

Annual Report & Financial Statements

Starlight Children's Foundation

Year ended 31 March 2017

Registered Company Number 02038895

Registered Charity Number 296058



 STARLIGHT

**STARLIGHT CHILDREN'S FOUNDATION
STATUTORY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017**

Royal Patron

HRH Princess Alexandra KG GCVO

Co-Founder

Emma Samms MBE

Trustees (at March 31st, 2017)

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

Senior Management team

Neil Swan	CEO (left July 2017)
Lucy Mustoe	Head of Operations
Sue Wildman	Head of Children's Services
Cathy Gilman	CEO (appointed September 2017)
Gary Seager	CFO (appointed September 2017)

Registered Office & Contact Details

Starlight Children's Foundation
227 Shepherd's Bush Road
London W6 7AU
www.starlight.org.uk
020 7262 2881

Auditors

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Bankers

HSBC Plc
25 Wigmore Street
London
W1H 0DP

Solicitors

Bircham Dyson Bell
50 Broadway
Westminster
London
SW1H 0BL

Investment Managers

Odey Asset Management
12 Upper Grosvenor St,
Mayfair,
London
W1K 2ND

**STARLIGHT CHILDREN'S FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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**STARLIGHT CHILDREN'S FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

Thank you from our Chairman

Our aim is to brighten the lives of seriously ill children by providing experiences that help to enhance their psychological and social well-being through challenging times. We know that there is so much more to treatment than medicine.

We provide fun, entertainment and distraction in hospitals and hospices and grant life-long wishes to create unforgettable memories.

We hope that by helping to positively reframe the hospital experience, we can help build resilience and happy memories for children and their families, having positive impact long after treatment has ended.

New Services

Starlight was originally set up to fulfil "once in a lifetime" wishes and this continues to be our most significant programme of expenditure to this day.

This year we were able to fulfil 627 wishes for children from all over the UK; an impressive 18% increase on the previous year. As ever, wishes proved to be hugely diverse and imaginative.

We launched two new services this year, the first one thanks to the inspiration and experience of our Australian sister charity. "Captain Starlight" aims to compliment therapies provided by health professionals by capturing the imagination of sick children and creating an environment filled with entertainment and laughter.

For children Captain Starlight is a super-hero. In fact, it's a team of experienced performers trained to help children and their families through anxiety, pain and boredom in hospital. Launched in the last 6 months of the year, the "Captains" have made nearly 260 visits to 48 hospitals.

The second new service was the launch of boost boxes, providing a variety of toys and games to distract and entertain children in hospital.



The fundraising environment remains a very challenging one. Under the circumstances our income held up well, helped by a significant increase in legacy income. We will need to continue to make prudent investment in diverse fundraising activities to ensure that we are able to meet the growing future demand for our services.

Everything we do is only made possible through the support of hospital and hospice staff; hundreds of volunteers; thousands of organisations, fundraisers and donors and a dedicated and passionate team of employees. On behalf of the Trustees of Starlight I would like to thank you very much for your support.

Best Wishes

A handwritten signature in black ink, appearing to read 'N. Mustoe'.

Nick Mustoe,

Chair of Trustees



About Starlight

Our Vision

Our vision is to be able to offer and deliver wish-granting and distraction services to every seriously ill child undergoing treatment in the UK

Our Mission

There are nearly 49,000 children in the UK living with a life-limiting or life-threatening condition. Starlight Children's Foundation is a charity that offers a unique combination of services to brighten the lives of seriously ill children and their families. The services provide entertainment, distraction and comfort through the most challenging times, bringing the normality of fun and play when its most needed and probably least expected. We grant wishes of a lifetime and support play and entertainment in over 300 hospitals and hospices all over the UK.

Wishes of a lifetime

The largest investment we make each year is to grant personalised wishes of a lifetime.

Our wishes empower young people to have choices and make an important decision for themselves at a time when inevitably most decisions must be made for them.

Our team of wish granters take great care to create Wishes that are truly bespoke, often at very short notice. Their priority is to ensure that with the help of many supporters and partners, the magic and fun of childhood are restored during the wish and that life-long memories are created for the whole family to share.

"It has been 2 months now since my Starlight wish and I still get butterflies whenever I think about it. The doctors saved my life but Starlight, my family and friends made my life worth living and gave me good memories that will always overshadow the bad"

Jessica, 16, diagnosed with acute lymphoblastic leukaemia

For a young person to be eligible for a Starlight wish they must be:

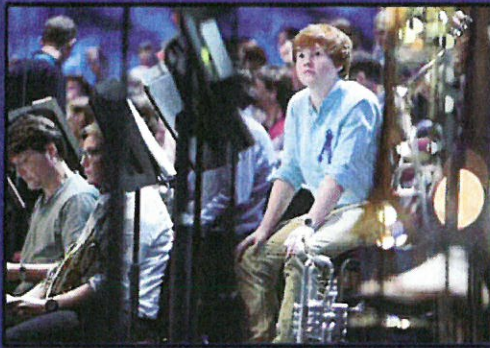
- Diagnosed with a life-threatening, life-limiting or terminal illness
- Be aged between 4 and 18 at the time of referral
- Be able to choose and communicate the wish for themselves
- Not have previously received a wish
- Be a UK resident

Last year we were able to grant 627 wishes, an 18% increase on the previous year.

Our wishes, as you'd expect, are as creative and diverse as a child's imagination. While Disneyland wishes understandably continue to be amongst our most popular wishes, many wishes are much closer to home but require even more creativity from our wish granters to organise.

Last Night of the Proms Rehearsal Wish

Abigail Howe is 18 and lives with Cystic Fibrosis, a genetic condition which impairs the function of the digestive and respiratory systems. In her determination to beat her condition, Abigail decided to learn to play wind instruments to help manage her condition. Having achieved an impressive Grade 7 on the trumpet, Abigail's Starlight wish was to rehearse with the orchestra of the Last Night of the Proms.



Our wish-granters arranged for Abigail to join the BBC Symphony Orchestra for rehearsals at both the Maida Vale studios and the Royal Albert Hall where she soon discovered that the trumpeters lived up to their reputation for being the naughty ones in the orchestra.

Since the wish, Abigail has had a lesson with Alan Thomas, the Principal Trumpet of the BBC Symphony Orchestra and is preparing for auditions for music college.

There are lots of ways in which the wishes that we grant can be truly life-changing.

Elliott, aged 8 has cerebral palsy, a condition that affects muscle control and movement. Elliott used to be terrified of water until his school got a new hydrotherapy pool. The cerebral palsy most severely affects Elliott's legs and when he was in the pool his parents noticed a big improvement in

the stiffness of his leg muscles – unfortunately the family then moved to a new house.

Elliott's Starlight Wish was to have a hot tub at home so that he could get back to having hydrotherapy sessions and have the chance to play together with his brothers and sisters.

We arranged for a hot tub equipped with 35 jets, specifically designed to focus on different muscle groups to be delivered to Elliott's home. The delivery was highly anticipated by Elliott's family, who were very excited to see his reaction. The hot tub arrived at the perfect time, just after he had a long stint in hospital due to an unexpected illness.



Elliott is rarely out of the water now. The massage jets and warm water have significantly helped his muscles and he's enjoyed hours of fun splashing around with his siblings.

In her thank you note Elliott's mum said:

"The hottub is absolutely amazing. Elliott is over the moon with it and keeps crawling to the back door to let us know he wants to go in. Thank you so much for granting Elliott's Starlight wish, we are eternally grateful."

We are so grateful to the very many people who generously shared their time, talent and connections to make wishes like these possible.

Hospital Services

Distraction and play

Children who are diagnosed with a serious or terminal illness spend a lot of time in hospitals. This can be a frightening and lonely experience, and particularly distressing for younger children who may have to be separated from their parents for long periods of time. It is an incredibly difficult and stressful period which can lead to emotions of fear, sadness and helplessness for all the family. This can have immediate and long-term consequences for the child's health and emotional wellbeing.

Research has highlighted the importance of play and entertainment in hospitals, both in preparing children for what is going to happen and in providing ways for them to work through anxieties and fears and deal with the experience. Starlight's services are based on distraction therapy - a method of helping a child cope with a painful or difficult procedure by focusing on something other than the procedure or pain. The benefits of distraction therapy include:

- Creating an environment where stress and anxiety are reduced
- Increasing the child's ability to cope with a hospital admission
- Helping children, especially new arrivals, integrate with other children on the ward or in the clinic
- Creating channels of communication between the child, the family and relevant health care professionals
- Providing the child with the means with which to cope with diagnosis, illness and treatment, which ultimately gives control back to the child or young person
- Reducing developmental regression and therefore helping to promote confidence, self-esteem and independence
- Offering the child coping strategies for managing pain and invasive procedures

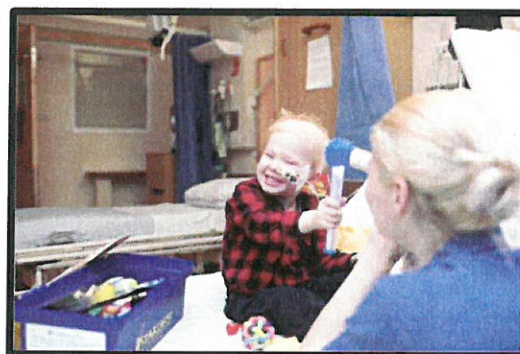
Our services are designed to provide tools to support health professionals and play specialists as well as providing entertainment, toys and games directly to children.

"Starlight's services aim to normalise and de-sensitise the experience of being in hospital so that the child can still develop and grow and the trauma of what they're going through can hopefully be reduced. We can't always fix the illness, but we can support the family and child going through it"

Dr Elaine Mayon-White, Counselling Psychologist

1. Starlight Distraction Boxes

Developed with health professionals, Starlight Distraction Boxes help children cope with minor medical procedures. The hospital environment can often be scary and associated with pain and discomfort, so Distraction Boxes help to transform children's experiences, ensuring their focus is on what's in the box rather than what's going on around them.



"I have recently received my Starlight distraction box and I'm absolutely thrilled with it. The benefit it has had to my patients has been amazing. We can now carry out numerous, relatively invasive procedures without the need for sedation or general anaesthetic".

Rebecca Ward, CT Lead Radiographer, Sheffield Children's Hospital

Small and portable, with lots of sensory toys and activities housed in a tough plastic case, Distraction Boxes can easily be taken into any medical environment. Starlight provides the Distraction Boxes to health professionals who keep their box and use it with lots of different children, spreading the benefit throughout their hospital or hospice.

During the year we distributed 974 distraction boxes to health professionals throughout the UK at a direct cost of £60,000.

In the coming year we plan to further increase the number of health professionals that we reach with the Distraction service. We also plan to introduce a replenishment service to replace missing or worn-out items.

2. Starlight Boost Boxes

We launched the new Starlight Boost Boxes in Autumn 2016.



The Box contains a range of toys, games, arts and crafts for medical and play teams to distribute to young patients who quite simply need a boost. It's used in a variety of ways to distract or comfort children.

In the first year the programme was incredibly well received and we were able to distribute 1875 Boost Boxes at a direct cost of £178,000.

Now that the service is established, in the coming year we plan to increase distribution to 2,900 at an expected cost close to £288,000.

Hospital Entertainment Services

1. Story-telling and Pantomime

Starlight's Storytelling and Pantomime service, has been running since 2008. Last year it was available in over 90 hospitals and hospices throughout the UK and often proves to be the first opportunity for sick children to be involved in live performance.

Our team come with a stage and props enabling a quick transformation of a clinical looking hospital room into a fun and social environment. Our actors are all experienced in dealing with children and can keep them engaged and laughing throughout, ensuring that they leave feeling happier and more positive.

Last year, we provided more than 170 shows at a cost of nearly £65,000, we hope to match this in the forthcoming year.

2. Captain Starlight

Invented by our sister charity in Australia, Captain Starlight is a Superhero from Planet Starlight who brings fun and positivity to children in hospitals and hospices across the UK to help minimize stress and boredom.

Our Captains are highly skilled professionals who draw on their talents – music, magic, dance, art or

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performance to help sick children through their most challenging moments.

Launched in October 2016 A pair of captains 'land their rocket ship' on the roof of a hospital or hospice to visit children and make fun and laughter the order of the day. Working with play teams all around the UK, in the first year from October to March the Captains made 232 hospital visits reaching over 3,000 children.



Early evaluation of the programme with health professionals demonstrated such positive outcomes in hospitals that in the coming year we plan to more than double the number of captains and the amount of hospital visits that they make, requiring a significant increase in the financial investment from Starlight.

Starlight Escapes and Treats

Starlight Escapes and treats provide seriously ill children and their families an "escape" from the hospital environment and the routine of treatment.



An important chance to share experiences of families in similar circumstances, escapes may be anything from a fun day out at one of our parties and fetes to a private film preview. They are designed to improve children's physical health, enable social interaction and importantly support the whole family by creating safe, stress-free environments where families are reminded that fun times can still be had.

During the year thanks to the support of generous organisations and benefactors, we were able to offer 9 escapes from a summer party at a Children's farm to a Christmas party in Downing Street, entertaining over 2400 guests. Our escapes also offer opportunities for hundreds of people to volunteer.

In the coming year we hope to engage our corporate partners in the opportunity to volunteer at our escapes, enabling us to at least equal the number of events and guests that we reached last year.

How we raise funds

Our Children's Wishes and Services are 100% funded by charitable donations and gifts in kind from thousands of individuals, companies, trusts and the events that we organise.

We aim to raise money in many ways which help us to weather changes in trends or the economic environment. We are registered with the fundraising regulator which aims to set and maintain the standards for charitable fundraising in the UK. Its aim is to ensure that fundraising is respectful, open, honest and accountable to the public.

Individual Giving, Community and Sport

Most of our income comes from thousands of individuals supporting Starlight in their own preferred way. From responding to appeals to running marathons every donation is quickly put to good use helping sick children.

Our two appeals to the public generated nearly £500,000 plus gift aid, demonstrating the

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continuing importance of Individual Giving Programmes. This regular giving really helps us to plan our future expenditure.

Our winter campaign was especially powerful as it featured Starlight mum Mandy Painter and her son Josh. Josh was granted a wish in 2006 to have a skype call with his hero, Orlando Bloom. Sadly, Josh passed away shortly after his wish was granted but Mandy treasures the memories of that special day. As part of her aim to raise £1 million pounds for Starlight, she bravely wrote a very moving appeal letter about Josh's story which, not surprisingly had an exceptionally strong response.

Our new fundraising strategy focuses on putting our supporters central to all that we do. In the coming year we will be reviewing our CRM system and processes and ensuring that we are compliant with GDPR regulations and recommendations to ensure that every touch point with Starlight for all our supporters is as positive as possible.

We find that people of all ages want to fundraise for Starlight, amongst our oldest and youngest fundraisers were Bill Mitchell & Maggie Mae Saward. In April 2016, 71-year-old Bill Mitchell took part in the Marathon des Sables and when he crossed the Sahara Desert finishing line he became the oldest Briton to run the race. In contrast 9-year-old Maggie Mae Saward asked people to sponsor her to have her hair cut off. She donated all the money raised to Starlight and donated her hair to the Little Princess Trust.

In October 2016 we launched our first sponsored Cake Bake. Starlight ambassador Nadiya Hussain kindly became the face of our campaign and created a special cake recipe just for Starlight. The event was such a success that we plan to repeat it in 2017.



The London Marathon was a highlight of our sports events calendar, in 2016 we raised a record breaking £270,000. Amongst our incredible fundraisers was the remarkable Jess Juster. Jess ran in memory of her father and raised an extraordinary £26,717, making her a top 10 fundraiser for the whole of the London Marathon in 2016. In the coming year in addition to all the UK based sports events, we plan to introduce our first ever overseas challenge, a trek to Machu Picchu.

Corporate fundraising

We work with companies in different ways as we can offer volunteering opportunities as well as fundraising partnerships.



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Contract catering company Elinor have not only raised £35,000 but also provided cupcake decorating at our Popham escape in 2016 and granted a wish for 5-year-old Isla Johnston.



Isla has intestinal failure and is unable to eat or drink. But despite this, Isla adores cooking and has always dreamed of being a chef. Isla's wish started at The Royal Institution, where Isla was presented with her own personalised chef whites. After rolling truffles and baking cupcakes, Isla was whisked away in a Rolls-Royce to The Ritz for a private tour of the kitchens and a spot of afternoon tea. Isla's mum, said:

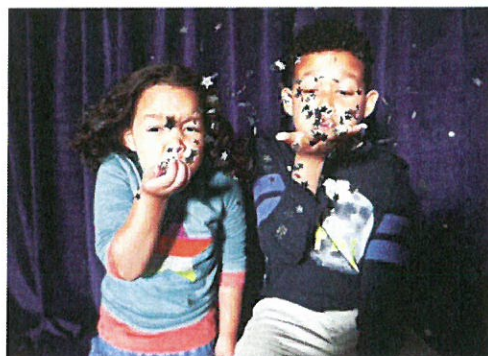
"We are truly grateful for such an amazing time, we hardly ever get to spend time together as a family. For the first time in I don't know how many years I have a photo of all of us together outside the hospital environment."

Property and investment company, Jones Lang Lasalle (JLL) ended a 2-year partnership with Starlight this year. Over the 2-year period they raised nearly £625,000 with a very significant proportion of the total being raised from the JLL Property Triathlon. Many young lives will have been transformed thanks to their support.



In the second year of partnership with Starlight, Boden created a capsule collection of Outer Space themed children's wear for their Autumn/Winter catalogue.

Boden also helped to grant a wish for ten-year-old Rebecca who lives with a rare respiratory condition called bronchiectasis. The condition causes the airways to become abnormally wide, increasing the risk of dangerous chest infections. Her wish was to be a catalogue model.



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Events

Thanks to the generous support of some very well-connected volunteers, our Race Days at Newbury and Kempton and clay pigeon shoot at Highclere together raised nearly £570,000.



In the coming year, as well as refreshing these already highly successful events, we hope to add some new activities to engage different audiences.

Legacies

We know that family comes first when you are considering making a will, but leaving a gift to Starlight can really make a lasting difference for seriously ill children.

Last year was an exceptional year for legacies with income over £1 million (£490,000 FY16) which helped us to grant more wishes than ever before and to launch two entirely new services.

In the coming year we will be exploring ways in which we can sensitively promote legacy information to more people.

Financial Review

Over recent years we have expanded our Children's Care Services to meet the increasing demand for children facing serious or life - threatening illnesses.

In this period, we granted wishes to 627 children and families, and continued our commitment to provide support in Children's Hospital wards and hospices across the UK, through the provision of distraction boxes, boost boxes, fun centres, story tellers and pantomimes.

In addition, we have implemented a new programme, Captain Starlight, to supplement the support given to children in hospital and hospices. There will be further investment in this initiative in 2017/18.

Outside of the provision of support to children and health care professionals in Children's Hospital wards and hospices, we also hosted several events in the year to provide fun and life enriching experiences for children and their families.

In the previous financial year, 2015/16, Starlight Children's Foundation generated net income before investment gain/losses of £142,264, compared to this year where a loss of £715,481 was generated. This reflects the increasingly challenging environment in which charities operate, which has been seriously impacted by the global economic downturn, the General Election in 2016 and the uncertainty around the Brexit negotiations.

Total income of £7,243,740 (including gifts in kind) in 2016/17 compares with the previous year, 2015/16, of £7,826,901; a decrease of 7.5%. Voluntary income and legacy income, included in the total income, of £4,965,825, compares to 2015/16 of £4,791,690, an increase of 3.6%. It should be noted that Legacy income for 2016/17 was £1,060,349, which compares to £487,863 in 2015/16. We were fortunate to receive a small number of high value legacies that positively impacted the charity's funding income in the year and we are thankful for this generosity, which will enable us to further our charitable purpose.

Gift in Kind donations declined to £2,248,080, compared to £2,988,671 for 2015/16, but are still integral to the delivery of our charitable purpose, especially in providing escapes and fulfilling wishes. From hot tubs and log cabins to unique experiences at the Monaco Grand Prix we always welcome conversations with people who are able to provide donations of goods and services. As more fully explained in the accounting policies in the notes to the financial statements, during the year the method of valuing the gifts in kind was changed. This change in basis of valuation had no impact on this or the previous years' movement in funds.

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Total expenditure of £7,959,221 (including gifts in kind) in 2016/17 compares to the previous year, 2015/16, of £7,684,637; an increase of 3.6%. The increase relates to non-recurring other expenditure as explained in note 9 to the financial statements.

Fund raising costs were £1,518,037 compared to £1,386,200, an increase of 9.5%. This represents 21% of donor income, which compares favourably to similar charities of our scope and size. Expenditure on Charitable activities was £6,231,038 compared to £6,298,437; a small decrease of 1.1%.

Reserves and Investment Policy

Reserves

All charities are required to consider how much they need to hold in reserves. The extent depends upon the scale and nature of the charity's activities. Total reserves amounted to £8,710,942 and is made up of four elements:

Designated Funds

These amounted to £5,829,464, which included £4,625,909 in respect of future wishes and hospital projects for seriously ill and terminally ill children, and the balance is attributable to other future commitments for specific programmes including Captain Starlight.

Restricted Funds

These amounted to £57,128 and relate to a small number of programmes, including pantomimes and story tellers and funds raised for specific projects to provide for facilities for children in hospital.

Endowment Funds

There are two funds with a combined total of £200,000 which are held as endowments.

General Funds

These amounted to £2,624,350 as at 31 March 2017 – these are funds that can be used by the charity to maintain its operations.

Investment Returns and Policy

The unrealised gain on investments in the year was £194,418, which compares to an unrealised loss of £899,622 in 2015/16. The current year includes the value of an underwritten guarantee by a supporter of the Charity should specific investments not recover to their original investment amount.

The market value of these specific investments, held in two Odey Investment Funds, was £1,238,957 at 31 March 2017 and the guarantee is to a value of £2,000,000 i.e. a guarantee value of £761,043. Before the value of this guarantee the market value of all investments declined to £1,442,754. The market value of the investments as at 31 August 2017 was £1,426,621.

The decline in the market value of investments in 2016/17 was again disappointing compared with the objective of a 4% capital gain per annum, and is mainly attributable to the decline in performance of the European investments, but was impacted positively by the guarantee received in year. These investments are held as longer term investments by the Charity. The Trustees are continuing to review the performance of the Odey investments and the value of the guarantee granted in the year.

As at 31 March 2017 the Charity held £5,827,601 (67%) of its reserves as cash deposits to be readily available to meet the operating commitments of the charity. As in previous years, the Charity aims to maintain a reserve equivalent to a minimum of one year's expenditure.

The mix of longer term investments in investment funds and short term holding of reserves as bank deposits is in line with the Trustees reserve policy and strategy as at 31 March 2017.

Principle risks & Uncertainties

Identifying and managing the possible and probable risks that a charity may face over its working life is a key part of effective governance.

In managing risk, 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 Trustees can make the most of opportunities and develop them with the confidence that any risks will be managed. Risks are identified and given ratings from low to high according to the likelihood of their occurrence and their impact should they occur.

The three risks that were agreed by the Trustees as rated high in probability of occurrence and impact were; failure to achieve income growth to meet the growth in demand for services; loss on investments; and the CRM system not meeting the needs of Starlight especially with regards to data protection compliance. Plans are in place where possible to mitigate and/or manage the risks.

Employees and volunteers

The progress that we have made this year is thanks to a dedicated team of employees and volunteers.

The average number of staff employed during the year was 29 FTE (26FY16). In the coming year we plan to create a pay and grading structure to ensure that we can offer remuneration packages that are fair, benchmarked and are appropriately competitive.

The Trustees approve the overall salary budget and specifically the remuneration of the Senior Management Team. Details of employees who fall in salary bands above £60k can be found on page 24. pension scheme is available to employees.

Volunteers are central to our activities at Starlight. We estimate that we have over 2,000 volunteers who together contribute their time and skills to where they can be most valuably utilised including our Trustee Committees; events and at Head Office as well as in the provision of wishes and the organisation of escapes. In the coming year we plan to develop an ambassador programme which will help us to expand our volunteer networks.

Governance

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

Legal Structure and purpose

The charity's purpose is set out in its Memorandum and Articles of Association which were adopted on 2 December 1986. In the coming year the Trustees plan to review and revise the governing documents. The object of Starlight is to relieve sick and disabled children and young people.

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.

Board of Trustees

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

The Board comprised 6 trustees as at March 31st, 2017. Trustees have a wide range of skills and experience appropriate to the governance of the activities of Starlight.

In the coming year the Trustees aim is to plan for future succession and meet gaps in Trustee skills and diversity through a programme of Trustee recruitment and training.

The Board meets 4 times each year to regularly review and direct Starlight's budget and performance. At the year-end there were no sub- Committees, there are plans to review the Committee structure in the forthcoming year.

We would like to thank Bertie Way and David Forbes who left the Board during the year, their

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significant contribution to Starlight is very much appreciated.

Going Concern

The Trustees have reviewed the accounts as well as the charity's budgets and plans for 2018, reserves position up to the date of signing off

These accounts and the group risk register. The Trustees are fully confident that the charity should be considered as a going concern.

Trustees declaration of responsibilities

The Trustees are responsible for preparing the Trustees' annual report (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 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.

Statement of disclosure to our Auditors

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

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

Approved by the Board and signed on its behalf:



N Mustoe Chariman
15 December 2017

**STARLIGHT CHILDREN'S FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 MARCH 2017**

We have audited the financial statements of Starlight Children's Foundation for the year ended 31 March 2017 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charitable Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2017 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 based on the work undertaken in the course of the audit:

- 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; and
- the Trustees' report, which includes the strategic report, has been prepared in accordance with applicable legal requirements.

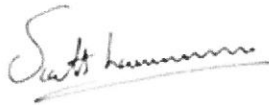
In light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

**STARLIGHT CHILDREN'S FOUNDATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (Cont/d)
FOR THE YEAR ENDED 31 MARCH 2017**

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.



Scott Lawrence (Senior Statutory Auditor)
for and on behalf of Hazlewoods LLP, Statutory Auditor
Cheltenham
16 December 2017

STARLIGHT CHILDREN'S FOUNDATION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2017

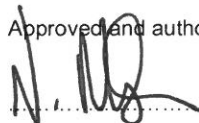
	Notes	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2017 £	Total Funds 2016 £
Income from:						
Donations	3	3,850,866	54,610	-	3,905,476	4,303,827
Legacies	3	1,060,349	-	-	1,060,349	487,863
Value of goods and services donated	1(e), 4	-	2,248,080	-	2,248,080	2,988,671
Bank interest		24,803	-	-	24,803	41,529
Income from quoted investments		5,032	-	-	5,032	5,011
Total income		4,941,050	2,302,690	-	7,243,740	7,826,901
Expenditure on:						
Raising funds	5	1,518,037	-	-	1,518,037	1,386,200
Charitable activities						
Wishes and other charitable activities	6	3,955,698	2,275,340	-	6,231,038	6,298,437
Other	9	210,146	-	-	210,146	-
Expenditure		5,683,881	2,275,340	-	7,959,221	7,684,637
Net (expenditure)/income before losses on investments assets		(742,831)	27,350	-	(715,481)	142,264
Unrealised gains/(losses) on investment assets	12	194,418	-	-	194,418	(899,622)
Net movement in funds		(548,413)	27,350	-	(521,063)	(757,358)
Balances brought forward at 1 April 2016		9,002,227	29,778	200,000	9,232,005	9,989,363
Balance carried forward at 31 March 2017	16	8,453,814	57,128	200,000	8,710,942	9,232,005

STARLIGHT CHILDREN'S FOUNDATION LIMITED
CHARITY BALANCE SHEET
AT 31 MARCH 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	11	262,588	227,962
Investments	12	2,203,799	2,009,381
		2,466,387	2,237,343
CURRENT ASSETS			
Debtors	13	1,231,053	1,086,625
Money Market deposits		5,827,601	6,338,270
Cash at bank and in hand		143,189	133,571
		7,201,843	7,558,466
CREDITORS			
Amounts falling due within one year	14	(957,288)	(563,804)
NET CURRENT ASSETS		6,244,555	6,994,662
TOTAL ASSETS LESS CURRENT LIABILITIES		8,710,942	9,232,005
FUNDS	16		
Endowment funds			
The Barry & Shaun Springer Memorial Fund		100,000	100,000
Kathy's Courageous Kids Fund		100,000	100,000
		200,000	200,000
Unrestricted funds			
General funds		2,624,350	1,228,868
Designated funds		5,829,465	7,773,359
		8,453,814	9,002,227
Restricted funds		57,128	29,778
TOTAL CHARITY FUNDS		8,710,942	9,232,005

These financial statements are prepared in accordance with the special provisions of Part 1 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and for circulation to the members of the company. The notes on pages 20 to 29 form part of these financial statements.

Approved and authorized for issue by the board of Trustees on 15 December 2017



N Mustoe (Chairman)

STARLIGHT CHILDREN'S FOUNDATION LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Cash used in operating activities	A	(470,052)	(414,020)
Cash flows from investing activities			
Capital expenditure and financial investment		(60,834)	(245,074)
Investment income		29,835	46,540
Cash (used in)/provided by investing activities		(30,999)	(198,534)
(Decrease)/increase in cash and cash equivalents in the year		(501,051)	(612,554)
Cash and cash equivalents at the beginning of the year		6,471,841	7,084,395
Cash and cash equivalents at the end of the year		5,970,790	6,471,841
A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Net movement in funds		(715,481)	142,264
Depreciation of tangible fixed assets		26,208	18,250
Loss on disposal of fixed assets		-	5,758
Increase in debtors		(144,428)	(549,949)
Increase in creditors		393,484	16,197
Investment income shown in investing activities		(29,835)	(46,540)
Net cash used in operating activities		(470,052)	(414,020)

**STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1 ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Starlight Children's Foundation Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). 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. With the new FRS102 SORP the Trustees have reviewed the previous policy in respect of Gifts in Kind relating to Wishes and consider that these should now be treated as Restricted income and expenditure.

(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 at their fair value by reference to readily traded prices of recent transactions or, if there is no direct evidence to support this, at the cost of the item to the donor.

During the year, the method of valuing gifts in kind relating to certain money cannot buy gifts was changed to reflect restrictions associated with these gifts and a prior year adjustment was made, reducing the value of other goods and services donated, and the direct costs of wish granting by £800,000 to restate comparative results. The change of basis of valuation had no impact on this or the previous years' movements in funds.

(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.

During the year, the proportion of total costs allocated to the cost of generating funds was significantly increased and a prior year adjustment was made to restate comparative results for a similarly higher allocation of costs to generating funds. Consequently, the cost of raising funds in the comparative year increased from £803,566 to £1,386,200 and, together with the reduction in value of gifts in kind explained in (e) above, the ratio of fund raising costs per £1 donated increased from 9p per £1 to 18p per £1. The change in allocation of costs had no impact on this or the previous years' movements in 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:

- Office improvements 15 years
- Furniture 10 years
- Office equipment: 5 years
- Computers: 3 years

(h) Investments

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 9 to the financial statements.

STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Cont/d)
FOR THE YEAR ENDED 31 MARCH 2017

(i) Pension costs

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

(j) Operating lease rentals.

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

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 DONATIONS AND LEGACIES

Income from donations and legacies was £4,965,825 (2016: £4,791,690) of which £54,610 was restricted (2016: £5,935).

4 VALUE OF OTHER GOODS AND SERVICES DONATED
Intangible income – services and goods provided

	2017 £	2016 £
Goods and services to fulfil wishes	1,679,456	2,394,163
Gifts in kind for parties and escapes	565,934	577,258
Captain Starlight	2,690	-
Office furniture	-	17,250
	2,248,080	2,988,671

Income from other goods and services donated was £2,248,080 (2016: £2,988,671) of which £2,248,080 was restricted (2016: £2,971,421).

5 EXPENDITURE ON RAISING FUNDS

	2017 £	2016 £
Direct costs	834,925	826,423
Salaries	491,403	412,381
General overheads	191,708	147,396
	1,518,036	1,386,200

Direct costs include printing, postage, entrance fees and costs associated with marathons and other sports events, travel, publicity and other costs allocated directly to fund raising events and initiatives.

STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Cont/d)
FOR THE YEAR ENDED 31 MARCH 2017

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	Wishing Granting £	Hospital Services £	2017 £	2016 £
Direct costs	4,002,803	1,173,779	5,176,582	5,384,683
Salaries	357,297	385,816	743,113	684,154
General overheads	173,961	118,043	292,004	211,303
Governance	8,896	10,443	19,339	18,297
	4,542,957	1,688,081	6,231,038	6,298,437

Expenditure on charitable activities was £6,231,038 (2016: £6,298,437) of which £2,275,340 was restricted (2016: £2,972,171).

Direct costs include travel and gift costs of wishes, manufacture of distraction boxes, toys, party and Starlight escape expenses, publicity and other costs allocated directly to charitable activities.

7 TOTAL GENERAL OVERHEADS

	Fund Raising £	Wishing Granting £	Hospital Services £	2017 £	2016 £
Rent and services	93,227	103,882	69,255	266,364	150,275
Professional services	13,877	8,326	5,551	27,754	26,496
Temporary staff	4,664	-	-	4,664	-
Other staff related costs	13,120	8,937	10,924	32,981	27,102
Depreciation & disposals	8,080	9,003	9,125	26,208	24,008
Other office costs	58,741	43,813	23,187	125,741	130,818
	191,709	173,961	118,042	483,712	358,699

The basis of allocation of general overheads is explained in the accounting policy note 1(f)

8 GOVERNANCE COSTS

	2017 £	2016 £
Salaries	2,542	2,425
Audit fee	11,400	10,700
General overheads	5,397	5,172
	19,339	18,297

The basis of allocation of governance costs is explained in the accounting policy note 1(f)

STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Cont/d)
FOR THE YEAR ENDED 31 MARCH 2017

9 STAFF COSTS

	2017 £	2016 £
Salaries	1,001,670	886,287
Social security costs	102,170	90,521
Pension costs	133,219	122,152
Termination payments	164,304	-
	<u>1,401,363</u>	<u>1,098,960</u>

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

	2017 £	2016 £
£80,000 - £89,000	1	-
£90,000 - £99,999	1	1
£110,000 - £119,999	-	1
£120,000 - £129,999	1	-
Average numbers employed in the year:		
Children's services	18	17
Fund raising	11	9
	<u>29</u>	<u>26</u>

The Charity Trustees were not paid or received any other benefits from employment with the Foundation in the year (2016: £nil) neither were they reimbursed expenses during the year (2016: £nil). No Charity Trustee received payment for professional or other services supplied to the Charity (2016: £nil). Trustees' indemnity insurance was purchased during the year for £813 (2016: £804)

The key management personnel of the Charity comprise the Trustees, the Chief Executive Officer, the Head of Operations, the Head of Wish Granting & Children's Services and the Chief Financial Officer. The total employee benefits of the key management personnel of the Charity were £447,947 (2016: £452,869).

During the year, a member of the senior management team's employment was terminated and post year end a termination payment was agreed of £164,304 plus legal fees. These costs, together with the Charity's own legal expenses, have been included as other expenditure in the Statement of Financial Activities, net of amounts previously accrued.

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.

STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Cont/d)
FOR THE YEAR ENDED 31 MARCH 2017

10 NET INCOMING RESOURCES

Net incoming resources are stated after charging:

	2017 £	2016 £
Auditor's remuneration	11,400	10,500
Depreciation	26,208	18,250
Operating lease rentals	3,776	3,954
	<u> </u>	<u> </u>

11 TANGIBLE ASSETS

	Motor Vehicle £	Office Improvements £	Office furniture and equipment £	Total £
Cost				
As at 1 April 2016	-	223,143	44,809	267,952
Additions	12,495	-	48,339	60,834
Disposals	-	-	(14,889)	(14,889)
As at 31 March 2017	<u>12,495</u>	<u>223,143</u>	<u>78,259</u>	<u>313,897</u>
Depreciation				
At 1 April 2016	-	14,876	25,114	39,990
Charge for year	3,124	14,876	8,208	26,208
Disposals	-	-	(14,889)	(14,889)
At 31 March 2017	<u>3,124</u>	<u>29,752</u>	<u>18,433</u>	<u>51,309</u>
Net Book Value at 31 March 2017	<u>9,371</u>	<u>193,391</u>	<u>59,826</u>	<u>262,588</u>
At 31 March 2016	<u>-</u>	<u>208,267</u>	<u>19,695</u>	<u>227,962</u>

STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Cont/d)
FOR THE YEAR ENDED 31 MARCH 2017

12 INVESTMENTS

	2017 £	2016 £
Quoted investments at market value		
Market value of investments as at 31 March 2016	2,009,379	2,909,001
Unrealised gain/(loss) on revaluation at 31 March 2017	194,418	(899,622)
	<hr/>	<hr/>
Investment in trading subsidiary	2	2
	<hr/>	<hr/>
	2,203,799	2,009,381
	<hr/>	<hr/>
Historic cost		
At 31 March 2017	2,183,278	2,183,278
	<hr/>	<hr/>
	£	£
32,497.165 units - Charishare Common Investment Fund	200,085	167,003
1,732.88 units - Odey European Inc. Euro Shares	1,000,000	862,527
4,059.79 units - Odey European Inc. Class A Sterling GBP shares	1,000,000	976,013
2,000 ordinary shares - Tesco	3,712	3,836
	<hr/>	<hr/>
	2,203,797	2,009,379
	<hr/>	<hr/>

The Odey investments are stated at the higher of market value and their Minimum Guaranteed Value.

13 DEBTORS

	2017 £	2016 £
Due within one year:		
Amounts due from subsidiary undertaking	790	790
Prepayments and accrued income	817,824	640,393
Gift Aid debtor	412,439	445,442
	<hr/>	<hr/>
	1,231,053	1,086,625
	<hr/>	<hr/>

STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Cont/d)
FOR THE YEAR ENDED 31 MARCH 2017

14 CREDITORS

	2017 £	2016 £
Amounts falling due within one year:		
Taxation and social security	31,756	25,045
Creditors and accruals	884,252	490,709
Deferred income	41,280	48,050
	<u>957,288</u>	<u>563,804</u>

15 DEFERRED INCOME

	2017 £	2016 £
Deferred income brought forward	48,050	217,276
Deferred in year	41,280	48,050
Released to SOFA	(48,050)	(217,276)
Deferred income carried forward	<u>41,280</u>	<u>48,050</u>

Deferred income is money received in advance for events to be held in the following year.

STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 MARCH 2017

16 FUNDS

	Balance 1.4.16 £	Incoming Resources £	Resources Expended £	Transfers £	Investment Gains/ (losses) £	Balance 31.3.17 £
General funds	1,228,868	4,941,050	(2,910,765)	(829,221)	194,418	2,624,350
Designated funds						
Wish fund	6,931,488	-	(2,614,069)	308,490	-	4,625,909
Fun centres	350,000	-	-	(320,000)	-	30,000
Distraction boxes	150,000	-	(45,249)	50,543	-	155,294
Captain Starlight	241,871	-	(109,059)	790,188	-	923,000
IT renewal fund	100,000	-	(4,738)	-	-	95,262
Total unrestricted funds	9,002,227	4,941,050	(5,683,881)	-	194,418	8,453,814
Restricted funds						
Hospital programme	24,593	-	-	-	-	24,593
Wish fund	-	1,679,456	(1,679,456)	-	-	-
Distraction boxes	3,185	100	-	-	-	3,285
Fun centres	2,000	-	-	-	-	2,000
Parties, escapes and events	-	565,934	(565,934)	-	-	-
Pantomimes and story tellers	-	54,510	(27,260)	-	-	27,250
Captain Starlight	-	2,690	(2,690)	-	-	-
Total restricted funds	29,778	2,302,690	(2,275,340)	-	-	57,128
Endowment funds						
The Barry & Shaun Springer Memorial Fund	100,000	-	-	-	-	100,000
Kate Sweeney Fund	100,000	-	-	-	-	100,000
Foundation funds	9,232,005	7,243,740	(7,959,211)	-	194,418	8,710,942

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 2017 and the Trustees expect to transfer further amounts into this fund regarding children accepted for wishes in the future. The provision of fun centres, distraction boxes and Captain Starlight is ongoing and it is expected that these funds will be spent within the next year.

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

STARLIGHT CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31 MARCH 2017

The Wish Fund, the Fun Centre Fund, the Distraction Box Fund and the Parties and Events Fund consist of donations and Gifts in Kind given specifically to fund those items.

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.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

	Unrestricted £	Restricted £	Endowment £	Total 2017 £	Total 2016 £
Tangible fixed assets	262,588	-	-	262,588	227,962
Investments	2,003,799	-	200,000	2,203,799	2,009,381
Cash at bank	143,189	-	-	143,189	133,571
Money Market deposits	5,770,473	57,128	-	5,827,601	6,338,270
Net current assets/(liabilities)	273,765	-	-	273,765	522,821
	<u>8,453,814</u>	<u>57,128</u>	<u>200,000</u>	<u>8,710,942</u>	<u>9,232,005</u>

18 OTHER COMMITMENTS

At 31 March 2017, total commitments under operating leases were as set down below:

	Land and Buildings 2017 £	Other 2017 £	Land and Buildings 2016 £	Other 2016 £
Payable as follows:				
Within one year	204,408	3,504	204,408	3,504
Within two to five years	817,632	6,879	817,632	9,977
After five years	1,720,426	-	1,924,834	406
	<u>2,742,466</u>	<u>10,383</u>	<u>2,946,874</u>	<u>13,887</u>

21 RELATED PARTY TRANSACTIONS

N Mustoe is a director of Kindred Limited which provides services to Starlight without charge. Also, N Mustoe's sister is employed as Head of Operations. N Mustoe was not involved with her recruitment or in setting her remuneration, which is commensurate with market rates for her role and responsibilities. There were no other related party transactions during the year.