

STARLIGHT CHILDREN'S FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015
(Registered Company Number 02038895)
(Registered Charity Number 296058)

BDO LLP

**STARLIGHT CHILDREN'S FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

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**STARLIGHT CHILDREN'S FOUNDATION
STATUTORY INFORMATION**

REGISTERED OFFICE

Starlight Children's Foundation
Macmillan House
Paddington Station
London
W2 1HD

REGISTERED CHARITY NUMBER

296058

REGISTERED COMPANY NUMBER

02038895

REGISTERED AUDITORS

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

BANKERS

HSBC
25 Wigmore Street
London
W1H 0DP

Bank of Scotland
PO BOX 1000
BX2 1LB

SOLICITORS

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50 Broadway
Westminster
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SW1H 0BL

**STARLIGHT CHILDREN'S FOUNDATION
CHAIRMAN'S FOREWORD TO THE ANNUAL REPORT
AND FINANCIAL STATEMENTS 2014/2015**

When Starlight started in 1986, it helped just four children. During this financial year, the Charity assisted over 600,000 children in hospitals and hospices throughout the United Kingdom and Northern Ireland thus amply demonstrating the need for public benefit. This was made possible firstly, because of the generosity of our donors, and secondly, because of the huge number of individuals and organisations that volunteer their time and in particular their resources to help Starlight achieve its mission.

Starlight was originally founded to grant 'once in a lifetime' wishes to seriously and terminally ill children. Today, in addition to wish granting, it runs a number of innovative children's programmes using entertainment to distract any sick child in a hospital or hospice from the fear, pain and isolation often caused by their illnesses, thus establishing Starlight as the leading charity providing paediatric palliative care in the UK and NI.

Starlight's hospital entertainment includes Starlight Rooms, Starlight Distraction Boxes, Starlight Hospital Parties, Starlight Escapes (outings away from hospital) and Starlight Fun Centres (mobile entertainment units) both in hospital wards and children's hospices. During the year we continued the expansion of the hospital parties and escapes programmes which run year round and continued running the travelling pantomime for two seasons per annum - Christmas and also a summer season. We also expanded Starlight Story Tellers to Hospitals and Hospices.



I am delighted to report that the new Starlight Fun Centres (1,320 units - one available to every children's hospital ward and hospice in the UK, NI, the Isle of Man and the Channel Islands) continues to be very well received by the children and the hospital staff. This is the single largest paediatric palliative care project on the UK.



The new Fun Centre has a fun 'robot' body that incorporates a Nintendo Wii and Nintendo Fit Board, 4 x Nintendo DSi, a Blu-ray/DVD player, internet and TV access and flat screen TV. This represents a radical step into a new era of entertainment and distraction therapy.

When children come into hospital they are usually afraid and in pain, and it can be very intimidating for them. However, every child, fit or ill, wants to play with a Starlight Fun Centre. We believe that incorporating the Wii into the Fun Centre will benefit the children enormously as they will no longer require encouragement to get out of bed or to move about more. The new Fun Centre, which has been created in consultation with sick children and hospital staff, has been designed by world renowned furniture designer Tim Gosling.

If a child is confined to bed, or is waiting to have an operation and feeling down, a Fun Centre can be moved next to them as the unit is mobile. The Fun Centre is something they can concentrate on and it helps to take their mind off pain, fear and isolation caused by their illness and treatment.

**STARLIGHT CHILDREN'S FOUNDATION
CHAIRMAN'S FOREWORD TO THE ANNUAL REPORT
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Starlight Fun Centres are often used as a crucial part of a child's treatment. Children with cancer need infusions of chemotherapy over a number of weeks. During each treatment, they become very unwell and are often physically sick. In a situation like this it becomes very challenging to engage a child in lifesaving treatment. However, if children have access to a Starlight Fun Centre whilst this is going on they are so absorbed that they are often unaware of treatment, or that it has finished, and they tend not to suffer from the sickness usually brought on by treatment sessions.

During the financial year we delivered a further 1,006 Starlight Distraction Boxes (now a total of 7,327) to hospital staff engaged in medical procedures with children. These are children who might benefit from having some form of distraction available during treatment, thus reducing the stress and pain suffered by the sick child. Starlight Distraction Boxes have proved to be hugely popular and we hope to distribute over 1,000 in 2015/2016.

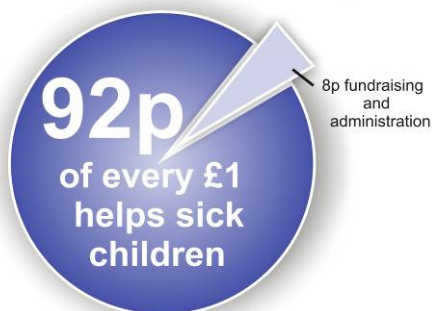
During 2014/15 the wish granting team was further strengthened to help manage the huge demand placed on the charity by new referrals. At any one time, Starlight is managing over 1,700 wishes. As soon as wishes are granted, even more ill children are referred to take their place. In 2015/2016, our expectation is that the number of wishes granted will continue to increase (subject to fitting wishes in with treatment regimes which are, of course, beyond Starlight's control). Without continuing support from our donors we would face the heart-breaking situation of having to keep seriously ill children waiting for their wishes. Seventy percent of these children are cured. Many parents write to Starlight saying that they perceived the Starlight wish as a turning point for their child. When you take a call from the parent of a child giving you the simply wonderful news that their child has been given a clean bill of health and that in their opinion the Starlight Wish was the turning point in their child's illness – you know it is all worthwhile!



Wishes cost anything between £200 and £10,000 with an average cost of £3,815 per wish. They are granted on the basis of: 'if you could have anything you wanted in the world what would it be?' There appears to be no limit to children's imaginations and the wishes include: meeting celebrities; tangible items (TV's, computers, etc.); holidays (Disneyland, swimming with dolphins, bucket and spade on the beach, etc.); imagination (to be a soldier, police officer or airhostess for the day); and others such as 'to see a rainbow'; or one little girl who asked to have three stars named after her, her brother and her sister – so they could still speak to her in heaven.

To the best of our knowledge, there are about 2,500 children diagnosed each year with a serious, terminal or life shortening illness. Starlight's wish is to be able to offer a wish to each of these children and to do so will cost circa £9.5 million per annum.

Where does your money go?



In the last 13 years the charity's income has gone up ten-fold whilst at the same time the cost of fund raising has reduced to 8 pence per £1 raised. Currently, indications are that fund raising is going to continue being especially difficult. Increased taxation, in particular VAT, and the cost of food and fuel significantly exceeding the quoted rate of inflation, has resulted in there being little or no disposable income for charitable donations. Starlight is heavily dependent on donations from ordinary members of the public and we expect donations in 2015/2016 to be particularly testing. Despite this, Starlight has continued to expand help for seriously and terminally ill children and driven the cost of fund raising down to just 8 pence per £1 raised. However, it is the number of ill children that we help each year that is the true measure of Starlight's success, and this has risen fourteen-fold.

**STARLIGHT CHILDREN'S FOUNDATION
CHAIRMAN'S FOREWORD TO THE ANNUAL REPORT
AND FINANCIAL STATEMENTS 2014/2015**

I believe this year's Report and Accounts reflect that the Charity can continue to expand further its services so that ultimately it can assist all seriously and terminally ill children. During the next financial year, subject to available resources, Starlight hopes to move towards this ultimate goal.

Starlight receives neither Government nor National Lottery support and must rely totally on public generosity. We are therefore hugely grateful to the various Trusts, Foundations, Companies, members of the public, celebrities and others, who have given so generously this year to support our work which has put smiles on the faces of so many sick children and is best summed up by the thought that 'happy children get better quicker'. You can view some short films showing Starlight's work at www.starlight.org.uk.

Bertie Way
Chairman

REPORT OF THE TRUSTEES OF THE STARLIGHT CHILDREN'S FOUNDATION

The Trustees of the Starlight Children's Foundation have pleasure in presenting their report and financial statements for the year ended 31 March 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation, public benefit and charitable status

Starlight is a registered charity (no: 296058) and a company limited by guarantee, governed by its Memorandum and Articles of Association. A Board consisting of eight Trustees manages the business of the Charity. The Trustees receive no remuneration for their services to Starlight.

Chief Executive Officer, Neil Swan, attends all meetings of the Trustees and the Finance and Administration Committee (a sub-committee of the main board) and has regular additional meetings and discussions with the Chairman of Trustees and smaller groups of Trustees.

The Trustees have had due regard to the guidelines issued by the Charity Commission relating to public benefit and are satisfied that the charity confers a public benefit. The benefits of Starlight are available to any sick, injured or disabled child in any hospital or hospice in the UK and NI. The work of Starlight not only helps these children and their families but also the healthcare professionals responsible for the children by allowing them to concentrate on treatment. The Trustees are therefore confident that Starlight fully satisfies the requirements for public benefit related to charitable status. These benefits are delivered by fully trained volunteers and a small team of staff at HQ which undertake the delivery of Starlight Wishes for seriously or terminally ill children. In addition, they also provide Starlight Hospital Parties, Starlight Story Tellers, the Starlight Pantomime and Starlight Escapes to children in hospitals and hospices throughout the UK and NI. Further to this, the HQ team manages the building, delivery and maintenance of all Starlight Fun Centres and the provision of Starlight Distraction Boxes.

Employees

Starlight supports the employment of disabled persons in positions suited to their own particular abilities, and the ethos of the Disabled Discrimination Act (1995) by actively promoting non-discriminatory processes for recruitment, promotion, training and terms and conditions of employment. The Charity will make reasonable adjustments for employees who become disabled in the course of their duties and wherever possible seek to provide continuing employment. The special needs of all disabled persons are carefully examined in order to ensure that they are not unjustifiably discriminated against on the grounds of their disability. Health and safety programmes continue to be reviewed throughout the organisation.

Members of the Board of Trustees

Trustees are invited to apply to Starlight on the basis of added-value to the charity. New trustees are provided with Charity Commission advice about their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision making processes, the business plan and recent financial performance of the charity. New Trustees are encouraged to meet all employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. The trustees who served during the year were as follows:

Bertie Way (Chairman)	Christopher Hanbury
Alasdair Hadden-Paton ACA	Nick Mustoe
Richard Cook JP	Zahra Lucas
David Forbes	Mark Tasker

Board Members receive no remuneration for their services to Starlight Children's Foundation.

Auditors

Each of the directors has confirmed that so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REPORT OF THE TRUSTEES OF THE STARLIGHT CHILDREN'S FOUNDATION

STRATEGIC REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Objects of the Charity

Starlight is a national charity operating throughout the United Kingdom and Northern Ireland, the Channel Islands and the Isle of Man, which was established in 1986, originally to provide wishes for seriously and terminally ill children. In its first year Starlight granted just four wishes. Thirteen years ago this was expanded to include other work in hospitals that are treating seriously and terminally ill children and, last year alone, over 600,000 seriously and terminally ill children benefited from this work.

Starlight's mission is to brighten the lives of seriously and terminally ill children through the granting of wishes and the provision of entertainment in hospitals and hospices aimed at distracting children from the pain, fear and isolation of the illnesses from which they are suffering and for which they are receiving treatment.

Review of Activities and Future Developments

A review of Starlight activities, public benefits and future developments is contained in the Chairman's Foreword on page two.

STRATEGIC REPORT

Starlight is committed to the following:

- raising adequate unrestricted funds each year, which will enable it to deliver a wish to all seriously ill children referred to the charity, in as short a time as possible, whilst fitting in with the child's treatment.
- raising sufficient funds significantly to expand all Starlight entertainment programmes aimed at distracting children from the fear pain and isolation often felt as a result of their stay in hospital.
- maintaining 1,320 Starlight Fun Centres in hospitals and hospices.
- expanding the new Starlight Story Tellers programme in hospitals and hospices

The ongoing economic climate continues to make successful and cost effective fund raising very challenging. Despite this, the Starlight team work tirelessly to raise sufficient funds to maintain and, when possible, to expand services to seriously and terminally ill children.

The Trustees have included a designated fund equivalent to the number of wishes committed to, but not yet paid for, at the year end to illustrate the moral commitment of 'wishes promised'. It is intended that this fund, totalling £6,580,306, will be spent during the year on wishes outstanding as at 31 March 2015.

The Trustees review the commitment annually and expect to transfer further amounts into this fund relating to children accepted for wishes in the future.

The Starlight Distraction Box programme is expected to continue and the designated fund of £150,000 is expected to be spent within the next year, but again, the funds are reviewed annually.

A sum of £241,871 has also been designated to fund the evaluation and introduction of Captain Starlight; a new and exciting project bringing a unique dimension to the entertainment of children in hospitals and hospices. Subject to finding a suitable hospital partner, this is a medium term strategy.

REPORT OF THE TRUSTEES OF THE STARLIGHT CHILDREN'S FOUNDATION

STRATEGIC REPORT (CONTINUED)

Achievements and performance

Achievements and performance are measured by, the number of sick children assisted, the number of hospitals and hospices assisted during the year, funds raised and cost of fund raising and administration.

Starlight has provided entertainment and wishes for over 600,000 very poorly children during the 2014/15 year and offered support to every children's hospital ward and hospice across the UK. This has been gratefully received in virtually 100% of cases. This is an extraordinary achievement when considering the relative size of the charity to the number of children undergoing hospital treatment or care in hospices.

Starlight chooses to direct its funds towards sick children, rather than towards TV and digital 'marketing and advertising' which has become a growing trend amongst massive charities as they fight for 'market share' in a declining market. The explosion in marketing and advertising of massive charities, together with the ever increasing number of national TV and radio based telethons, continues to challenge the Starlight fund raising team, but despite this challenge, there has been a small increase in voluntary cash income during 2014/15.

Once again, for the tenth year running, Starlight has managed to spend less than 10 pence of every £1 donated on fund raising, compared to the market average of over 30 pence per £1 donated (own research).

Financial Review

The attached financial statements have been prepared to comply with the requirements of the Statement of Recommended Practice (the SORP) issued in March 2005.

Total Incoming resources of £8,261,877 (including gifts in kind) compares with the previous year's figure of £9,862,482. Voluntary income of £4,067,163 is higher than the previous year (£3,714,519) despite the recession in the UK. Gifts in kind are significant, which is indicative that many supporters are finding it easier to donate assets for direct use in the charity's work rather than hard cash at this time. It is also indicative of the fund raising team having to 'think laterally' when it comes to fundraising.

Fund raising costs were £710,138 compared to £713,525 and this resulted in a fund raising ratio of just 8 pence spent on fund raising per £1 donated. Expenditure on services to children was £7,540,224 (2014: £8,959,662) both including gifts in kind. The Charity maintained its commitment to its Reserves Policy.

Starlight has minimal tangible fixed assets: net book value £6,896 (2014: £9,127) which are limited to computers, furniture and office equipment.

Investment Policy

With just under £7 million of committed expenditure on 'wishes-in-waiting' and hospital projects for seriously and terminally ill children, the charity holds 71% (£7.1m) of its funds in bank deposits and money market accounts allowing quick access to the funds to pay for wishes and hospital services as and when the children's treatments allow. Every effort is made to maximise interest on 'cash in hand' required for the efficient day-to-day running of the Charity as a whole. The remaining 29% of funds are held in shares and during the year these shares produced a 5% return.

Financial Policy and Reserves

In any normal year, Starlight aims to maintain a reserve equivalent to a minimum of one year's expenditure, thus always being able to grant any wish promised, irrespective of income at any particular moment in time. In the light of the global economic downturn; the Trustees are pleased to report that the Charity has a robust balance sheet which will be used to allow services for seriously and terminal ill children to be delivered at the same rate during the year, whatever the rate of income during 2015/2016. Accordingly the Trustees believe the level of reserves at 31 March 2015 is appropriate.

REPORT OF THE TRUSTEES OF THE STARLIGHT CHILDREN'S FOUNDATION

STRATEGIC REPORT (CONTINUED)

Plans for future periods

With the current economic uncertainty and only a modest increase in cash income, plans in the next twelve months are limited to maintaining current levels of services to seriously and terminally ill children, rigorously controlling costs throughout the charity and investing any savings that can be found in granting extra wishes and providing more for entertainment and distraction of children in hospitals and hospices. Beyond twelve months, outline plans to expand the work of Starlight exist for the day that a genuine and sustained recovery happens, which will be marked and measured by a sustained and significant uplift in the charity's income.

Principal risks and uncertainties

During the year the Trustees identified and discussed the major risks facing the charity. The major risks identified by the Trustees have been grouped under the following headings such as reputation, financial and personnel and it is these three risks which are considered to be the greatest risks to the Charity. The risks are listed in a register and reviewed on a quarterly basis by the Finance Committee and on an annual basis by the full Board of Trustees.

A new additional pressure on the charity was identified last year, this being the increase in the number of overseas wish referrals as a result of most wish granting charities ceasing to undertake these types of wishes, due to the expense of the wishes exhausting their income. As the significant leader in the field of wish granting and the only wish granting organisation that undertakes a comprehensive programme of services for sick children in hospitals and hospices, the Trustees have decided to continue taking on the additional costs of these wishes. This is reflected in the increase in the average cost of a wish compared to the previous financial year. This new 'risk' is monitored on a monthly basis and reviewed by the Trustees on a quarterly basis. At the current increased rate of referrals, the Trustees do not consider this factor to be a risk at this time.

Approved by the Board and signed on its behalf:

Bertie Way
Chairman
24 June 2015

STARLIGHT CHILDREN'S FOUNDATION STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the trustees' annual report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping 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.

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

We have audited the financial statements of Starlight Children's Foundation for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
STARLIGHT CHILDREN'S FOUNDATION**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Fiona Condron (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom

Date: 24 June 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

STARLIGHT CHILDREN'S FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2015

<u>Notes</u>	<u>Unrestricted funds</u> £	<u>Restricted funds</u> £	<u>Endowment funds</u> £	<u>Total funds 2015</u> £	<u>Total funds 2014</u> £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	4,065,663	1,500	-	4,067,163	3,714,519
Legacies	295,904	-	-	295,904	388,407
Value of other goods and services donated	1(e),3 3,240,084	613,574	-	3,853,658	5,715,881
Activities to generate funds					
Bank interest	39,915	-	-	39,915	38,339
Income from quoted investments	5,237	-	-	5,237	5,336
Total incoming resources	7,646,803	615,074	-	8,261,877	9,862,482
Resources expended					
Cost of generating voluntary income	4 710,138	-	-	710,138	713,525
Charitable activities					
Wishes and fun centres and other charitable activities	4 6,913,450	626,774	-	7,540,224	8,959,662
Governance costs	5 19,008	-	-	19,008	17,946
Total resources expended	7,642,596	626,774	-	8,269,370	9,691,133
Net incoming/(outgoing) resources	4,207	(11,700)	-	(7,493)	171,349
Gains on investment assets					
Unrealised	9 147,454	-	-	147,454	72,340
Net movement in funds	151,661	(11,700)	-	139,961	243,689
Balances brought forward at 1 April 2014	9,613,109	36,293	200,000	9,849,402	9,605,713
Balances carried forward at 31 March 2015	12 9,764,770	24,593	200,000	9,989,363	9,849,402

All amounts relate to continuing operations.

The charity has no recognised gains or losses other than the net incoming resources for the year.

The notes on pages 15 to 23 form part of these financial statements.

**STARLIGHT CHILDREN'S FOUNDATION
BALANCE SHEET
AT 31 MARCH 2015**

Company House Number: 02038895

	<u>Notes</u>	£	<u>2015</u>	£	£	<u>2014</u>	£
FIXED ASSETS							
Tangible assets	8		6,896			9,127	
Investments	9		2,909,003			2,761,549	
			<hr/>			<hr/>	
			2,915,899			2,770,676	
CURRENT ASSETS							
Debtors	10	536,676		629,440			
Money market deposits		6,901,898		6,612,258			
Cash at bank and in hand		182,497		41,705			
		<hr/>		<hr/>			
		7,621,071		7,283,403			
CREDITORS							
Amounts falling due within one year	11	(547,607)		(204,677)			
		<hr/>		<hr/>			
NET CURRENT ASSETS			7,073,464			7,078,726	
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/> 9,989,363 <hr/>			<hr/> 9,849,402 <hr/>	
FUNDS							
	12						
Endowment funds							
Barry & Shaun Springer Memorial Fund		100,000		100,000			
Kathy's Courageous Kids Fund		100,000		100,000			
		<hr/>		<hr/>			
			200,000			200,000	
Unrestricted funds							
General funds		2,692,593		4,154,844			
Designated funds		7,072,177		5,458,265			
		<hr/>		<hr/>			
			9,764,770			9,613,109	
Restricted funds							
			24,593			36,293	
			<hr/>			<hr/>	
			9,989,363			9,849,402	
			<hr/> <hr/>			<hr/> <hr/>	

Approved and authorised for issue by the Board of Trustees on 24 June 2015

..... (Bertie Way)
Trustee

The notes on pages 15 to 23 form part of these financial statements.

STARLIGHT CHILDREN'S FOUNDATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

	<u>Note</u>	<u>2015</u> £	<u>2014</u> £
Net cash inflow from operating activities	A	385,747	104,530
Capital expenditure			
Capital expenditure and financial investment	B	(467)	(1,332)
Returns on investments and servicing of finance			
Investment income received		45,152	43,675
Increase in cash	C	430,432	146,873

A. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Net (outgoing)/incoming resources for the year	(7,493)	171,349
Depreciation of tangible fixed assets	2,698	2,604
Decrease in debtors	92,764	72,674
Increase/(decrease) in creditors	342,930	(98,422)
Investment income receivable	(45,152)	(43,675)
Net cash inflow from operating activities	385,747	104,530

B. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

Purchase of fixed assets	(467)	(1,332)
Net cash outflow from capital expenditure and servicing of finance	(467)	(1,332)

C. ANALYSIS OF THE CHANGE IN NET FUNDS

	1 April 2014 £	Change in year £	31 March 2015 £
Short term deposits	6,612,258	289,640	6,901,898
Cash at bank	41,705	140,792	182,497
	6,653,963	430,432	7,084,395

**STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and in accordance with applicable accounting standards, and in accordance with the recommendations of the Statement of Recommended Practice - Accounting and Reporting by Charities ("SORP 2005") issued by the Charity Commission for England and Wales in March 2005.

The principal accounting policies are described below and are consistent with prior years.

(a) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each fund is set out in the notes to the financial statements.

Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

(b) Consolidation

The charity is exempt from preparing consolidated financial statements by virtue of section 405(2) of the Companies Act 2006.

(c) Income

All income is accounted for on a receivable basis as the charity has entitlement to the income, there is certainty of receipt and the amount is quantifiable.

(d) Legacies

Legacies are included in the Statement of Financial Activities as an incoming resource in the year in which the charity is notified and when the value and entitlement of the legacy is known with reasonable certainty.

(e) Valuation of other goods and services donated

Goods and services donated in the financial statements comprise equipment for fun centres installed at hospitals and also the provision of services and other gifts to grant wishes for seriously and terminally ill children. These are included in the Statement of Financial Activities as income and associated expenditure where there is a demonstrable financial cost borne by the donor and the current value to the charity can be measured. No income is recognised where there is no financial cost borne by a third party.

**STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

1 ACCOUNTING POLICIES (continued)

(f) Expenditure

Salaries and associated staff costs are allocated on the basis of time spent on charitable activities, generating funds and governance.

Costs relating to premises are allocated on the basis of staff numbers working on the above activities.

Other overheads are allocated on the basis of usage.

Direct mail costs incurred for the purposes of fund raising are charged to the costs of generating funds. Direct mail costs associated with educating and advising the public about the Foundation and providing information in order that children can be referred to Starlight for the granting of a wish are charged to Charitable activities. Where these activities lead to funds being generated, an appropriate proportion of the total cost is allocated to the costs of generating funds.

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

(g) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and depreciated by equal annual instalments over their estimated useful life as follows:

- Furniture: 10 years
- Office equipment: 5 years
- Computers: 3 years

(h) Investments

Investments are included at market value at the year end. 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 9 to the financial statements.

(i) Pension costs

The charity contributed an agreed percentage of the salary (generally 5% of gross salary) to the personal pension plans of permanent employees. The pension providers are selected by the individual employees and thus the pension schemes are independently administered by, and the funds are held by, recognised pension companies. The pension cost charge (note 6) represents contributions payable by the charity to the pension funds.

(j) Operating lease rentals.

Rentals relating to operating leases are charged to expenditure as incurred.

**STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

2 CONSTITUTION

The Starlight Children's Foundation is a company limited by guarantee and has no share capital. The Starlight Children's Foundation is a registered charity and the liability of members is limited to £1 each in the event of winding up.

3 VALUE OF OTHER GOODS AND SERVICES DONATED	<u>2015</u>	<u>2014</u>
Intangible Income – services & goods provided	£	£
Intangible income – services to fulfil wishes	3,240,084	5,197,463
Fun Centres	15,360	184,200
Gifts in kind for parties	328,362	37,933
Popham Air Day	269,852	261,285
Other events	-	35,000
	<hr/>	<hr/>
	3,853,658	5,715,881
	<hr/> <hr/>	<hr/> <hr/>

4 COST OF GENERATING FUNDS	<u>2015</u>	<u>2014</u>
	£	£
Direct costs	310,929	257,463
Salaries	298,068	317,689
General overheads	101,142	138,373
	<hr/>	<hr/>
	710,139	713,525
	<hr/> <hr/>	<hr/> <hr/>

CHARITABLE ACTIVITIES	<u>2015</u>	<u>2014</u>
	£	£
Direct costs	6,711,199	8,173,387
Salaries	678,590	671,278
General Overheads	150,435	114,997
	<hr/>	<hr/>
	7,540,224	8,959,662
	<hr/> <hr/>	<hr/> <hr/>

General Overheads includes expenditure on rent and services of £79,088 (2014: £77,835), professional services of £33,116 (2014: £63,363), other staff-related costs of £21,438 (2014: £19,911), depreciation of £2,698 (2014: £2,604) and other office costs of £115,237 (2014: £89,658).

5 GOVERNANCE COSTS	<u>2015</u>	<u>2014</u>
	£	£
Salaries	2,311	2,710
Audit fees	11,418	10,980
Other costs	5,279	4,256
	<hr/>	<hr/>
	19,008	17,946
	<hr/> <hr/>	<hr/> <hr/>

**STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

6 STAFF COSTS	<u>2015</u> £	<u>2014</u> £
Salaries	787,455	785,395
Social Security costs	79,019	81,816
Other Pension costs	112,494	124,466
	<hr/>	<hr/>
	978,968	991,677
	<hr/>	<hr/>

The number of employees whose emoluments fell within the following bands was:

	Number	Number
£90,000 - £99,999	1	1
£110,000 - £119,999	1	1

Average numbers employed in the year:

Children's services	12	14
Fund Raising	9	10
	<hr/>	<hr/>
	21	24
	<hr/>	<hr/>

The trustees receive no remuneration in respect of their duties as Trustees.

No amounts were reimbursed to Trustees in the year (2014: £Nil).

Trustees' indemnity insurance was purchased during the year for £898 (2014: £882)

Pension contributions on behalf of higher paid staff totalled £111,495 (2014: £124,466) for 2 employees (2014: 2).

The Foundation is supported by a large number of volunteers who receive no remuneration. The value of this support has not been included in these financial statements.

7 NET INCOMING RESOURCES

Net incoming resources are stated after charging:

	<u>2015</u> £	<u>2014</u> £
Auditor's remuneration	11,418	10,980
Depreciation	2,698	2,604
Operating lease rentals	2,966	79,088
	<hr/>	<hr/>

**STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

8 FIXED ASSETS - TANGIBLE

	<u>Computers</u> £	<u>Furniture</u> £	<u>Office equipment</u> £	<u>Total</u> £
Cost or valuation				
As at 1 April 2014	48,403	21,526	15,616	85,545
Additions	-	-	467	467
As at 31 March 2015	48,403	21,526	16,083	86,012
Depreciation				
At 1 April 2014	48,403	14,373	13,642	76,418
Charge for the year	-	2,035	663	2,698
As at 31 March 2015	48,403	16,408	14,305	79,116
Net book value				
As at 31 March 2015	-	5,118	1,778	6,896
As at 31 March 2014	-	7,153	1,974	9,127

9 INVESTMENTS

	<u>2015</u> £	<u>2014</u> £
Quoted investments at market value		
Market value investments as at 31 March 2014	2,761,547	2,689,207
Unrealised gain on revaluation	147,454	72,340
Market value investments at 31 March 2015	2,909,001	2,761,547
Investment in trading subsidiary	2	2
Total Investments	2,909,003	2,761,549
Historic cost		
At 31 March 2015	2,183,278	2,183,278
Analysed as follows:	£	£
32,497.165 units - Charishare Common Investment Fund	173,405	164,760
1,732.88 units - Odey European Inc Euro Shares	1,221,730	1,242,909
4,059.79 units - Odey European Inc Class A Sterling GBP Shares	1,509,029	1,347,970
2,000 ordinary shares – Tesco	4,837	5,908
Total	2,909,001	2,761,547

**STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

10 DEBTORS

	<u>2015</u> £	<u>2014</u> £
Due within one year		
Amounts due from subsidiary undertaking	790	790
Prepayments and accrued income	488,427	284,034
Gift Aid debtor	47,459	344,616
	<hr/>	<hr/>
	536,676	629,440
	<hr/>	<hr/>

11 CREDITORS

	<u>2015</u> £	<u>2014</u> £
Amounts falling due within one year		
Taxation and social security	22,321	18,518
Creditors and accruals	308,010	126,659
Deferred income (see note 11(a))	217,276	59,500
	<hr/>	<hr/>
	547,607	204,677
	<hr/>	<hr/>

11(a) DEFERRED INCOME

	<u>2015</u> £	<u>2014</u> £
Deferred income brought forward	59,500	29,675
Deferred in year	217,276	59,500
Released to Statement Of Financial Activities	(59,500)	(29,675)
	<hr/>	<hr/>
Deferred income carried forward	217,276	59,500
	<hr/>	<hr/>

STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

12 FUNDS

Consolidated and Foundation	<u>Balance</u> 1 April 2014 £	<u>Incoming resources</u> £	<u>Resources expended</u> £	<u>Transfers</u> £	<u>Net investment gains</u> £	<u>Balance</u> 31 March 2015 £
General funds	4,154,844	7,646,803	(5,422,857)	(3,833,651)	147,454	2,692,593
Designated funds						
Wish Fund	4,901,394	-	(1,823,410)	3,502,322	-	6,580,306
Fun centres	215,000	-	(246,541)	31,541	-	-
Distraction boxes	100,000	-	(149,788)	199,788	-	150,000
Captain Starlight	241,871	-	-	-	-	241,871
IT renewal fund	-	-	-	100,000	-	100,000
Total unrestricted funds	9,613,109	7,646,803	(7,642,596)	-	147,454	9,764,770
Restricted funds						
Hospital Programme	24,593	--	-	-	-	24,593
Distraction Boxes	-	100	(100)	-	-	-
Fun Centres	11,700	16,360	(28,060)	-	-	-
Parties & Events	-	598,614	(598,614)	-	-	-
Total restricted funds	36,293	615,074	(626,774)	-	-	24,593
Endowment funds						
The Barry & Shaun Springer Memorial	100,000	-	-	-	-	100,000
Kate Sweeny Fund	100,000	-	-	-	-	100,000
Total funds	9,849,402	8,261,877	(8,269,370)	-	147,454	9,989,363

The hospital programme fund consists of funds raised for specific projects to provide facilities for children in hospital.

The Fun Centre Fund consists of donations given for Fun Centres to be sponsored in specific hospitals.

The Barry & Shaun Springer Memorial Fund has been donated in the memory of Barry & Shaun Springer as an expendable endowment fund. The income accrued from it each year is used to pay for wishes and entertainment in the name of Barry & Shaun Springer.

Kathy's Courageous Kids Fund has been donated in the memory of Kathy Sweeny as a permanent endowment fund. The income accrued from it each year is used to pay for wishes and entertainment in the name of Kathy Sweeny.

Designated funds have been set aside by the Trustees for the purposes of granting wishes where a promise to grant the wish has been made and for providing distraction boxes. The designated wish fund will be spent during the year on wishes outstanding as at 31 March 2015 and the Trustees expect to transfer further amounts into this fund regarding children accepted for wishes in the future. The provision of distraction boxes is ongoing and it is expected that these funds will be spent within the next year.

A sum of £250,000 was designated in 2010/11 to fund the evaluation and introduction of Captain Starlight; a new and exciting project bringing a unique dimension to the entertainment of children in hospitals and hospices throughout the United Kingdom. Designated funds are reviewed annually.

**STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

The net assets are held for the various funds as follows:

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>2015</u> <u>Total</u>	<u>2014</u> <u>Total</u>
	£	£	£	£	£	£
Tangible fixed assets	6,896	-	-	-	6,896	9,127
Investments	2,909,003	-	-	-	2,909,003	2,761,549
Cash at bank	182,497	-	-	-	182,497	41,705
Money market deposits	(394,872)	7,072,177	24,593	200,000	6,901,898	6,612,258
Other net current assets	(10,931)	-	-	-	(10,931)	424,763
	<u>2,692,593</u>	<u>7,072,177</u>	<u>24,593</u>	<u>200,000</u>	<u>9,989,363</u>	<u>9,849,402</u>

14 SUBSIDIARY UNDERTAKING

Starlight Children's Foundation has a wholly-owned subsidiary undertaking incorporated in Great Britain – Starlight General Trading Limited (registered in England). The trading company's objective is to realise profits from commercial and other activities. The net income of the trading company is donated to Starlight Children's Foundation, which owns the entire issued share capital of 2 ordinary £1 shares. The company did not trade during the year.

	<u>2015</u> <u>£</u>	<u>2014</u> <u>£</u>
Profit and loss account		
Income	-	-
Bank interest	-	-
Costs	-	-
	<u>-</u>	<u>-</u>
Covenant to Starlight Foundation	-	-
	<u>-</u>	<u>-</u>
Retained profit/(loss) for the year	-	-
Balance brought forward	(792)	(792)
	<u>-</u>	<u>-</u>
Balance carried forward	(792)	(792)
	<u>(792)</u>	<u>(792)</u>

**STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015**

15 OTHER COMMITMENTS

At 31 March 2015, annual commitments under operating leases were as set out below:

	<u>2015</u>		<u>2014</u>	
	<u>Land and buildings</u> £	<u>Other</u> £	<u>Land and buildings</u> £	<u>Other</u> £
Operating leases which expire:				
Within one year	79,088	-	79,088	-
Within two to five years	-	4,133	-	1,440
After five years	-	-	-	-
	<hr/> 79,088 <hr/>	<hr/> 4,133 <hr/>	<hr/> 79,088 <hr/>	<hr/> 1,440 <hr/>

16 RELATED PARTY TRANSACTIONS

N Mustoe is a director of Kindred Limited which provides services to Starlight Children's Foundation without charge.

There are no other related party transactions during the year (2014: £Nil).