <u>40</u> |

The average number of employees analysed by function was:

| | 2023 | 2022 |
|--|---------------|---------------|
| | Number | Number |
| House managers and assistants | 25 | 25 |
| Management & administration of the charity | 9 | 8 |
| Cost of generating funds | <u>16</u> | <u>15</u> |
| | <u>50</u> | <u>48</u> |

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2023 (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 2022/23 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 £348,542 relating to FTE equivalent of 7 (2022: £325,734 relating to FTE equivalent of 7).

7 Tangible Fixed Assets

| | Assets under construction | Freehold Property | Short Leasehold Property | IT | Furniture & Office Equipment | Total |
|-----------------------|------------------------------|----------------------|--------------------------------|--------|------------------------------------|------------|
| | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | |
| At 1 April 2022 | 2,450 | 1,278,516 | 10,148,118 | 17,813 | 622,202 | 12,069,099 |
| Additions | 1,917 | 39,624 | 36,777 | - | 9,705 | 88,023 |
| Disposals | (4,367) | - | - | - | - | (4,367) |
| At 31 March 2023 | - | 1,318,139 | 10,184,895 | 17,813 | 631,907 | 12,152,755 |
| Depreciation | | | | | | |
| At 1 April 2022 | - | 553,945 | 5,073,243 | 17,813 | 529,478 | 6,174,479 |
| Charge for year | - | 21,542 | 414,001 | - | 31,343 | 466,886 |
| Disposals | - | - | - | - | - | - |
| At 31 March 2023 | - | 575,487 | 5,487,244 | 17,813 | 560,821 | 6,641,365 |
| Net Book Value | | | | | | |
| At 31 March 2023 | - | 742,652 | 4,697,651 | - | 71,087 | 5,511,390 |
| At 31 March 2022 | 2,450 | 724,571 | 5,074,875 | - | 92,724 | 5,894,620 |

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2023 (Continued)

8 Intangible Fixed Assets

| | Assets under construction | Website development costs | Total |
|-------------------------|------------------------------|---------------------------------|-------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2022 | 6,000 | 36,960 | 42,960 |
| Additions | 7,140 | - | 7,140 |
| Disposals | - | - | - |
| Transfers | (13,140) | 13,140 | - |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2023 | - | 50,100 | 50,100 |
| | <hr/> | <hr/> | <hr/> |
| Amortisation | | | |
| At 1 April 2022 | - | 36,960 | 36,960 |
| Charge for year | - | 2,197 | 2,197 |
| Disposals | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2023 | - | 39,157 | 39,157 |
| | <hr/> | <hr/> | <hr/> |
| Net Book Value | | | |
| At 31 March 2023 | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| | - | 10,943 | 10,943 |
| At 31 March 2022 | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| | 6,000 | - | 6,000 |

9 Debtors

| | 2023 £ | 2022 £ |
|------------------------------|-------------|-------------|
| Other debtors | 41,876 | 12,188 |
| Prepayments & accrued income | 78,208 | 51,192 |
| | <hr/> | <hr/> |
| | <hr/> <hr/> | <hr/> <hr/> |
| | 120,084 | 63,380 |

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 2023 (Continued)

10 Creditors: Amounts falling due within one year

| | 2023 | 2022 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Trade creditors | 68,502 | 28,325 |
| Taxation and social security | 35,652 | 30,111 |
| Defined benefit pension liability (note 17) | 2,197 | 2,197 |
| Other creditors | 13,619 | 14,637 |
| Accruals and deferred income | <u>215,336</u> | <u>93,666</u> |
| | <u><u>335,305</u></u> | <u><u>168,936</u></u> |

Deferred income

| | | £ |
|--------------------------------------|--|-----------------------|
| Deferred income at 1 April 2022 | | 46,368 |
| Resources deferred during the year | | 154,595 |
| Amounts released from previous years | | <u>(46,368)</u> |
| Deferred income at 31 March 2023 | | <u><u>154,595</u></u> |

11 Creditors: Amounts falling due after more than one year

| | 2023 | 2022 |
|---|--------------|--------------|
| | £ | £ |
| Defined benefit pension liability (note 17) | <u>1,648</u> | <u>3,835</u> |

12 Commitments Under Operating Leases

At 31 March 2023 the company had future minimum lease payments under non cancellable operating leases as follows:

| | 2023 | 2022 |
|--|-----------------------|----------------------|
| | £ | £ |
| Not later than 1 year | 72,000 | 69,223 |
| Later than 1 year and not later than 5 years | <u>138,000</u> | <u>-</u> |
| | <u><u>210,000</u></u> | <u><u>69,223</u></u> |

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2023 (Continued)

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

| | 2023 | 2022 |
|--|-----------------|-----------------|
| | £ | £ |
| Net expenditure for the year | (605,418) | (493,441) |
| Interest receivable | (8,128) | (403) |
| Depreciation charge | 466,886 | 418,596 |
| Amortisation charge | 2,197 | 12,320 |
| Loss on disposal of fixed assets | 4,367 | 6,625 |
| (Increase) / Decrease in debtors | (56,704) | 19,494 |
| Increase / (Decrease) in creditors | 164,183 | (592) |
| | <hr/> | <hr/> |
| Net cash provided by/ (used in) operating activities | <u>(32,617)</u> | <u>(37,401)</u> |

| | Balance b/f at | Cash flows | Balance c/f at |
|--------------------------|-----------------------|-------------------|-----------------------|
| | 1 April 2022 | £ | 31 March 2023 |
| | | £ | £ |
| Cash at bank and in hand | 2,412,466 | (119,652) | 2,292,814 |
| | <hr/> | <hr/> | <hr/> |
| Net debt | 2,412,466 | (119,652) | 2,292,814 |

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

14 Analysis of Net Assets between Funds

| | Unrestricted | | | 2023 |
|-------------------------|---------------------|-------------------|-------------------|------------------|
| | General | Designated | Restricted | Total |
| | £ | £ | £ | £ |
| Tangible fixed assets | - | 5,511,390 | - | 5,511,390 |
| Intangible fixed assets | - | 10,943 | - | 10,943 |
| Net assets | 1,545,944 | 375,000 | 155,000 | 2,075,944 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | <u>1,545,944</u> | <u>5,897,333</u> | <u>155,000</u> | <u>7,598,277</u> |

The Sick Children's Trust
Notes to the Financial Statements for the year ended 31st March 2023 (Continued)

| | Unrestricted | | | 2022 |
|-------------------------|--------------|-----------------|-----------------|------------|
| | General £ | Designated £ | Restricted £ | Total £ |
| Tangible fixed assets | | | | |
| Intangible fixed assets | - | 5,894,620 | - | 5,894,620 |
| Net assets | - | 6,000 | - | 6,000 |
| | 1,348,075 | 6,700,620 | 155,000 | 8,203,695 |
| | 1,348,075 | 6,700,620 | 155,000 | 8,203,695 |

15 Statement of Funds

| | Balance b/f at 1 April 2022 | Incoming Resources £ | Resources expended £ | Transfers between funds £ | Balance c/f at 31 March 2023 £ |
|--------------------|--------------------------------|----------------------------|----------------------------|------------------------------------|--------------------------------------|
| Restricted funds | 155,000 | 800,112 | (800,112) | - | 155,000 |
| General | | | | | |
| Unrestricted Funds | 1,348,075 | 1,595,128 | (2,109,750) | 712,491 | 1,545,944 |
| Designated Funds - | | | | | |
| Fixed assets | 5,900,620 | - | - | (378,287) | 5,522,333 |
| Designated Funds - | | | | | |
| Capital projects | 800,000 | - | (90,796) | (334,204) | 375,000 |
| | 8,203,695 | 2,395,240 | (3,000,658) | - | 7,598,277 |
| Total funds | 8,203,695 | 2,395,240 | (3,000,658) | - | 7,598,277 |

| | 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 | 1,133,151 | (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 |
| | 8,697,136 | 1,919,136 | (2,412,577) | - | 8,203,695 |
| Total funds | 8,697,136 | 1,919,136 | (2,412,577) | - | 8,203,695 |

The Sick Children's Trust

Notes to the Financial Statements for the year ended 31st March 2023 (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 £21,357 (2022: £21,708) 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 £33,066 (2022: £10,227) 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 2023 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 2023 (Continued)

Contributions for the year totalled £4,666 (2022: £6,775) and £389 (2022: £565) 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 2023 was £3,845 (2022: £6,032).

The Plan's buy-out deficit increased overall to £86.2m in 2021, a decrease of £54.5m 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 £54,197. This figure has an effective date of 30 September 2021.

Scottish Widows Stakeholder Pension Scheme

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

At 31 March 2023 the Trust has 44 active members in the scheme.

Contributions for the year totalled £90,072 (2022: £84,252). The total amounts outstanding as at the year end were £7,484 (2022: £7,091).

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 | Sir Hugh and Lady Stevenson |
| Addenbrooke's Charitable Trust | Sir James Knott Trust in memory of Joan Duckett who was Chair of The League of Friends of the Freeman Hospital |
| AXA Insurance Limited | The Band Trust |
| B&Q Foundation | The Borrowes Charitable Trust |
| Balderton Capital | The Brian Mitchell Charitable Settlement |
| Barry and Peggy High Foundation | The Britford Bridge Trust |
| Cambridge Fundraising Committee | The February Foundation |
| Candlelighters | The Harrison Foundation |
| CDW | The Hearth Foundation |
| Children's Heart Surgery Fund | The Helen Roll Charity |
| Children's Heart Unit Fund | The Jessie Spencer Trust |
| Christine Hall Trust | The Kirkby Foundation |
| EBM Charitable Trust | The Lawson Trust CIO |
| Fowler Smith and Jones Trust | The Lord Belstead Charitable Settlement |
| GMS Estates | The Marsh Charitable Trust |
| Great Ormond Street Hospital Charity | The Peacock Charitable Trust |
| Green Hall Foundation | The Shears Foundation |
| John Horniman's Children's Trust | The Sir James Reckitt Charity |
| Leeds Hospital Charity | The Thomas J Horne Memorial Trust |
| Michael Crawford's Children's Charity | The Toon Council |
| P F Charitable Trust | The William Leech Charity |
| Penelope Martin Charitable Trust | The Worshipful Company of Bowyers |
| Phillip King Charitable Trust | |
| Sheffield Children's NHS Foundation Trust | |
| Sheffield Church Burgesses | |