



# Annual Report & Financial Statements

Year ending 31<sup>st</sup> March 2019



#### Royal Patron

HRH Princess Alexandra KG GCVO

#### Co-Founder

Emma Samms MBE

#### President

Christopher Hanbury

#### Trustees

Nick Mustoe (Chairman)

Dr Christopher Evans  
(appointed June 21<sup>st</sup> 2018)

Dr Christopher Hanvey (Safeguarding lead,  
appointed June 21<sup>st</sup> 2018)

James Innes (appointed June 21<sup>st</sup> 2018)

Hina Patel (appointed June 21<sup>st</sup> 2018)

Alasdair Hadden-Paton ACA (Vice Chairman)

Mark Tasker

Alain Wolffe (appointed June 21<sup>st</sup> 2018)

Christopher Hanbury (resigned June 21<sup>st</sup> 2018)

Zahra Lucas (resigned June 21<sup>st</sup> 2018)

Richard Cook JP (resigned January 23<sup>rd</sup> 2019)

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Hina Patel

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#### Senior Management team

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(left March 31<sup>st</sup> 2019)

Cathy Gilman CEO

Dr Krutika Pau Interim Director of Children's  
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(left June 14<sup>th</sup> 2019)

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# Contents

|                                               |    |
|-----------------------------------------------|----|
| Thank you from our Chairman                   | 3  |
| About Starlight                               | 4  |
| How we raise funds                            | 11 |
| Starlight Strategy                            | 14 |
| Financial review                              | 16 |
| Governance                                    | 20 |
| Independent auditor's report                  | 23 |
| Statement of financial activities             | 27 |
| Consolidated balance sheets                   | 28 |
| Consolidated cash flows                       | 29 |
| Accounting policies and notes to the accounts | 30 |



## Thank you from our Chairman

Starlight Children's Foundation is the national children's charity that aims to lessen the long-term impact of serious illness for children and young people by helping to preserve their childhood throughout treatment.

The urgency and resources needed to deal with physical illness can sometimes mean that childhood activities like play are overlooked. Starlight holds a unique position in taking a holistic approach to providing opportunities for play and distraction in and out of hospitals. By lessening the distress of children in the health-care setting, as a by-product, the services can also contribute to improved efficiency during treatment.

Our programmes provide toolkits to health professionals for play and distraction; hospital entertainment; opportunities for family fun days out; and we also grant wishes giving children and their families a valuable choice in something to look forward to, experience and remember.

This year we have seen significant growth in demand for all our services and we are carefully managing our response to this demand as we begin to see some early returns from our investment in growing income.

I'm delighted that we ended the year with a 46% increase in donations with growth across most income streams. There's no doubt that a highlight of the year was Team Oar Inspiring who took just 35 days to row across the Atlantic in the Talisker Whisky Atlantic Challenge. They crowned this achievement with Starlight's biggest fundraising event ever, 'Blenheim by Starlight'. The event raised an incredible £815,000 thanks to a talented and creative fundraising committee chaired by Alasdair Hadden-Paton and the generous support of the Team's family and friends.

We end the year with a planned deficit but the growth in income means that our levels of reserves are £0.5m higher than our most recent three-year plan forecast.



During the year, three of our trustees came to the end of their terms as Board members. I would like to thank Christopher Hanbury, Zahra Lucas and Richard Cook for their hard work and dedication to Starlight over the years. In turn, we welcome four new Trustees to The Board. These appointments bring to Starlight a range of skills to help us meet the opportunities and challenges ahead.

With expert help we also reviewed our safeguarding policies, processes and training. We have appointed Dr Christopher Hanvey as our Safeguarding lead on the Trustee Board. We have also created an Audit & Risk sub-Committee which has led on reviewing our audit partner as well as the major risks facing Starlight.

We end the year with a new research team in place who are already helping us to gain a better understanding of the non-medical needs of seriously ill children and young people. Over the coming months we plan to identify key gaps in service provision in order to test, trial and tailor more new services.

With growing demand for our services our loyal community of employees; families; fundraisers; volunteers; and health professionals has never been more important. We really do appreciate the kindness and generosity of everyone involved with Starlight; thank you.

Best wishes

Nick Mustoe  
Chair of Trustees

## About Starlight

Starlight aims to lessen the long-term impact of serious illness by taking a unique and holistic approach to the provision of play and distraction services in and out of hospitals.

There are 49,000 children in the UK living with a life-limiting or life-threatening condition. The extra stress of serious illness can leave children at greater risk of developing mental health issues such as depression and anxiety, which can affect parents and siblings too. The development of key behaviours and skills can also be affected if during treatment there isn't access to playful activities and social connection with other children. The resource

**"I see so many frightened children every day. They might have been dreading their routine treatments all week, or they could be reeling from a bewildering rush to hospital. You wouldn't believe how smoothly even invasive procedures go when you introduce play"**

Franchesca James, UCLH  
National Health Play Specialist of the Year

required to treat the physical illness can often mean that mental wellbeing is neglected.

The National Association of Health Play Specialists (NAHPS) identify play and distraction therapies as having a wide range of benefits for health, resilience and wellbeing. These include:

- Building resilience in stressful situations and coping with a painful or difficult procedure
- Taking the child's mind off the procedure by concentrating on something else that is happening and as a result enabling more children to be seen
- Promoting recovery by having something for children to look forward to and encouraging children to get up and move.

To help children and their families escape from the reality and routine of treatment we provide toolkits to health professionals called Distraction and Boost Boxes and entertainment in hospitals with storytelling and pantomimes.

With our programme of wish-granting, we give children an important opportunity to decide for themselves when many other decisions are sadly taken away. It's an opportunity to have something to look forward to, remember and to take something positive from the experience of illness.

We also offer families opportunities for precious time together at our family fun days; Starlight Escapes. On these special days all they must do is focus on having fun, with all their needs taken care of.

We know that much of our work depends upon a dedicated group of health professionals and especially Health Play Specialists. We think the importance of Health Play Specialists is not widely recognised and so we work closely with NAHPS to promote their role in the physical and mental well-being of seriously ill children.

### Our achievements this year

#### Toolkits for health professionals

##### Distraction Boxes

Our Distraction Boxes are portable toolkits filled with toys, games and puzzles which provide health professionals with different ways to distract children who are undergoing medical procedures in a range of healthcare settings including hospices, busy A&E units, hospital clinics and long-stay wards.

For children undergoing medical treatment, our Distraction Boxes are crucial to ensuring procedures are carried out with minimal distress and anxiety. They enable treatment to be carried out as quickly as smoothly as possible.

This year we distributed 1,152 Distraction Boxes (958 FY1718) a 20% increase on the previous year and we can already see unprecedented demand in the new financial year.



Our Distraction Boxes are distributed across the four nations of the UK.

|                    | Boxes sent 18/19 |             |
|--------------------|------------------|-------------|
| England            | 1,019            | 76.9%       |
| Wales              | 69               | 3.9%        |
| Scotland           | 41               | 9.4%        |
| Northern Ireland   | 23               | 9.8%        |
| <b>Grand Total</b> | <b>1,152</b>     | <b>100%</b> |

Between January and May 2019, 136 surveys were completed by hospital play specialists and other medical personnel who receive and use Distraction Boxes. Respondents included play specialists, consultants, radiographers, anaesthetists, nurses and paramedics, in both hospital and community medical settings.



For the first time we began to get a full picture of which health professionals use Distraction Boxes the most.



In response to the survey we learned more about the many ways in which the boxes help children:

1. **Medical and therapeutic impact of Distraction Boxes:** Many respondents explained how the boxes have allowed them to carry out medical procedures more effectively. They use them to help ease children's anxiety and distress, which can have both a therapeutic benefit for the child, and an immediate medical benefit when children are better able to cope with treatment.
2. **The value of play in hospitals:** Responses also highlighted the general importance of play in hospitals. Distraction Boxes allowed medical staff to offer children a better experience of hospital, which can have long-term impacts for their wellbeing and future treatment.
3. Other key themes included the value of the boxes when resources for play and distraction are limited due to funding constraints; the variety of experiences provided by the boxes, which are valued by children; and the positive impact of the boxes for the whole family.

#### Boost Boxes

Starlight Boost Boxes are a treasure trove of toys, games and arts & crafts which are given out to patients who need comforting,

distracting or simply cheering up. As a result, they are most commonly used by play teams in hospitals and hospices.

We distribute Boost Boxes to 70% of UK counties: 94% of counties in England; 77% in Wales; 33% in Scotland and 67% in Northern Ireland all receiving our Boost Boxes. Our aim is to seek funding to further extend our reach.

**“The memory of a childhood illness can impact for life. If we can make it a little bit more interesting they may not have such awful association with their illness or experience.”**

Nurse

GP practice, South-East

As with all our services, we always seek feedback from their users to help us develop and tailor to even better meet their needs. During the year, 63 surveys were completed by medical personnel including health play specialists, nurses and radiographers.

We asked about the impact of the service and responses were grouped under several themes, which show the importance of Boost Boxes for play, distraction, and the relief of anxiety and distress.

These included:

- the medical and therapeutic impact of Boost Boxes
- the value of play for children in hospitals
- the importance of the boxes when funding and resources for play and distraction are limited
- the variety of experiences provided by the boxes, which are valued by children
- the positive impact of the boxes for the whole family.

While responses to the boxes were overwhelmingly positive, a smaller number of less positive statements focused on the age-appropriateness and general relevance of the boxes to all children, with some respondents

asking for more activities for children with special needs and older children.

**“Distraction is one of the most powerful tools we have to get the patients through their treatment. Operating theatres and anaesthetics can be very scary to the children. It allows us to get the children through procedures that they are scared or frightened of.”**

Ross Wheeler, Department Manager  
Birmingham Dental Hospital

Many named their favourite contents and activities and suggested new contents and activities for future Boost Boxes which would be relevant for their patients. In response to this feedback we are introducing three different Boost Boxes in summer 2019 to begin to take a more tailored approach to the needs of seriously ill children.

Just two years after the launch of Boost Boxes in 2017, we continue to see increased demand for this service. In FY19 we distributed 2,984 Boost Boxes (2,875 FY18) and we increased the number of items in the box from 60 to 66. This means that we potentially reached 196,944 (172,500 FY18) children in hospitals, hospices and healthcare settings across the UK this year; a 14% increase on the previous year.

### Hospital entertainment services

The Starlight Pantomime and Storytellers tours bring fun and entertainment to children and their carers, in hospitals and hospices throughout the UK. An hour-long interactive performance by four trained actors, gives children an important opportunity to get out of bed if they can and socialise with other children. For many children it's the first time they've seen a live performance so it's something to look forward to and chat about afterwards.





We gave the opportunity for feedback on postcards and children and their carers told us that they were really enjoyable because they provided an escape, it was an opportunity to access something they otherwise wouldn't be able to, it was something both children and families could do together, and as a result improved the hospital experience.

This year we delivered 166 shows (170 FY18) and reached an audience of over 1,500 children.

### Starlight Escapes & Treats

Having fun time together as a family can often drop down the list of priorities when parents are trying to cope with the reality and routine of serious illness. Days out can be too



complicated to organise and it's easy for both adults and children to become quite socially isolated when they're removed from day to day life because of hospital visits and stays.

That's why Starlight steps in to offer 'Escapes' and they are quite literally an escape from all that serious illness entails, just for a day.

Thanks to an army of very special friends and volunteers we can host two enormous fun days out at Belmont Farm 'The Summer Party' and at Popham Airfield.

We give families a day of fun; filled with unique activities you may not expect for seriously ill children. We believe that childhood is about freedom and exploration and so we offer clay pigeon shooting and rides in helicopters as well as more regular activities like face painting and tugs of war. We very much appreciate the generous support of Andrew Reid and Susanna Church and their teams, for making these days possible.

Throughout the year we are also able to offer smaller groups some special treats including a Pirate Party on the Thames at Hampton Court and preview screenings of films.

Such are the vagaries of the British Summer that in 2017 our attendee numbers were affected by horrendous rain, in 2018 we experienced the hottest day of the year for the Summer Party and ran out of ice cream early on! We were able to host eight events for nearly 2,000 guests.

In October, Starlight Ambassador Nadiya Hussain joined an excited group of children at Keech Hospice in a very messy 'Rocky Road' baking session.

**"I've had such a wonderful morning, just being able to sit and bake with the kids. Having been the sibling of two sick children when I was growing up, I know how vital it is to enjoy special moments as a family, just doing normal activities like baking."**

Nadiya Hussain  
Starlight Ambassador

The children were delighted when she stayed to make friendship bracelets and even joined in a sing-song.





## National Play in Hospital Week & Starlight Health Play Specialist of the Year



National Play in Hospital Week is organised by the National Association of Health Play Specialists (NAHPS) and Starlight and aims to raise awareness of the benefits of play in the treatment of sick children. This year, Starlight launched the first-ever National Health Play Specialist of the Year Award.

Competition was fierce and judging was tough for Starlight CEO Cathy Gilman, Chair of NAHPS Penelope Hart-Spencer and the Chair of the Healthcare Play Specialist Education Trust (HPSET) Tina Clegg. In the end, they unanimously agreed that the award should go to Frenchesca James of University College London Hospital (UCLH).

**“Frenchesca goes out of her way to provide new and exciting opportunities and activities for our young people in the form of arts and crafts, baking, breakfast clubs and even a silent disco party! She’s not only a vital and essential member of the ward team but also has a pivotal role in helping our young people have a more tolerable time in hospital, which aids their recovery time.”**

Christopher Dean, UCLH  
Nurse Educator for Paediatrics and Adolescents

Frenchesca received several nominations from enthusiastic colleagues at UCLH who highlighted how her warmth, dedication and enthusiasm in the role of Health Play Specialist, have made her an indispensable part of the team. She has worked closely with the Starlight team since winning the award, working as an Ambassador and even taking part in fundraising presentations.

We look forward to supporting the award in 2019 and continuing to recognise the crucial role of Health Play Specialists in the delivery of Starlight services.

## Starlight Wishes

### Individual Wishes

Serious illness can take away so many things that are precious about childhood, and with so much emphasis on medical treatment, it can be a struggle to make life special. All our activities are designed to preserve childhood and normality when they’re probably in short supply, but our wishes really are the icing on the cake.

Lying in a hospital bed, there are few choices that a child can make for themselves and it’s very hard to find ways to bring something positive to family life. A Starlight wish can change of all that. Once a consultant has confirmed eligibility for a wish, our talented team of wish granters step in to realise even the wildest dreams and often the whole family is involved.

From the very beginning just the process of choosing the wish, gives families new things to talk about and something lovely to anticipate and look forward to. The wish itself can be life-changing in many ways, changing the mind set towards coping with illness and creating memories that really matter. We granted 641 wishes this year (663 FY18) and experienced an upsurge in travel requests that increased the average cost of a wish. Because of budget constraints we have had to restrict foreign travel to a limited number of group trips



throughout the year. As well as holidays, requests for technology for entertainment and communication from the hospital bed are very popular and requests for garden and bedroom makeovers which can offer some much-needed respite.

We also create special experiences which might include a meeting with a celebrity or hero or the opportunity to experience what you want to be when you grow up.

Sometimes working with seriously ill children and their families can sadly be very challenging. One young man really sticks out for us this year. Ten-year-old Theo, from London, was diagnosed with diffuse leptomeningeal glioblastoma – a tumour of the central nervous system. He had always had a passion for dressing up as the emergency services, so when Starlight asked Theo what his wish would be, he said it was to have his very own RNLI uniform.

The RNLI Tower Lifeboat Station kindly invited Theo, along with his mum, dad and brother, to have a private tour of the London station. Having visited the Poole Lifeboat Station on his last holiday, Theo was particularly excited to see the Tower Lifeboat station as it floats. When the family arrived, they were told all

about the work of the RNLI and shown a video of some of the rescues that have taken place on the Thames.

Theo was given a tour of the station including the kit room where each of the crew's individual kit is kept, ready for them to respond to a rescue. The team then presented Theo with his very own RNLI uniform including a helmet, yellow wellies and kit bag!

Theo was absolutely thrilled, and the uniform fitted perfectly, he even took his uniform in to hospital with him the next day to show the nurses whilst he was having treatment. Sadly, Theo passed away in October. We are very grateful that we were able to help Theo and his family to enjoy some special time together and create some important memories.

We also loved five-year-old Connie's wish. Connie was diagnosed in 2017 with pulmonary arterial hypertension, a serious condition where high blood pressure in the blood vessels that supply the lungs can damage the right side of the heart.

Connie loves books and telling stories, as well as playing with her dolls. Above all, Connie absolutely loves cooking and baking and so her Starlight Wish was to make a birthday cake for



her favourite princess, Snow White. Fortunately, Snow White happens to be a personal friend of the Starlight wish-granters and, with the help of our lovely friends at Elixir the commercial catering company, Connie and her sister had the time of their lives.



Many of our wishes depend on the generosity of individuals and companies in helping to grant them. This year you can see that we received £2.2m (£2.3m FY18) donated goods and services which are of critical importance to our ability to create these magical experiences.

#### Group Wishes

In recent years we have seen the benefits of organising wishes for groups of families together. There can be cost savings which means that we can help even more families, but we have also heard from families about the added benefit that the social connection and shared experience can bring.

This year as well as our regular Lapland and Monaco wish trips, we also piloted a group trip to Florida to 'Give Kids the World'. The families especially noted how much they valued being with other families with similar experiences



and not feeling so alone. They also noted how after weeks of hospital treatment, the relief of seeing their children playing with other children. Because of the success of the pilot trip we plan to increase the number of group wishes in the year ahead.

**“As a family, this trip has come at the right time as we have all found life after treatment very tricky at times. It has brought us closer together and made us laugh and enjoy life again”**

#### Christmas by Starlight

It's probably no surprise that Christmas is a special time at Starlight and it's a time when everyone gets involved.

This year, our wish granters were especially busy accompanying group trips to meet Father Christmas in Lapland which were supported by fundraising from our corporate partners pladis, MVF and Arcus Infrastructure.

It's such an important time of year for families to be together and this was very much appreciated in the feedback that we received.

For families that were unable to join a wish trip, our pantomime toured hospitals and hospices, entertaining nearly 900 children with 88 shows around the UK.

We also held two Christmassy escapes thanks to the generous support of Duxford Airfield and USAF 492nd Fighter Squadron; and the Chancellor and his team at No. 11 Downing Street.



Families at Downing Street were entertained by DJ Roman Kemp, and many celebrity friends of Starlight, including Dr. Who herself, who made the party even more special.



We also managed to grant a wish for Ebony Mae, who wanted to meet 'Casualty's' Rosy Marcel. Meeting Rosy gave Ebony Mae the courage to sing in public for the first time to the partygoers. Ebony-Mae's wish video from Downing street featured in our newsletter and on social media. At that point, this was the most successful organic Facebook post in the past two years for Starlight reaching 16,400 users. Across all social channels the video was viewed 5,268 times.

Our fundraisers were also out in force at our first ever Santa Run; all dressed as Father Christmas. Thanks to Hugh Wooldridge, David Firman, Chris Hatt and Capital Voices, we ended a busy year with 'Christmas by Starlight' a very special carol concert by candlelight and an important opportunity to say thank you to everyone involved in a successful year.

## How we raise funds

This was an important year for Starlight to begin to rebuild income following a year of change in 2017. Investments were made in preparing the team for income growth, with a new fundraising team structure; and we also made infrastructure investment in a new CRM system and improved financial reporting. Although we know that these investments will



take time to fully deliver, we made very good progress with donations being 46% ahead of last year at £3.6m (£2.5m FY18).

We saw increases across most income streams, but the most significant contributor to this increase was Team Oar Inspiring.

George Blandford, Caspar Thorp, Toby Thorp and Justin Eveleigh set out to complete the Talisker Whisky Atlantic Challenge, a challenge that had only previously completed by 500 people, and to raise money for Starlight.

The team's Challenge was to row 3,000 nautical miles from La Gomera to Antigua, rowing two hours on and two hours off for 35 days including Christmas and New Year's Day. Their aim was also to raise £250,000 to pay for a year's worth of wishes.



The team crossed the finish line 2<sup>nd</sup> in the race out of a fleet of 27 boats, they were the first British team and the fastest ever family team.

To celebrate their remarkable achievement and the unwavering support of friends and family, His Grace the Duke of Marlborough kindly hosted a celebratory evening “Blenheim by Starlight” at Blenheim Palace. Our Vice Chairman Alasdair Hadden-Paton brought together a highly talented and creative fundraising committee, including friends and family members, who worked tirelessly to sell tables, secure auction prizes and sponsors. The event, supported by Top Hat Catering, Polar Black Events and Tatler magazine was the most successful fundraising event in the history of Starlight. With entertainment from Rory Bremner and BRIT Award nominee Ann-Marie, in total Team Oar Inspiring raised an incredible £0.8m, which included auction items for five group trips to Florida and Monaco.

On the night the team received the ‘Starlight Outstanding Achievement Award’ from inspirational wish-child Felix, whose Starlight wish to visit Monaco was granted in 2018.

It had already been a very strong year for events with two very successful race days at Kempton and Newbury thanks to Nicky Henderson and his Committee and a refreshed clay pigeon shoot at Highclere Castle. Together our events raised £1.2m this year.



Starlight is registered with the Fundraising Regulator and we are committed to meeting the Fundraising Code of Practice. Our fundraising activities are legal, honest, transparent and respectful. We also ensure that nobody who appears to be vulnerable is asked to commit to giving.

This year, we have re-introduced a full programme of Individual Giving during the year with an initial focus on one-off cash appeals as we improve our technology to manage regular gifts digitally. This generated over £1m. We have a very loyal supporter base for individual giving, and we take our responsibility to them very seriously. During the year we mailed 140,000 items from which we received 20 complaints; all of these were satisfactorily resolved without the need for escalation, but it is something that we closely monitor. We also tested some traditional methods of acquisition, including a limited private-site trial using a small number of third party fundraisers, but reduced testing during the year as we found results were not as we predicted and have put the programme on hold pending the improvement in our digital capability.

Our Community and Challenge team had a busy year raising £0.5m. One of their highlights of the sporting year was once again the Virgin London Marathon, with 52 runners raising more than £0.15m. Amongst the team was Ryan who just 18 hours later was in the opening show of the Starlight Storytellers Tour.

We are always humbled by fundraisers of all ages from across the UK, who choose to support Starlight in their own way each year. We’ve had people cycling across America and climbing to Everest Base Camp, creating fundraising feasts for their friends and chopping off their hair.

Sadie Bone decided that for her eighth birthday she wanted to make another child happy and have their wish come true. To do this she chopped of 14 inches of her lovely long





hair and donated it to the Little Princess Trust and asked for donations to Starlight. Sadie raised nearly £540 and featured in her local newspaper.

We often find that once a family has had the experience of a Starlight Wish, they want to help make sure that other families can have a



similar opportunity. Laura Bradshaw who suffers from eosinophilic gastroenteritis, a rare form of gastroenteritis which affects the digestive system, had her wish granted to swim with dolphins in 2014.

Since then, her whole family have been supporting Starlight through a variety of fundraising activities. This year Laura and her sisters decided to join the rest of the family in a 'Tough Mudder' and her Dad said:

**“whether we crawl, walk or piggyback, we will all reach the end together!”**

To date, the Bradshaw family have raised over £1,700 for Starlight and hope to smash their target of £2,500 this year.

During the year we've been lucky enough to work in partnership with many different organisations of all sizes.

Our partnership with pladis, manufacturers of some of the world's best loved biscuits, chocolate and confectionery went from strength-to-strength this year. For Starlight, the partnership means increased awareness, fundraising, volunteers, and support with strategy and research. For pladis there are opportunities for development, teambuilding and creating a sense of pride which really contributes to positive morale in the company.



The pladis team have fully embraced all aspects of Starlight's work throughout the year providing an energetic team of volunteers for our summer Escapes as well as expert gift wrappers for the Downing Street Christmas Party.

On Make Happy be Day the entire company focused on raising money and awareness for Starlight including Managing Director Nick Bunker who swapped jobs with his PA for a day. The team also presented boxes of biscuits to Health Play Specialists to say thank you.

Thanks to head-shaves, cake bakes, Tough Mudders and Three Peaks, pladis were able to help fulfil the wishes of 24 families to visit Lapland at Christmas.

We also worked with the pladis leadership team on their 'Licence to Lead' programme. By working on a strategic challenge set by Starlight, the team found that some of the business challenges of a charity reflected their own and in working through solutions for Starlight, they were able to take solutions back into their own business.

The jewellery and accessories company Stella & Dot created a special 'Joyful Stretch Bracelet' with a donation for Starlight with every purchase.



We were chosen by 11 Sainsbury's Local stores to be their local charity of the year and we are



also very grateful to Arcus Infrastructure, Tubz, MVF and Nintendo for their valuable support.

This year we produced our first Impact report which highlighted the important difference that all our supporters make to the lives of seriously ill children and their families at this time of unprecedented demand for our services.

The response from Trust supporters of Starlight was especially positive and we received a further £30k from sharing the report. As we understand the needs of seriously ill children and their families better through our programme of research, we can build an even more robust case for support which is enabling us to apply for larger grants. During the year the People's Postcode Lottery made a grant of £30k to support our Storytellers.

A significant proportion of our work is only possible thanks to the donations that are made in memory of loved ones. We were especially touched to receive an in-memory donation from a gentleman who wanted to recognise what would have been his wife's 80<sup>th</sup> Birthday with a donation to Starlight.

We also received £0.5m in legacy donations during the year, which although slightly lower than the previous year (£0.7m) was in line with our five-year average. Very often we do not know the reason for the bequests made but, with an especially large donation of £125k, we were told that the gift had been given in memory of a daughter who had passed away more than 20 years ago. A gift in a will really does help Starlight plan delivery of our services and are truly a vital part of our work.

## Starlight Strategy

Starlight lessens the long-term impact of serious illness by preserving childhood through treatment. With so much emphasis on dealing with the physical illness, the playful aspects of childhood can easily be overlooked and under-

resourced. But play is critical in helping us to develop a complex set of skills and behaviours – cognitive, social, physical, creative and emotional that help us - to navigate life and live it to the full. It is also critical in helping children and their families cope with serious illness. Without access to these simple childhood activities the impact of serious illness can be much greater on positive and healthy development.

Our aim is to help families to escape from the reality and routine of serious illness by:

1. Offering activities and entertainment that create respite and access to opportunities our current services include wish granting and escapes
2. Providing resources to health professionals to support play & distraction these currently include distraction boxes and our partnership with National Play in Hospital Week
3. Reducing social isolation caused by illness by offering opportunities for meaningful social connection. We currently bring families together on group holidays and at our escapes to share experience and feel 'normal'
4. Developing a comprehensive understanding, through research of the non-medical needs of seriously ill children and how current service provision meets those needs. With an evidence base we will identify gaps in areas of most need and develop, test and tailor new services. This insight will enable us over time to develop a voice of influence about the importance of preserving childhood through serious illness and potentially leverage more resource within the NHS.

Last year we said we would:

1. Appoint Trustees with understanding and experience of the needs of sick children. In June we appointed Dr. Chris Hanvey who was the former CEO of the Royal College for Paediatrics and Child Health and Dr. Chris

Evans who is a paediatric anaesthetist with an in depth understanding of the psychological burden of hospital visits.

2. Appoint a Head of Impact, Evaluation & Reporting who will be responsible for developing impact measurement and reporting. In October Dr. Sandy Gulyurtlu joined Starlight as Head of Insight and Children's Outcomes. She quickly worked with the team to establish new methods of evaluation and has helped them to tailor our Boost Boxes for different audiences and introduce a replenishment service for our Distraction Boxes.

In addition, we have established a small research function at Starlight to enable us to conduct quantitative and qualitative research.

In the year ahead we will:

1. Conduct a literature review and consider existing internal and external data to understand the current state of play and distraction services in the UK
2. Set up an expert Advisory Panel to help Starlight take the insight in to action
3. Produce our first ever research report on play and distraction
4. Continue to develop and deliver our existing services, developing a better understanding of how digital technology can be effectively integrated into our service offer
5. Move to a less responsive expenditure model which will enable us to dial-up and dial-down expenditure according to financial performance. To support these ambitions, we need to create sustainable income growth.

## Sustainable Income Growth

We will focus on the existing fundraising strengths of Starlight and the income streams that are most likely to deliver the short-term growth required (while continuing to support the organic growth of other income streams). We have identified the areas of focus as

corporate, philanthropy, trusts and events. In the year ahead we will:

- Appoint an experienced Director of Fundraising and Head of Philanthropy and Events and a further Trustee with experience in leveraging income
- Use the research insight to develop a strong case for support that clearly identifies the opportunity to lessen the long-term impact of serious illness
- Create opportunities through our networks and peer to peer connections
- Increase our volume of high value trust and foundation applications
- Prioritise warm corporate approaches with clear strategic alignment to Starlight
- Establish a Development Committee and develop a new event for Starlight
- Improve the profitability of public fundraising
- Appoint a Head of Public Fundraising
- Optimise the opportunity as one of the CarFest charity partners
- Test and trial integrating digital into our Individual Giving programme
- Develop products and activities to give easy access to Starlight fundraising.
- Establish an expert marketing and communications team whose primary objective is to increase reach and engagement and drive a consistent brand experience through every touchpoint with Starlight

To achieve this, we will:

- Create a differentiated brand positioning, ethos and values for the Starlight brand, with visual identity and messaging.
- Develop a fit for purpose website that meets the needs of our target audiences
- Develop a test & trial programme to test creative, and responses, of various audiences to all channels.

To support our ambitious objectives, we will continue to invest in the capacity and

capability to deliver our strategy as well as making Starlight a good place to be.

We will also continue to develop our internal ways of working enabling improvements in efficiency and scaling of the organisation as we grow. In the year ahead we will be focusing on our IT, and data security and management.

## Financial review

With growing demand for our services as well as the need to invest in people, infrastructure and systems we were pleased to be able to maintain our investment in Children's Services activities this year £6.1m (£6.2m FY18).

In this period, we granted wishes to 641 (663 in 2017/18) children and families and continued our commitment to provide support in Children's Hospital wards and hospices across the UK, through the provision of distraction boxes, boost boxes, fun centres, storytellers, pantomimes and Captain Starlight.

We believe that our increasingly visible presence in hospitals is driving demand for our wish-granting programme. During the year, we received 1,170 referrals for wishes (1,084 in FY18) – an increase of 8% over the year. This is

the sixth successive year of growth in referrals with an increase over this period of 20%. Much of the growth has come from foreign travel wishes, which has also increased the average cost of a wish. To avoid unnecessary delays for families due to budget constraints, we have begun to explore collaboration with other organisations who wish to grow their referrals but do not have the Starlight hospital presence.

We were pleased to achieve a 46% increase in donations, with notable increases in events and individual giving but with growth across most income streams. Although slightly lower than last year, legacy income £0.5M (£0.7m FY18) remains strong for Starlight and as we look ahead to FY20 we can already see notifications above this level in FY19.

Gift in Kind donations remained at a broadly similar level to the previous year at £2.2m (£2.3m FY18) and remain integral to the delivery of our charitable purpose, especially in providing escapes and fulfilling wishes. As a result, total income was higher than the previous year by £0.9m (15.9%).

Total expenditure of £8.4m (including gifts in kind) (£7.5m FY18) increased by 11.5%. While





we maintained expenditure on Children's Services the Trustees have also agreed a period of investment in people and infrastructure at Starlight. During the year we recruited to key positions that will increase our capacity and capability across the organisation and we made an important investment in a new CRM system.

There was a significant increase in fundraising costs £2.3m (£1.3m FY18) which primarily resulted from the deliberate expansion of the team; a return to investment in Individual Giving which was missing in FY18; and more special events including 'Blenheim by Starlight' and the Kempton Race Day. We expect the cost income ratio of 36% to remain at this level for a further two years until we fully achieve returns on the investments that we have made. The ratio is comparable to similar charities of our scope and size.

We ended the year with a deficit of £2.0m (£2.0m FY18) which was a £0.5m improvement on our planned position.

As well as developing a plan for income growth, the Trustees have carefully considered costs and expenditure. As the charity invests in the people, systems and processes that create the firm platform for future growth, there is currently very little opportunity to further reduce operational costs.

To mitigate some of this risk in a highly uncertain economic environment, the charity is developing a model for charitable expenditure that is more easily controllable. This will enable us to dial up and dial down expenditure according to financial performance. We are also exploring opportunities to work more collaboratively with other organisations to fulfil our charitable purpose.

The operational plans for the coming two years forecast further losses and at the end of FY21 the expectation is that we will be operating at

our reserves policy level of six months of expenditure.

## Reserves and Investment Policy

### Reserves

All charities are required to consider how much they need to hold in reserves. The extent depends upon the scale and nature of the charity's activities. The Reserves Policy adopted by the Board during the year sets a level of six months of expenditure to be maintained.

Starlight total reserves at March 31<sup>st</sup> 2019 amounted to £4.4m (£6.5m FY18) (excluding Tangible Fixed Assets) and is equivalent to ten months of expenditure. This is made up of four elements:

### Designated Funds

These amounted to £3.8m, which included £2.5m in respect of charitable purpose expenditure (future wishes and hospital projects for seriously ill and terminally ill children), and the balance is attributable to other future provision for operational costs.

### Restricted Funds

These amounted to £0.06m and relate to a small number of programmes, including pantomimes and story tellers and funds raised for specific projects to provide for facilities for children in hospital.

### Endowment Funds

There are two funds with a combined total of £0.2m which are held as endowments.

### General Funds

These amounted to £0.5m - as at March 31<sup>st</sup> 2019 - these are funds that can be used by the charity to maintain its ongoing operations and enable us to manage the risk of planning for further deficits over the coming year.

### Investment Returns and Policy

The market value of long-term investments, held in two Odey Investment Funds, was £0.7m at March 31<sup>st</sup> 2019 and there is a guarantee to the value of £1.0m, i.e. a

guarantee value of £0.3m. A further sum of £1.0m was redeemed from these funds during the course of the year and it is planned to realise the balance of these investments later in 2019. The Trustees are continuing to review the performance of the Odey investments, and the value of the guarantee provided. A further £0.2m is held in other managed long-term investments.

In addition, as at March 31<sup>st</sup> 2019, the charity held £2.3m (51%) of its reserves as cash deposits to be readily available to meet the operating commitments of the charity. The charity currently aims to maintain total reserves equivalent to a minimum of six months' expenditure. As at March 31<sup>st</sup> 2019 the charity held the equivalent of ten months' expenditure in reserves.

The mix of longer-term investments in investment funds and short-term holding of reserves as bank deposits is in line with the Trustees reserve policy. To mitigate the risk associated with holding cash reserves we added another UK leading bank, Lloyds Bank Plc, during the year. Approximately 44% of cash reserves are held with this bank and the remaining 56% with HSBC Plc.

## Principal Risks & Uncertainties

An Audit and Risk Committee was established during the year and the committee is responsible for reviewing the risks faced by the charity and for agreeing the necessary controls to mitigate those risks. The committee reports to the Board of Trustees at each meeting of the Board.

Identifying and managing the possible and probable risks that a charity may face over its working life is a key part of our effective governance. In managing risk, the Trustees aim to ensure that significant risks are known and monitored, to enable informed decisions to be made and timely action to be taken. It also means that we can make the most of opportunities and develop them with the

confidence that any risks have been identified and appropriately managed.

Risks are identified and given ratings from low to high according to the likelihood of their occurrence and their impact should they occur. The most significant risk to Starlight as at April 2019 was assessed as the failure to control the increased demand (expenditure) for wishes and other Children's services. In response to this risk the Trustees have already approved a change in policy to stop new referrals for individual foreign travel wishes and further controls are in place to ensure a managed flow of new wishes to be fulfilled by the charity.

The Trustees also consider the economic uncertainty around Brexit and the volatile political environment to be a significant risk as this may affect the public propensity to give. This risk will be mitigated by regular and careful monitoring of the financial position and a move to a less responsive and more programmatic model of charitable expenditure.



In addition, the Trustees are especially focused on the management and mitigation of regulatory compliance risks especially in relation to safeguarding and GDPR. The Trustees are also reviewing systems, policy, procedures and processes to improve robustness in the management of financial fraud and ICT risks.

The register and plans to manage and mitigate risk are regularly reviewed by the Audit and Risk Committee and the Board of Trustees.

## Employees and volunteers

Starlight depends upon a team of dedicated and passionate employees and volunteers to help to brighten the lives of seriously ill children. This means that we must provide a trusted environment in which they can feel safe.

The Trustees of Starlight are very aware of the risks facing the people in their care and fully understand their responsibilities in terms of keeping them safe. During the year we engaged an external expert, recommended by the charity 'Read for Good', to consider our safeguarding culture at Starlight and conduct a thorough review of our safeguarding policies and processes. All employees and Trustees have attended safeguarding training during the year and we have implemented new processes to ensure that the wider group of people involved in Starlight activities can do so safely. Our Trustee Safeguarding lead Dr Christopher Hanvey meets with the team at Starlight on a quarterly basis to review any safeguarding issues and brings these matters to the attention of the Board.

We do not currently have a designated HR resource and therefore, to ensure that we continue to be compliant with UK law, we work with Avensure; an outsourced Employment Law, Health & Safety, and HR company. This has helped us to manage risk and enabled us to review our staff manual and employment policies in a timely basis.

We also work with 'Health Assured' to ensure that there is emotional and practical support for the work and life challenges that our employees might face. This year we've introduced an online HR System, BreatheHR, which enables us to keep employee records in one place and manage holidays and sickness. Employees have appropriate access to manage their own records and keep up to date with Starlight employment policies.

Within our limited capacity we aim to offer learning and development opportunities at Starlight. Much of the emphasis this year has been on developing our newly established leadership team. We've been fortunate to work with one of our corporate partners, pladis on their own 'Licence to Lead' programme. By working on a living strategic challenge set by Starlight, the pladis team have better understood some of their own leadership challenges in bringing skills and solutions to Starlight.

We have started to embed a performance development review process for all the team and have also been pleased to be able to offer career progression opportunities through promotion for four Starlight team members which represents 13% of the team.

This year we have taken some proactive steps to improve the level of diversity and inclusion in our workforce. This has included broadening the recruitment agencies with whom we work, considering more carefully the accessibility of our office, proactively offering flexible working and developing an internal volunteering policy that explicitly considers the diversity of both our employees and our volunteers. As a result, we have a team that already has more diversity in skills, age, ethnicity, race and disability.

The average number of staff employed during the year was 32 FTE (27 FY17).

The Trustees approve the overall salary budget and specifically the remuneration of the Senior Management Team. Details of employees who fall in salary bands above £60k can be found on page 36. Auto-enrolment for pensions is promoted to all employees and a stakeholder scheme with Smart Pension is available to employees.

The volunteer ethic is very special in the charity sector and without this additional capacity quite simply a small organisation like Starlight couldn't function. Our volunteers



brighten up the routes at our sporting events: urging fundraisers on to the finish. Teams of corporate volunteers make sure that our families have the best possible time at our escapes. Other volunteers willingly make valuable introductions, connections and contacts helping us to fulfil wishes and raise money. Even Father Christmas finds time to come to our Downing Street Christmas Party. We estimate that more than 2,000 people help us throughout the year, and we couldn't be more grateful.

## Governance

Starlight is a company limited by guarantee (registered number 02038895) and a registered charity in England and Wales (charity number 296058) and Scotland (charity number SC047600)

### Legal Structure and purpose

The charity's purpose is set out in its Memorandum and Articles of Association which were adopted on 2<sup>nd</sup> December 1986. The objective of Starlight is to relieve sick and disabled children and young people. The governing documents have been recently reviewed by the Board of Trustees.

### Public benefit

The trustees have taken account of the Charity Commission's general guidance on public benefit when reviewing the charity's aims, objectives and planning.

Starlight Children's Services are designed to support the 49,000 children and young people in the UK diagnosed with a life-limiting or life-threatening condition and their families. We seek feedback from health professionals and families about the benefits that they experience from our services and how they might be improved.

According to the National Association of Health Play Specialists (2014), play and distraction therapies can have wide-ranging

benefits on health, resilience and wellbeing. These can include:

- Building resilience in stressful situations and coping with a painful or difficult procedure, to reduce pain and discomfort.
- Taking the child's mind off the procedure by concentrating on something else that is happening.
- Promoting recovery by having something for children to look forward to and encouraging children to get up and move.

### Board of Trustees

The Board of Trustees is legally responsible for directing the affairs of the charity. The Trustees are also the directors of the company.

During the year the Trustees have continued to review governance at Starlight, this has resulted in:

1. A robust review of Safeguarding policies, including Trustee training
2. A skills audit which led to the recruitment of five new Trustees who were formally appointed following induction in June 2018
3. The establishment of an Audit & Risk Committee that has reviewed the audit partner and regularly reviews key risks with the senior management team
4. The establishment of a fundraising committee for the 'Blenheim by Starlight' event which resulted in the highest fundraising total for any Starlight event.

The Board comprised eight trustees as at March 31<sup>st</sup> 2019.

**Nick Mustoe** was appointed Chairman of Starlight in 2016 and has overseen the thorough review of governance and the appointment of a new CEO. He is actively involved in the development of the user-centric, impact-led strategy as Starlight researches and better understands the needs of seriously ill children. He is Chairman of a creative communications agency and holds several non-executive board positions.

**Alasdair Hadden-Paton** is Vice Chairman of Starlight and Chairman of the Fundraising Committee. He is a Chartered Accountant with over 30 years financial experience in the luxury goods, hotel, property investment and venture capital sectors.

**James Innes** is Chairman of the Audit & Risk Committee and is a chartered accountant with over 22 years' experience working as a corporate finance advisor and private equity investor, he co-founded Chrystal Capital in 2009.

**Dr Chris Hanvey** is Starlight Safeguarding Lead and was the former CEO of the Royal College of Paediatrics and Child Health. He has a passionate interest in child health and brings extensive experience of working with children's services providers as well as charity governance and management.

**Mark Tasker** is Head of the Corporate and Commercial department at law firm Bates Wells. He has more than 20 years' experience of advising clients on corporate transactional work.

**Dr Chris Evans** is an NHS Paediatric Anaesthetist who has an in-depth understanding of the UK health care system and the psychological burden of hospital visits. Combined with his experience of innovation and digital technologies, Chris will help Starlight develop new services in response to the insights from our research.

**Alain Wolffe** sits on the Audit & Risk Committee and is a former Executive Director of Strategy and Governance at Canada Life. Alain has an empathy and interest in Starlight as the father of a 12-year-old with cerebral palsy.

**Hina Patel** also sits on the Audit & Risk Committee and is a senior strategic project manager at BlackRock. She has also experienced the power of a Starlight wish in her own family.

The Board meets four times each year to regularly review and direct Starlight's budget and performance.

### Going Concern

The Trustees have reviewed the accounts as well as the charity's budgets and plans for 2020, reserves position up to the date of signing off these accounts and the group risk register. The Trustees are fully confident that the charity should be considered as a going concern.

### Trustees declaration of responsibilities

The Trustees are responsible for preparing the Trustees' annual 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 of the Charity and of the incoming resources and application of resources, including its income and expenditure, of the Charity for the year. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any

time the financial position of the Charity and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

### Statement of disclosure to our Auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- There is no relevant information, being information needed by the auditor relating to preparing their report, of which the group's auditor is unaware
- The Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board and signed on its behalf:

Nick Mustoe  
Chair of Trustees

16 October 2019



# Independent auditor's report

## Opinion

We have audited the financial statements of Starlight Children's Foundation (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, 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 2019 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.
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## 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 UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

## Other information

The other information comprises the information included in the trustees' annual report, than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material

misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The trustees' annual report, has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the 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' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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' annual report and from the requirement to prepare a strategic report.

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit

evidence obtained, whether a material uncertainty exists related to

- events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## 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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor) Date

for and on behalf of Sayer Vincent LLP, Statutory Auditor Invicta House, 108-114 Golden Lane,  
LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

## Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2019

|                                                                         |      | 2019               |                                           |                    | 2018               |                                           |                    |
|-------------------------------------------------------------------------|------|--------------------|-------------------------------------------|--------------------|--------------------|-------------------------------------------|--------------------|
|                                                                         | Note | Unrestricted<br>£  | Restricted and<br>endowment<br>funds<br>£ | Total<br>£         | Unrestricted<br>£  | Restricted and<br>endowment<br>funds<br>£ | Total<br>£         |
| <b>Income from:</b>                                                     |      |                    |                                           |                    |                    |                                           |                    |
| Donations                                                               | 2    | 3,473,963          | 127,610                                   | <b>3,601,573</b>   | 2,376,340          | 83,628                                    | 2,459,968          |
| Legacies                                                                | 2    | 543,047            | –                                         | <b>543,047</b>     | 655,917            | –                                         | 655,917            |
| Charitable activities                                                   |      |                    |                                           |                    |                    |                                           |                    |
| Value of goods and services donated                                     | 3    | –                  | 2,169,311                                 | <b>2,169,311</b>   | –                  | 2,324,508                                 | 2,324,508          |
| Investment income                                                       |      | 9,250              | –                                         | <b>9,250</b>       | 14,864             | –                                         | 14,864             |
| <b>Total income</b>                                                     |      | <b>4,026,260</b>   | <b>2,296,921</b>                          | <b>6,323,181</b>   | <b>3,047,121</b>   | <b>2,408,136</b>                          | <b>5,455,257</b>   |
| <b>Expenditure on:</b>                                                  |      |                    |                                           |                    |                    |                                           |                    |
| Raising funds                                                           | 4    | 2,320,210          | –                                         | <b>2,320,210</b>   | 1,310,190          | –                                         | 1,310,190          |
| Charitable activities                                                   |      |                    |                                           |                    |                    |                                           |                    |
| Wishes and other charitable activities                                  | 4    | 3,753,456          | 2,294,737                                 | <b>6,048,193</b>   | 3,782,858          | 2,411,171                                 | 6,194,029          |
| <b>Total expenditure</b>                                                |      | <b>6,073,666</b>   | <b>2,294,737</b>                          | <b>8,368,403</b>   | <b>5,093,048</b>   | <b>2,411,171</b>                          | <b>7,504,219</b>   |
| <b>Net (expenditure) before net gains /<br/>(losses) on investments</b> |      | <b>(2,047,406)</b> | <b>2,184</b>                              | <b>(2,045,222)</b> | <b>(2,045,927)</b> | <b>(3,035)</b>                            | <b>(2,048,962)</b> |
| Net gains / (losses) on investments                                     |      | <b>5,561</b>       | –                                         | <b>5,561</b>       | <b>(179)</b>       | –                                         | <b>(179)</b>       |
| <b>Net expenditure for the year and<br/>movement in funds</b>           |      | <b>(2,041,845)</b> | <b>2,184</b>                              | <b>(2,039,661)</b> | <b>(2,046,106)</b> | <b>(3,035)</b>                            | <b>(2,049,141)</b> |
| <b>Reconciliation of funds:</b>                                         |      |                    |                                           |                    |                    |                                           |                    |
| Total funds brought forward                                             |      | 6,407,708          | 254,093                                   | <b>6,661,801</b>   | 8,453,814          | 257,128                                   | 8,710,942          |
| <b>Total funds carried forward</b>                                      |      | <b>4,365,863</b>   | <b>256,277</b>                            | <b>4,622,140</b>   | <b>6,407,708</b>   | <b>254,093</b>                            | <b>6,661,801</b>   |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Balance sheet

Company no. 02038895

As at 31 March 2019

|                                                | Note | £                | 2019<br>£               | £                | 2018<br>£               |
|------------------------------------------------|------|------------------|-------------------------|------------------|-------------------------|
| <b>Fixed assets:</b>                           |      |                  |                         |                  |                         |
| Tangible assets                                | 10   |                  | 216,763                 |                  | 264,316                 |
| Investments                                    | 11   |                  | 1,209,181               |                  | 2,203,620               |
|                                                |      |                  | <u>1,425,944</u>        |                  | <u>2,467,936</u>        |
| <b>Current assets:</b>                         |      |                  |                         |                  |                         |
| Debtors                                        | 12   | 1,496,613        |                         | 723,168          |                         |
| Short term deposits                            |      | 1,066,903        |                         | 3,807,653        |                         |
| Cash at bank and in hand                       |      | 1,266,783        |                         | 187,875          |                         |
|                                                |      | <u>3,830,299</u> |                         | <u>4,718,696</u> |                         |
| <b>Liabilities:</b>                            |      |                  |                         |                  |                         |
| Creditors: amounts falling due within one year | 13   | (634,103)        |                         | (524,831)        |                         |
| <b>Net current assets</b>                      |      |                  | <u>3,196,196</u>        |                  | <u>4,193,865</u>        |
| <b>Total net assets</b>                        |      |                  | <u><u>4,622,140</u></u> |                  | <u><u>6,661,801</u></u> |
| <b>The funds of the charity:</b>               | 15a  |                  |                         |                  |                         |
| Endowment funds:                               |      |                  |                         |                  |                         |
| The Barry & Shaun Springer Memorial Fund       |      | 100,000          |                         | 100,000          |                         |
| Kathy's Courageous Kids Fund                   |      | 100,000          |                         | 100,000          |                         |
| Total endowment funds                          |      |                  | <u>200,000</u>          |                  | <u>200,000</u>          |
| Restricted income funds                        |      |                  | 56,277                  |                  | 54,093                  |
| Unrestricted income funds:                     |      |                  |                         |                  |                         |
| Designated funds                               |      | 3,841,689        |                         | 4,344,885        |                         |
| General funds                                  |      | 524,174          |                         | 2,062,823        |                         |
| Total unrestricted funds                       |      |                  | <u>4,365,863</u>        |                  | <u>6,407,708</u>        |
| <b>Total charity funds</b>                     |      |                  | <u><u>4,622,140</u></u> |                  | <u><u>6,661,801</u></u> |

Approved by the trustees on 16 October 2019 and signed on their behalf by

Nick Mustoe  
Chair of Trustees



## Statement of cash flows

For the year ended 31 March 2019

|                                                                                              | 2019<br>£                      | £                                | 2018<br>£                      | £                              |
|----------------------------------------------------------------------------------------------|--------------------------------|----------------------------------|--------------------------------|--------------------------------|
| <b>Cash flows from operating activities</b>                                                  |                                |                                  |                                |                                |
| Net (expenditure) for the reporting period<br>(as per the statement of financial activities) | (2,039,661)                    |                                  | (2,049,141)                    |                                |
| Depreciation charges                                                                         | 29,371                         |                                  | 31,622                         |                                |
| (Gains)/losses on investments                                                                | (5,561)                        |                                  | 179                            |                                |
| Dividends and interest from investments                                                      | (9,250)                        |                                  | (14,864)                       |                                |
| (Profit)/loss on the disposal of fixed assets                                                | 6,647                          |                                  | –                              |                                |
| (Increase)/decrease in debtors                                                               | (773,445)                      |                                  | 507,885                        |                                |
| Increase/(decrease) in creditors                                                             | <u>109,272</u>                 |                                  | <u>(432,457)</u>               |                                |
| <b>Net cash provided by / (used in) operating activities</b>                                 |                                | <b>(2,682,627)</b>               |                                | <b>(1,956,776)</b>             |
| <b>Cash flows from investing activities:</b>                                                 |                                |                                  |                                |                                |
| Dividends, interest and rents from investments                                               | 9,250                          |                                  | 14,864                         |                                |
| Purchase of fixed assets                                                                     | (7,640)                        |                                  | (33,350)                       |                                |
| Proceeds from sale of property, plant and equipment                                          | 19,175                         |                                  | –                              |                                |
| Proceeds from sale of investments                                                            | <u>1,000,000</u>               |                                  | <u>–</u>                       |                                |
| <b>Net cash provided by / (used in) investing activities</b>                                 |                                | <b><u>1,020,785</u></b>          |                                | <b><u>(18,486)</u></b>         |
| <b>Change in cash and cash equivalents in the year</b>                                       |                                | <b>(1,661,842)</b>               |                                | <b>(1,975,262)</b>             |
| Cash and cash equivalents at the beginning of the year                                       |                                | <b><u>3,995,528</u></b>          |                                | <b><u>5,970,790</u></b>        |
| <b>Cash and cash equivalents at the end of the year</b>                                      |                                | <b><u><u>2,333,686</u></u></b>   |                                | <b><u><u>3,995,528</u></u></b> |
| <b>Analysis of cash and cash equivalents and of net debt</b>                                 |                                |                                  |                                |                                |
|                                                                                              | At 1 April<br>2018<br>£        | Cash flows<br>£                  | At 31 March<br>2019<br>£       |                                |
| Cash at bank and in hand                                                                     | 187,875                        | 1,078,908                        | <b>1,266,783</b>               |                                |
| Money market deposits                                                                        | 3,807,653                      | (2,740,750)                      | <b>1,066,903</b>               |                                |
| <b>Total cash and cash equivalents</b>                                                       | <b><u><u>3,995,528</u></u></b> | <b><u><u>(1,661,842)</u></u></b> | <b><u><u>2,333,686</u></u></b> |                                |

## 1 Accounting policies

### a) Statutory information

Starlight Children's Foundation is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 227 Shepherd's Bush Road, London, W6 7AU.

### b) Basis of preparation

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 (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

The charity also has a wholly owned subsidiary, Starlight General Trading Limited, a company incorporated and registered in the United Kingdom. The company was dormant in this and the previous financial year and therefore consolidated accounts have not been prepared as the difference between parent and group is immaterial.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. 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. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

### c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

### d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**1 Accounting policies (continued)**

**f) Donations of gifts, services and facilities**

Goods, facilities, and services donated in the financial statements comprise the provision of services and other gifts to grant wishes, run events, and make other provision for seriously and terminally ill children. These are included in the Statement of Financial Activities at the value of the gift to the charity and its beneficiaries; a corresponding amount is then recognised in expenditure in the period of receipt. In accordance with the Charities SORP (FRS 102), volunteer time, including that of the trustees, is not recognised.

**g) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor or have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements. Expenditure which meets these criteria is charged to the fund.

Endowment funds are funds of which only the income generated from the invested capital is available to the organisation for operations.

Unrestricted funds are donations and other incoming resources received or generated for the furtherance of the general objects of the Charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**i) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of fulfilling wishes undertaken to further the purposes of the charity and their associated support costs

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Salaries and associated staff costs are allocated on the basis of time spent on charitable activities, generating funds and governance.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.



**1 Accounting policies (continued)**

**k) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**l) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

|                       |          |
|-----------------------|----------|
| ● Office improvements | 15 years |
| ● Furniture           | 10 years |
| ● Office equipment    | 5 years  |
| ● Computers           | 3 years  |

**m) Listed investments**

Investments are a form of basic financial instrument. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments are included at the higher of their market value using the current bid price at the year end and guaranteed minimum value. Investment income is included, gross of applicable taxation, when receivable. Realised and unrealised gains and losses arising on revaluation of investments are included in the Statement of Financial Activities.

Starlight Children's Foundation does, from time to time, receive donated shares which are listed on the AIM market and which are subject to certain time restrictions. Until these restrictions are met the shares cannot be actively traded on the market. The Charity's policy, due to the volatility of these shares is to dispose of them as soon as the time restriction has passed and the shares can be actively traded and sold.

Where such shares are donated and can be valued they are included in the financial statements as fixed asset investments from such time as they can be sold. Shares held by the Charity which cannot be valued owing to the absence of an active market in which to sell them are disclosed in note 11 to the financial statements.

**n) Debtors**

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

**o) Short term deposits**

Short term deposits includes cash balances invested in an instant access money market account.

**p) Cash at bank and in hand**

Cash at bank and cash 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.

**q) Creditors and provisions**

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1 Accounting policies (continued)

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Pensions

The Charity contributed an agreed percentage of the salary to the personal pension plans of permanent employees. The pension providers are selected by the individual employees and thus the pension schemes are independently administered by, and the funds are held by, recognised pension companies. The pension cost charge represents contributions payable by the Charity to the pension funds.

2 Income from donations and legacies

|                    | Unrestricted<br>£ | Restricted<br>£ | 2019<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£ | 2018<br>Total<br>£ |
|--------------------|-------------------|-----------------|--------------------|-------------------|-----------------|--------------------|
| Donations          | 2,247,413         | 125,860         | 2,373,273          | 1,655,887         | 83,628          | 1,739,515          |
| Fundraising events | 1,226,550         | 1,750           | 1,228,300          | 720,453           | –               | 720,453            |
| Legacies           | 543,047           | –               | 543,047            | 655,917           | –               | 655,917            |
|                    | <u>4,017,010</u>  | <u>127,610</u>  | <u>4,144,620</u>   | <u>3,032,257</u>  | <u>83,628</u>   | <u>3,115,885</u>   |

3 Value of other goods and services donated

|                                       | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|---------------------------------------|--------------------|--------------------|
| Goods and services to fulfil wishes   | 1,800,582          | 1,915,269          |
| Gifts in kind for parties and escapes | 359,930            | 384,048            |
| Captain Starlight                     | –                  | 3,446              |
| Other activities for children         | 8,799              | 21,745             |
|                                       | <u>2,169,311</u>   | <u>2,324,508</u>   |

Income from other goods and services donated was £2,159,311 (2018: £2,324,508) of which £2,159,311 was restricted (2018: £2,324,508).

Starlight Children's Foundation

Notes to the financial statements

For the year ended 31 March 2019

4a Analysis of expenditure (current year)

|                               | Charitable activities |                       |                           |                          |                  |                    |
|-------------------------------|-----------------------|-----------------------|---------------------------|--------------------------|------------------|--------------------|
|                               | Raising<br>funds<br>£ | Wish<br>granting<br>£ | Hospital<br>services<br>£ | Governance<br>costs<br>£ | 2019 Total<br>£  | 2018<br>Total<br>£ |
| Staff costs (Note 6)          | 656,697               | 433,460               | 376,207                   | 6,412                    | 1,472,776        | 1,090,927          |
| Direct costs                  | 1,246,110             | 2,124,799             | 523,140                   | –                        | 3,894,049        | 3,307,917          |
| Donated goods and services    | –                     | 1,810,582             | 358,729                   | –                        | 2,169,311        | 2,324,508          |
| <u>Support costs:</u>         |                       |                       |                           |                          |                  |                    |
| Rent & services               | 111,375               | 80,920                | 70,232                    | –                        | 262,527          | 273,306            |
| Professional services         | 37,447                | 20,047                | 17,399                    | 14,040                   | 88,933           | 147,304            |
| Temporary staff               | 54,854                | 8,772                 | 7,613                     | –                        | 71,239           | 4,719              |
| Other staff related costs     | 5,832                 | 3,850                 | 3,342                     | –                        | 13,024           | 26,903             |
| Depreciation                  | 11,087                | 9,647                 | 8,373                     | –                        | 29,107           | 31,443             |
| Disposals                     | 3,345                 | 1,791                 | 8,213                     | –                        | 13,349           | –                  |
| Other office costs            | 168,098               | 84,690                | 73,514                    | 27,786                   | 354,088          | 297,192            |
|                               | 2,294,845             | 4,578,558             | 1,446,762                 | 48,238                   | 8,368,403        | 7,504,219          |
| Governance costs              | 25,365                | 12,066                | 10,807                    | (48,238)                 | –                | –                  |
| <b>Total expenditure 2019</b> | <b>2,320,210</b>      | <b>4,590,624</b>      | <b>1,457,569</b>          | <b>–</b>                 | <b>8,368,403</b> | <b>–</b>           |
| Total expenditure 2018        | 1,310,190             | 4,612,389             | 1,581,640                 | –                        | –                | 7,504,219          |



Starlight Children's Foundation

Notes to the financial statements

For the year ended 31 March 2019

4b Analysis of expenditure (prior year)

|                               | Charitable activities |                    |                        |                       |                  |
|-------------------------------|-----------------------|--------------------|------------------------|-----------------------|------------------|
|                               | Raising funds<br>£    | Wish granting<br>£ | Hospital services<br>£ | Governance costs<br>£ | 2018 Total<br>£  |
| Staff costs (Note 6)          | 519,533               | 308,366            | 256,045                | 6,983                 | 1,090,927        |
| Direct costs                  | 390,646               | 2,147,591          | 769,680                | –                     | 3,307,917        |
| Donated goods and services    | –                     | 1,915,269          | 409,239                | –                     | 2,324,508        |
| <u>Support costs:</u>         |                       |                    |                        |                       |                  |
| Rent & services               | 120,277               | 93,348             | 59,681                 | –                     | 273,306          |
| Professional services         | 62,337                | 40,813             | 26,094                 | 18,060                | 147,304          |
| Temporary staff               | 2,360                 | 1,439              | 920                    | –                     | 4,719            |
| Other staff related costs     | 12,896                | 7,704              | 6,303                  | –                     | 26,903           |
| Depreciation                  | 11,189                | 8,684              | 11,570                 | –                     | 31,443           |
| Other office costs            | 145,338               | 65,282             | 26,799                 | 59,773                | 297,192          |
|                               | 1,264,576             | 4,588,496          | 1,566,331              | 84,816                | 7,504,219        |
| Governance costs              | 45,614                | 23,893             | 15,309                 | (84,816)              | –                |
| <b>Total expenditure 2018</b> | <b>1,310,190</b>      | <b>4,612,389</b>   | <b>1,581,640</b>       | <b>–</b>              | <b>7,504,219</b> |

Notes to the financial statements

For the year ended 31 March 2019

**5 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

|                                              | 2019<br>£      | 2018<br>£      |
|----------------------------------------------|----------------|----------------|
| Depreciation                                 | 29,371         | 31,622         |
| Loss on disposal of tangible fixed assets    | 6,647          | -              |
| Operating lease rentals payable:             |                |                |
| Property                                     | 204,407        | 204,407        |
| Other                                        | 3,552          | 3,776          |
| Auditor's remuneration:                      |                |                |
| Audit (including VAT which is irrecoverable) | 14,040         | 18,060         |
|                                              | <b>204,407</b> | <b>204,407</b> |

**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

|                                                                 | 2019<br>£        | 2018<br>£        |
|-----------------------------------------------------------------|------------------|------------------|
| Salaries and wages                                              | 1,242,705        | 954,847          |
| Social security costs                                           | 127,445          | 97,180           |
| Employer's contribution to defined contribution pension schemes | 81,261           | 28,405           |
| Termination payments                                            | 21,365           | 10,495           |
|                                                                 | <b>1,472,776</b> | <b>1,090,927</b> |

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

|                     | 2019<br>No. | 2018<br>No. |
|---------------------|-------------|-------------|
| £60,000 – £69,999   | 1           | -           |
| £100,000 – £109,999 | 2           | 2           |

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £393,971 (2018: £408,603) of which £61,927 (2018: £123,961) were paid as consultancy fees.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,281 (2018: £nil) incurred by 1 (2018: nil) members relating to attendance at meetings of the trustees. Trustees' indemnity insurance was purchased during the year for £813 (2018: £813).

**7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 34 (2018: 28).

Staff are split across the activities of the charity as follows (full time equivalent basis):

|                     | 2019<br>No. | 2018<br>No. |
|---------------------|-------------|-------------|
| Children's services | 18.4        | 15.1        |
| Raising funds       | 13.6        | 12.1        |
|                     | <b>32.0</b> | <b>27.2</b> |

Notes to the financial statements

For the year ended 31 March 2019

**8 Related party transactions**

N Mustoe is a director of Kindred Ltd which provides services to Starlight without charge.

M Tasker is a senior partner at Bates Wells which provides services to Starlight without charge.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

**9 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**10 Tangible fixed assets**

|                               | Motor<br>vehicles<br>£ | Fixtures and<br>fittings<br>£ | Office<br>furniture<br>and<br>equipment<br>£ | Total<br>£      |
|-------------------------------|------------------------|-------------------------------|----------------------------------------------|-----------------|
| <b>Cost</b>                   |                        |                               |                                              |                 |
| At the start of the year      | 37,695                 | 223,143                       | 86,409                                       | <b>347,247</b>  |
| Additions in year             | –                      | –                             | 7,640                                        | <b>7,640</b>    |
| Disposals in year             | (37,695)               | –                             | (5,459)                                      | <b>(43,154)</b> |
| At the end of the year        | –                      | 223,143                       | 88,590                                       | <b>311,733</b>  |
| <b>Depreciation</b>           |                        |                               |                                              |                 |
| At the start of the year      | 9,142                  | 44,629                        | 29,160                                       | <b>82,931</b>   |
| Charge for the year           | 2,974                  | 14,876                        | 11,521                                       | <b>29,371</b>   |
| Eliminated on disposal        | (12,116)               | –                             | (5,216)                                      | <b>(17,332)</b> |
| At the end of the year        | –                      | 59,505                        | 35,465                                       | <b>94,970</b>   |
| <b>Net book value</b>         |                        |                               |                                              |                 |
| <b>At the end of the year</b> | –                      | 163,638                       | 53,125                                       | <b>216,763</b>  |
| At the start of the year      | 28,553                 | 178,514                       | 57,249                                       | <b>264,316</b>  |

All of the above assets are used for charitable purposes.

**11 Listed investments**

|                                                                        | 2019<br>£        | 2018<br>£        |
|------------------------------------------------------------------------|------------------|------------------|
| Fair value at the start of the year                                    | 2,203,618        | 2,203,797        |
| Disposal: 24.12.18 866.44 units Odey European Inc Euro Shares          | (500,000)        | –                |
| Disposal: 24.12.18 2,029.89 units Odey European Inc Class A GBP Shares | (500,000)        | –                |
| Net gain / (loss) on change in fair value                              | 5,561            | (179)            |
|                                                                        | <b>1,209,179</b> | <b>2,203,618</b> |
| Investment in trading subsidiary                                       | 2                | 2                |
| Fair value at the end of the year                                      | <b>1,209,181</b> | <b>2,203,620</b> |

Investments comprise:

|                                                                | 2019<br>£        | 2018<br>£        |
|----------------------------------------------------------------|------------------|------------------|
| 32,497.165 units – Charishare Common Investment Fund           | 204,537          | 199,500          |
| 866.44 units – Odey European Inc Euro Shares                   | 500,000          | 1,000,000        |
| 2,029.89 units – Odey European Inc Class A Sterling GBP Shares | 500,000          | 1,000,000        |
| 2,000 ordinary shares – Tesco                                  | 4,642            | 4,118            |
|                                                                | <b>1,209,179</b> | <b>2,203,618</b> |

**12 Debtors**

|                                          | 2019<br>£        | 2018<br>£      |
|------------------------------------------|------------------|----------------|
| Trade debtors                            | 595,471          | –              |
| Amounts due from associated undertakings | 790              | 790            |
| Prepayments and accrued income           | 747,352          | 577,378        |
| Gift Aid debtor                          | 153,000          | 145,000        |
|                                          | <b>1,496,613</b> | <b>723,168</b> |

**13 Creditors: amounts falling due within one year**

|                              | 2019<br>£      | 2018<br>£      |
|------------------------------|----------------|----------------|
| Taxation and social security | 36,735         | 41,124         |
| Creditors and accruals       | 570,618        | 448,207        |
| Deferred income (note 14)    | 26,750         | 35,500         |
|                              | <b>634,103</b> | <b>524,831</b> |

**14 Deferred income**

Deferred income relates to revenue received in advance of the fundraising event held at Highclere in May 2019.

|                                      | 2019<br>£     | 2018<br>£     |
|--------------------------------------|---------------|---------------|
| Balance at the beginning of the year | 35,500        | 41,280        |
| Amount deferred in the year          | 26,750        | 35,500        |
| Released to SOFA                     | (35,500)      | (41,280)      |
| Balance at the end of the year       | <b>26,750</b> | <b>35,500</b> |



## 15a Movements in funds (current year)

|                                          | At 1 April<br>2018<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£     | Investment<br>gains/<br>(losses)<br>£ | At 31<br>March 2019<br>£ |
|------------------------------------------|-------------------------|------------------------|------------------------------|--------------------|---------------------------------------|--------------------------|
| <b>Endowment funds</b>                   |                         |                        |                              |                    |                                       |                          |
| The Barry & Shaun Springer Memorial Fund | 100,000                 | -                      | -                            | -                  | -                                     | 100,000                  |
| Kate Sweeney Fund                        | 100,000                 | -                      | -                            | -                  | -                                     | 100,000                  |
| <b>Total endowment funds</b>             | <b>200,000</b>          | <b>-</b>               | <b>-</b>                     | <b>-</b>           | <b>-</b>                              | <b>200,000</b>           |
| <b>Restricted funds:</b>                 |                         |                        |                              |                    |                                       |                          |
| Boost boxes                              | -                       | 3,000                  | (3,000)                      | -                  | -                                     | -                        |
| Hospital programme                       | 24,593                  | -                      | -                            | -                  | -                                     | 24,593                   |
| Wish fund                                | -                       | 1,869,182              | (1,859,683)                  | -                  | -                                     | 9,499                    |
| Distraction boxes                        | -                       | 6,599                  | (6,599)                      | -                  | -                                     | -                        |
| Fun centres                              | 2,000                   | 10,000                 | (10,000)                     | -                  | -                                     | 2,000                    |
| Parties, escapes and events              | -                       | 350,300                | (350,300)                    | -                  | -                                     | -                        |
| Pantomimes and story tellers             | 27,500                  | 57,590                 | (64,905)                     | -                  | -                                     | 20,185                   |
| Regional Restriction                     | -                       | 250                    | (250)                        | -                  | -                                     | -                        |
| <b>Total restricted funds</b>            | <b>54,093</b>           | <b>2,296,921</b>       | <b>(2,294,737)</b>           | <b>-</b>           | <b>-</b>                              | <b>56,277</b>            |
| <b>Unrestricted funds:</b>               |                         |                        |                              |                    |                                       |                          |
| Designated funds:                        |                         |                        |                              |                    |                                       |                          |
| Boost boxes                              | 236,300                 | -                      | (236,300)                    | 263,345            | -                                     | 263,345                  |
| Wish fund                                | 2,651,912               | -                      | (2,767,988)                  | 2,194,904          | -                                     | 2,078,828                |
| Fun centres                              | 39,800                  | -                      | (23,405)                     | (395)              | -                                     | 16,000                   |
| Distraction boxes                        | 72,180                  | -                      | (68,777)                     | 79,612             | -                                     | 83,015                   |
| Captain Starlight                        | 204,000                 | -                      | (43,725)                     | (160,275)          | -                                     | -                        |
| Impact                                   | -                       | -                      | -                            | 30,000             | -                                     | 30,000                   |
| Operational costs                        | 1,140,693               | -                      | (1,140,693)                  | 1,370,501          | -                                     | 1,370,501                |
| <b>Total designated funds</b>            | <b>4,344,885</b>        | <b>-</b>               | <b>(4,280,888)</b>           | <b>3,777,692</b>   | <b>-</b>                              | <b>3,841,689</b>         |
| <b>General funds</b>                     | <b>2,062,823</b>        | <b>4,026,260</b>       | <b>(1,792,778)</b>           | <b>(3,777,692)</b> | <b>5,561</b>                          | <b>524,174</b>           |
| <b>Total unrestricted funds</b>          | <b>6,407,708</b>        | <b>4,026,260</b>       | <b>(6,073,666)</b>           | <b>-</b>           | <b>5,561</b>                          | <b>4,365,863</b>         |
| <b>Total funds</b>                       | <b>6,661,801</b>        | <b>6,323,181</b>       | <b>(8,368,403)</b>           | <b>-</b>           | <b>5,561</b>                          | <b>4,622,140</b>         |

The narrative to explain the purpose of each fund is given at the foot of the note below.

## 15b Movements in funds (prior year)

|                                          | At 1 April<br>2017<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£     | Investment<br>gains/<br>(losses)<br>£ | At 31<br>March 2018<br>£ |
|------------------------------------------|-------------------------|------------------------|------------------------------|--------------------|---------------------------------------|--------------------------|
| <b>Endowment funds</b>                   |                         |                        |                              |                    |                                       |                          |
| The Barry & Shaun Springer Memorial Fund | 100,000                 | -                      | -                            | -                  | -                                     | 100,000                  |
| Kate Sweeney Fund                        | 100,000                 | -                      | -                            | -                  | -                                     | 100,000                  |
| <b>Total endowment funds</b>             | <b>200,000</b>          | <b>-</b>               | <b>-</b>                     | <b>-</b>           | <b>-</b>                              | <b>200,000</b>           |
| <b>Restricted funds:</b>                 |                         |                        |                              |                    |                                       |                          |
| Boost boxes                              | -                       | 11,500                 | (11,500)                     | -                  | -                                     | -                        |
| Hospital programme                       | 24,593                  | -                      | -                            | -                  | -                                     | 24,593                   |
| Wish fund                                | -                       | 1,915,269              | (1,915,269)                  | -                  | -                                     | -                        |
| Distraction boxes                        | 3,285                   | 5,398                  | (8,683)                      | -                  | -                                     | -                        |
| Fun centres                              | 2,000                   | 3,987                  | (3,987)                      | -                  | -                                     | 2,000                    |
| Parties, escapes and events              | -                       | 384,048                | (384,048)                    | -                  | -                                     | -                        |
| Pantomimes and story tellers             | 27,250                  | 84,488                 | (84,238)                     | -                  | -                                     | 27,500                   |
| Captain Starlight                        | -                       | 3,446                  | (3,446)                      | -                  | -                                     | -                        |
| <b>Total restricted funds</b>            | <b>57,128</b>           | <b>2,408,136</b>       | <b>(2,411,171)</b>           | <b>-</b>           | <b>-</b>                              | <b>54,093</b>            |
| <b>Unrestricted funds:</b>               |                         |                        |                              |                    |                                       |                          |
| Designated funds:                        |                         |                        |                              |                    |                                       |                          |
| Boost boxes                              | -                       | -                      | -                            | 236,300            | -                                     | 236,300                  |
| Wish fund                                | 4,625,909               | -                      | (2,659,934)                  | 685,937            | -                                     | 2,651,912                |
| Fun centres                              | 30,000                  | -                      | (39,754)                     | 49,554             | -                                     | 39,800                   |
| Distraction boxes                        | 155,294                 | -                      | (70,821)                     | (12,293)           | -                                     | 72,180                   |
| Captain Starlight                        | 923,000                 | -                      | (296,191)                    | (422,809)          | -                                     | 204,000                  |
| IT renewal fund                          | 95,262                  | -                      | (14,654)                     | (80,608)           | -                                     | -                        |
| Operational costs                        | -                       | -                      | -                            | 1,140,693          | -                                     | 1,140,693                |
| <b>Total designated funds</b>            | <b>5,829,465</b>        | <b>-</b>               | <b>(3,081,354)</b>           | <b>1,596,774</b>   | <b>-</b>                              | <b>4,344,885</b>         |
| <b>General funds</b>                     | <b>2,624,350</b>        | <b>3,047,121</b>       | <b>(2,011,694)</b>           | <b>(1,596,774)</b> | <b>(179)</b>                          | <b>2,062,823</b>         |
| <b>Total unrestricted funds</b>          | <b>8,453,815</b>        | <b>3,047,121</b>       | <b>(5,093,048)</b>           | <b>-</b>           | <b>(179)</b>                          | <b>6,407,708</b>         |
| <b>Total funds</b>                       | <b>8,710,942</b>        | <b>5,455,256</b>       | <b>(7,504,219)</b>           | <b>-</b>           | <b>(179)</b>                          | <b>6,661,801</b>         |

**Purposes of restricted and endowment funds**Endowment funds

Endowment funds are funds of which only the income generated from the invested capital is available to the organisation for operations.

With the current very low level of interest rates available on deposit accounts with UK banks, and taking into account the likely and similarly low level of future rates, each of these funds generate very low levels of funds available for the charity to spend. It is the Board's intention to seek approval for the re-designation of both of these endowment funds, to enable the capital to be spent, within the coming year.

Hospital Programme

Donated funds restricted to the various activities within Starlight's Hospital Programme.

Wish Fund

Pledged funds restricted to general wish granting (£1,750), donated funds restricted to the annual group trips to Lapland (£66,850), and donated goods and services for the fulfilment of wishes.

Fun Centres

Funds restricted specifically to the provision of Fun Centres at Kingsmill Hospital.

Pantomimes & Story Tellers

Balance carried forward includes £20,000 funding to be expended by 31st December 2019, and £60 of funding restricted specifically to the Pantomime and Story Teller programme in Birmingham hospitals.

Boost Boxes, Distraction Boxes, Parties Escapes & Events

Restricted funds received for each of these programmes was fully expended in the year.

Regional Restriction

Funds specifically restricted to charitable activities in North Wales.

**Purposes of designated funds**

Boost Boxes, Distraction Boxes

Transfers made from general reserves to ensure fund balances are equivalent to six months budgeted direct expenditure for 2019/20.

Wish Fund

Transfer from reserves to ensure fund balance is equivalent to direct costs for both confirmed and anticipated wishes for 2019/20.

Fun Centres

Adjusting transfer to general funds to ensure fund balance is equivalent to budgeted direct expenditure for 2019/20.

Captain Starlight

Transfer made to general reserves due to this programme being put on hold.

Impact

Equivalent to balance of total budgeted direct costs less total anticipated grant income for 2019/20.

Operational costs

Transfer made from general funds to ensure fund balance is equivalent to six months total budgeted salaries and overheads costs for 2019/20.

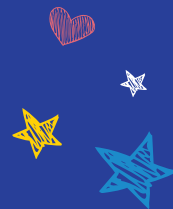
**16 Operating lease commitments**

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods


|                    | Property         |                  | Other        |               |
|--------------------|------------------|------------------|--------------|---------------|
|                    | 2019             | 2018             | 2019         | 2018          |
|                    | £                | £                | £            | £             |
| Less than one year | 204,407          | 204,407          | 2,158        | 3,504         |
| One to five years  | 817,628          | 817,628          | 1,217        | 6,879         |
| Over five years    | 1,311,618        | 1,516,025        | –            | –             |
|                    | <b>2,333,653</b> | <b>2,538,060</b> | <b>3,375</b> | <b>10,383</b> |

**17 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.



Starlight Children's Foundation  
Patron: HRH Princess Alexandra  
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