

# **ANNUAL REPORT**

**AND**

# **FINANCIAL STATEMENTS**

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**STARLIGHT CHILDREN'S FOUNDATION**



**YEAR ENDED 31 MARCH 2023**



### **Royal Patron**

HRH Princess Alexandra KG GCVO

### **Co-Founder**

Emma Samms MBE

### **Trustees**

Alain Wolffe (Chair)

Dr Christopher Evans

Anna Gawn (Appointed May 2022)

Alasdair Hadden-Paton ACA (Vice Chair)

Ian Harding

Frenchesca James (Resigned May 2022)

Dr Christopher Kelly

Hina Patel

Mark Tasker

### **Senior Management Team**

Cathy Gilman, CEO

Dr Krutika Pau, Director of Children's Services & Deputy CEO

Nicky Wade, Director of Finance & Resources

Sarah Woods, Director of Fundraising and Marketing

### **Registered Office**

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020 7262 2881

### **Audit and Risk Committee**

Ian Harding (Chair)

Chris Kelly (appointed October 2022)

Alain Wolffe

Hina Patel (resigned October 2022)

### **Safeguarding Committee**

Anna Gawn (Chair)

Samuel Butler

Georgina Cox (resigned June 2023)

Ceri Davies (resigned June 2023)

Dr Sandy Gulyurtlu

Dr Krutika Pau, Director of Children's Services & Deputy CEO

Laura Walsh

### **Advisory Committee (until October 2022)**

Dr Chris Evans (Chair)

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

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

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

During the year the Committee devolved  
its work to the Health Play Forum and  
was dissolved.

### **Development Committee**

Alasdair Hadden-Paton (Chair)

Oliver Hardcastle

Olivia McCall (from Jan 2023)

Alex Spencer-Churchill

### **Bankers**

HSBC plc, 25 Wigmore Street  
London W1H 0DP

Lloyds Bank plc, 25 Gresham Street  
London EC2V 7HN

### **Solicitors**

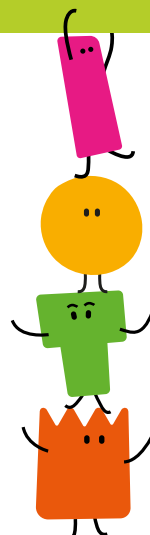
BDB Pitmans, One Bartholomew Close  
London EC1A 7BL

### **Auditors**

Sayer Vincent LLP, Invicta House  
108-114 Golden Lane  
London EC1Y 0TL

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# A MESSAGE FROM OUR CHAIR

Starlight is the national charity for children's play in healthcare, supporting children to experience the power of play to boost their wellbeing and resilience during treatment, care and recovery from illness.

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Play is not a choice; it is crucial to the health and wellbeing of children. From our research, children, their parents and health professionals tell us that everyday play opportunities reduce the stress, anxiety, and trauma of treatment; and can even reduce feelings of pain as well as the need for sedation, which also creates efficiencies and economic value for the NHS.

The speed of progress of our policy and public affairs work this year evidences the real need for more recognition of the importance of play in healthcare. At Starlight we value working together for our purpose and we know that the best way to maximise our own impact for children and young people is to work in collaboration with other organisations. The recommendations from our "Play in Hospital 2022" report in October led to an invitation from NHS England to co-chair a taskforce to develop and progress programmes of work on the accreditation of health play specialists, and national guidance and practice standards for health play services.

Our advocacy work is better informed and more insightful because we are simultaneously delivering services and developing the good practice that we want policy to support. It's therefore essential that we continue to meet the growing demand for our play and distraction services in hospitals.

Income growth would always have been challenging in this financial year as it was not a biennial Blenheim Ball year. With the additional challenge of a very sudden cost-of-living crisis our team has placed particular emphasis on philanthropy and partnerships which have been less impacted by the reduction in the discretionary pound. Using business intelligence and insight, they have focused on activities most likely to generate the best return on investment, while developing new products including a digital playstore to increase reach and engagement.

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**"Play is not a choice,  
it is crucial to the  
health and wellbeing  
of our children"**





Across the organisation there has been a focus on partnership and collaborative working to ensure that we continue to grow our impact for children and young people despite the evident economic challenges. We have also piloted our first commercial partnership with NHS England in the delivery of a programme of play to support preparation, distraction and recovery for the children's covid vaccination programme.

As the UK recovers from the impact of the pandemic, this has been another year of significant uncertainty for everyone. The plan we created for the year, by necessity, had in-built flexibility to ensure that we could support as many children, families and hospitals as possible while maintaining a sustainable position for Starlight. We could not have predicted the level of political, economic and social volatility over the last 12 months and it is impressive the way in which the Starlight team have been able to respond.

Living our values and the wellbeing of our team are of primary importance at Starlight and this year we have developed a colleague experience strategy that focuses on the moments that matter for our team and their life at Starlight. Through our self-awareness development programme our aim is for our colleagues to think for themselves, manage their environment and make appropriate, balanced decisions for themselves, others and for Starlight. In this way we create a supportive and inclusive environment where people thrive, belong and are able to deliver the impressive progress that you will read about in this report. **Thank you.**

Alain Wolffe





# PROTECTORS OF PLAY

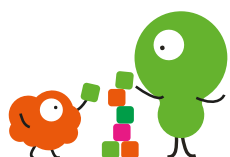
## OUR STRATEGY FOR PLAY IN HEALTHCARE

**We aim to enable all children in the UK to have their right to play protected and provided for when they are receiving healthcare – in or out of hospital.**

“Play is arguably the most authentic expression of identity, the essence of who we are. Children have a fierce need to play because they are at the start of their great journey of Life. Play is how they investigate the world and explore their place in it, what they think about, and what matters to them. Play is where children learn to build and navigate relationships. It is where children can be free to express complex feelings – joy, terror, jubilation or just astonishment at daily life – to anchor themselves, to find agency, to be who they are”

**VIRGINIA RADCLIFFE**





We believe the highest attainable standard of health can only be realised if children are supported to engage in play.



The UN Convention on the Rights of the Child states that every child has a right to play and a right to express their views, feelings and wishes in all matters affecting them. They have a right to have their views considered and taken seriously and a right to the best possible health.

Play is a vital way children\* gain agency in their treatment, a sense of autonomy and control; and is an important way to express thoughts and feelings in a healthcare setting. The capabilities that children naturally use and develop through play, such as emotional flexibility, risk awareness and adaptability, are also the very qualities that can most support their positive experience of healthcare. Play helps children to navigate the world, to find their own solutions, to communicate and to connect with others.

Engagement in play in hospital can make a transformational difference for children and their families:

- Enabling them to have a more positive experience of hospital.
- Reducing the anxiety, fear and stress associated with being in hospital.
- Reducing the feeling of pain associated with treatment which can reduce the need for sedation and other costly interventions.
- Helping build resilience which helps them to cope and be better engaged with treatment.
- Strengthening family wellbeing and relationships
- Improving the rapport between the health professional, child and family.

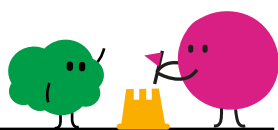
We believe that children's healthcare services should fully reflect the importance of play to their health, wellbeing, resilience and recovery, and that every child who is an inpatient should have daily play opportunities, appropriate to their condition, supported by dedicated play staff.

\*References to 'children' include children, babies and young people.

The three strands of our strategy for play in healthcare – the **delivery of services, evaluation & impact measurement** and **advocacy & policy** – are integrated to achieve these aims and to maximise the impact of our work.







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## OUR HEALTH PLAY SERVICES

We provide carefully curated services in healthcare settings to enable children to enjoy the simple, normalising and healing power of play. We support health play professionals and their colleagues with specialised play resources to help children to better understand, be less anxious, and more engaged in their own care and treatment. We arrange playful activities and events for children and their families to take time away from treatment to have experiences and create memories together that really matter.

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## OUR INSIGHT & IMPACT WORK

We are evidence led and believe in the importance of sharing our insights with others. We value understanding the experiences of children and take time to find different ways to hear their voices.

We respect their right to an opinion and to have agency in their own health and wellbeing. We also collate and share information on the state of play in UK healthcare, by consulting with health professionals and bringing together existing data on service provision. We evaluate the impact of our services for children's mental health and wellbeing and respond to the feedback we receive by making improvements and developing our services tailored to the needs of children.

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## OUR ADVOCACY & POLICY WORK

We amplify the impact of our service delivery and research by advocating for children's right to play and by working in partnership for systemic change in the healthcare system.



# THE STATE OF PLAY IN HOSPITAL

Over the last five years the combination of an ongoing review of the research into play in health care and qualitative and quantitative research into the experiences of children undergoing treatment and their families has created unique and valuable insight. This insight drives our decision-making and helps us to measure the impact of our services. It has also given us a mandate to develop a voice of influence on behalf of play professionals as well as children and their families.

Until now there has been a lack of comprehensive and cohesive data on the state of play in healthcare across the UK, which has prevented us from quantifying the scale of the need for play provision and the degree to which our services are meeting that need. This year we began what we intend to be a permanent piece of research at Starlight, combining publicly available data and 200 freedom of information requests to hospitals to build a clearer picture of:

- The number of children treated;
- The geographical distribution of hospitals treating them
- The types of procedures undergone.
- The number of dedicated play staff
- Budgets and resources for play teams.





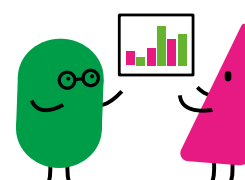


Our research, as expected, has uncovered significant differences in the provision of and access to play in hospitals across the UK. This insight enables us to target our resources to where there is most need, thus maximising our impact. It will also support our policy and public affairs work as we evidence the need for change.

The research is unique and strengthens our fundraising case for support by evidencing the need for the services that Starlight provides. We also believe it has an economic value for many organisations and, as part of our exploration of potential commercial income streams, we will be investigating the possibility of commercialising this research.

**In the coming year we will be continuing this research, using the insight we gain to influence systemic change, inform our service development, allow us to target resources to address inequalities and create cases for support for our fundraising.**

- 2m** Hospital admissions in year aged 0-17
- 468** Health Play specialists in post
- 413** Other play staff
- 40%** Hospitals with play staff at weekends
- 77%** Hospitals with no play resource budget
- 87%** Hospitals without play policy / guidance



## A CULTURE OF PARTICIPATION

We believe that participation is intrinsically linked to evidence-based decision making; it is by involving those affected by a decision that we gather insight. As a children's charity, it is critical that, to truly understand the impact of the state of play in hospital and hence the extent of the need for change, we listen to the voices of children.

Children have a right, codified in the UN Convention on the Rights of a Child, to have not only their voice heard but their opinion taken into account, to be active participants in decisions which affect them. Decisions about a child's healthcare are often taken solely by parents, carers and medical professionals and we continue to search for ways to enable children to be participants in, not merely recipients of, their own healthcare.

Our insight and impact work has involved children's voices for years, whether gathered directly or via our network of health play professionals. This year has marked a step-change in our approach to ensuring we are listening to children's voices, with the start of development of our first organisation-wide participation strategy. In this we aim to create a culture of listening, agency, recognition and respect across our organisation, championing participatory approaches in play and healthcare. We want children who use our services to have a say in how those services are developed and delivered. And it is by understanding their perceptions, attitudes and lived experience that we can support Health Play Specialists as they advocate for the children in their care to have agency in healthcare decisions.

It is key to us that the children and young people who are involved with Starlight in this way gain value from the experience and we have been working with Participation People to build our strategy, ensuring children and young people are actively involved in developing the strategy itself.





# RESOURCING PLAY IN HOSPITAL

## OUR WORK WITH HEALTHCARE SETTINGS

We know how critical play is for children in hospital and other healthcare settings and yet our research indicates that up to 30% of hospitals do not have dedicated play staff. Even where play was well resourced pre-pandemic, many hospitals have not fully restored those levels of service. Whilst we work for the systemic change needed to ensure every child in hospital has the space and opportunity for play every day, our play services fill a critical need for hundreds of thousands of children in hospitals and hospices across the UK.

### PROVIDING PLAY RESOURCES

77% of the Health Play Specialists we surveyed have no budget for play resources and for those that do it is generally very limited. Starlight Boxes are packed with toys, games, arts & crafts, books and other play-related items, all carefully chosen to encourage play, inspire imagination, prepare for or distract from treatment, or entertain children during long hours alone. In many hospitals there are few or no trained play professionals and this year we have introduced

information leaflets to give all healthcare staff additional ideas for play. Our plan for this year was to send out 5,000 Starlight boxes; we dispatched 6,500 to a total of just over 600 healthcare settings. We aim to maintain this service level in the coming year.

Our partners at Amazon have continued their campaign to interest more children in STEM subjects (Science, Technology, Engineering and Mathematics) and have provided almost nine thousand STEM packs to our network of health play professionals, along with training for play staff.

Early Years play is critical for development in babies and toddlers and Health Play Specialists tell us that this is where they often find it hard to find resources or ideas. In response we have launched a trial of a new Baby Box, specifically designed to support developmental play. We will be continuing this trial into the coming year and also working on specialised resources to support play staff in preparing children for treatment.

During the year we sent hospitals, hospices, community healthcare settings and ambulance crews...



## Funding Health Play Specialists

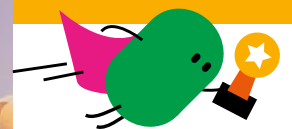
We aim to see Health Play Specialists in every healthcare setting and this year we have funded four of these posts, allowing settings that could not otherwise afford them to engage play staff for three years. These Starlight Health Play Specialists work across hospital, hospice, community and home settings, in close collaboration with the Starlight Play team, benefitting from a level of training and support they might otherwise not have access to. This allows us to test and trial new products and gives us the ability to showcase excellence as we develop national standards for health play, as well as providing the settings with much-needed frontline play resource. You can read more about this work on development of standards elsewhere in this report.

## Health Play Champions

Play professionals often work in isolation, with limited opportunities to share ideas or hear about new practices. They are also a critical link between Starlight and the healthcare settings, providing insight about needs on the ground and the impact of the resources we provide, allowing us to continue to improve our services. This year we have recognised this synergy in the creation of our Health Play Champions network, where those involved in health play help us test and trial new products and have access to training opportunities and the chance to share experience with and learn from each other. In the coming year we aim to continue to grow the network further and to expand the training opportunities offered.

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**Health Play specialists, Play workers, youth workers, medical staff and nursery nurses are Starlight Health Play Champions.**







I can't make the children on the ward better but I can make their time in hospital better. Being there for them and giving them the opportunity to play means their time can be the best it can be"

**Claire Pickett, Southampton Children's Hospital, Starlight Health Play Specialist of the Year 2022**



## Play in Hospital week

As part of our work to raise the profile of the importance of play in the health and wellbeing of children, each year we support National Play in Hospital Week, organised by the National Association of Health Play Specialists. We also recognise the critical role both Health Play Specialists and other frontline staff play and the fantastic work they do with our annual Health Play awards, celebrating just a few of those who, alone or in teams, work tirelessly to provide play opportunities and resources for the children in their hospitals.

## Reducing distress with Virtual Reality

Together with our partners at Leeds Children's Hospital and Leeds Beckett University, we have carried out the largest study of its kind on Virtual Reality (VR) in children's healthcare, discovering that it was both an effective form of distraction and actually improved the experience of treatment. With the potential for economic savings to the NHS, in the coming year we are extending our pilot programme to include more hospitals in the Leeds area.



**91%** of children using VR said it made treatment better

**87%** said they felt little or no pain during treatment

**95%** of children asked chose to use VR

**81%** said they'd choose it again



## Play beyond the hospital

We know from our work with children and families outside of hospital over the years that they face challenges in accessing a range of play, whether logistical, creative or driven by public attitudes to visible conditions (families tell us that at Starlight events they don't feel they're stared at for being different). This year children and their families have enjoyed activities ranging from a five day 'escape' at a fully accessible farm cottage, to trips to theme parks and an outdoor Adventure Centre. In total 198 children and their families attended a Starlight event in person and 318 enjoyed services at home.

We reported last year that we planned to review our services in this area and talk to children, their families and health play professionals to understand how we can have the most impact. This work has been completed and in the coming year we plan to be focusing increasingly on delivering simple but impactful events and activities, such as being active out of doors. Travel distance can be a barrier for many seriously ill children so we are aiming to 'think local', delivering a larger number of smaller activities for children closer to where they live.



### In the coming year we will:

- Continue our delivery of play resources into healthcare settings, looking always to maximise our impact
- Continue the pilot of Starlight Health Play Specialists and carry out a first formal impact review of these posts
- Grow our network of Health Play Champions and expand the training we offer them
- Extend our VR pilot to 4 more hospitals, verifying our findings about impact on a larger scale
- Develop our programme of simple, impactful events outside of hospitals







# THE ECONOMIC VALUE OF PLAY IN HOSPITAL

We know that the importance of play can be trivialised and marginalised, especially where commissioners are managing constrained budgets. Given the importance of efficiencies in the NHS, we believe that being able to demonstrate the economic value of play is directly linked to achieving wider adoption of and investment in play provision and hence systemic change.

This year we have worked with Pro Bono Economics to begin to understand how we might demonstrate the economic value of our services, using our Distraction and Boost boxes as a starting point. Data was gathered from 105 healthcare professionals, with results

suggesting that they could both deliver value for money for hospitals and free up healthcare staff time:

- Use of a Starlight Box could shave off six minutes from the average treatment
- Our programmes could free up 6,500 staff days a year (equivalent of £2.2m) based on the number of Boost & Distraction boxes provided to healthcare settings
- Sedation could be avoided in as many as 100,000 treatments per year, the equivalent of a saving of up to £1m a year
- Savings to healthcare settings overall could be 4 times the cost of the programme

Although these estimates were based on recollections of a relatively small sample of healthcare professionals and are likely to be subject to significant uncertainty, this work is a valuable start to demonstrating the importance of play to an efficient healthcare system as well as to the wellbeing of children.

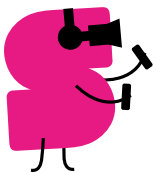
## INCOME FROM OUR CHARITABLE ACTIVITIES


The pandemic demonstrated the importance of the diversity of income streams and as part of our sustainable income generation strategy, we have this year begun to explore opportunities for generating revenue from our charitable activities. The increased awareness we have built of the critical importance of play in healthcare, the widespread acknowledgement of our experience and expertise, reflected in our partnership with NHS England, and the research on economic benefits for the healthcare system, give us a strong base from which to enter into commercial contracts for services.

All children, not just those who are seriously ill, interact with the healthcare service and this year we have had the opportunity to work as


a commercial partner with the North London NHS Trust, supporting their covid-19 vaccination programme for children. Approximately 5,000 children benefitted from preparation materials provided to their parents and carers followed by play and distraction at the vaccination centre, giving them a positive and playful experience and highlighting the value of play in preventative as well as treatment sessions.

As well as providing a further sustainable income stream, these contracts will further our aim to ensure that all children in the healthcare system have access to valuable play opportunities. We know that the private healthcare system, for example, has funding available but limited access to the expertise needed to integrate play into their care. In the coming year we are exploring how we might work with the private healthcare system to provide services on a commercial basis.





# WORKING IN PARTNERSHIP FOR SYSTEMIC CHANGE



Our third Play in Hospital report launched during Play in Hospital Week in October, combined the findings from an external policy review and our research into the state of play in hospitals. A critical finding was that play services had not been restored to pre-pandemic levels and this became a focus for an immediate call to action as well as significant press coverage for the report.

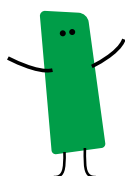
The report called for children's right to play within the healthcare system to be a bigger priority, and for health play specialists to become better recognised and more widely available to the children who so badly need them. The report was discussed by our quarterly Health Play Forum and as a result, thanks to the leadership of Kate Pye, Deputy Director of Children and Young People in the NHS, we were invited to co-host a taskforce with NHS England, bringing together relevant professional bodies and sector specialists to tackle three specific areas:

- Health Play Specialist accreditation and development
- Guidance and service specifications for commissioners and trusts
- National Standards for health play services

We expect the recommendations from the taskforce, which have the potential to deliver the systemic change that we seek, to be reported in the Autumn of 2023. We have developed a new case for support based on this work and have already begun to identify funding partners, which we hope will allow Starlight to be a chosen partner for the delivery of these recommendations.

## Our report recommended

- **Recognition of Health Play Specialists as an integral part of the healthcare workforce.**
- **Nationally recognised practice standards for health play services**
- **Effective national guidance for play in healthcare developed & implemented**
- **Funding identified by health service commissioners for adequate levels of health play provision**
- **Play services in healthcare settings now return, as a minimum, to pre-pandemic levels**

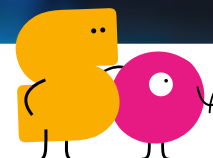
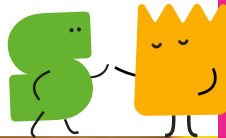




## Sharing expertise: a Symposium on Play in Children's Healthcare

Towards the end of the year we were privileged to co-host a symposium on play in children's healthcare with the Play in Education and Learning (PEDAL) team at Cambridge University. This event, chaired by Professor Paul Ramchandani, shone a spotlight on the often overlooked role of children's play in healthcare settings; and considered current research in the field and how it might inform policy, workforce development and future improvements in practice. Our keynote speaker, Professor Imelda Coyne of Trinity College, University of Dublin, presented her research on supporting children's agency in their own treatment; and the role of play in enhancing their experiences of healthcare. The symposium brought together experts from across the sector including academics, play professionals and other charities.

We have also, this year, introduced a quarterly Health Play Forum. By bringing together policy makers, academics, play professionals and other partners, to discuss key focus areas such as the role of play in mental health and the work being done by our Joint Taskforce, we can drive forward action across health play. It is by this type of collaborative working, central to Starlight's culture, that deeper, faster change will happen for children.





# WE ARE STARLIGHT

VALUING EACH OTHER AND THOSE AROUND US

We believe that our success depends upon a culture where everyone can belong, feel safe and thrive. Our values are the agreed standards that govern our behaviour and are central to our decision-making and the choices that we make. Our development programme focuses on individual awareness of our own values, strengths and preferences – essentially what makes us who we are – to help all colleagues think for themselves, manage their environment and make appropriate, balanced decisions for themselves, others and Starlight. We believe that our strength is in our differences and constantly strive towards an authentic workplace culture with equity, diversity and inclusion as central principles that drive our actions.

## OUR VALUES

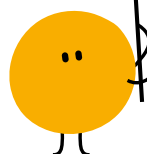
**“Our standards and the environment we create through our behaviours”**

### Responding to the world around us



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

### Working together for our purpose



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

### Taking the time to understand



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

### Trusted to be our best

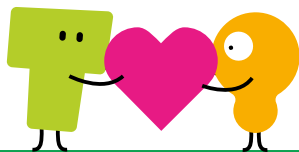


The trust we have in each other, and our purpose guides our decisions, choices, and actions. When we are trusted our confidence grows, we ask for help, and we feel safe to be who we are. In any situation we say 'we' rather than 'they'. Most of all we trust in the Power of Play for children and adults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

## INVESTING IN OUR CULTURE AND OUR COLLEAGUES

Through so much uncertainty and volatility, and a very tight post-pandemic labour market, investment in our culture and colleague experience remain a priority. This enables us to recruit and retain the very best talent and gives us the best chance to achieve our ambitious plans for Starlight.

The focus of our colleague experience strategy is to create a working environment where everyone can feel safe, thrive and **belong**.



We think carefully about why people would **choose** Starlight as an employer.

We take the time to understand candidates for roles and give them and Starlight the best opportunity to make a conscious decision about alignment of purpose, values, experience and expertise.

We think about what it feels like to **join** Starlight and how we can support and enable colleagues to be their best from day one, living the excitement they felt at interview and feeling valued and having consistency of experience and expectation.

We nurture a **growth** environment enabling colleagues to bring all that they are to our purpose.

We **recognise** and celebrate what matters to ourselves, others and the Starlight culture and we support the desire for **progression** in Starlight and the wider world.

We value each other and are proud to be Team Starlight.

We know that charity salaries can be a controversial subject. At Starlight we view them as an investment rather than a cost and prioritise fair reward for our committed and dedicated team. This has been especially important during a very sudden cost-of-living crisis where their wellbeing has been paramount. This year we have worked with an external partner to carry out a salary benchmarking exercise for all our roles. We know that with fluctuations in the market inequalities can arise over time and where we found salaries were below a benchmarked average we adjusted them.

The Trustees approve the overall salary budget and specifically the remuneration of the Senior Management Team. The budget takes into account affordability for the charity, inflation and market rates at the time. All Senior Management Team roles were included in the external benchmarking and this data informed the decision of the Trustees.

We have also reviewed our benefits package in line with industry benchmarks. In the coming year we will be continuing to focus on colleague wellbeing and plan to introduce a progression policy, which can support career progression in a small organisation where promotion opportunities may be limited.

We can begin to see cultural shifts as a result of the introduction of our development programme last year as we see colleagues making active choices and decisions about their own behaviour. We are also developing a culture of giving feedback as useful information in a timely way. The programme has been widened beyond the leadership team and by the end of the next financial year we hope that all colleagues will have been given the opportunity. This helps to create a common language and a level playing field for every colleague which is central to our belief in equity, diversity and inclusion (EDI).

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## A CULTURE OF EQUITY, DIVERSITY AND INCLUSION

EDI requires demonstrable action throughout the organisation, from the people who use our services, to our colleagues and Trustees. This year we have worked with a specialist consultancy who are supporting us to create a genuinely inclusive environment through the design and co-delivery of EDI vision and principles. The foundation for this has been active listening sessions with every member of the Starlight team to understand their experiences and what matters to them. This has also helped us to define some programmes of work that will be led by our internal EDI group.

### Equity, Diversity & Inclusion in our services

We are committed to ensuring that our services are accessible, relevant and inclusive to all the children and families we support. This year we have begun the structured gathering of diversity data to understand if there may be gaps in our reach which could indicate accessibility or inclusivity issues. In the year ahead we will be transforming data into insight and implementing any necessary changes.

We continue to review the contents of our Boxes to ensure materials are relevant and accessible to the broadest possible range of children and to work with suppliers when planning events to maximise accessibility of venues and activities.

### Equity, Diversity & Inclusion in our fundraising

We are committed to making all our supporter engagement opportunities and products accessible, relevant and inclusive. We said last year that we would begin gathering diversity data on our fundraising audience and use that data as part of our decision making to ensure diversity of audiences. In the year, particularly as we have developed our digital fundraising, we have made considerations around diversity of audience and accessibility central to our planning. Our focus on being a physically visible presence in our local community has, in itself, increased awareness among groups we might not reach through our other channels and we intend to continue to expand this in the coming year.

It is important that our communication plans reflect the diversity of audiences that we engage with at Starlight. There has been an initial focus to ensure that the diversity of stories and imagery that we share, especially on our most proactive communications including social media, enable different audiences to see themselves as an important part of Starlight.

The increased understanding that we are gaining through our business intelligence and market research work, mean that in the year we plan to be more targeted and more relevant with our reach into diverse communities.

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## A CULTURE OF SAFEGUARDING

Safeguarding is integral to our culture and for many years we have had very strong policies and training for the safeguarding of children and vulnerable adults, which are reviewed regularly. All colleagues and Trustees undergo safeguarding training as part of induction and then on an annual basis. Safeguarding, however, goes beyond the children and families we support, and this year we have introduced a code of conduct for Starlight fundraising events, designed specifically to protect our team. Since the year end we have developed a Safeguarding our Colleagues policy, to ensure that all our people feel safe and fully supported in their work at Starlight.







## OUR STRATEGY FOR FUNDRAISING AND MARKETING

We focus on an organisational fundraising culture, ensuring that our team and supporters are equipped with the knowledge and the tools they need to raise money and awareness. We use business intelligence to drive choices and decisions in fundraising activities and products that give the best chance of a significant return on investment. We try to ensure that every touchpoint with the public is an opportunity to increase reach and inspire action.

Our strategy allows us to respond to changing contexts and the impact of the cost-of-living crisis on the discretionary spend of the public means that our current strategic focus is on high value fundraising: corporate partnerships, trusts & foundations, philanthropy and events. Not all partners can, or wish to, provide financial support and Gifts in Kind are important to our strategy as another way to involve them in the delivery of our services.

# HOW WE RAISE FUNDS

Our ambitious strategy for play in healthcare is supported by a fundraising and marketing strategy that aims to increase awareness and understanding of play; and to inspire audiences to support our work.



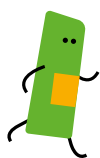


## BUILDING CASES FOR SUPPORT

As well as ensuring that we optimise our impact for children, our Protector of Play strategy supports increasing awareness, reach and engagement for Starlight through strategic communication and storytelling. This, with the flexibility of our case for support – which has its feet firmly planted in the immediate improvement of children's lives in hospital through to the systemic change that we seek – offers diverse access points for partnership and alignment with many companies, trusts and foundations at all levels.

We create space for restricted funding opportunities that enable us to pilot new activities or give longer term commitment to projects and we are also especially grateful for unrestricted funding during the current economic volatility as this gives the much-needed flexibility to deliver services in a sustainable way.

Our research and insight enable us to set out clear evidence of need and the impact that partners can help us to achieve. We launched our 3rd Annual Play in Hospital Report in October during Play in Hospital Week and this unique publication about the state of play in hospitals created an unprecedented level of press, radio and TV attention in support of our Christmas Campaign.



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## INSIGHTFUL FUNDRAISING

Evidence-led decision making is critical to successful fundraising and this year we have refocussed our Data team to be a Business Insight function, dedicated to working alongside the fundraising team to generate insight on current and potential supporters. This will drive insight-based decision making as we continue to develop, trial and test a diverse range of new fundraising methods. Improved data and insight has also allowed us to create more targeted fundraising appeals, reducing mailshot costs and allowing more of the money raised to reach our charitable activities. In the coming year we will be continuing this work on a better understanding of our supporter base as well as working with outside agencies to gain further insight into the fundraising market as a whole, ensuring our fundraising tools remain relevant and appropriate.

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## OUR PARTNERSHIP & PHILANTHROPY WORK

With the economic climate providing fresh challenges in an already tough public fundraising market, we have chosen to put a particular focus on our partnership and philanthropy work, moving resource to this area to increase our capacity, particularly for funding applications to Trusts & Foundations. On the corporate front, we have continued to work with our current partners and to seek new ones, as well as taking a more strategic view of Gifts in Kind, identifying partners who may be able to enable us to increase our charitable services or provide other non-cash support.

We continue to work to build multi-year relationships with funders of all types, a strategy that will allow us to commit to multi-year programmes of charitable activities. We will continue to use our networks to engage with potential supporters, whether individual or corporate, and to work on identifying those who may engage with our charitable work and be willing to support us.



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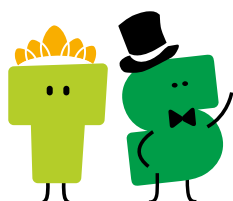
## OUR SPECIAL EVENTS

Following on from the success of our Blenheim Ball in March 2022, in the summer of 2022 we celebrated the return, for the first time since the pandemic, of two long-standing major fundraising events. Our clay-pigeon shooting event at the iconic Highclere Castle brought together 81 enthusiasts, whilst our race-going supporters enjoyed a Starlight day at Newbury race course, both events successfully raising much needed funds for our work. These events took place again in May 2023 and work is now underway on the planning for our 2024 Blenheim Ball. We continue our review of our special events to ensure that they remain relevant to those attending and in line with our values.

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## ROWING THE ATLANTIC

We were proud to have, for the third time, a team of our supporters take part in the Talisker Whisky Atlantic Challenge Team *This Way Up* completed the 3,000 mile, unsupported row in just under 32 days and raised a record £228k for us. We are particularly grateful to the team sponsors, whose generosity enabled all of the money raised to be donated to Starlight.

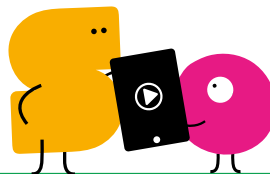




## OUR PUBLIC FUNDRAISING

With more than a third of our fundraising income coming from our public fundraising work, whether regular giving, direct appeal, community work or challenge events, it is critical that our fundraising products remain relevant and effective. Despite the difficult economic climate, we have remained committed to our plans to trial and test new fundraising products as well as maximising the efficiency of our existing ones.

This year we have implemented our first comprehensive Digital strategy: introducing new digital products, adding digital elements to existing ones and replacing some methods that are no longer producing good returns. There have been challenges too, most notably the ever changing algorithms on social media platforms, which highlighted the dangers of over-reliance on a single platform. We recognise that to reach a diverse audience we need to employ both digital and traditional methods; many of our supporters respond better to a traditional mail or a blended approach, and our regular mail appeals continue to generate significant income. With costs of outsourcing rising, we have this year brought our public fundraising fulfilment in-house, generating significant cost savings both this year and for the future.



### This year in Public Fundraising:

- Digital stewardship of our London Marathon runners caused an explosion of social media interest and awareness, doubling the numbers interested in running for us next year
- A *Play is a Human Right* digital 'handraiser', asking our social media followers and their networks to declare their support, raised awareness and increased our network of potential supporters
- Starlight Playstore launched, a digital giving store where the public can choose and pay for specific toys for our hospital boxes
- Appeal fulfilment for mail campaigns transferred in house, creating significant cost reductions





## OUR LOCAL COMMUNITY FOCUS

We know that people often feel closer to local causes and this year our Community team have been focussed on engaging with the community in Hammersmith, where our offices are situated, working with local businesses and schools and becoming a visible presence at community events. On a national scale, our new hospital mapping data allows us to engage local communities across the UK with the play needs of the children in their own regional hospitals, bringing ever increasing awareness of our work and our need for funding. This work will be a focus of our fundraising over the coming year.

Our thanks to our Trust and Foundation funders and our corporate sponsors and partners who have helped make our work possible in the year

Amazon  
Arcus Infrastructure Partners  
CAF Resilience Fund  
Childwick Trust  
Hummingbird Charitable Trust  
Lady Rothes Charitable Trust  
Lights4Fun  
Man Charitable Trust  
Orange Tree Trust  
Padwa Charitable Foundation  
Red Carnation Hotels  
Roger Raymond Charitable Trust  
Scope  
Story of Christmas Appeal  
Tanlaw Foundation  
Theo Paphitis Retail Group  
Toy Trust  
Tubz

THANK  
YOU!



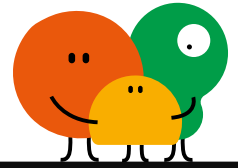
## LOOKING AFTER OUR SUPPORTERS

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



Registered with  
**FUNDRAISING  
REGULATOR**

# FINANCIAL REPORT



As reported last year, exceptional income levels in the final quarter of 2021-22 meant that we came into the year with reserves of just over £4 million, far higher than we had expected. Our modular approach to budgeting allowed us to respond quickly and within weeks of the start of the new financial year we were able to agree a revised budget. This meant we increased some services immediately, allowed for others to be increased dependent on fundraising in the year and aimed to deliver a planned deficit of in the region of £1.5 million.

This approach meant that when economic uncertainty became extreme economic and political volatility and the cost-of-living crisis unfolded, with an immediate impact on our public fundraising in particular, we were able to continue to deliver planned levels of service. Over the course of the year we spent 12% more on our charitable purpose than in the previous year.

As a result of this, we ended the year with a reported deficit of £1.6m and reserves stood at £2.4m. Details of reserves can be found in the Reserves and Reserves policy section of this report and in Note 17 to the financial statements.

We continue to take a balanced approach to financial management, with maximisation of impact being at the heart of our financial decision making. Although there continue to be some significant risks around fundraising levels in the coming year, our proven ability to respond to changing external environments and experience in working with partners to deliver services means that we are confident of our impact for the year ahead.

Detailed financial performance information is set out in the Statement of Financial Activities and the accompanying notes. In brief, income for the year

totalled £3.74m (2021-22: £4.95m) with £3.7m being fundraising. Note that the income figure for 2021-22 includes our biennial Blenheim Ball which is due to happen next in March 2024. The SOFA shows income from charitable activities for the first time, with £0.05m being generated by the covid-19 vaccination programme contract described earlier in this report.

Direct fundraising costs totalled £1.3m. We continue to invest in our fundraising for the future and to work to improve the returns on that investment. The pandemic changed the fundraising landscape, leading to a need to develop new approaches, with a corresponding short term reduction in ROI. In addition, in the current cost of living crisis, with discretionary spend falling and demand for services rising, many charities are having to spend more to raise funds.

Spend on charitable service provision (including allocated overheads) was £3.2m against a previous year spend of £2.9m, demonstrating that the clarity of our strategy and our adaptability to the world around us have allowed us to thrive amidst ongoing financial uncertainty. In the coming year, with the fundraising environment expected to remain challenging, we expect to again spend in the region of £3.2m on charitable services, with increased reach and impact being delivered by working in partnership and by our work with NHS England on influencing policy and practice across the NHS. We aim to end the coming financial year with a deficit of in the region of £0.3m, giving reserves in the region of £2m.

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

## RESERVES AND RESERVES POLICY

As at 31st March 2023, reserves stood at £2.4m. Expendable reserves (excluding £0.1m tied up in fixed assets used for the operation of the charity) amounted to £2.3m (2022-23: £3.9m) of which £0.3m is restricted funding relating to programmes due for delivery after the year end. £0.13m of this restricted funding relates to our Starlight Health Play Specialist programme, with the remainder being for a variety of ongoing service delivery projects.

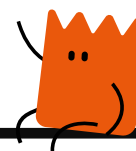
We are committed to funding the Health Play Specialist programme, subject to its having the desired impact, until late 2025, and are aiming to raise a further £0.24m of funding for this project. Until these funds are raised the Board has taken a prudent approach and designated reserves to cover the commitment.

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

The financial year end is only ever a snapshot at one point in time; funding streams and operational activities are a fluid process and the year end surplus and level of reserves have to be considered in the context of plans for the coming year. Taking into account the planned deficit for 2023-24, together with the ongoing uncertainty of the economic environment in which the charity operates, the Trustees are of the opinion that the level of reserves at the end of the financial year, whilst slightly in excess of the stated policy, are appropriate.

### Going concern

The Trustees have reviewed the accounts as well as the charity's budgets and plans for 2024-25, reserves position up to the date of signing off these accounts and the charity risk register. They have considered the risks, particularly, around fluctuations in fundraising levels as the cost of living crisis continues and the economic environment remains uncertain, and believe that the charity has sufficient reserves in place to absorb these. In addition, the flexibility of the charity's expenditure model has been proven to allow it to adjust services to meet changes in fundraising levels and the Trustees are confident that the charity can continue to meet the needs of a significant number of families and children for the next twelve months and beyond. The Trustees are, therefore, confident that the charity should be considered as a going concern.





## Investment Returns and Policy

At 31st March 2023, the Charity held £0.2m in managed long-term investments. Prior to the year end, the Board reviewed the holding of these investments and, taking into account both poor returns and high fluctuations in value of the investments on the one hand and the risks of holding cash in a high inflation environment on the other, the charity was best served by disposing of these investments. This process was completed post year end.

The balance of expendable reserves is held as cash and short term deposits. To mitigate the risk of these holdings, funds are split between two leading UK banks. The charity takes a low risk profile attitude to investment of its surplus funds (those funds not required for immediate financial needs), recognising the need to diversify risk across institutions and asset classes.

High risk investments such as traded options, futures, derivatives, and hedge funds are prohibited for direct investment; however derivatives may be used at the discretion of a Fund Manager to reduce risk within an Investment Fund. Deposit amounts may only be held with major UK banks, which have specifically been approved by the Board and not more than £2m (or 50% of the total unrestricted reserves, whichever is the lesser) is held in any one financial institution. Funds over and above those required for operating purposes may be held with fund managers in line with the above risk profile. The charity does not permit its funds to be invested in any organisation which conflicts with our mission and aims to avoid investments which could adversely affect its ability to attract either beneficiaries or supporters. Investments in armaments, tobacco or pornography industries are specifically forbidden under the policy.





## PRINCIPAL RISKS AND UNCERTAINTIES

The Audit and Risk Committee is responsible for reviewing the risks faced by the charity and for agreeing the necessary controls to mitigate those risks. The committee meets at regular intervals and reports to the Board of Trustees. Identifying and managing the possible and probable risks that a charity may face over its working life is a key part of our effective governance. In managing risk, the Trustees aim to ensure that significant risks are known and monitored, to enable informed decisions to be made and timely action to be taken. It also means that we can make the most of opportunities and develop them with the confidence that any risks have been identified and appropriately managed.

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

As with all organisations who work with children and young people, safeguarding risks exist and the management of these remains high on our agenda, with mandatory safeguarding training at regular intervals, specific training around events and oversight by the Safeguarding Committee. Whilst the level of mitigation is such that we do not believe the risk of incident to be high, the impact of any safeguarding failure could have significant repercussions for the charity.

The second significant risk to Starlight in the medium term continues to be the impact of the extremely challenging macro-economic environment, which creates significant uncertainty for fundraising and could, in turn, negatively impact our ability to carry out planned programmes of activity. As described elsewhere in this report, we are working to mitigate this risk by building long-term relationships with significant funders, working with partners to deliver services and ensuring we have a broad portfolio of fundraising options and a constant supply of strong cases for support. In the medium term, we believe that our exploration of other income streams, particularly income from charitable activities, will provide a steady source of funds to mitigate against fluctuations in fundraising income.

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



A close-up photograph of a woman with blonde hair applying face paint to a child's face. The woman is focused on her work, using a fine brush to apply paint around the child's eye. The child has their eyes closed and is wearing a dark, patterned garment. The background is blurred, showing other people in a social setting.

The third key risk identified by the charity is in relation to colleague experience and retention, where potential risks are significant because of the impact of the loss of members of small teams on our ability to deliver services and raise funds. As has been outlined already, significant investments have been made in our organisational culture, with a focus on shared values, the development programme and a more values-based, considered approach to recruitment. We have continued to successfully appoint strong people to our team; however we recognise that the competitive, candidate-driven labour market means it continues to be a challenging environment to recruit and retain people. Our continued focus on the colleague experience strategy and the work we have done to ensure pay and benefits are competitive will help to mitigate this risk.

In these times of heightened cyber risk, with the threat level issued by the NCSC remaining at high alert, we have maintained our awareness of potential risk to our systems and assets from a cyber attack. Following last year's security review against the Cyber Essentials Plus standard, we have completed works to further improve our protection and continue to monitor risks.





# GOVERNANCE

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

## LEGAL STRUCTURE AND PURPOSE

The charity's purpose is set out in its Memorandum and Articles of Association which were adopted on 2nd December 1986. Our mission is to use the power of play to make the experience of illness and treatment better for children and their families.

## PUBLIC BENEFIT

The Trustees have taken account of the Charity Commission's general guidance on public benefit when reviewing the charity's aims, objectives, and planning. Starlight's services are designed to support the estimated 100,000 children and young people in the UK diagnosed with a life-limiting or life-threatening condition and their families together with the millions of children and young people who pass through the doors of our hospitals and other healthcare facilities every year.

The critical importance of play is discussed in detail in the *Protectors of Play: Our Strategy for Play in Healthcare* section at the start of this report. Starlight believes children's healthcare services should fully reflect the importance of play to their health, wellbeing, resilience and recovery, and that every child who is an inpatient should have adequate daily play opportunities, appropriate to their condition, supported by dedicated play staff

## BOARD OF TRUSTEES

The Board of Trustees, who also constitute the Directors for Company Law purposes, are legally responsible for directing the affairs of the charity. They meet as a full Board four times a year and are available as needed in intervening months. All Trustees undertake Safeguarding training on an annual basis, reflecting our commitment to Safeguarding across the organisation. We continue to monitor the skills and diversity of the Board to ensure that the charity has governance across all key areas. There have been no changes in the Board since the last Annual Report.

The Board continues to monitor skill gaps and prepare succession and recruitment plans for Trustees and, with two Trustees coming towards the end of their tenures, began a Trustee recruitment process shortly before the year end. We hope to appoint three new Trustees later this summer.

## COMMITTEES

Four Committees supported the work of the Board as a whole during the year, each made up of Trustees, Executive and in the case of the Development Committee, external experts.

**The Safeguarding Committee** is responsible for oversight of all Safeguarding matters at Starlight and is currently chaired by Anna Gawn. The Committee has this year reviewed and updated Safeguarding policies and is focussed on monitoring and advising on safeguarding. Day to day Safeguarding leadership responsibilities are delegated to three Designated Safeguarding Leads within the charity, who are also members of the Committee.

**The Audit and Risk Committee**, chaired by Ian Harding, works with the Executive team to oversee, manage and mitigate risks across the organisation and is responsible for oversight of the risk register, with key risks being regularly reviewed by the Board of Trustees. The Committee reviews and discusses key risks surrounding budgets and plans prior to discussion and approval by the Board. It also meets with the charity's Auditors at the end of the annual audit process and both they and the Board have the opportunity to question them both with and without the presence of the Executive.

**The Development Committee** is headed up by Alasdair Hadden-Paton and has this year focussed on supporting philanthropic fundraising, generously sharing their networks and making introductions. They have specific responsibility for the Blenheim Ball and are currently planning for the 2024 event. We are incredibly grateful to the committee members for giving their time and expertise.

**The Advisory Committee**, led by Dr. Chris Evans, was originally set up to bring valuable professional expertise to our programme of research and to help Starlight develop a child-centric, outcomes-focused strategy and the services that will deliver maximum impact. During the year the Committee formally ceased to exist following the development of the Health Play Forum highlighted earlier in this report. We are very grateful to the Committee members for sharing their wealth of experience and expertise.

**The Board comprised eight trustees as at 31st March 2023, as follows:**

**Alain Wolffe** sits on the Audit and Risk Committee and is a former Executive Director of Strategy and Governance at Canada Life. Alain has an empathy and interest in Starlight as the father of a 16-year old with cerebral palsy.

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

**Dr Chris Evans** is a member of the Health Play Forum and a former NHS Paediatric Anaesthetist. He has an in-depth understanding of the UK health care system and the psychological burden of hospital visits. He is a co-Founder of Little Journey, an app that prepares and supports families through healthcare interactions.

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

**Ian Harding** is a Managing Partner at Arcus Infrastructure and brings fundraising, financial and governance expertise to the Board. He currently chairs the Audit & Risk Committee.

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

**Hina Patel** is a senior strategic product manager at iCapital Network. She has also experienced the impact of Starlight services in her own family.

**Mark Tasker** is a partner at law firm Wedlake Bell. He has more than 30 years' experience of advising clients on corporate transactional work and provides valuable advice on legal matters to Starlight.

# TRUSTEES' DECLARATION OF RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the of the Charity and of the incoming resources and application of resources, including its income and expenditure, of the Charity for the year. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

## STATEMENT OF DISCLOSURE TO OUR AUDITORS

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

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

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

Approved by the Board and signed on its behalf:

**Alain Wolffe**  
Chair of Trustees  
19th July 2023





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

## Opinion

We have audited the financial statements of Starlight Children's Foundation (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year ended 31 March 2023
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

## Other Information

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, has been prepared in accordance with applicable legal requirements

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### **Capability of the audit in detecting irregularities**

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

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

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

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

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



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## USE OF OUR REPORT

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Partner Name** Joanna Pittman

**Date:** 19th July 2023

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

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





# FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 MARCH 2023



# STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)  
For the year ended 31 March 2023

	Note	2023			2022		
		Unrestricted	Restricted funds	Total	Unrestricted	Restricted and endowment funds	Total
		£	£	£	£	£	£
<b>INCOME FROM:</b>							
Donations	2	2,325,512	351,880	<b>2,677,392</b>	3,147,334	571,000	<b>3,718,334</b>
Value of goods and services donated	2	18,496	360,878	<b>379,374</b>	1,794	309,178	<b>310,972</b>
Legacies	2	629,688	-	<b>629,688</b>	928,519	-	<b>928,519</b>
Charitable activities	4	49,840	-	<b>49,840</b>	-	-	-
Investments		7,574	-	<b>7,574</b>	381	-	<b>381</b>
<b>Total income</b>		<b>3,031,110</b>	<b>712,758</b>	<b>3,743,868</b>	<b>4,078,028</b>	<b>880,178</b>	<b>4,958,206</b>
<b>EXPENDITURE ON:</b>							
Raising funds	5	2,139,460	-	<b>2,139,460</b>	2,269,208	-	<b>2,269,208</b>
Charitable activities							
Provision of children's services	5	2,255,022	966,126	<b>3,221,148</b>	2,190,536	691,253	<b>2,881,789</b>
<b>Total expenditure</b>		<b>4,394,482</b>	<b>966,126</b>	<b>5,360,608</b>	<b>4,459,744</b>	<b>691,253</b>	<b>5,150,997</b>
<b>Surplus / (deficit) before net gains / (losses) on investments</b>		<b>(1,363,372)</b>	<b>(253,368)</b>	<b>(1,616,740)</b>	<b>(381,716)</b>	<b>188,925</b>	<b>(192,791)</b>
Net gains / (losses) on investments		(2,481)	-	<b>(2,481)</b>	17,452	-	<b>17,452</b>
Surplus / (deficit) for the year		(1,365,853)	(253,368)	<b>(1,619,221)</b>	(364,264)	188,925	<b>(175,339)</b>
Transfers between funds		-	-	-	75,000	(75,000)	-
<b>Net expenditure for the year and movement in funds</b>		<b>(1,365,853)</b>	<b>(253,368)</b>	<b>(1,619,221)</b>	<b>(289,264)</b>	<b>113,925</b>	<b>(175,339)</b>
<b>RECONCILIATION OF FUNDS:</b>							
Total funds brought forward		3,465,539	544,951	<b>4,010,490</b>	3,754,803	431,026	<b>4,185,829</b>
<b>Total funds carried forward</b>		<b>2,099,686</b>	<b>291,583</b>	<b>2,391,269</b>	<b>3,465,539</b>	<b>544,951</b>	<b>4,010,490</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.



# BALANCE SHEET

as at 31 March 2023

		2023		2022	
	Note	£	£	£	£
FIXED ASSETS:					
Tangible assets	11		123,072		149,246
Investments	12		235,721		238,202
			358,793		387,448
CURRENT ASSETS:					
Debtors	13	307,307		844,274	
Stock	14	135,138		200,785	
Short term deposits		1,029,716		1,222,326	
Cash at bank and in hand		1,080,843		2,341,554	
		2,553,004		4,608,939	
LIABILITIES:					
Creditors: amounts falling due within one year	15	(520,528)		(985,897)	
Net current assets			2,032,476		3,623,042
Total net assets			2,391,269		4,010,490
THE FUNDS OF THE CHARITY:					
	17				
Restricted income funds			291,583		544,951
UNRESTRICTED INCOME FUNDS:					
Designated funds		237,000		950,000	
General funds		1,862,686		2,515,539	
Total unrestricted funds			2,099,686		3,465,539
Total charity funds			2,391,269		4,010,490

Approved by the trustees on 19th July 2023 and signed on their behalf by Alain Wolffe, Chair of Trustees.

# STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

	2023		2022	
	£	£	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net (expenditure) for the reporting period (as per the statement of financial activities)	(1,619,221)		(175,339)	
Depreciation charges	33,564		37,161	
(Gains)/losses on investments	2,481		(17,452)	
Dividends and interest from investments	(7,574)		(381)	
(Profit)/loss on the disposal of fixed assets	-		-	
(Increase)/decrease in stock	65,647		68,803	
(Increase)/decrease in debtors	536,967		(318,062)	
Increase/(decrease) in creditors	(465,369)		365,045	
<b>Net cash provided by / (used in) operating activities</b>		<b>(1,453,505)</b>		<b>(40,225)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Dividends and interest from investments	7,574		381	
Purchase of fixed assets	(7,390)		(12,105)	
Proceeds from sale of property, plant and equipment	-		-	
Proceeds from sale of investments	-		-	
<b>Net cash provided by / (used in) investing activities</b>		<b>184</b>		<b>(11,724)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(1,453,321)</b>		<b>(51,949)</b>
Cash and cash equivalents at the beginning of the year		<b>3,563,880</b>		3,615,829
<b>Cash and cash equivalents at the end of the year</b>		<b>2,110,559</b>		<b>3,563,880</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS AND OF NET DEBT:</b>	<b>1 April 2022</b>		<b>Cash flows</b>	<b>31 March 2023</b>
	£		£	£
Cash at bank and in hand	2,341,554		(1,260,711)	<b>1,080,843</b>
Money market deposits	1,222,326		(192,610)	<b>1,029,716</b>
<b>Total cash and cash equivalents</b>	<b>3,563,880</b>		<b>(1,453,321)</b>	<b>2,110,559</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

## 1 ACCOUNTING POLICIES

### A) STATUTORY INFORMATION

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

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

### B) BASIS OF PREPARATION

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

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

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

### C) PUBLIC BENEFIT ENTITY

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

### D) GOING CONCERN

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. In making this assessment, they consider the charity's budget and plans together with the risk register and levels of reserves, to form a view that the charity can continue to meet the needs of children for a period of at least twelve months from the date of signature of the accounts.

### E) INCOME

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

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

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

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

Income derived from charges for charitable services is recognised at the time the service is delivered.



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## F) DONATIONS OF GIFTS, SERVICES AND FACILITIES

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

In accordance with the Charities SORP (FRS 102), volunteer time, including that of the trustees, is not recognised.

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## G) INTEREST RECEIVABLE

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

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## H) FUND ACCOUNTING

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

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

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

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

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## I) EXPENDITURE

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

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

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## J) ALLOCATION OF SUPPORT COSTS

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Salaries and associated staff costs are allocated on the basis of time spent on charitable activities, generating funds, and governance. Costs of support staff are shown separately and allocated to each activity based on estimates of the amount of time spent.

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

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

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

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements.

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## K) OPERATING LEASES

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

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## L) TANGIBLE FIXED ASSETS

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

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

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

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## M) LISTED INVESTMENTS

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

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

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

Where such shares are donated and can be valued they are included in the financial statements as fixed asset investments from such time as they can be sold. Shares held by the Charity which cannot be valued owing to the absence of an active market in which to sell them are disclosed in note 12 to the financial statements.

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## N) DEBTORS

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

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## O) STOCK

Stock represents goods held pending distribution to service users.

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## P) SHORT TERM DEPOSITS

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

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## Q) CASH AT BANK AND IN HAND

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

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## R) CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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## S) FINANCIAL INSTRUMENTS

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

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## T) PENSIONS

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

## 2 INCOME FROM DONATIONS AND LEGACIES

	2023			2022		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Donations	2,033,142	305,371	<b>2,338,513</b>	2,118,497	359,000	<b>2,477,497</b>
Fundraising events	292,370	46,509	<b>338,879</b>	1,028,837	212,000	<b>1,240,837</b>
Value of other goods and services donated (note 3)	18,496	360,878	<b>379,374</b>	1,794	309,178	<b>310,972</b>
Legacies	629,688	-	<b>629,688</b>	928,519	-	<b>928,519</b>
	<b>2,973,696</b>	<b>712,758</b>	<b>3,686,454</b>	<b>4,077,647</b>	<b>880,178</b>	<b>4,957,825</b>

## 3 VALUE OF OTHER GOODS AND SERVICES DONATED

	2023	2022
	Total £	Total £
Charitable activities	<b>360,878</b>	309,178
Support services	<b>18,496</b>	1,794
	<b>379,374</b>	<b>310,972</b>

As at 31st March £31,592 of donated goods were held in stock (2022: £72,543)

## 4 INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	Total £	Total £
Income from Charitable activities	<b>49,840</b>	-
	<b>49,840</b>	-

Income from charitable activities comprises monies received in respect of services provided.



## 5A ANALYSIS OF EXPENDITURE (CURRENT YEAR)

	Raising funds £	Charitable activities £	Governance costs £	2022 Total £
Staff costs (Note 7)	667,376	716,218	-	1,383,594
Direct costs	628,304	1,141,503	-	1,769,807
Donated goods and services	10,333	404,835	-	415,168
<b>SUPPORT COSTS:</b>				
Staff costs (Note 7)	415,257	493,754	35,372	944,383
Rent & services	159,820	159,820	6,524	326,164
IT & Connectivity	82,301	82,301	3,360	167,962
Marketing & Communications	77,957	109,511	606	188,074
Depreciation	16,447	16,447	670	33,564
Other office costs	51,817	51,821	28,254	131,892
	2,109,612	3,176,210	74,786	5,360,608
Governance costs	29,848	44,938	(74,786)	-
<b>Total expenditure 2023</b>	<b>2,139,460</b>	<b>3,221,148</b>	<b>-</b>	<b>5,360,608</b>

## 5B ANALYSIS OF EXPENDITURE (PRIOR YEAR)

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

## 6 NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging / (crediting):

	2023	2022
	Total £	Total £
Depreciation	33,564	37,161
<b>Operating lease rentals payable:</b>		
Property	216,311	207,367
Other	5,384	5,099
<b>Auditor's remuneration:</b>		
Audit (excluding VAT, which is irrecoverable)	13,700	11,800

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

Staff costs were as follows:

	2023	2022
	Total £	Total £
Salaries and wages	1,908,850	1,557,594
Social security costs	223,078	173,746
Employer's contribution to defined contribution pension schemes	121,339	104,866
Termination payments	24,000	-
	2,277,267	1,836,206
Agency and temporary staff costs	50,710	29,489
<b>Total</b>	<b>2,327,977</b>	<b>1,865,695</b>

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

	2023	2022
	No.	No.
£60,000 - £69,999	4	2
£70,000 - £79,999	-	-
£80,000 - £89,999	-	2
£90,000 - £99,999	2	1
£100,000 - £109,999	2	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £500,044 (2022: £469,957).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2021: £nil) relating to attendance at meetings of the trustees. Trustees' indemnity insurance was purchased during the year for £1,267 (2022: £1,267).

## 8 STAFF NUMBERS

The average number of employees (head count based on number of staff employed) during the year was 43 (2022:38).

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

	2023	2022
	No.	No.
Children's services	14	14
Raising funds	14	12
Support staff	13	11
	41	37

## 9 RELATED PARTY TRANSACTIONS

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

## 10 TAXATION

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

## 11 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office furniture and equipment £	Total £
<b>COST:</b>			
At the start of the year	223,143	146,126	369,269
Additions in year	-	7,390	7,390
Disposals in year	-	(57,705)	(57,705)
<b>At the end of the year</b>	<b>223,143</b>	<b>95,811</b>	<b>318,954</b>

### DEPRECIATION

At the start of the year	104,133	115,890	220,023
Charge for the year	14,879	18,685	33,564
Eliminated on disposal	-	(57,705)	(57,705)
<b>At the end of the year</b>	<b>119,012</b>	<b>76,870</b>	<b>195,882</b>

### NET BOOK VALUE

<b>At the end of the year</b>	<b>104,131</b>	<b>18,941</b>	<b>123,072</b>
<b>At the start of the year</b>	<b>119,010</b>	<b>30,236</b>	<b>149,246</b>

All of the above assets are used for charitable purposes. Disposals represent IT equipment decommissioned over the past three years which has been physically disposed of in the current year.



## 12 LISTED INVESTMENTS

	2023	2022
	£	£
Fair value at the start of the year	238,200	220,748
Net gain / (loss) on change in fair value	(2,481)	17,452
	235,719	238,200
Investment in trading subsidiary	2	2
<b>Fair value at the end of the year</b>	<b>235,721</b>	<b>238,202</b>

### INVESTMENTS COMPRISE:

	2023	2022
	£	£
32,497.165 units - Charishare Common Investment Fund	230,405	232,680
2,000 ordinary shares - Tesco	5,314	5,520
	235,719	238,200

## 13 DEBTORS

	2023	2022
	£	£
Trade debtors	17,000	49,050
Amounts due from associated undertakings	790	790
Prepayments and accrued income	222,387	630,090
Gift Aid debtor	67,130	164,344
	307,307	844,274

## 14 STOCK

	2023	2022
	£	£
Stock held for distribution	135,138	200,785
	135,138	200,785

## 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Taxation and social security	76,280	52,489
Creditors and accruals	362,701	856,558
Deferred income	81,547	76,850
	520,528	985,897

Deferred income relates to income received for future fundraising events.

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

	Unrestricted	Designated	Restricted	Total funds
	£	£	£	£
Tangible fixed assets	123,072	-	-	123,072
Investments	235,721	-	-	235,721
Net current assets	1,503,893	237,000	291,583	2,032,476
<b>Net assets at 31 March 2023</b>	<b>1,862,686</b>	<b>237,000</b>	<b>291,583</b>	<b>2,391,269</b>

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

	Unrestricted	Designated	Restricted	Total funds
	£	£	£	£
Tangible fixed assets	149,246	-	-	149,246
Investments	238,202	-	-	238,202
Net current assets	2,128,091	950,000	544,951	3,623,042
<b>Net assets at 31 March 2022</b>	<b>2,515,539</b>	<b>950,000</b>	<b>544,951</b>	<b>4,010,490</b>

17A MOVEMENTS IN FUNDS (CURRENT YEAR)					
	£	£	£	£	£
	At 1 April 2022	Income & gains	Expenditure & losses	Transfers	At 31 March 2023
<b>RESTRICTED FUNDS:</b>					
Donations					
<b>Hospital Programmes</b>					
Health Play Box & equipment provision	15,649	149,833	(137,482)	-	28,000
Starlight Health Play Specialists	190,000	-	(58,343)	-	131,657
Technology programmes	-	78,500	(23,500)	-	55,000
Other hospital programmes	29,759	56,038	(73,829)	-	11,968
<b>Family Services programmes</b>	212,000	57,509	(251,300)	-	18,209
<b>HealthPlay Taskforce</b>	-	10,000	-	-	10,000
<b>Wish Fund</b>	25,000	-	(25,000)	-	-
<b>Total donated restricted funds</b>	<b>472,408</b>	<b>351,880</b>	<b>(569,454)</b>	<b>-</b>	<b>254,834</b>
Gifts in Kind					
Health Play Box & equipment provision	45,543	133,527	(142,321)	-	36,749
Other hospital programmes	27,000	-	(27,000)	-	-
Family Services programmes	-	227,351	(227,351)	-	-
<b>Total gifts in kind held as restricted funds</b>	<b>72,543</b>	<b>360,878</b>	<b>(396,672)</b>	<b>-</b>	<b>36,749</b>
<b>Total restricted funds</b>	<b>544,951</b>	<b>712,758</b>	<b>(966,126)</b>	<b>-</b>	<b>291,583</b>
<b>UNRESTRICTED FUNDS</b>					
<b>Designated funds:</b>					
Planned deficit funding	950,000	-	(950,000)	-	-
Hospital programmes	-	-	-	237,000	<b>237,000</b>
<b>Total designated funds</b>	<b>950,000</b>	<b>-</b>	<b>(950,000)</b>	<b>237,000</b>	<b>237,000</b>
<b>GENERAL FUNDS</b>					
General funds	2,366,293	3,028,629	(3,410,918)	(244,390)	<b>1,739,614</b>
Fixed Asset Reserve	149,246	-	(33,564)	7,390	<b>123,072</b>
	2,515,539	3,028,629	(3,444,482)	(237,000)	<b>1,862,686</b>
<b>Total unrestricted funds</b>	<b>3,465,539</b>	<b>3,028,629</b>	<b>(4,394,482)</b>	<b>-</b>	<b>2,099,686</b>
<b>Total funds</b>	<b>4,010,490</b>	<b>3,741,387</b>	<b>(5,360,608)</b>	<b>-</b>	<b>2,391,269</b>

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



## 17B MOVEMENTS IN FUNDS (PRIOR YEAR)

	At 31 March 2021	Income & gains	Expenditure & losses	Transfers	At 31 March 2022
	£	£	£	£	£
<b>ENDOWMENT FUNDS</b>					
Kathy's Courageous Kids Fund	100,000	-	-	(100,000)	-
<b>Total endowment funds</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>(100,000)</b>	<b>-</b>
<b>RESTRICTED FUNDS:</b>					
Donations					
<b>Hospital Programmes</b>					
Areas of poverty and deprivation programmes	85,119	-	(85,119)	-	-
Play and distraction box provision	12,901	40,000	(37,252)	-	15,649
Starlight Health Play Specialists	-	190,000	-	-	190,000
Pilot programmes	-	50,000	(50,000)	-	-
Other hospital programmes	56,278	79,000	(105,519)	-	29,759
<b>Family Services programmes</b>	<b>-</b>	<b>212,000</b>	<b>-</b>	<b>-</b>	<b>212,000</b>
<b>Wish Fund</b>	<b>119,604</b>	<b>-</b>	<b>(119,604)</b>	<b>25,000</b>	<b>25,000</b>
<b>Total donated restricted funds</b>	<b>273,902</b>	<b>571,000</b>	<b>(397,494)</b>	<b>25,000</b>	<b>472,408</b>
Gifts in Kind					
Play and distraction box provision	57,124	92,491	(104,072)	-	45,543
Other hospital programmes	-	163,840	(136,840)	-	27,000
Wishes	-	52,847	(52,847)	-	-
<b>Total gifts in kind held as restricted funds</b>	<b>57,124</b>	<b>309,178</b>	<b>(293,759)</b>	<b>-</b>	<b>72,543</b>
<b>Total restricted funds</b>	<b>331,026</b>	<b>880,178</b>	<b>(691,253)</b>	<b>25,000</b>	<b>544,951</b>
<b>UNRESTRICTED FUNDS:</b>					
Designated funds:					
Planned deficit funding	-	-	-	950,000	950,000
Hospital Programmes	540,702	-	(540,702)	-	-
Family services	221,000	-	(221,000)	-	-
New Activity Development & Pilots	202,000	-	(202,000)	-	-
Insights & Impact	85,000	-	(85,000)	-	-
Operational costs	1,326,000	-	(1,326,000)	-	-
<b>Total designated funds</b>	<b>2,374,702</b>	<b>-</b>	<b>(2,374,702)</b>	<b>950,000</b>	<b>950,000</b>
<b>GENERAL FUNDS</b>					
General funds	1,205,799	4,095,480	(2,047,881)	(887,105)	2,366,293
Fixed Asset Reserve	174,302	-	(37,161)	12,105	149,246
	1,380,101	4,095,480	(2,085,042)	(875,000)	2,515,539
<b>Total unrestricted funds</b>	<b>3,754,803</b>	<b>4,095,480</b>	<b>(4,459,744)</b>	<b>75,000</b>	<b>3,465,539</b>
<b>Total funds</b>	<b>4,185,829</b>	<b>4,975,658</b>	<b>(5,150,997)</b>	<b>-</b>	<b>4,010,490</b>

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## PURPOSES OF RESTRICTED AND ENDOWMENT FUNDS

### Hospital Programmes

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

### Family Services

Donations for our Family Services programme, which provides opportunities for seriously ill children and their families to enjoy time together, with other families, in a safe and fun environment.

### Wish Fund

Donated funds restricted to the granting of wishes. The fund now stands at zero as the wish programme has ended.

### Gifts in Kind funds

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

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## PURPOSES OF DESIGNATED FUNDS

Historically the charity has set aside funds equal to the full amount needed for the coming year's service programme and overheads, ensuring that service delivery is fully protected, even in a situation where there is little or no funding, a legacy of its past as a wish-granting charity, where commitments were often made years in advance. The Trustees re-evaluated this approach in 2021-22 and now take a more pragmatic view that it is expected that, as a general rule most expenditure in a year will be funded by income from that year. They have therefore adopted a policy of generally designating funds only where it is intended that expenditure is paid out of reserves.

### Planned deficit funding

Funds set aside to cover the element of the planned deficit for the year which is not covered by restricted reserves. As at 31st March 2023 this balance is nil.

### Hospital Programmes

During the year the charity committed to the funding of a number of Health Play Specialists within healthcare organisations for a period of three years (subject to an annual review of impact against objectives). Restricted funds were raised for the first year of this project and whilst it is the intention to aim for further restricted funding, the Trustees are designating reserves to cover the full remaining commitment at this stage.

### Fixed Asset reserve

Some of the charity's reserves are tied up in fixed assets which are used for the purposes of the charity. These reserves are not, therefore, available for use and the charity recognises this by the creation of a Fixed Asset Reserve, within its General Reserves. Depreciation is charged to this reserve and fixed asset additions are added to it, with the reserve balance always being equal to the net book value of fixed assets. As this is the first year of the reserve, an amount equal to the net book value of fixed assets at the start of the financial year has been transferred from general reserves.

## 18 OPERATING LEASE COMMITMENTS

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

	PROPERTY		OTHER	
	2023	2022	2023	2022
	£	£	£	£
Less than one year	216,306	216,306	7,848	4,590
One to five years	865,224	865,224	26,160	-
Over five years	523,430	739,736	-	-
	1,604,960	1,821,266	34,008	4,590

## 19 LEGAL STATUS OF THE CHARITY

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

# STARLIGHT

**Starlight Children's Foundation**

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