

ANNUAL

REPORT



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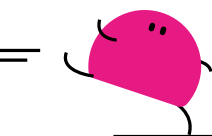
FINANCIAL

STATEMENTS

STARLIGHT CHILDREN'S FOUNDATION

YEAR ENDED 31 MARCH 2022





Royal Patron

HRH Princess Alexandra KG GCVO

Co-Founder

Emma Samms MBE

President

Major Christopher Hanbury (Deceased May 2022)

Trustees

Alain Wolffe (Chair from July 2021)

Nick Mustoe (Chair and Trustee to July 2021)

Dr Christopher Evans

Anna Gawn (Appointed May 2022)

Alasdair Hadden-Paton ACA (Vice Chair)

Dr Christopher Hanvey (Resigned July 2021)

Ian Harding

James Innes (Resigned July 2021)

Frenchesca James (Appointed June 2021, resigned May 2022)

Dr Christopher Kelly (Appointed January 2022)

Hina Patel

Mark Tasker

Senior Management Team

Cathy Gilman, CEO

Dr Krutika Pau, Director of Children's Services

Nicky Wade, Director of Finance and Resources

Sarah Woods, Director of Fundraising and Marketing

Registered Office

Starlight Children's Foundation

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www.starlight.org.uk

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Audit and Risk Committee

Alain Wolffe (Chair from July 2021)

James Innes (Chair to July 2021, Resigned July 2021)

Ian Harding

Hina Patel

Safeguarding Committee

Dr Chris Hanvey (Chair to July 2021, resigned July 2021)

Samuel Butler

Georgina Cox

Ceri Davies

Sandy Gulyurtlu

Dr Krutika Pau (Chair from July 2021)

Laura Walsh

Advisory Committee

Dr Chris Evans (Chair)

Dr Luca May Brad, Senior Research Fellow, UCL Institute of Ophthalmology

Professor Lucy Bray, Professor of Child Health Literacy, Edge Hill University

Kath Evans, Director of Nursing (Children's) at Bart's Health

Development Committee

Alasdair Hadden-Paton (Chair)

Camilla Blandford

Kate Deighton

Oliver Hardcastle

George Farquhar

Carrie McArdle

Alex Spencer-Churchill

Bankers

HSBC, Plc 25 Wigmore Street

London W1H 0DP

Lloyds Bank, Plc 25 Gresham Street

London EC2V 7HN

Solicitors

BDB Pitmans, One Bartholomew Close
London EC1A 7BL

Auditors

Sayer Vincent LLP, Invicta House



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THANK YOU FROM OUR CHAIR



Our mission at Starlight is to use the power of play to make the experience of illness and treatment better for children and their families. We achieve this by improving the experience of hospital; by giving families much-needed opportunities for social connection; and by sharing our insight, knowledge, and expertise to support and enable a collaborative approach to the delivery of play in hospital. The three core pillars of our strategy.

Having introduced our new strategy in the last financial year, this year we have forged ahead with its implementation, as we also completed and closed our wish granting programme. With another strong financial performance, despite the evident continuing operational challenges of a pandemic, we are pleased to see an increase of more than 60% in our expenditure on Children's Services.

A fundamental value at Starlight is 'responding to the world around us' and the determination of our team to find solutions has served us very well through another year of uncertainty. As well as expanding our core 'play and distraction' service delivery, we have successfully introduced Starlight Breaks and Days. These have enabled us to provide holidays for children with the most complex needs and to offer age appropriate and interest-specific special days across the UK.

We know that more access to technology in hospital is a key priority for families and health professionals and this year we have conducted a pilot of virtual reality as an effective distraction tool in partnership with Leeds Children's Hospital and tested gaming and sensory units in a number of hospitals.

With our new clarity of purpose, we have further strengthened the experience and expertise of our team with the appointment of a new Head of Play from Great Ormond Street Hospital, Laura Walsh, and the Founding Director of Play England, Adrian Voce, as Head of our new Policy and Public Affairs team. With this experience and the unique insight that families have shared with us, we aim to develop a voice for play which in time will help us to redress the inequalities in access to play in hospital.

We were able to bring together a wealth of expertise – researchers, practitioners, policymakers, former patients – to our first ever policy round table in March. The group discussed recent policy research findings and agreed that the 89% of respondents who think health policy and health service funding should treat children's play as a bigger priority give a clear mandate for leadership in a stronger, more co-ordinated voice on play.

"The Starlight team have once again delivered an exceptional performance in particularly challenging circumstances."

Our fundraising team have also been agile in their response to the ever-changing environment, with diversity of income streams enabling us to maintain some stability. We were finally able to return to high-value fundraising events in the last month of the financial year with our Starlight Blenheim Ball. Thanks to Trustee Alasdair Hadden-Paton and an outstanding fundraising development committee, we broke all previous records for a Starlight event raising £1.3m.

This, combined with early legacy receipts and an unexpected large corporate donation, led to income in the final month of the year being beyond all reasonable expectations. This means that we end the year with higher reserves than planned. We budget in a modular way which in the past has enabled us to rapidly dial down expenditure when needed. I am happy to report that on this occasion, it has also enabled us to dial up expenditure and plans are already in place to scale up our planned children's services expenditure and spend down the reserves.

The Starlight team have once again delivered an exceptional performance in particularly challenging circumstances. Our focus on our culture and organisational values as the way we deliver our strategy has supported our wellbeing and resilience as we also focus on a continuous and conscious state of mind to effect measured improvements in equity, diversity, and inclusion at Starlight.

In this, my first year as Starlight Chair, we have welcomed two new Trustees, Dr Chris Kelly, a paediatric innovator, and Anna Gawn, a safeguarding specialist. We very much value the expertise and voluntary time of our Trustee Board.

It is on a sadder note that I have to report the death of our President, Major Christopher Hanbury. Christopher had been involved with Starlight for more than twenty years and played a significant role in some of our fundraising events. He will be very much missed.

This year we are especially grateful for your continued support of Starlight, we know it has been a difficult time for everyone. There is still uncertainty, but thanks to you we look forward to the year ahead with confident plans and excitement about the difference we will make with the power of play.

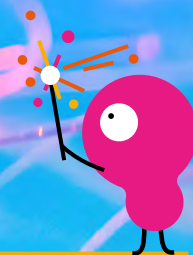
Alain Wolffe





TRUSTEE REPORT

MOMENTS OF LIGHT



We know that play is vital for the wellbeing of children. Childhood is a critical time in anyone's development, it is when we begin to discover the things that shape our nature and start to acquire the knowledge that makes us who we are. It should also be a time of positivity, no matter what life later brings, and we believe that it should be as carefree, fun and unconditional as possible for every child, so when serious illness intervenes, it is vitally important that childhood is not lost.



At Starlight, we are passionate about protecting this time of play, championing its importance and defending every child's right to it. Our passion takes us to the bedsides of some of the most poorly children in the UK who are in hospital, often without hope of leaving. We use the power of play to create a sense of escape from the difficult reality in which they find themselves. To delight and distract, entertain and enlighten them. But, most of all, to restore a smile to their faces, making moments of light when the day is at its darkest.

Since we began, 35 years ago, we have listened to children, families and health professionals to build and deepen our understanding of the breadth and depth of the impact that serious illness has, not just for the child, but for the whole family. This year we have used that insight to better understand the impact of the pandemic on the mental health of children, particularly in hospital. We know that the pandemic has reduced play opportunities and increased isolation for all children, but it has particularly exacerbated the challenge to offer the space, time and opportunity for play in hospitals.

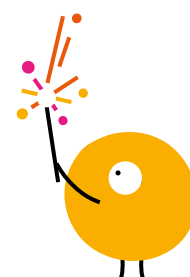
Our insight has also shown that there are significant inequalities in the provision of play across all health settings and this year we have focused particularly on increasing the relevance of our services to all and their accessibility to all hospitals and hospices. We have continued to proactively work to ensure that hospitals in areas of multiple deprivation and poor Care Quality Commission hospital experience results receive our services.

The Department of Health has long recommended the appointment of play professionals and for the therapeutic purpose of play to be included in care plans for children. We have identified the need for an evidence-based and solution-focused collective voice to ensure that these recommendations are universally implemented. A small new investment in a policy and public affairs team will enable Starlight to build on our insight and experience of service delivery to identify the levers for systemic change. This advocacy has the potential to significantly amplify our impact.

Responding to changing needs in the world around us is key and this year we have worked in partnership with the NHS to bring play and distraction into the NHS vaccination programme for children. As technology becomes more integrated into all our lives, a second NHS partnership has tested Virtual Reality as an effective form of distraction.

During the year we completed our outstanding programme of wish-granting and have used this valuable experience of creating meaningful activities for children and families to launch our Family Services programme of events and short breaks. This programme gives families a much-needed break from the relentless routine of treatment and also provides valuable opportunities for social connection for the family and other families, something that is easily lost when dealing with a seriously ill child.

Our work allows us to tell powerful, evidence backed stories which help us to encourage even more people to join our mission to be the Protectors of Play. We are already benefiting from the new opportunities created by our recent repositioning, new strategy and brand.





PROTECTORS OF PLAY

We know that play is fundamental to children's positive development and for their ability to develop the skills they need.

Play offers physical, emotional and social benefits that allow children and young people to develop the motor skills which are vital for everyday physical activity; to experiment with social behaviour and to better navigate their world. Children in hospital can face obstacles that negatively impact play, and this can then affect their development beyond the impact of the illness itself. Giving children access to play helps resilience, supports healthy development and enables children to better cope with the negative consequences of their illness. It can also help to support and strengthen family bonds even in the most challenging circumstances.

The child's right to play is enshrined in Article 31 of the United Nations Convention on the Rights of the Child. It is nearly 50 years since the Department of Health recommended the employment of play staff in children's wards and nearly 20 years since they stated that children staying in hospital should have daily access to a play specialist and that the therapeutic purpose of play should be included in their care plan. We know from Care Quality Commission data that a positive experience of hospital reported by parents and children is linked to having access to play professionals and having enough things to do. Yet research tells us that a third of hospitals do not have a play professional on their team and more than half have no budget for play resources.

Our strategy has three pillars which address: the needs of children to have access to play to improve their experience of hospital; a child's access to opportunities for social connection; and our objective to listen, learn and share knowledge as we work towards more systemic change to meet the needs of seriously ill children. We recognise that the impact of serious illness goes beyond the child, it affects the entire family, and our Family Services programme is specifically designed to provide experiences and opportunities for social connection for the whole family.





1



We make the experience of hospital more positive

We improve access to play in health settings across the UK, by providing play and distraction resources that make a big difference to children's lives when it matters most. These services improve experience and engagement with treatment, recovery and overall wellbeing that lead to better outcomes for life. A more visible presence of our services in hospitals, created with our new visual identity, is helping to raise the reach and profile of Starlight as well as create more visual appeal for children.

2



We create opportunities for social connection

Social connection is vital for the health and development of everyone. Positive social connections improve wellbeing by providing physical and mental benefits including increased cognitive ability, communication skills and even independence. They can also help children develop creativity, empathy and confidence. Illness in childhood can be an alienating and stressful experience for everyone involved. We use play to connect children and their families to others, helping to build support networks, maintain friendships and experience the self-worth that depends so much on human interaction.

3



We listen, learn and share knowledge

Through the work we do and the people we work with, we prioritise actively listening and learning to ensure the voices and experiences of children and their families are at the heart of our service development, innovation and evaluation. This also enables us to provide guidance and support to parents and health professionals and to connect and collaborate with other organisations to work towards systemic change in the provision of play in healthcare settings.





OUR CONTINUING COVID-19 RESPONSE

We believe that the health and wellbeing of all those around us is of utmost importance. Conscious that we work alongside some of the most vulnerable children in the UK, as well as the health professionals who support them, we have continued to monitor the Covid-19 situation and to respond as the world around us changes. Since the start of the pandemic we have worked with health professionals to ensure our services, adapted where necessary, reach those who need them. As restrictions began to lift across the UK in the summer of 2021 we worked to bring safe face-to-face activities to the seriously ill children who were able to leave their homes. We also recognised that for many sick children, the lifting of general restrictions increased isolation yet again, as other children were able to gather and play together and sought ways to counter that.

During the year we have been ready to make rapid decisions and respond to the ever-changing impact of Covid, remaining positive despite the challenges. In December 2021, with Covid-19 cases rising and a week to go before a long awaited Christmas Party for children and families at Warwick Castle, we agreed it was no longer safe to go ahead, providing Christmas treats to be enjoyed at home instead. Our people have flexed their working arrangements as the environment and government guidance has changed. Whilst we look positively to the future we continue to be conscious of the vulnerability of those with whom we work as well as the health and wellbeing of the Starlight team.

TRANSFORMING LIVES WITH THE POWER OF PLAY

EMBEDDING OUR STRATEGY

In 2020 we introduced our new strategy to use the power of play to make the experience of illness and treatment better for seriously ill children and those living with long term conditions. This year we have continued to embed this strategy, building a service delivery team in which a highly experienced Head of Play works alongside colleagues with essential customer service and service delivery skills. We have worked to understand and respond to the world around us, proactively expanded our reach across the UK and have built new partnerships to broaden our services.

MAKING THE HOSPITAL EXPERIENCE POSITIVE

Time in hospital can be an isolating, frightening and often boring experience for all children. As we moved into the second year of the pandemic and restrictions began to relax for most of us, for many seriously ill children the isolation of restrictions on visiting continued and it was clear that our aim of using the power of play to improve the hospital experience continued to be of vital importance. Alongside our highly impactful existing services, we have worked in partnership to introduce new ones, visited hospitals which have a great focus on play to talk about new ideas and piloted our first major hospital technology service.

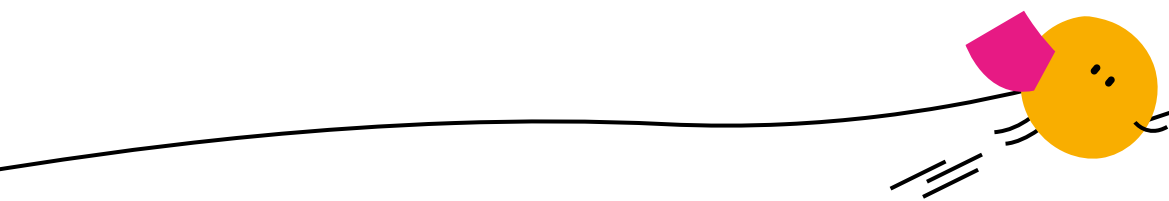
We continue to work to increase the number of children and young people we reach and over the last two years have almost doubled the hospitals we work with. In 2021-22 we brought Starlight services to 462 hospitals across the UK.

Delight and distract

Our Distraction Boxes continue to be our most iconic service for health professionals - a portable toolkit filled with toys, puzzles and conversation starters that help nurses to distract children during medical procedures and engage them in conversation, whether on a hospital ward, in a hospice, in A&E or even the back of an ambulance. Health professionals tell us that using the boxes improves the experience of medical procedures for children by reducing anxiety and distress and creating a rapport between the child and the medical staff.

Each Box costs us £69 to send and it is looked after by a health professional to be produced when needed. Demand continues to rise, with 611 boxes and 132 refill packs sent out in the year to more than 700 settings, a total of 743 against 648 last year. Our research tells us that a box can be used more than 250 times a month and that overall these provided around 1.25 million distractions for children and young people in the year.

Play for distraction works in any healthcare setting and we have been working with the North East London CCG to encourage a play-based approach to their Covid-19 vaccine rollout for children, providing 15 centres with resources to use play and distraction to make the vaccination procedure less stressful for children and parents alike. As well as distraction toys, we have produced leaflet and video guidance for practitioners and parents and posters and banners to create a playful space. Insight from the project will allow us, and the CCG, to understand the impact of play in this arena and help us to support further programmes.



Giving a boost

Our Boost Boxes are packed with toys and games, arts and crafts designed to entertain and delight children undergoing treatment. Sent to health professionals, they provide a box of tricks to be produced at just the right time when a child is bored or unhappy and since the start of Covid-19 we have adapted them to be used to create Isolation Packs, given to a child to keep, to avoid issues around infection control.

With visitor numbers still being limited, these resources have continued to be a critical part of hospital stays for many children. We sent out a record 3,834 boost boxes to hospitals and hospices across the country, almost 25% more than in the previous year. Costing us £133 each to send, each box has roughly 50 items and they have allowed us to boost the morale of around 190,000 children.

There are an infinite number of ways for children to play and these vary with age, interest and ability.



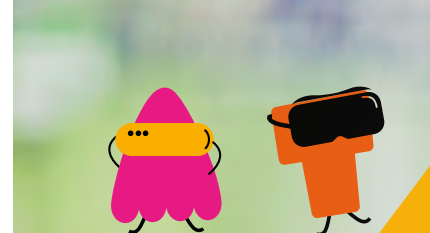
We have expanded the choice of hospital box services this year to reflect this, as well as to give variety to those who are in hospital for long periods of time. Over the course of the year we sent out 1,407 themed boxes; you can read about some of these here.

In the spring of 2021, following the hugely successful Festive Craft box, we continued our special edition boxes with a Spring Box, packed with items designed to bring the outdoor change of seasons onto the wards.

Imagination is a key part of play and a way in which children develop resilience. Our Story Boxes are designed to provide immersive, engaging storytelling for children and have diverse stories so the reader can see themselves and their friends reflected in the narratives. As well as books, they have dress-up items to help play out stories, projectors to turn walls into galaxies or jungles and toys relevant to the story. It also includes a Toniebox, a digital story box that brings favourite characters to life and lets children listen to a story or sing along with songs.

We are always listening to feedback and healthcare professionals told us that they were finding it hard to find resources for older children. We responded by piloting our Play Well box, designed specifically to aid relaxation for the over-tens, with games, notebooks and aromatherapy products. The box was enthusiastically received and we plan to roll it out as a full service in the coming months.

Health professionals also told us that while many hospitals have outdoor play areas, many of them had been designed for very young children so we sent out 75 Active Play boxes containing outdoor equipment including bats and balls, giant noughts and crosses and skittles for older children.



Technology in partnership

Children, their parents and health professionals have told us that more access to technology is a top priority to improve the hospital experience.

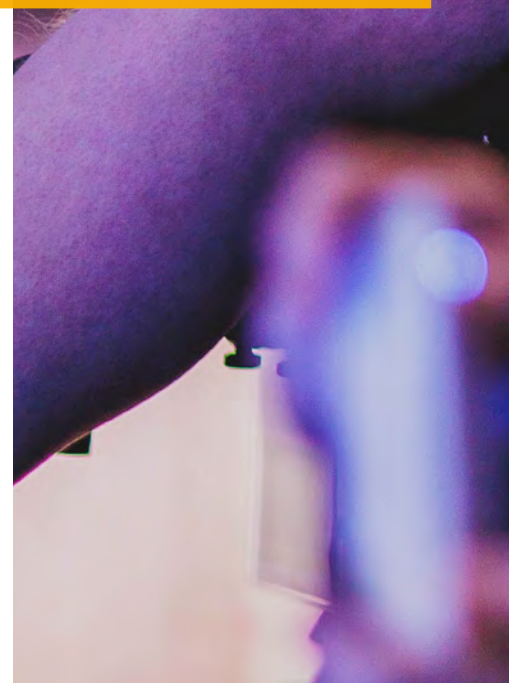
Integration of technology into play is part of life and in partnership with Leeds Children's Hospital, with the generous support of True Colours Trust, we have been piloting its use in two very different ways over the last 12 months. Our Virtual Reality project has seen a fulltime Health Play Specialist working with children to discover how VR can be used in a variety of treatment settings. It was the largest study ever conducted in the UK on VR play in hospital, with 110 children and young people taking part. There's a lot more still to learn, but the early indications are that VR is a highly effective distraction therapy for children. It improves their experience of hospital and can also create time-saving efficiencies for some procedures in the NHS. When given a choice of distraction methods, the majority of children chose VR. As a result we are extending this pilot to more locations in the coming year. As well as being a successful pilot of using the technology for distraction, we built experience in working in partnership with the NHS.

We also got involved in the redesign of the reception area, where many children get their first impression of hospital life. With plans for a brand new Children's Hospital to be built in Leeds, the Leeds Hospital Trust were

re-modelling the entrance to their existing space and were keen to trial how technology might be used to make the area more welcoming. Plans for interactive play included motion sensor games on giant screens. Placed in the waiting area and featuring our playful brand characters, the games kept children visiting the hospital entertained and occupied. These were well received in testing although practical implementation, as part of the wider building project, was more challenging and some issues are still to be resolved.

We have been using technology for distraction for some time, but we have been able to do something a bit different this year, with our new partner Rhino. Using their immersive Sensory Voyager units, we have been able to provide 35 hospitals with the ability to turn any ward area, or individual cubicle, into a sensory space.

Gaming continues to be a top priority for children of all ages, providing both entertainment and distraction. This year, as well as continuing our Starlight Gaming Bundles, providing 242 packages of a console and games in partnership with Nintendo, we were excited to partner with RockingR to deliver 38 of their gaming machines to health settings. There is growing demand for these units which can be used at the bedside for an individual child or to bring children together for social connection and, critically, do not depend on access to often intermittent hospital wi-fi connections.





"I felt really relaxed and I felt a small pinch and then it was over. I didn't feel much pain at all. I was more focused on the VR than what was going on around me."

OUR WORK WITH HEALTH PROFESSIONALS

It is only thanks to Health Play Specialists, who work tirelessly in ensuring the children in their care can still experience the value and joy of play, that we are able to provide many of our services. Together with children and parents, they tell us what is happening on the front line so we can respond and continue to develop our services. Many hospitals have no budget for Health Play Specialists; so we support other healthcare workers too. During the year we worked with almost 1,500 healthcare professionals to help them provide the children in their care with the time, space and opportunity to play.

As part of our work to raise the profile of the importance of play in the health and wellbeing of children, each year we support National Play in Hospital Week, organised by the National Association of Health Play Specialists.

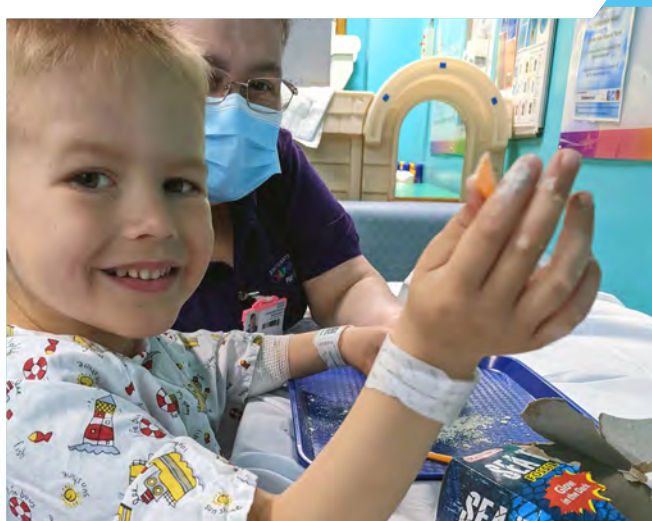
We also recognise the critical role these professionals play and the fantastic work they do with our annual Health Play Specialist of the Year and Play Team of the Year awards. This year we added two new categories: the Power of Play award, for a Health Play Specialist nominated by a family for making a real difference to their child's hospital experience, and the Protector of Play award, recognising the Health Play Specialists who work in particularly challenging conditions.



We were delighted to recognise Julie Morris, Health Play Specialist at Kingston Hospital as our Play Specialist of the Year. Julie and her team work with no NHS budget, carrying out fundraising activities to raise money for play materials. Julie also led a £60k project to make the hospital paediatric garden accessible to all, from submitting a case to the Trust, planning the new garden and working with charities to raise funds to pay for it.

Our Play Team of the Year award went to the team at Ipswich Hospital, who work in a busy, acute care setting but find time for children not in their care too. They too work without an NHS budget for play materials.

It's a truly exceptional example of a team who have stepped out of the play room and into families' hearts... They have also supported bereaved siblings and children in Covid, for example when adults died on ITU. They have found a beautiful music therapist and worked to get her substantive role supported once a week, and she has been transformative for our long term patients."



The new Power of Play award was open to nomination from families and our first winner was Tonya Webber, the Play Team Leader at Southampton General Hospital. Tonya was nominated by the mother of a six year old boy, saying:

It's so important for children to have a 'safe' person in these situations, one who isn't going to come in their hospital room and give them a blood test/medicine/swab etc. Tonya is this person for him and she's made him feel important by helping her to do a few jobs and he's comfortable enough to be his normal cheeky self when she's around. She brings normality and fun to what can be very anxious and scary situations for him."

Our Protector of Play award went to Nursery Nurse Dawn McCabe, solely responsible for play on the Paediatric Surgical & Trauma ward of Middlesborough's James Cook University Hospital. Like many others, Dawn doesn't let the lack of a budget for resources stop her and was highly praised for the work she did at children's bedsides during the height of the pandemic.

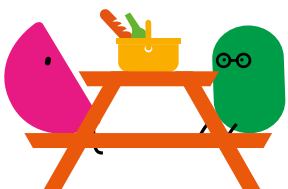
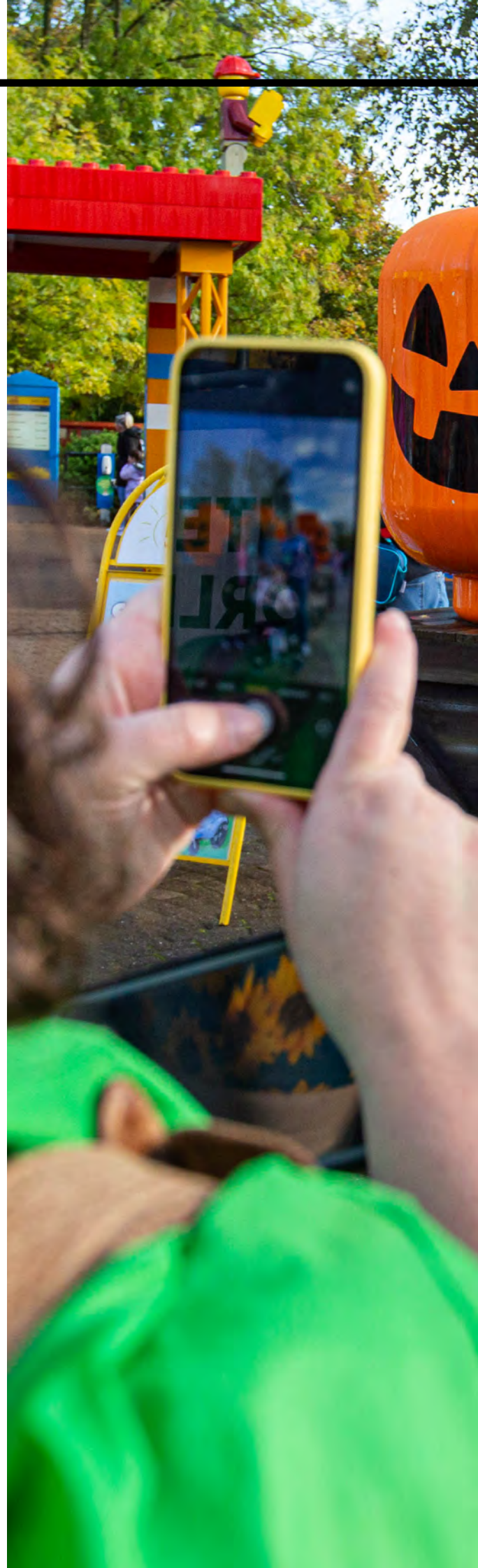
We are indebted to the National Association of Health Play Specialists Chair (NAHPS), Penelope Hart-Spencer and Tina Clegg, Chair of Healthcare Play Specialist Education Trust (HPSET) for being the expert judges on our panel along with Starlight CEO, Cathy Gilman.



SOCIAL CONNECTION THROUGH OUR FAMILY SERVICES

Social connection is critical for all of us and research tells us that playing with others gives children the opportunity to build broader relationships beyond their families and gain skills vital for their emotional and social development. For many seriously ill children, the welcome end of lockdowns and restrictions has increased their isolation as lives for those children around them return to normal. Our new Family Services programme aims to provide children and families with the time, space and opportunity to connect with others and do things they enjoy in a safe environment. Flexibility was key, with covid restrictions changing regularly and a full programme of events not possible, but we monitored the situation closely and delivered events whenever restrictions allowed and we felt it was safe to do so.

For families like us, where time is precious, these fun, happy memories are priceless. This has given us something to look forward to as a family that we can enjoy together."





During the year we:

- Held our first Summer Festival, a socially distanced, outdoor event where 33 families enjoyed a picnic, a live performance of Peter Pan and other entertainment as well as a box of crafting goodies.
- Gave 30 families of children with complex conditions the chance to get away through our new Starlight Breaks, short holidays with specially planned activities at Alton Towers and Brickhouse Farm Cottages.
- Launched our programme of Starlight Days, giving 87 children the opportunity to spend some time together doing something they love including a football coaching day at England training facility, St George's Park.
- Entertained 83 families at drive-in movie screenings, allowing them to enjoy a shared big-screen experience in a safe environment.
- Sent out 120 Summer Family Adventure Boxes, encouraging seriously ill children at home, often still isolating from their friends, to get out into any available green space and explore.
- Entertained 123 families via 9 virtual parties, magic and comedy shows and classes, giving children and their families the chance to play together.
- Provided Christmas presents for children to enjoy at home when the increase in Covid cases led to the cancellation of a much anticipated Christmas Party at Warwick Castle.

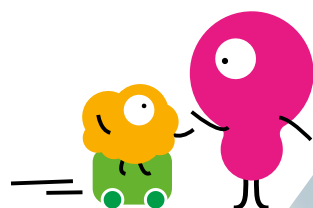
WISHES

This year saw the completion of our wish programme, with the granting of almost a hundred wishes. Many of the children had waited-out the pandemic to have their wishes fulfilled and although we took the difficult decision that foreign travel remained impractical in the current climate, we worked hard with families to find suitable alternatives and a lot of children enjoyed the delights of UK holidays instead.

With restrictions lifted, 16-year-old Ella was able to meet her idol, Kate Winslet, to swap acting

lessons and read lines together. 15-year-old Charlie went on a much-needed family boating holiday on the Norfolk Broads where he and his family reconnected and relaxed and 16-year-old Elpida spent the day at Theo Fennell's jewellery workshop where she designed a very special ring to signify the end of her treatment.

Although our wish programme is now at an end, as you've been reading earlier in this report, children will continue to be able to enjoy a sense of escape and connection as part of our new Family Services programme. Our friends at the many excellent wish-granting charities continue to provide this service.



LISTENING, LEARNING & SHARING KNOWLEDGE

Thanks to our experience of working with children, families and health professionals over the last 35 years, we have developed unique relationships where we are entrusted with details of lived experience of serious illness and long-term conditions. We also continue to develop new ways to listen to children's views about their experiences and feelings as well as their opinion of our services. We continually gather insight and review external research to supplement our first-hand knowledge; this enables us to adapt and respond to the needs of children and their families in an ever-changing world.

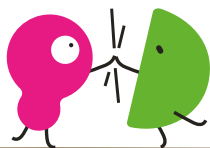
From this collective insight we have built a unique understanding of the play and distraction needs of children, especially in hospital, and of the inequalities between hospitals in the provision of play. Despite the Department of Health's recognition of the importance of supervised play in hospital; a recommendation that play professionals are employed on every ward and that the therapeutic purpose of play needs to be included in the care plan, there is no systemic adoption by the NHS. In fact, 50% of hospitals in the UK have no play budget and of those that do, a third have £250 or less to spend each year. One third have no dedicated play professionals.

These startling facts formed the basis of our second published insight report 'The importance of play in hospital 2021'. Across the country, Health Play Specialists, and other health professionals involved in play, are raising funds or using their own money to buy play materials for the children in their care. There still isn't a clear picture of the true state of play in hospitals and so we have started our own research, bringing in a data analyst to find answers to such questions as "how many health settings actually treat children for illness and long term conditions?" and "how many of these settings have professional play staff?" Not only will that let us target those health settings where there is the greatest need, it will provide critical information as we begin to work seriously to influence change in this area.



The insight we gather as part of our work puts us in a strong position to be a voice of influence for the need for systemic change in the delivery of Department of Health recommendations on the provision of play in hospitals. This year we were thrilled to be able to appoint our very first Head of Policy & Public Affairs, who has been busy building engagement and consulting with key stakeholders as part of developing a Policy & Public Affairs strategy. The ultimate aim is to improve the experience of seriously ill children and reduce inequalities in play provision in healthcare settings. A recent policy roundtable brought together Health Play Specialists, paediatricians, academics, health service executives, parents and former patients for a highly stimulating discussion of priorities, aimed to help us formulate a clear set of policy aims and develop a strategy for advocating for systemic change. Those attending recognised the unique role that Starlight can play in bringing together this influential group to develop a voice of influence. Alongside this we have commissioned the Centre for Research in Early Childhood to undertake a review of the policy landscape to enable us to prioritise and advocate effectively.





OPTIMISING

IMPACT

LAST YEAR WE SAID WE WOULD:

1

In collaboration with children, families and Health Play Specialists, develop and pilot new services in five areas of key importance to children and young people dealing with serious illness or long term conditions.

We ran a successful pilot project at Leeds Children's Hospital using virtual reality technology to create distraction and reduce anxiety during treatment. We trialled giant interactive games in the hospital's reception area and learned some of the difficulties of building and using technology in hospital. Both projects taught us a lot about working in partnership with both the NHS and technology providers. We developed relationships with a new partner, Rhino, and were able to deliver 35 of their immersive Sensory Voyager units to hospitals, allowing wards, or individual cubicles, to be turned into sensory spaces. We piloted services for imaginative play, for teenagers and for active outdoor play. We commissioned a service review, with children and young people at its heart, to understand how we might adapt our services in the future.

2

Complete our Wishes programme and begin to deliver our Experiences programme, continuing to provide respite, social connection and escape to children and their families.

We completed our wish commitments and developed and implemented our Family Services programme, aimed at providing seriously ill children and their families with opportunities for social connection and escape, as described earlier in this report.

3

Strengthen and amplify our voice and influence as protectors of play.

We appointed a new Head of Policy & Public Affairs and consulted with a wide group of stakeholders as part of our work to form a clear set of policy aims and develop a strategy for advocating systemic change in the role of play in children's healthcare, as set out in the 'Listening, Learning & Sharing Knowledge' section of this report.

4

Identify inequalities in play access for children and young people dealing with serious illness or long term conditions and work in partnership with others to identify and develop solutions.

We published our second 'Importance of Play in Hospital' report, which highlighted the inadequacy of play provision in many hospitals. We completed the project funded by Barclays and 3i Group to put £200,000 worth of services into hospitals in areas of social deprivation and in so doing gained further insight into the needs of those hospitals.

5

Continue to keep children, their families and health professionals at the heart of all we do.

We have continued to consult with children, families and health professionals and have commissioned 'A Place in Childhood', a research charity dedicated to helping organisations to involve children and young people in service design, to carry out a formal service review, seeking specifically to engage with children who benefit from the services and authentically incorporate their voices into our service development and delivery. We have taken the opportunity to review and refocus our Ambassador Programme to make it meaningful both to us and to our Ambassadors, so have worked for a steady 20% growth in the number of Starlight Ambassadors in the year.



PLANS FOR THE YEAR AHEAD

We live in an ever changing world but the one thing that remains constant for Starlight is the relentless focus on our purpose. Plans of how we deliver that purpose evolve as we learn more; we continue, through our research and insight, to identify areas where there is the greatest need and to develop services accordingly. This year, we plan to:

1

Deliver 5,000 Distraction Boxes, Boost Boxes and other boxes of resources for play and distraction into hospitals and hospices.

We'll continue to gather insight and we'll use the findings of the service review we have commissioned to adapt these core services to make sure they stay relevant and impactful to the children, young people and health professionals who use them.

2

Complete, evaluate and implement the results of three linked reviews as part of our commitment to evidence based decision making.

- a. We will carry out a robust service review to update and improve our understanding of the needs of children in hospital for play and distraction.
- b. We will scope the policy landscape for children's play in healthcare, to inform our policy aims and strategic approach.
- c. We will undertake a project to understand the true state of play in children's healthcare settings and so increase the reach and impact of our services.

3

Introduce Starlight Health Play Specialists in four healthcare settings.

We will be working in partnership with both the NHS and an independent hospice on a three year project to provide Health Play Specialists in healthcare settings which could otherwise not afford to have them. Starlight Health Play Specialists may work within hospitals, hospices or community healthcare teams and are employed directly by the setting but funded by Starlight. We will work in partnership with the setting to provide training and support for the roles and to gather insight on their impact.

4

Continue to strengthen and amplify our voice and influence as protectors of play.

We will use our own research alongside an externally commissioned review to inform our Policy & Public Affairs work. We will continue to work with stakeholders to build a platform of influence and will begin work on our first ever public campaign to improve inequalities in play provision. We will publish our third annual 'Importance of Play' report in time for National Play in Hospital Week in October.

5

Continue to build our Family Services, increasing the opportunities for social connection.

We will deliver a programme of Escapes, Experiences and Starlight Breaks across the year, working with health professionals to identify children who can most benefit from these experiences.

6

Continue to research the value of technology for play and distraction in hospital settings by continuation of our Virtual Reality pilot.

We will extend this pilot to three other hospitals, under the supervision of a funded Health Play Specialist, and continue to monitor impact.





HOW WE RAISE MONEY



Just as relationships are at the heart of our work with children, families and health professionals, they are our most valuable asset in our fundraising, whether we are working with a major donor, a Trust or Corporate partner or an individual supporter taking part in a challenge event. The passion of our supporters for the work we do and their commitment to our cause is what allows us to provide our services.

The diversity of our income streams has sustained us well through this period of uncertainty and we are very grateful to the individuals who give regularly or at our fundraising events, the companies and Trusts who support our projects, and those who leave generous bequests in their wills. We have also begun to develop a potential new income stream from our partnership with the NHS vaccination programme. In a world of economic uncertainty, the fact that we are able to raise the funds to grow our services is a testament to the loyalty of our supporters and to the compelling message of the importance of our work.

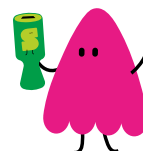
For our fundraising, 2021-22 has been a year of strategic planning, of testing and trialling, of consolidation of all we have learnt over the past few years and of building a team with the expertise to deliver for the future.



BUILDING CASES FOR SUPPORT

The focus our new strategy brings to the delivery of our charitable purpose does far more than help us deliver impactful services. We have continued to build our High Value Fundraising team, with a focus on generating compelling, evidence-based, project focused cases for support for Trusts, Foundations and the many companies who have Corporate & Social Responsibility high on their agendas. This project based funding lets us carry out programmes that might otherwise be out of our reach and trial new services without interrupting our existing ones. We are very grateful to the many people who throughout this challenging year have willingly continued to introduce new networks and make warm introductions to potential Starlight supporters.

The research we do and insight we develop is also a powerful tool in attracting funders. In one example, our 'Importance of Play in Hospital' report, published in October 2021, was picked up by Sky News and we had the chance to tell the nation about the inequalities in hospital play provision. This opportunity increased our reach and the public's awareness both of Starlight and the importance of play in hospital; it and also led to significant donations and a new partnership with a Charitable Trust.



Our three-year fundraising and marketing strategy focuses on five areas:

CULTURE: To give our colleagues and supporters the knowledge and tools they need to raise funds for our vital services

INSIGHT: To use evidence and insight to drive decisions on investment and supporter experience

REACH: To use every touch point to increase our reach and inspire action

DIVERSIFY: To have a wide range of offers

that meet audience needs and deliver income in the short, medium and long term

TECHNOLOGY: To maximise use of digital technology to deliver supporter experience and improve fundraising performance

There is always an urgent need to raise funds but we also take care, through our ethical fundraising policy, to ensure that people and activities are appropriately aligned to our values.

FORMING STRATEGIC PARTNERSHIPS

The clarity of our new strategy and values have enabled us to identify strong partnership alignment opportunities and to develop unique play related opportunities for partners.

We have been excited this year to be selected by management consultancy Oliver Wyman to be their Charity of the Year and to have the chance to demonstrate the importance of play and recreation for people of all ages with a 'play at work' workshop, where some of the team had the opportunity to play together, led by our play team.

Our multi-layered partnership with pladis has continued with generous supplies of biscuits and snacks being provided as gifts in kind for many of our family events. We have also worked in partnership with their Colleague Experience team to develop a Starlight colleague experience strategy, appropriate for our size and aligned to our values.

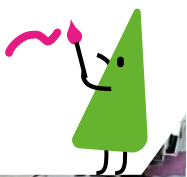
Lights 4 Fun have continued to dedicate one of their lovely products for donations to Starlight while also providing special lights in our packs for Starlight Ambassadors in hospitals to cheer up hospital wards. We're also working with other retailers, both online and on the high street, on driving point-of-sale customer donations.

Access to technology is a priority for children in hospital and thanks to our long partnership with Nintendo we have been able to continue to provide vitally important gaming bundles to hospitals across the UK. There are also many other companies that have generously donated toys, books and other play resources for our boxes. We especially thank Ryman and their suppliers, who despite having another very difficult year on the High Street, have continued to support us by donating hundreds of toys and arts and crafts materials.

SPECIAL EVENTS

We were delighted and relieved to reintroduce fundraising events at the very end of the financial year in March with the Starlight Blenheim Ball. As our last event had been in May 2019 there was inevitably considerable uncertainty in the planning and the delivery of the event. As our Chair said in his introduction to this report, the exceptional Committee were determined to make this a record-breaking event and surpassed any expectations that we dared to have by raising an incredible £1.3m in the final month of the financial year. This has inevitably resulted in higher reserves at the year-end, but also the opportunity to immediately increase our planned expenditure on children's services in the coming year.

Shortly after the year end we were able to deliver two further major fundraising events postponed by the pandemic – a clay pigeon shooting day at Highclere Castle and a race day at Newbury. We have learnt a lot from coming back to these events with a fresh eye and as part of our continuing development of fundraising plans will be conducting a strategic review of major fundraising events over the coming months.





VALUING AND GROWING OUR SUPPORTER BEDROCK

We never forget that a significant proportion of our services are funded by the generosity of our individual supporters, who have continued to show us incredible loyalty at a time when we know many of them may have faced difficult times and financial uncertainty.

One of the real highlights of our fundraising year was our 2021 Time to Play Campaign, which demonstrated the power of a single, simple message: More than half of all hospitals don't have the budget or resources to make play happen for children. It's a stark fact and a compelling story. The campaign appealed to all audiences and included a direct appeal to 40,000 supporters; as well as raising public awareness through media coverage, it raised more than £400k for our work.

It's been a year in which some of the fundraising events made impossible by the pandemic were able to restart – we welcomed runners in the Marathon and Royal Parks Half and swimmers in the Thames at Henley. Community fundraising has also gradually returned and has allowed us to reassess how we engage with both our local and wider communities, audiences we want to explore further in the coming year.

Developing insights to inform our decisions is as much a part of our fundraising strategy as it is our service delivery and this year we have been carrying out a product lifecycle analysis across our public fundraising portfolio, to support our decision making. We have asked questions such as "how well does the product enhance Starlight's reputation? Is it the kind of thing the public would expect us to do?" as well as important questions around financial returns and audience reach. As we develop and implement our new fundraising and marketing strategy over time, we expect to steadily improve the return on investment of our fundraising.

We have recognised the importance of better integration of digital fundraising and are working with an expert digital agency, Social Social, on developing our first complete digital, audience first, fundraising strategy. We're asking questions such as "How can we maximise channels like YouTube and mobile?" and "How can we develop greater digital skills with our people?".

As part of that we're also asking how we can move more supporters from print into a digital stewardship experience. We know that many of our supporters love to receive our appeals in the mail but we're conscious of the cost and the impact on the environment so we're aiming to make as many of our communications as possible electronic; we now have more than thirty five thousand people signed up to our fundraising e-newsletter.

BUILDING SUSTAINABLE INCOME GROWTH

Last year we said we would:

1. Maximise the potential power of our new brand and tell our new story to leverage more income.

We have focused our appeals on the real life stories we see every day. It's motivated our loyal donors to continue to give and to give more. We have seen the power of our new brand, combined with these stories and the research we have done, in an increase in media coverage, which has raised awareness of our work and attracted new donors. The Sky News interview described earlier in this report is a powerful example of that.

2. Develop and implement a strategic communications strategy to maximise the opportunities for telling our story, including producing a greater number of high quality compelling case studies and content.

We have built a strategic communications strategy, with focused objectives, identification of audiences, channels and key messages and have formed a cross-organisational working group to implement the resulting plan for the coming year. We identified key moments in the calendar for media interest and saw the benefits of this in the media attention around the launch of our Importance of Play in Hospitals report.

3. Build on our success of gaining substantial Trust funding to obtain multi-year funding.

We have always known that building relationships with larger Trusts (and companies) to secure multi-year funding takes time, with most wanting to see successful use of shorter term funds before committing to longer term projects. We have also seen shifts in funding priorities over the last year, but we continue to work to develop and strengthen our Trust relationships. We have had some Trust funding for pilot programmes which we hope to be able to extend.

4. Drive new business with corporate partners for both short-term funding and long-term strategic alignment purpose.

We have secured a number of mid-level partnerships, providing both short-term (and the potential for longer term) funding and other support for our work. We work with a diverse range of companies where we see real alignment, whether in product or in values. We continue to work on our strategy for developing larger strategic alliances.

5. Build on the success and learning from the Time to Play campaign to run two further integrated campaigns and increase our sustainable supporter base.

We delivered two integrated campaigns – our summer Freedom to Play, focussing on the fact that for many seriously ill children the freedoms being enjoyed by most of us with the lifting of covid restrictions remained out of reach, and a hugely successful Time to Play 2021 campaign in the winter. The tie in of the latter with our strategic communications plan brought significant media coverage and with it new funding opportunities and supporters.

6. Develop new offers that drive repeat giving with our core, growth and stretch audiences.

To bring evidence to the heart of all our decision making, we have carried out a product lifecycle analysis across our high volume fundraising products to fully understand the role of our existing fundraising offers in our long term success and are now in the process of reviewing what this means for the future. At the same time, we have been building our digital strategy and identifying the products most likely to increase our sustainable supporter base over the coming years.

Growing Support in the Year Ahead

With an unprecedented combination of economic, political and pandemic uncertainties in the year ahead, to achieve our income ambitions we know that we will need to find clever ways to reach and engage with existing and new supporters. We believe that the wide relevance of our new purpose, clarity of strategy, brand appeal and demonstration of tangible outcomes in service delivery, will equip us well in the year ahead. This year we aim to:

1. Embed our new strategy, using the outcomes of our Product Lifecycle analysis to make decisions about which of our current fundraising products are fit for the future, which need to be adjusted and which might need to stop. We'll focus on evidence-based decision making across our fundraising.

2. Complete our Digital Fundraising Strategy development and begin to implement it. We'll continue to draw on the expertise of our partner, Social Social, while we develop new skills within our teams to be self-supporting in the future.

3. Run two public fundraising campaigns – a community focused campaign and, for the third year, our highly impactful winter campaign, Time to Play.

4. Use our reputation as Play specialists to build our existing and develop new strategically-aligned corporate partnerships, bringing play into the corporate world whilst raising funds for and awareness of our work. We'll work towards partnerships with some large child-centred companies, recognising that these take time to build.

5. Continue to build relationships with current Trusts and Foundations with the aim of securing multi-year funding to allow longer-term projects. We'll also continue to use our networks for warm introductions and, now that our new strategy and evaluation framework are in place, aim to develop strategic relationships with some of the major institutional funders such as Big Lottery and Children in Need.

Our thanks to our Trust and Foundation funders, our corporate sponsors and partners who have helped make our work possible this year.

Barings
Greendale Charitable Foundation
The Hummingbird Charitable Trust
The Lady Rothes Charitable Trust
The Lancashire Foundation
The Moondance Foundation
Morrisons Foundation
The Neumark Foundation
The Story of Christmas
The Tanlaw Foundation
True Colours Trust
Wates Family Enterprise Trust
Amazon
Barclays
Ryman
3i Group
Barratt Developments PLC
Go Charitable
Lights4Fun
pladis
Red Carnation Hotels



Registered with
**FUNDRAISING
REGULATOR**

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 take care of supporter data in line with GDPR and have processes to ensure we only contact those who want to hear from us for fundraising purposes. We also ensure that nobody who appears to be vulnerable is asked to commit to giving. During the year we sent just over 0.25 million communications by mail and email and received thirty complaints, all of which were resolved without escalation.

BUILDING OUR COLLEAGUE EXPERIENCE

The experience of our colleagues at Starlight is a key contributor to our success. A healthy culture in which people are valued as people can improve their experience and amplify organisational performance.

This year we have been focusing on how we can enable our people to be their best. In partnership with pladis, we have developed a 'Moments that Matter' strategy identifying key moments that are of importance in the experience of our colleagues at Starlight.

During the year we have defined our purpose and values and begun to deliver a Development Programme, initially for the Senior Management Team where we have focused on how our behavioural choices individually and as a team, can contribute to business results.

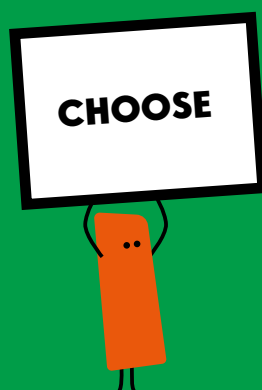
In the year ahead we will focus initially on three areas of this strategy, Choose, Grow and Celebrate. We want to ensure that our colleagues are fairly rewarded by benchmarking our reward package; we will extend the learning and development programme for leaders and we will consider the inclusivity of what and how we celebrate at Starlight.

The wellbeing and safety of our team has continued to be of paramount importance through the pandemic. We responded to government guidance and our own risk assessments as the situation changed and used the opportunity to understand what the physical future of work might look like. After consulting with our colleagues, we built our new working practices, where we work in the place that best fits what we need to do on any given day.

With a team of just 40 people to deliver an ambitious strategy, we have been delighted to recently involve a number of volunteers after a long gap because of the pandemic. All volunteers are required to sign up to the Starlight safeguarding and Data Protection policies and are briefed on the importance of the work of Starlight for the families that they will meet.

On the financial front, the Trustees approve the overall salary budget and specifically the remuneration of the Senior Management Team, which is set taking into account affordability for the Charity, inflation and market rates at the time.

**WE ARE
STARLIGHT**



Establishing Our Values

With a new purpose, strategy and plan in place, we have true clarity about what we want to achieve as a charity. This year we have focused on our culture and the way we want to be, thinking about the behaviours that matter to us and how they will contribute to our success, by creating a set of unique Starlight values.

Working together for our purpose. We aim high, think big, are imaginative and curious in everything we do. We celebrate our achievements and we help and support each other when challenges come. We all play our part in our purpose and have fun along the way.

Responding to the world around us. We are inspired by the changes in the world around us. We have the freedom and courage to try something new, always learning and adapting to people's needs. It means trying stuff out, seeing what happens and pushing our own boundaries.

Taking time to understand. We take the time to truly understand ourselves and our impact. We actively listen, seeking to learn and understand from everyone's experiences in life. We are open to the opportunities and possibilities this awareness brings to ourselves, others, and Starlight.

Trusted to be our best. The trust we have in each other and our purpose guides our decisions, choices, and actions. When we are trusted our confidence grows, we ask for help and we feel safe to be who we are. In any situation we say 'we' rather than 'they'. Most of all we trust in the Power of Play for children and adults alike.

Equity, Diversity & Inclusivity

We value the individuality and differences of all of our colleagues and have open and honest channels for discussion and feedback.

Our internal EDI Action Group has three priority commitments:

- Our services will be accessible, relevant and inclusive to all the children and families we support
- Our supporter engagement opportunities and products will be accessible, relevant and inclusive to all our supporters
- We will bring our unique perspectives and experiences to Starlight and live and breathe our EDI commitments

In the year ahead we plan to:

- Gather diversity data across our service users to understand if there may be gaps in our reach which could indicate accessibility or inclusivity issues
- Begin gathering diversity data on our fundraising audience and use that data as part of our decision making to ensure diversity of audiences being engaged
- Ensure all our PR, digital and marketing plans feature touch points used by diverse communities
- Build on our Unconscious Bias training with a rolling programme of education



FINANCIAL REPORT

2021-22 has been a year of steady and sustainable financial performance, despite the uncertainty of the external environment. We approached the year with ambition tempered with prudence, conscious that almost 20% of our income for the year was expected to come from the Starlight Ball in March 2022. As Covid restrictions evolved, our ability to run the event was in doubt for much of the year, so we focused on ensuring that we were committing to and delivering services in line with funds available and thus delivering maximum impact whilst maintaining our financial sustainability.

As reported last year, we came into the year with reserves higher than planned, and we therefore planned a deficit of approximately £1m for 2021-22. Our plans to reduce reserves significantly were overtaken by the outstanding success of fundraising in the final quarter of the year, with the Ball raising almost £0.5m more than expected, and the receipt of unexpected legacies and a significant corporate donation. We therefore ended the year with a much smaller deficit of £0.2m.

These additional funds will allow us to do even more than already planned in the 2022-23 financial year and, in fact, our modular approach to budgeting meant that within weeks of knowing how the year would end, the Trustees were able to review a new budget proposal supported by clear plans for approximately half of the additional surplus reserves. We continue to take a balanced approach; as described in the Risks section of this report there are some significant risks around fundraising levels in the coming year and we will be releasing more of the additional funds to service provision as the picture becomes clearer.

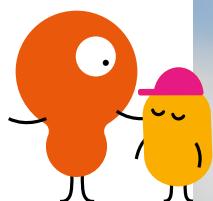
We came into the year with a clear strategy, based on our experience in the previous year, of how we would deliver services regardless of the status of the pandemic. We were able to deliver almost our full planned programme, meaning the amount we were able to spend on our charitable purpose increased by 66% from the previous year.

As a result of this, we ended the year with a reported deficit of £0.2m. Reserves stood at £4m, of which £0.5m is restricted funding relating to programmes due for delivery after the year end. This includes £0.2m for funding Health Play Specialist roles and £0.2m raised at the Starlight Ball for delivery of the 2022-23 Family Services programme.

In overview of the detail, donations and legacies for the year, excluding Gifts in Kind, totalled £4.6m, up £0.9m on last year and £0.7m ahead of our original budget. We made successful applications for just over £0.8m of Trust and Corporate grants, and generated donations totalling £1.3m from the Starlight Ball. Public Fundraising fell by £0.3m, raising £1.6m; this was largely expected when measured against the emergency appeal in the early days of the pandemic in the previous year, continued cancellation of challenge events and the current tough economic climate.

Legacies continued to perform strongly, almost reaching the £1m mark, although the earlier than expected settlement of some significant legacies in the last quarter of the year means that the future pipeline is lower than usual.

Spend on charitable service provision (including allocated overheads) was £2.9m against a previous year spend of £1.7m, demonstrating that the clarity of our strategy and our adaptability to the world around us, including navigation of



covid-restrictions, have allowed us to move back towards pre-pandemic levels of expenditure. Hospital services provision more than doubled in the year, reflecting both more confidence in funding and our investment in our ability to deliver it with our dedicated Play Team. In the coming year we expect to spend in the region of £3.5m on charitable services, growing our reach and impact still further.

Financial sustainability is about more than the current deficit or surplus and we continue to invest in our people and our central services to ensure we have a sustainable model of both fundraising and service provision for the years to come.

Looking to the future, reflecting our plans for significantly increased spend on charitable services, as well as the fact that substantial funds for the year's services were received prior to the year end, we have a planned deficit for 2022-23 of in the region of £1.5m. This is in line with our plans to reduce reserves to approximately £2m by the end of 2023.

Over the course of the year we have been investing in our strategy for the future as well as our immediate service delivery, building the experience and expertise we need to carry out, and fund our ambitious plans. Our new fundraising strategy is in its infancy and solid returns on investment for new products can take time to build. We expect our fundraising cost/income ratios to improve over time and are satisfied that they remain in line with those of similar charities. Our key measurement of success remains our impact on seriously ill children and their families. We measure this in a number of ways but when we consider the number of children reached by our services, our performance stands out amongst charities operating in similar spheres.



RESERVES AND INVESTMENT POLICY

Reserves

All charities are required to consider how much they need to hold in reserves, in the light of the scale and nature of the charity's activities. We do this by considering the funds needed for upcoming plans, taking into account the inherent uncertainties of fundraising and recognising always the need to consider the financial sustainability of the charity for years to come. The Trustees reviewed the Reserves Policy in the year, considering the level of reserves needed to allow maintenance of service provision should there be a particularly difficult fundraising year in the future without risking the financial sustainability of the charity. As a result of this review the charity has adopted a policy of holding reserves of in the region of £2m.

As at 31st March 2022, our total reserves, excluding amounts tied up in fixed assets used for the operation of the charity, amounted to £3.9m (FY20: £4m). The charity no longer holds endowment funds; having exhausted all avenues of attempting to contact the original donor of its remaining endowment the Trustees made a decision to transfer the endowment to general funds on the basis that the investment returns over past years had been so low that it was in the charity's long term best interests to do so. Of the £3.9m of available funds, £0.5m is restricted to specific projects, the delivery of which is expected to be completed in the new financial year, leaving £3.4m of free reserves. The Board have reviewed their approach to designation of funds, recognising that the planned deficit for the

coming year will be funded from reserves, and as such have designated £0.95m for this purpose (being the level of planned deficit less that covered by restricted funding), leaving £2.45m of general expendable funds.

The financial year end is only ever a snapshot at one point in time; funding streams and operational activities are a fluid process and the year end surplus and level of reserves has to be considered in the context of a planned deficit of £1.5m for the coming year. Because significant funds received in the last quarter of the year were earmarked for projects planned for the current year, whilst the Board accept that the current reserves level is in excess of their stated policy, they view this as a matter of timing which will reverse over coming months. They also make reference to the unusually high level of uncertainty around fundraising as the UK emerges from the economic and personal impact of the Covid-19 pandemic and feel that an increased level of caution to ensure financial sustainability is merited at this time. The Board are therefore comfortable that the level of reserves held at the end of the financial year are appropriate.

Going concern

The Trustees have reviewed the accounts as well as the charity's budgets and plans for 2023, reserves position up to the date of signing off these accounts and the charity risk register. They have considered the risks, particularly, around fluctuations in fundraising levels as the country emerges from the pandemic and into a period of considerable economic uncertainty, and believe that the charity has sufficient reserves in place to absorb these. In addition, the flexibility of the

charity's expenditure model has been proven to allow it to adjust services to meet changes in fundraising levels and the Trustees are confident that the charity can continue to meet the needs of a significant number of families and children for the next twelve months and beyond. The Trustees are, therefore, confident that the charity should be considered as a going concern.

Investment Returns and Policy

At 31st March 2022, the Charity held £0.2m in managed long-term investments. £3.6m of reserves were held as cash and short term deposits. To mitigate the risk of these holdings, funds are split between two leading UK banks. The charity takes a low risk profile attitude to investment of its surplus funds (those funds not required for immediate financial needs), recognising the need to diversify risk across institutions and asset classes. High risk investments such as traded options, futures, derivatives, and hedge funds are prohibited. Bank accounts and deposit amounts may only be held with major UK banks, which have specifically been approved by the Board and not more than £2m (or 50% of the total unrestricted reserves, whichever is the lesser) is held in any one financial institution. Funds over and above those required for operating purposes may be held with fund managers in line with the above risk profile. The charity does not permit its funds to be invested in any organisation which conflicts with our mission and aims to avoid investments which could adversely affect its ability to attract either beneficiaries or supporters. Investments in armaments, tobacco or pornography industries are specifically forbidden under the policy.



PRINCIPAL RISKS AND UNCERTAINTIES

The Audit and Risk Committee is responsible for reviewing the risks faced by the charity and for agreeing the necessary controls to mitigate those risks. The committee meets at regular intervals and reports to the Board of Trustees. 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.

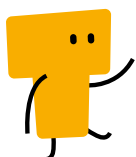
The charity continues to review its Risk Register, identifying in detail risks across the business and ensuring plans are in place to mitigate all major risks as much as possible and to monitor those where mitigation is inherently limited.

The most significant risk to Starlight in the medium term continues to be the uncertainty of the fundraising environment over the next few years and hence our ability to raise sufficient funds to carry out planned programmes of activity. As described elsewhere in this report, we are working to mitigate this risk by building long-term relationships with significant funders and to ensure we have a broad portfolio of fundraising options and a constant supply of strong cases for support.

Whilst this funding risk is also mitigated by our proven flexible operating model which allows us to scale back services in times of funding shortfall, thus protecting future sustainability, by its nature that reduces our ability to provide much needed services to the children and families for whom we exist.

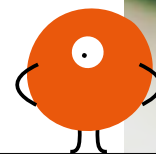
The second key risk identified by the charity is that of a slower than planned increase in service provision, which could in turn have implications for future funding. Whilst this risk is mitigated by an operational plan for the development of new services and the expansion of existing ones and a continual review of opportunities for new service provision, as a small team we are conscious of the impact of organic movement of colleagues as well as the risk of some pilots for new services failing and plans needing to be revised, with the associated time delays. The situation is being closely monitored and the Trustees are comfortable that there is a monitoring system in place which will identify at an early stage if delivery plans are not being met.

In these times of heightened cyber risk, with the threat level being raised by the NCSC, we have raised our awareness of potential risk to our systems and assets from a cyber attack. We have carried out a security review against the Cyber Essentials Plus standard which showed no critical cyber security issues but did identify areas where we could improve our protection and since the year end have carried out improvement works.





GOVERNANCE



Starlight Children's Foundation 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 2nd December 1986. Our mission is to use the power of play to make the experience of illness and treatment better for children and their families.

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 estimated 100,000 children and young people in the UK diagnosed with a life-limiting or life-threatening condition and their families together with the millions of children and young people who pass through the doors of our hospitals every year. Our insight team work to keep our services relevant and in line with need by talking to health professionals,

children and families about access to play, about the issues they face and about the benefits that they experience from our services and how they might be improved. Many hospitals do not have a budget for play and distraction and staff tell us that Starlight resources are often the only ones available. Our policy work aims to heighten awareness of inequalities in play provision in hospitals and to bring about systemic change.

Children, their families, and health professionals tell us that our services help to:

- Reduce anxiety and distress and help children relax in stressful medical environments
- Improve the hospital environment and hence give children a more positive experience, reducing anxiety about future treatment
- Reduce pain and the need for medication during medical procedures
- Give families opportunities for respite and fun
- Let children do things they thought impossible, building confidence and increasing wellbeing
- Provide opportunities for otherwise isolated children and families to build friendships, networks, and relationships with their peers
- Bring families together for quality time and create special memories.



BOARD OF TRUSTEES

The Board of Trustees, who also constitute the Directors for Company Law purposes, are legally responsible for directing the affairs of the charity. They meet as a full Board four times a year although as a result of the uncertainty created by the pandemic they currently meet for less extensive meetings in most intervening months. We continue to monitor the skills and diversity of the Board to ensure that the charity has governance across all key areas.

This year saw the retirement of three long-serving Trustees; Nick Mustoe (Chair), Chris Hanvey and James Innes. In addition, Frenchesca James resigned as the year ended due to other commitments. Since the last report we have welcomed two new Trustees, Dr Chris Kelly and, in May of this year, Anna Gawn. Chris brings a broad skill set to the Board; a paediatrician and innovator who is now working at Google Health. Anna has significant experience and expertise in safeguarding as part of organisational culture and is a member of the Safeguarding Committee.

The Board continues to monitor skill gaps and prepare succession and recruitment plans for Trustees.

COMMITTEES

Five Committees support the work of the Board as a whole, each made up of Trustees, Executive and in three cases external experts in the relevant area.

The Safeguarding Committee is responsible for oversight of all Safeguarding matters at Starlight and is currently chaired by Dr Krutika Pau, Director of Children's Services & Deputy CEO. Following a thorough review and update of safeguarding policies and practice in the previous year, the Committee has this year focused on monitoring and advising on safeguarding.

The Audit and Risk Committee, chaired by Alain Wolffe, works with the Executive team to oversee, manage and mitigate risks across the organisation and is responsible for oversight of the risk register, with key risks being regularly reviewed by the Board of Trustees. The Committee also meets with the charity's Auditors at the end of the annual audit process and both they and the Board have the opportunity to question them both with and without the presence of the Executive.

The Development Committee is headed up by Alasdair Hadden-Paton and has this year focused on the Starlight Blenheim Ball, continuing planning whilst the event was uncertain and being instrumental, with their knowledge of the attendees, to the decision to go ahead in March 2022. We are very grateful to Committee members Alasdair Hadden-Paton, Camilla Blandford, Kate Deighton, George Farquhar, Oliver Hardcastle, Carrie McCardle and Alex Spencer-Churchill, as well as to George Blandford, for giving their time and expertise.

The Advisory Committee, led by Dr. Chris Evans, works to bring valuable professional expertise to our programme of research and to help Starlight develop a child-centric, outcomes-focused strategy and the services that will deliver maximum impact. We are very grateful to Kath Evans - Director of Nursing (Children's) at Bart's Health; Professor Lucy Bray - Professor of Child Health Literacy at Edge Hill University and Dr Luca May Brady - Independent Consultant/Senior Research Fellow at UCL Institute of Ophthalmology for sharing their wealth of experience and expertise.

The EDI Committee was formed in the autumn of 2020 to oversee all matters relating to Equality, Diversity and Inclusivity. It meets intermittently but holds itself ready to advise or review as required. The remit of the Committee will be reviewed in the coming year to ensure it remains relevant.

The Board comprises eight trustees, as follows:

Alain Wolffe sits on the Audit and Risk and EDI Committees 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 15-year old with cerebral palsy.

Alasdair Hadden-Paton is Vice Chair and heads up the Development Committee. He is a Chartered Accountant with over 30 years' financial experience in the luxury goods, hotel, property investment and venture capital sectors.

Dr Chris Evans is Chair of the Advisory Committee and is an NHS Paediatric Anaesthetist who has an in-depth understanding of the UK health care system and the psychological burden of hospital visits. Chris is helping Starlight develop new services in response to the insights from our research, as well as sharing valuable experience of innovation and digital technologies.

Frenchesca James (resigned May 2022)

is a Senior Youth Support Co-ordinator at UCLH, working mostly with teenagers and is heavily involved there with young people with safeguarding or mental health issues, as well as those involved in gang violence. She was Starlight's first ever Health Play Specialist of the Year and brings us experience from the front line of healthcare.

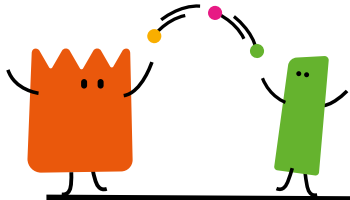
Ian Harding is a Managing Partner at Arcus Infrastructure and brings fundraising, financial and governance expertise to the Board.

Dr Chris Kelly is a clinician research scientist in the Health artificial intelligence team at Google, and a paediatrician at the Evelina Children's Hospital in London. He brings experience of children's services in the NHS, combined with an interest in how technology can improve the experience of children with healthcare needs.

Hina Patel also sits on the Audit and Risk and EDI Committees and is a senior strategic product manager at iCapital Network. She has also experienced the power of a Starlight wish in her own family.

Mark Tasker is Head of M&A and Corporate Finance Team at law firm Bates Wells. He has more than 30 years' experience of advising clients on corporate transactional work and provides valuable advice on legal matters to Starlight.

Anna Gawn (appointed May 2022) is a senior consultant who advises NGOs, UN agencies, Governments and others on protection from abuse and safeguarding in international development and humanitarian aid. She provides valuable advice to Starlight on matters that relate to safeguarding.



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
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate 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.



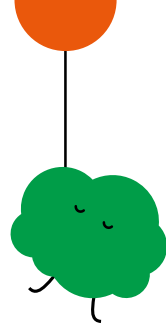
STATEMENT OF DISCLOSURE TO OUR AUDITORS

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.
- The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Board and signed on its behalf:

Alain Wolffe
Chair of Trustees



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF STARLIGHT CHILDREN'S FOUNDATION

Opinion

We have audited the financial statements of Starlight Children's Foundation (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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; and
- 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 directors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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: 20th July 2022

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



FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2022



STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)
For the year ended 31 March 2022

		2022			2021		
		Unrestricted	Restricted and endowment funds	Total	Unrestricted	Restricted and endowment funds	Total
	Note	£	£	£	£	£	£
INCOME FROM:							
Donations	2	3,147,334	571,000	3,718,334	1,910,937	723,606	2,634,543
Value of goods and services donated	2	1,794	309,178	310,972	42,507	221,949	264,456
Legacies	2	928,519	-	928,519	1,073,256	-	1,073,256
Grants	4	-	-	-	55,321	-	55,321
Investments		381	-	381	5,197	-	5,197
Total income		4,078,028	880,178	4,958,206	3,087,218	945,555	4,032,773
EXPENDITURE ON:							
Raising funds	5	2,269,208	-	2,269,208	1,611,676	-	1,611,676
Charitable activities							
Provision of children's services	5	2,190,536	691,253	2,881,789	1,068,747	663,256	1,732,003
Total expenditure		4,459,744	691,253	5,150,997	2,680,423	663,256	3,343,679
Surplus / (deficit) before net gains / (losses) on investments		(381,716)	188,925	(192,791)	406,795	282,299	689,094
Net gains / (losses) on investments		17,452	-	17,452	42,572	-	42,572
Surplus / (deficit) for the year		(364,264)	188,925	(175,339)	449,367	282,299	731,666
Transfers between funds		75,000	(75,000)	-	100,000	(100,000)	-
Net expenditure for the year and movement in funds		(289,264)	113,925	(175,339)	549,367	182,299	731,666
RECONCILIATION OF FUNDS:							
Total funds brought forward		3,754,805	431,026	4,185,829	3,205,436	248,727	3,454,163
Total funds carried forward		3,465,539	544,951	4,010,490	3,754,803	431,026	4,185,829

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 17 to the financial statements.

BALANCE SHEET

as at 31 March 2022

		2022		2021	
	Note	£	£	£	£
FIXED ASSETS:					
Tangible assets	11		149,246		174,302
Investments	12		238,202		220,750
			387,448		395,052
CURRENT ASSETS:					
Debtors	13	844,274		526,212	
Stock	14	200,785		269,588	
Short term deposits		1,222,326		1,971,945	
Cash at bank and in hand		2,341,554		1,643,884	
		4,608,939		4,411,629	
LIABILITIES:					
Creditors: amounts falling due within one year	15	(985,897)		(620,852)	
Net current assets			3,623,042		3,790,777
Total net assets			4,010,490		4,185,829
THE FUNDS OF THE CHARITY:					
Endowment funds:	17				
Kathy's Courageous Kids Fund		-		100,000	
Total endowment funds			-		100,000
Restricted income funds			544,951		331,026
UNRESTRICTED INCOME FUNDS:					
Designated funds		950,000		2,374,702	
General funds		2,515,539		1,380,101	
Total unrestricted funds			3,465,539		3,754,803
Total charity funds			4,010,490		4,185,829

Approved by the trustees on 20th July 2022 and signed on their behalf by Alain Wolffe, Chair of Trustees.

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	2022		2021	
	£	£	£	£
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (expenditure) for the reporting period (as per the statement of financial activities)	(175,339)		731,666	
Depreciation charges	37,161		51,922	
(Gains)/losses on investments	(17,452)		(42,572)	
Dividends and interest from investments	(381)		(5,197)	
(Profit)/loss on the disposal of fixed assets	-		393	
(Increase)/decrease in stock	68,803		(178,898)	
(Increase)/decrease in debtors	(318,062)		(126,345)	
Increase/(decrease) in creditors	365,045		58,578	
Net cash provided by / (used in) operating activities		(40,225)		489,547
CASH FLOWS FROM INVESTING ACTIVITIES:				
Dividends and interest from investments	381		5,197	
Purchase of fixed assets	(12,105)		(33,448)	
Proceeds from sale of property, plant and equipment	-		-	
Proceeds from sale of investments	-		-	
Net cash provided by / (used in) investing activities		(11,724)		(28,251)
Change in cash and cash equivalents in the year		(51,949)		461,296
Cash and cash equivalents at the beginning of the year	3,615,829		3,154,533	
Cash and cash equivalents at the end of the year	3,563,880		3,615,829	
ANALYSIS OF CASH AND CASH EQUIVALENTS AND OF NET DEBT:	1 April 2021		Cash flows	31 March 2022
	£		£	£
Cash at bank and in hand	1,643,884		697,670	2,341,554
Money market deposits	1,971,945		(749,619)	1,222,326
Total cash and cash equivalents	3,615,829		(51,949)	3,563,880

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2022

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) - (Charities SORP FRS 102) 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. In making this assessment, they consider the charity's budget and plans together with the risk register and levels of reserves, to form a view that the charity can continue to meet the needs of children for a period of at least twelve months from the date of signature of the accounts.

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.

Donations are recognised on receipt or when the charity has received a documented pledge or other formal confirmation which creates a constructive obligation to pay, whichever is earlier.

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.

Income received from the government Coronavirus Job Retention Scheme is recognised in the SOFA under the heading of 'Grants'. The cost of salaries for staff furloughed under this scheme are accounted for as part of Staff Costs and allocated to activities in line with the parts of the year in which they were not furloughed.

F) DONATIONS OF GIFTS, SERVICES AND FACILITIES

Donated goods, facilities, and services in the financial statements comprise the provision of services and other gifts to grant wishes, run events, and carry out other charitable activities, including support and administration services, and include discounts given for such goods and services where these are over and above normal commercial discount terms. These are included in the Statement of Financial Activities at the value of the gift to the charity; a corresponding amount is then recognised in expenditure in the period of receipt or, in the case of stock items donated, in the period of distribution. Goods, facilities, and services donated for charitable activities are treated as restricted in nature, while those donated for support activities are treated as unrestricted.

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 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. Costs of support staff are shown separately and allocated to each activity based on estimates of the amount of time spent. This is a change in policy from previous years, where support staff costs, although allocated on that same basis, were included with direct staff costs.

Where information about the aims, objectives and projects of the charity is provided to potential service users, 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.

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 12 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) STOCK

Stock represents goods held pending distribution to service users.

P) SHORT TERM DEPOSITS

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

Q) CASH AT BANK AND IN HAND

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

R) 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.

S) 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.

T) PENSIONS

The Charity contributed an agreed percentage of the salary to the personal pension plans of permanent employees. For employees who have chosen to join the company pension scheme the pension provider is selected by the employer. Other employees have chosen to select their own pension scheme. All pension schemes are independently administered by, and the funds held by, a recognised pension company. The pension cost charge represents contributions payable by the Charity to the pension funds.

2 INCOME FROM DONATIONS AND LEGACIES

	2022			2021		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Donations	2,118,497	359,000	2,477,497	1,900,727	723,606	2,624,333
Fundraising events	1,028,837	212,000	1,240,837	10,210	-	10,210
Value of other goods and services donated (note 3)	1,794	309,178	310,972	42,507	221,949	264,456
Legacies	928,519	-	928,519	1,073,256	-	1,073,256
	4,077,647	880,178	4,957,825	3,026,700	945,555	3,972,255

3 VALUE OF OTHER GOODS AND SERVICES DONATED

	2022	2021
	Total £	Total £
Charitable activities	309,178	221,949
Support services	1,794	42,507
	310,972	264,456

As at 31st March £72,543 of donated goods were held in stock (2021: £57,124)

4 GRANT INCOME

	2022	2021
	Total £	Total £
Coronavirus Job Retention Scheme	-	55,321
	-	55,321

5A ANALYSIS OF EXPENDITURE (CURRENT YEAR)

	Raising funds £	Charitable activities £	Governance costs £	2022 Total £
Staff costs (Note 7)	552,476	548,056	-	1,100,532
Direct costs	956,242	1,296,647	-	2,252,889
Donated goods and services	1,397	294,167	-	295,564
SUPPORT COSTS:				
Staff costs (Note 7)	373,146	372,411	19,606	765,163
Rent & services	137,555	134,804	2,751	275,110
Professional services	6,446	6,317	15,429	28,192
Depreciation	18,581	18,209	372	37,162
Disposals	-	-	-	-
Other office costs	205,451	188,427	2,507	396,385
	2,251,294	2,859,038	40,665	5,150,997
Governance costs	17,914	22,751	(40,665)	-
Total expenditure 2022	2,269,208	2,881,789	-	5,150,997

5B ANALYSIS OF EXPENDITURE (PRIOR YEAR)

	Raising funds £	Charitable activities £	Governance costs £	2021 Total £
Staff costs (Note 7)	531,387	460,179	-	991,566
Direct costs	366,606	384,095	-	750,701
Donated goods and services	21,779	185,553	-	207,332
SUPPORT COSTS:				
Staff costs (Note 7)	326,703	362,059	14,363	703,125
Rent & services	132,776	130,121	2,656	265,553
Professional services	9,887	9,689	13,878	33,454
Temporary staff	-	-	-	-
Depreciation	25,961	25,442	519	51,922
Disposals	-	-	-	-
Other office costs	177,961	159,007	3,058	340,027
	1,593,060	1,716,145	34,474	3,343,680
Governance costs	18,616	15,858	(34,474)	-
Total expenditure 2021	1,611,676	1,732,003	-	3,343,679

6 NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging / (crediting):

	2022	2021
	Total £	Total £
Depreciation	37,161	51,923
Loss on disposal of tangible fixed assets	-	393
Operating lease rentals payable:		
Property	207,367	200,587
Other	5,099	2,767
Auditor's remuneration:		
Audit (excluding VAT, which is irrecoverable)	11,800	11,400

7 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

	2022	2021
	Total £	Total £
Salaries and wages	1,557,594	1,358,582
Social security costs	173,746	143,431
Employer's contribution to defined contribution pension schemes	104,866	92,474
Termination payments	-	35,000
	1,836,206	1,629,487
Agency and temporary staff costs	29,489	65,204
Total	1,865,695	1,694,691

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

	2022	2021
	No.	No.
£60,000 - £69,999	2	2
£70,000 - £79,999	-	-
£80,000 - £89,999	2	1
£90,000 - £99,999	1	2
£100,000 - £109,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £469,957 (2021: £444,499) of which £nil (2020: £17,500) were paid as agency and temporary staff costs.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2021: £nil) relating to attendance at meetings of the trustees. Trustees' indemnity insurance was purchased during the year for £1,267 (2021: £781).

8 STAFF NUMBERS

The average number of employees (head count based on number of staff employed) during the year was 38 (2021:34).

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

	2022	2021
	No.	No.
Children's services	13.6	10.7
Raising funds	11.7	9.0
Support staff	11.3	10.0
	36.6	29.7

9 RELATED PARTY TRANSACTIONS

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

10 TAXATION

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

11 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office furniture and equipment £	Total £
COST:			
At the start of the year	223,143	137,488	360,631
Additions in year	-	12,105	12,105
Disposals in year	-	(3,467)	(3,467)
At the end of the year	223,143	146,126	369,269

DEPRECIATION

At the start of the year	89,257	97,072	186,329
Charge for the year	14,876	22,285	37,161
Eliminated on disposal	-	(3,467)	(3,467)
At the end of the year	104,133	115,890	220,023

NET BOOK VALUE

At the end of the year	119,010	30,236	149,246
At the start of the year	133,886	40,416	174,302

All of the above assets are used for charitable purposes.

12 LISTED INVESTMENTS

	2022	2021
	£	£
Fair value at the start of the year	220,748	178,176
Net gain / (loss) on change in fair value	17,452	42,572
	238,200	220,748
Investment in trading subsidiary	2	2
Fair value at the end of the year	238,202	220,750

INVESTMENTS COMPRISE:

	2022	2021
	£	£
32,497.165 units - Charishare Common Investment Fund	232,680	216,171
2,000 ordinary shares - Tesco	5,520	4,577
	238,200	220,748

13 DEBTORS

	2022	2021
	£	£
Trade debtors	49,050	11,400
Amounts due from associated undertakings	790	790
Prepayments and accrued income	630,090	423,051
Gift Aid debtor	164,344	90,971
	844,274	526,212

14 STOCK

	2022	2021
	£	£
Stock held for distribution	200,785	269,588
	200,785	269,588

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Taxation and social security	52,489	41,597
Creditors and accruals	856,558	472,555
Deferred income	76,850	106,700
	985,897	620,852

Deferred income relates to income received for future fundraising events.

16A ANALYSIS OF NET ASSETS BETWEEN FUNDS (CURRENT YEAR)

	General unrestricted	Designated	Restricted	Endowment	Total funds
	£	£	£	£	£
Tangible fixed assets	149,246	-	-	-	149,246
Investments	238,202	-	-	-	238,202
Net current assets	2,128,091	950,000	544,951	-	3,623,042
Net assets at 31 March 2021	2,515,539	950,000	544,951	-	4,010,490

16B ANALYSIS OF NET ASSETS BETWEEN FUNDS (PRIOR YEAR)

	General unrestricted	Designated	Restricted	Endowment	Total funds
	£	£	£	£	£
Tangible fixed assets	174,302	-	-	-	174,302
Investments	220,750	-	-	-	220,750
Net current assets	985,049	2,374,702	331,026	100,000	3,790,777
Net assets at 31 March 2020	1,380,101	2,374,702	331,026	100,000	4,185,829

17A MOVEMENTS IN FUNDS (CURRENT YEAR)

	At 1 April 2021	Income & gains	Expenditure & losses	Transfers	At 31 March 2022
	£	£	£	£	£
ENDOWMENT FUNDS					
Kathy's Courageous Kids Fund	100,000	-	-	(100,000)	-
Total endowment funds	100,000	-	-	(100,000)	-
RESTRICTED FUNDS:					
Donations					
Hospital Programmes					
Areas of poverty and deprivation programmes	85,119	-	(85,119)	-	-
Play and distraction box provision	12,901	40,000	(37,252)	-	15,649
Starlight Health Play Specialists	-	190,000	-	-	190,000
Pilot programmes	-	50,000	(50,000)	-	-
Other hospital programmes	56,278	79,000	(105,519)	-	29,759
Family Services programmes	-	212,000	-	-	212,000
Wish Fund	119,604	-	119,604	25,000	25,000
Total donated restricted funds	273,902	571,000	(397,494)	25,000	472,408
Gifts in Kind					
Play and distraction box provision	57,124	192,491	(104,072)	-	45,543
Other hospital programmes	-	163,840	(136,840)	-	27,000
Wishes	-	52,847	(52,847)	-	-
Total gifts in kind held as restricted funds	57,124	309,178	(293,759)	-	72,543
Total restricted funds	331,026	880,178	(691,253)	25,000	544,951

	At 1 April 2022	Income & gains	Expenditure & losses	Transfers	At 31 March 2022
UNRESTRICTED FUNDS	£	£	£	£	£
Designated funds:					
Planned deficit funding	-	-	-	950,000	950,000
Hospital Programmes	540,702	-	(540,702)	-	-
Family services	221,000	-	(221,000)	-	-
New Activity Development and Pilots	202,000	-	(202,000)	-	-
Insights & Impact	85,000	-	(85,000)	-	-
Operational costs	1,326,000	-	(1,326,000)	-	-
Total designated funds	2,374,702	-	(2,374,702)	950,000	950,000
GENERAL FUNDS					
General funds	1,205,799	4,095,480	(2,047,881)	(887,105)	2,366,293
Fixed Asset Reserve	174,302	-	(37,161)	12,105	149,246
	1,380,101	4,095,480	(2,085,042)	(875,000)	2,515,539
Total unrestricted funds	3,754,803	4,095,480	(4,459,744)	75,000	3,465,539
Total funds	4,185,829	4,975,658	(5,150,997)	-	4,010,490

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

17B MOVEMENTS IN FUNDS (PRIOR YEAR)

	At 1 April 2020	Income & gains	Expenditure & losses	Transfers	At 31 March 2021
	£	£	£	£	£
ENDOWMENT FUNDS					
The Barry & Shaun Springer Memorial Fund	100,000	-	-	(100,000)	-
Kate Sweeney Fund	100,000	-	-	-	100,000
Total endowment funds	200,000	-	-	(100,000)	100,000
RESTRICTED FUNDS:					
Hospital programme	33,102	447,107	(325,911)	-	154,298
Wish fund	15,625	276,499	(172,520)	-	119,604
Total donated restricted funds	48,727	723,606	(498,431)	-	273,902
Gifts in Kind held as restricted funds	-	221,949	(164,825)	-	57,124
Total restricted funds	48,727	945,555	(663,256)	-	331,026
UNRESTRICTED FUNDS:					
Designated funds:					
Hospital Programmes	148,463	-	(148,463)	540,702	540,702
Social Connections	-	-	-	221,000	221,000
Wish fund	541,860	-	-	(541,860)	-
New Activity Development & Pilots	-	-	-	202,000	202,000
Insights & Impact	40,000	-	(40,000)	85,000	85,000
Operational costs	1,173,000	-	(1,173,000)	1,326,000	1,326,000
Total designated funds	1,903,323	-	(1,361,463)	1,832,842	2,374,702
GENERAL FUNDS					
General funds	1,302,113	3,087,227	(1,267,038)	(1,959,066)	1,205,799
Fixed Asset Reserve	-	-	(51,922)	226,224	174,302
	1,302,113	3,087,227	(1,318,960)	(1,732,842)	1,380,101
Total funds	3,205,436	3,087,227	(2,680,423)	100,000	3,754,803
	3,454,163	4,032,782	(3,343,679)	100,000	4,185,829

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.

The Trustees have taken all reasonable measures to trace the original donor of Kathy's Courageous Kids' Fund in order to gain permission to release it to that investment returns have meant the endowment income has fallen to a minimal level. These attempts have been unsuccessful and, as allowed by the Charities Commission, the Trustees have taken the decision to release the restriction on this fund.

Hospital Programmes

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

Family Services

Donations for our Family Services programme (previously known as 'Parties, Events and Escapes'), which provides opportunities for seriously ill children and their families to enjoy time together, with other families, in a safe and fun environment. In the current year the balance on this fund has been generated by pledges from the Starlight Blenheim Ball.

Wish Fund

Donated funds restricted to the granting of wishes.

Gifts in Kind funds

The cost value of items donated to us for use in providing our services. The fund balance represents items received in the year but not yet distributed; these items are held in stock on the balance sheet.

PURPOSES OF DESIGNATED FUNDS

Historically the charity has set aside funds equal to the full amount needed for the coming year's service programme and 50% of overheads, ensuring that service delivery is fully protected, even in a situation where there is little or no funding, a legacy of its past as a wish-granting charity, where commitments were often made years in advance. The Trustees have now re-evaluated this approach and have taken a more pragmatic view that it is expected that, as a general rule most expenditure in a year will be funded by

income from that year. They have therefore adopted a policy of designating funds only where it is intended that expenditure is paid out of reserves.

Planned deficit funding

Funds set aside to cover the element of the planned deficit for the coming year which is not covered by restricted reserves. Full details of this are given in the Trustees report which accompanies these accounts.

Hospital Programmes (previous year only)

Funds set aside for programme delivery in the coming year, ensuring that a full service delivery programme is possible even if funding falls.

Family services (previous year only)

Funds set aside for the family services programme in the coming year, ensuring that a full service delivery programme is possible even if funding falls.

Wish Fund (previous year only)

Funds set aside to ensure that wish commitments can be met.

New Activity Development (previous year only)

There was a programme of innovation and pilot for new services planned for 2021-22. The Trustees designated funds equal to the cost of this programme as it was integral to the future sustainability of the charity.

Insights & Impact (previous year only)

The Trustees designated funds to cover the insight and impact work for 2021-22 on the basis that without this work the charity would be at risk of not remaining relevant.

Operational Costs (previous year only)

Transfer made from general funds to ensure fund balance is equivalent to six months total budgeted salaries and overheads costs for 2021/22.

Fixed Asset reserve

Some of the charity's reserves are tied up in fixed assets which are used for the purposes of the charity. These reserves are not, therefore, available for use and the charity recognises this by means of a Fixed Asset Reserve, within its General Reserves. Depreciation is charged to this reserve and fixed asset additions are added to it, with the reserve balance always being equal to the net book value of fixed assets.

18 OPERATING LEASE COMMITMENTS

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

	PROPERTY		OTHER	
	2022	2021	2022	2021
	£	£	£	£
Less than one year	216,306	216,306	4,590	4,590
One to five years	865,224	865,224	-	-
Over five years	739,736	956,042	-	-
	1,821,266	2,037,572	4,590	4,590

19 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

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