



**STARLIGHT CHILDREN'S FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2013**  
**(Registered Company Number 2038895)**  
**(Registered Charity Number 296058)**

**BDO LLP**

**STARLIGHT CHILDREN'S FOUNDATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2013**

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**STARLIGHT CHILDREN'S FOUNDATION  
STATUTORY INFORMATION**

**REGISTERED OFFICE**

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

**REGISTERED CHARITY NUMBER**

296058

**REGISTERED COMPANY NUMBER**

2038895

**REGISTERED AUDITORS**

BDO LLP  
Farringdon Place  
20 Farringdon Road  
London  
EC1M 3AP

**BANKERS**

HSBC  
25 Wigmore Street  
London  
W1H 0DP

Bank of Scotland  
PO BOX 1000  
BX2 1LB

**SOLICITORS**

Bircham Dyson Bell  
50 Broadway  
Westminster  
London  
SW1H 0BL

**STARLIGHT CHILDREN'S FOUNDATION  
CHAIRMAN'S FOREWORD TO THE ANNUAL REPORT  
AND FINANCIAL STATEMENTS 2012/2013**

When Starlight started in 1986, it helped just four children. During this financial year, the Charity assisted over 500,000 children in hospitals and hospices throughout the United Kingdom and Northern Ireland thus amply demonstrating the need for public benefit. This was made possible firstly, because of the generosity of our donors, and secondly, because of the huge number of individuals and organisations that volunteer their time and in particular their resources to help Starlight achieve its mission.

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

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

I am delighted to report that we completed delivery of 1,200 new Mark III Starlight Fun Centres during the year and have made one available to every children's hospital ward and hospice in the UK, NI, the Isle of Man and the Channel Islands. This is the single largest project in Starlight's twenty-seven year history.



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

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

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

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

During the financial year we delivered a further 1,000 Starlight Distraction Boxes for distribution to hospital staff engaged in medical procedures with children. These are children who might benefit from having some form of distraction available during treatment, thus reducing the stress and pain suffered by the sick child. Starlight Distraction Boxes have proved to be hugely popular and we hope to distribute a further 1,000 in 2013/2014.

**STARLIGHT CHILDREN'S FOUNDATION  
CHAIRMAN'S FOREWORD TO THE ANNUAL REPORT  
AND FINANCIAL STATEMENTS 2012/2013**

During 2012/13 the wish granting team was increased by 50% to help manage the huge demand placed on the charity by new referrals. At any one time, Starlight is managing over 1,200 wishes. As soon as wishes are granted, even more ill children are referred to take their place. In 2013/2014, our expectation is that the number of wishes granted will continue to increase (subject to fitting wishes in with treatment regimes which are, of course, beyond Starlight's control). Without continuing support from our donors we would face the heart-breaking situation of having to keep seriously ill children waiting for their wishes. Seventy percent of these children are cured. Many parents write to Starlight saying that they perceived the Starlight wish as a turning point for their child. When you take a call from the parent of a child giving you the simply wonderful news that their child has been given a clean bill of health and that in their opinion the Starlight Wish was the turning point in their child's illness – you know it is all worthwhile!



Wishes cost anything between £100 and £8,000 with an average cost of £3,321 per wish. They are granted on the basis of: 'if you could have anything you wanted in the world what would it be?' There appears to be no limit to children's imaginations and the wishes include: meeting celebrities; tangible items (TV's, computers, etc.); holidays (Disneyland, swim with dolphins, bucket and spade, etc.); imagination (to be a soldier, police officer or airhostess for the day); and others such as 'to see a rainbow'; or one little girl who asked to have three stars named after her, her brother and her sister – so they could still speak to her in heaven.

To the best of our knowledge, there are about 2,500 children diagnosed each year with a serious, terminal or life shortening illness. Starlight's wish is to be able to offer a wish to each of these children and to do so will cost circa £8.8 million per annum.

**Where does your money go?**



In the last 12 years the charity's income has gone up ten-fold whilst at the same time the cost of fund raising has reduced to 8 pence per £1 raised. Currently, indications are that fund raising is going to continue being especially difficult. Increased taxation, in particular VAT, and the cost of food and fuel significantly exceeding the quoted rate of inflation, has resulted in there being little or no disposable income for charitable donations. Starlight is heavily dependent on donations from ordinary members of the public and we expect donations in 2013/2014 to be particularly testing. Despite this, Starlight has continued to expand help for seriously and terminally ill children and driven the cost of fund raising down to just 8 pence per £1 raised. However, it is the number of ill children that we help each year that is the true measure of Starlight's success, and this has risen twelve-fold.

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

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

Bertie Way  
Chairman

## **REPORT OF THE TRUSTEES OF THE STARLIGHT CHILDREN'S FOUNDATION**

The Trustees of the Starlight Children's Foundation have pleasure in presenting their report and financial statements for the year ended 31 March 2013.

### **Objects of the Charity**

Starlight is a national charity operating throughout the United Kingdom and Northern Ireland, the Channel Islands and the Isle of Man, which was established in 1986, originally to provide wishes for seriously and terminally ill children. In its first year Starlight granted just four wishes. Eleven years ago this was expanded to include other work in hospitals that are treating seriously and terminally ill children and, last year alone, over 500,000 seriously and terminally ill children benefited from this work.

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

### **Organisation, public benefit and charitable status**

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

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

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

### **Review of Activities and Future Development**

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

### **Financial Results**

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

Total Incoming Resources of £9,946,947 compares with the previous year's figure of £10,511,009. Cash donations of £4,493,841 are lower than the previous year (£5,039,629) as a result of the recession in the UK. Gifts in kind are significant but similar to the previous year, which is indicative that many supporters are finding it easier to donate assets for direct use in the charity's work rather than hard cash at this time. It is also indicative of the fund raising team having to 'think laterally' when it comes to fundraising.

Fund raising costs were £821,192 compared to £747,760 and this resulted in driving the fund raising ratio down to 8p spent on fund raising per £1 raised. Expenditure on services to children was £9,281,239 in line with the Trustees desire to help more children. The Charity maintained its commitment to its Reserves policy.

## **REPORT OF THE TRUSTEES OF THE STARLIGHT CHILDREN'S FOUNDATION**

### **Financial Policy and Reserves**

Starlight is committed to the following:

- raising adequate unrestricted funds each year, which will enable it to deliver a wish to all seriously ill children referred to the charity, in as short a time as possible, whilst fitting in with the child's treatment.
- raising sufficient funds significantly to expand all Starlight entertainment programmes aimed at distracting children from the fear pain and isolation often felt as a result of their stay in hospital.
- maintaining 1,200 Starlight Fun Centres in hospitals and hospices.
- starting the new Starlight Story Tellers programme in hospitals and hospices

In any normal year, Starlight aims to maintain a reserve equivalent to a minimum of one year's expenditure, thus always being able to grant any wish promised, irrespective of income at any particular moment in time. In the light of the global economic downturn; the Trustees are pleased to report that the Charity has a robust balance sheet which will be used to allow services for seriously and terminal ill children to be delivered at the same rate during the year, whatever the rate of income during 2013/2014. Accordingly the Trustees believe the level of reserves at 31 March 2013 is appropriate.

The Trustees have included a designated fund equivalent to the number of wishes committed to, but not yet paid for, at the year end to illustrate the moral commitment of 'wishes promised'. It is intended that this fund, totalling £2,547,207, will be spent during the year on wishes outstanding as at 31 March 2013. The Trustees review the commitment annually and expect to transfer further amounts into this fund regarding children accepted for wishes in the future.

The provision of Starlight Fun Centres has finished for the time being and so this designated fund has been released. The Starlight Distraction Box programme is expected to continue and the designated fund of £100,000 is expected to be spent within the next year, but again, the funds are reviewed annually.

A sum of £241,871 has also been designated to fund the evaluation and introduction of Captain Starlight; a new and exciting project bringing a unique dimension to the entertainment of children in hospitals and hospices. Detailed planning of the Captain Starlight Project is expected to start in 2014.

### **Investment Policy**

Up to the end of March 2009, the charity's funds were held almost entirely in cash deposits yielding returns of up to 6.79% per annum. However, the collapse in Base Rate resulted in a typical return of just 0.3% on deposits and money market funds. The trustees felt that holdings should be diversified and made a decision in May 2009 to invest approximately 20% of the available funds with Odey Asset Management, an organisation with a long track record of consistently high returns. The objective was to achieve capital growth on the funds without undue risk, and bearing in mind that even funds invested with banks receive no protection in the event of a bank failure, an investment of £2,000,000 was made in Odey European Inc Euro Shares a fund whose objectives are capital appreciation through investing in European securities, bonds and currencies and related financial instruments and non-European securities. The benchmark for these funds is to try and beat the typical returns on the money market and direct bank deposits of 0.3%. At 31st March 2013 the investment was valued at £2,524,322, showing a capital appreciation of 28% (-10%). A further £157,254 is invested with Black Rock Charishares which showed a capital appreciation of 12% (-4.8%) in 2012/13.

The charity still holds over 75% of its funds in bank deposits and money market accounts and every effort is made to maximise interest on 'cash in hand' required for the efficient day-to-day running of the Charity as a whole.

## REPORT OF THE TRUSTEES OF THE STARLIGHT CHILDREN'S FOUNDATION

### Risk Statement

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

### Tangible Fixed Assets

Starlight has minimal tangible fixed assets (book value £10,399) which are limited to computers, furniture and office equipment.

### Employees

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

### Members of the Board of Trustees

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

Bertie Way (Chairman)  
Alasdair Hadden-Paton ACA  
Richard Cook JP  
David Forbes

Christopher Hanbury  
Nick Mustoe  
Zahra Hanbury  
Mark Tasker

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

### Auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the company's auditors are unaware;
- The Trustees have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Board and signed on its behalf:



Bertie Way  
Chairman  
26 June 2013

**STARLIGHT CHILDREN'S FOUNDATION**  
**STATEMENT OF TRUSTEES' 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 state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

We have audited the financial statements of Starlight Children's Foundation for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### ***Respective responsibilities of trustees and auditor***

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### ***Scope of the audit of the financial statements***

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### ***Opinion on financial statements***

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### ***Opinion on other matters prescribed by the Companies Act 2006***

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

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

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

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

**BDO LLP**

Ian Mathieson, Senior Statutory Auditor  
for and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

9 July 2013

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

**STARLIGHT CHILDREN'S FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 MARCH 2013**

<u>Notes</u>	<u>Unrestricted funds</u> £	<u>Restricted funds</u> £	<u>Endowment funds</u> £	<u>Total funds 2013</u> £	<u>Total funds 2012</u> £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	4,416,178	11,900	-	4,428,078	4,777,632
Legacies	65,763	-	-	65,763	261,997
Value of other goods and services donated	1(e),3 4,599,433	810,821	-	5,410,254	5,429,154
<b>Activities to generate funds</b>					
Bank interest	37,805	-	-	37,805	37,457
Income from quoted investments	5,047	-	-	5,047	4,769
<b>Total incoming resources</b>	<b>9,124,226</b>	<b>822,721</b>	<b>-</b>	<b>9,946,947</b>	<b>10,511,009</b>
<b>Resources expended</b>					
Cost of generating voluntary income	4 821,192	-	-	821,192	747,760
<b>Charitable activities</b>					
Wishes and fun centres and other charitable activities	4 8,458,518	822,721	-	9,281,239	9,500,175
<b>Governance costs</b>	5 18,586	-	-	18,586	19,583
<b>Total resources expended</b>	<b>9,298,296</b>	<b>822,721</b>	<b>-</b>	<b>10,121,017</b>	<b>10,267,518</b>
<b>Net (outgoing)/incoming resources</b>	<b>(174,070)</b>	<b>-</b>	<b>-</b>	<b>(174,070)</b>	<b>243,491</b>
<b>Gains/(losses) on investment assets</b>					
Unrealised	8 567,066	-	-	567,066	(228,651)
<b>Net movement in funds</b>	<b>392,996</b>	<b>-</b>	<b>-</b>	<b>392,996</b>	<b>14,840</b>
Balances brought forward at 1 April 2012	8,988,124	24,593	200,000	9,212,717	9,197,877
<b>Balances carried forward at 31 March 2013</b>	11 <b>9,381,120</b>	<b>24,593</b>	<b>200,000</b>	<b>9,605,713</b>	<b>9,212,717</b>

All amounts relate to continuing operations.

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

The notes on pages 11 to 19 form part of these financial statements

**STARLIGHT CHILDREN'S FOUNDATION  
BALANCE SHEET  
AT 31 MARCH 2013**

Company House Number: 2038895

	<u>Notes</u>	£	<u>2013</u>	£	£	<u>2012</u>	£
<b>FIXED ASSETS</b>							
Tangible assets	7		<b>10,399</b>			11,657	
Investments	8		<b>2,689,209</b>			2,122,143	
			<hr/>			<hr/>	
			<b>2,699,608</b>			2,133,800	
<b>CURRENT ASSETS</b>							
Debtors	9	<b>702,114</b>		307,214			
Money market deposits		<b>5,867,175</b>		5,830,025			
Cash at bank and in hand		<b>639,915</b>		1,344,157			
		<hr/>		<hr/>			
			<b>7,209,204</b>		7,481,396		
<b>CREDITORS</b>							
Amounts falling due within one year	10	<b>(303,099)</b>		(402,479)			
		<hr/>		<hr/>			
<b>NET CURRENT ASSETS</b>			<b>6,906,105</b>			7,078,917	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<hr/> <b>9,605,713</b> <hr/>			<hr/> <b>9,212,717</b> <hr/>	
<b>FUNDS</b>							
	11						
<b>Endowment funds</b>							
Barry & Shaun Springer Memorial Fund		<b>100,000</b>		100,000			
Kathy's Courageous Kids Fund		<b>100,000</b>		100,000			
		<hr/>		<hr/>			
			<b>200,000</b>			200,000	
<b>Unrestricted funds</b>							
General funds		<b>6,492,042</b>		4,611,652			
Designated funds		<b>2,889,078</b>		4,376,472			
		<hr/>		<hr/>			
			<b>9,381,120</b>			8,988,124	
<b>Restricted funds</b>							
			<b>24,593</b>			24,593	
			<hr/>			<hr/>	
			<b>9,605,713</b>			9,212,717	
			<hr/> <hr/>			<hr/> <hr/>	

Approved and authorised for issue by the Board of Trustees on 26 June 2013.

..... (Bertie Way)  
Trustee

**STARLIGHT CHILDREN'S FOUNDATION**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2013**

	<u>Note</u>	<u>2013</u> £	<u>2012</u> £
<b>Net cash inflow from operating activities</b>	<b>1</b>	<b>(708,430)</b>	(10,522)
<b>Capital expenditure</b>			
Capital expenditure and financial investment	<b>2</b>	<b>(1,514)</b>	-
<b>Returns on investments and servicing of finance</b>			
Investment income received		<b>42,852</b>	42,226
Cash (outflow)/inflow before use of liquid resources	<b>3</b>	<b>(667,092)</b>	31,704
Management of liquid resources		-	-
(Decrease) / Increase in cash		<b>(667,092)</b>	31,704

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

Net incoming resources for the year		(174,070)	243,491
Depreciation of tangible fixed assets		2,772	3,485
(Increase) in debtors		(394,900)	(82,503)
(Decrease) in creditors		(99,380)	(132,769)
Investment income receivable		(42,852)	(42,226)
<b>Net cash inflow from operating activities</b>		<b>(708,430)</b>	(10,522)

**2. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

Purchase of fixed assets		1,514	-
<b>Net cash inflow from operating activities</b>		<b>1,514</b>	-

**3. ANALYSIS OF THE CHANGE IN NET FUNDS**

	1 April 2012	Change in year	31 March 2013
Short term deposits	5,795,116	37,150	5,867,175
Cash at bank	1,347,362	(704,242)	639,915
	<u>7,142,478</u>	<u>(667,092)</u>	<u>6,507,090</u>

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2013**

**1 ACCOUNTING POLICIES**

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

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

**(a) Fund accounting**

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

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

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

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

**(b) Consolidation**

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

**(c) Income**

All income is included when it is receivable by the charity.

**(d) Legacies**

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

**(e) Valuation of other goods and services donated**

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

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**1 ACCOUNTING POLICIES (continued)**

**(f) Expenditure**

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

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

Other overheads are allocated on the basis of usage.

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

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

**(g) Tangible fixed assets and depreciation**

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

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

**(h) Investments**

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

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

Where such shares are donated and can be valued they are included in the financial statements as fixed asset investments from such time as they can be sold. Shares held by the charity which cannot be valued owing to the absence of an active market in which to sell them are disclosed in note 8 to the financial statements.

**(i) Pension costs**

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

**(j) Operating lease rentals.**

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

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2013**

**2 CONSTITUTION**

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

**3 VALUE OF OTHER GOODS AND SERVICES DONATED**

<b>Intangible Income – services &amp; goods provided</b>	<b><u>2013</u></b> £	<b><u>2012</u></b> £
Intangible income – services to fulfil wishes	4,599,433	4,178,803
Gifts in kind for parties	109,000	83,805
Fun Centres	383,000	1,043,675
Popham Air Day	280,821	25,371
Distraction boxes	-	30,000
Other events	38,000	67,500
	<hr/> <b>5,410,254</b> <hr/>	<hr/> <b>5,429,154</b> <hr/>

**4 COST OF GENERATING FUNDS**

	<b><u>2013</u></b> £	<b><u>2012</u></b> £
Direct costs	311,044	235,811
Salaries	373,700	364,727
General overheads	136,448	147,222
	<hr/> <b>821,192</b> <hr/>	<hr/> <b>747,760</b> <hr/>

**CHARITABLE ACTIVITIES**

	<b><u>2013</u></b> £	<b><u>2012</u></b> £
Direct costs	8,415,138	8,584,080
Salaries	757,802	790,753
General Overheads	108,299	125,342
	<hr/> <b>9,281,239</b> <hr/>	<hr/> <b>9,500,175</b> <hr/>

General Overheads includes expenditure on rent and services of £79,088 (2012: £110,460), professional services of £69,716 (2012: £67,286), other staff-related costs of £16,873 (2012: £9,347), depreciation of £2,772 (2012: £13,485) and other office costs of £76,298 (2012: £81,986).

**5 GOVERNANCE COSTS**

	<b><u>2013</u></b> £	<b><u>2012</u></b> £
Salaries	2,849	3,137
Audit fees	10,740	10,560
Other costs	4,997	5,886
	<hr/> <b>18,586</b> <hr/>	<hr/> <b>19,583</b> <hr/>

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2013**

<b>6 STAFF COSTS</b>	<u><b>2013</b></u> £	<u><b>2012</b></u> £
Salaries	<b>942,459</b>	967,058
Social Security costs	<b>101,261</b>	106,838
Other Pension costs	<b>90,631</b>	84,721
	<hr/> <b>1,134,351</b> <hr/>	<hr/> 1,158,617 <hr/>

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

£80,000 - £89,999	1	1
£90,000 - £99,999	1	1
£150,000 - £159,999	1	-
£180,000 - £189,999	-	1

Amounts payable to employees earning over £60,000 include contributions to money purchase pension schemes of £nil.

Pension contributions on behalf of higher paid staff totalled £89,118 (2012: £82,209) for 2 employees (2012: 2).

Average numbers employed in the year:

Children's services	<b>15</b>	14
Fund Raising	<b>12</b>	11
	<hr/> <b>27</b> <hr/>	<hr/> 25 <hr/>

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

£Nil was reimbursed to Trustees for hospitality (2012: £Nil).

Trustees' indemnity insurance was purchased during the year for £923 (2012: £923).

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

**7 FIXED ASSETS - TANGIBLE**

	<u><b>Computers</b></u> £	<u><b>Furniture</b></u> £	<u><b>Office equipment</b></u> £	<u><b>Total</b></u> £
<b>Cost or valuation</b>				
As at 1 April 2012	48,403	21,526	12,770	82,699
Additions	-	-	1,514	1,514
	<hr/> <b>48,403</b> <hr/>	<hr/> <b>21,526</b> <hr/>	<hr/> <b>14,284</b> <hr/>	<hr/> <b>84,213</b> <hr/>
<b>Depreciation</b>				
At 1 April 2012	48,238	10,303	12,501	71,042
Charge for the year	165	2,035	572	2,772
	<hr/> <b>48,403</b> <hr/>	<hr/> <b>12,338</b> <hr/>	<hr/> <b>13,073</b> <hr/>	<hr/> <b>73,814</b> <hr/>
<b>Net book value</b>				
As at 31 March 2013	<hr/> <b>-</b> <hr/>	<hr/> <b>9,188</b> <hr/>	<hr/> <b>1,211</b> <hr/>	<hr/> <b>10,399</b> <hr/>
As at 31 March 2012	<hr/> 165 <hr/>	<hr/> 11,223 <hr/>	<hr/> 269 <hr/>	<hr/> 11,657 <hr/>

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2013**

**8 INVESTMENTS**

	<u>2013</u>	<u>2012</u>
	£	£
<b>Quoted investments at market value</b>		
Market value investments as at 31 March 2013	2,122,141	2,350,792
Unrealised gain/(loss) on revaluation	567,066	(228,651)
	<hr/>	<hr/>
Market value investments at 31 March 2013	2,689,207	2,122,141
Investment in trading subsidiary	2	2
	<hr/>	<hr/>
	<b>2,689,209</b>	<b>2,122,143</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Historic cost</b>		
At 31 March 2013	2,183,278	2,183,278
	<hr/> <hr/>	<hr/> <hr/>
<b>Analysed as follows:</b>	<b>£</b>	<b>£</b>
32,497.165 units - Charishare Common Investment Fund	157,254	140,453
1,732.88 units - Odey European Inc Euro Shares	1,231,511	958,126
4,059.79 units - Odey European Inc Class A Sterling GBP Shares	1,292,811	1,017,004
2,000 ordinary shares – Tesco	7,631	6,558
	<hr/>	<hr/>
	<b>2,689,207</b>	<b>2,122,141</b>
	<hr/> <hr/>	<hr/> <hr/>

**9 DEBTORS**

	<u>2013</u>	<u>2012</u>
	£	£
<b>Due within one year</b>		
Amounts due from subsidiary undertaking	790	790
Prepayments and accrued income	325,296	269,926
Taxation	376,028	36,498
	<hr/>	<hr/>
	<b>702,114</b>	<b>307,214</b>
	<hr/> <hr/>	<hr/> <hr/>

**10 CREDITORS**

	<u>2013</u>	<u>2012</u>
	£	£
<b>Amounts falling due within one year</b>		
Taxation and social security	23,989	23,471
Creditors and accruals	249,435	311,663
Deferred income	29,675	67,345
	<hr/>	<hr/>
	<b>303,099</b>	<b>402,479</b>
	<hr/> <hr/>	<hr/> <hr/>

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2013**

**11 FUNDS**

	Balance 1 April 2012	Incoming resources	Resources expended	Transfers	Net investment gains	Balance 31 March 2013
	£	£	£	£	£	£
<b>General funds</b>	4,611,652	9,124,226	(7,070,479)	(740,423)	567,066	6,492,042
<b>Designated funds</b>						
Wish Fund	3,807,801	-	(1,946,107)	658,513	-	2,547,207
Fun centres	226,800	-	(274,423)	47,623	-	-
Distraction boxes	100,000	-	(7,287)	7,287	-	100,000
Captain Starlight	241,871	-	-	-	-	241,871
<b>Total unrestricted funds</b>	<b>8,998,124</b>	<b>9,124,226</b>	<b>(9,298,296)</b>	<b>-</b>	<b>567,066</b>	<b>9,381,120</b>
<b>Restricted funds</b>						
Hospital Programme	24,593	-	-	-	-	24,593
Distraction Boxes	-	900	(900)	-	-	-
Fun Centres	-	394,000	(394,000)	-	-	-
Parties & Events	-	427,821	(427,821)	-	-	-
<b>Total restricted funds</b>	<b>24,593</b>	<b>822,721</b>	<b>(822,721)</b>	<b>-</b>	<b>-</b>	<b>24,593</b>
<b>Endowment funds</b>						
The Barry & Shaun Springer Memorial	100,000	-	-	-	-	100,000
Kate Sweeny Fund	100,000	-	-	-	-	100,000
<b>Foundation funds</b>	<b>9,212,717</b>	<b>9,946,947</b>	<b>(10,121,017)</b>	<b>-</b>	<b>567,066</b>	<b>9,605,713</b>

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

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

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

Designated funds have been set aside by the Trustees for the purposes of granting wishes where a promise to grant the wish has been made and for providing distraction boxes. The designated wish fund will be spent during the year on wishes outstanding as at 31 March 2013 and the Trustees expect to transfer further amounts into this fund regarding children accepted for wishes in the future. The provision of distraction boxes is ongoing and it is expected that these funds will be spent within the next year.

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

Designated funds are reviewed annually.

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2013**

**12 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

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

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>2013</u> <u>Total</u>	<u>2012</u> <u>Total</u>
	£	£	£	£	£	£
Tangible fixed assets	10,399	-	-	-	<b>10,399</b>	11,657
Investments	2,689,209	-	-	-	<b>2,689,209</b>	2,122,143
Cash at bank	639,915	-	-	-	<b>639,915</b>	1,344,157
Money market deposits	2,753,504	2,889,078	24,593	200,000	<b>5,867,175</b>	5,830,025
Other net current assets	399,015	-	-	-	<b>399,015</b>	(95,265)
	<u>6,492,042</u>	<u>2,889,078</u>	<u>24,593</u>	<u>200,000</u>	<u><b>9,605,713</b></u>	<u>9,212,717</u>

**13 SUBSIDIARY UNDERTAKING**

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

	<u>2013</u> <u>£</u>	<u>2012</u> <u>£</u>
<b>Profit and loss account</b>		
Income	-	-
Bank interest	-	-
Costs	-	-
	<u>-</u>	<u>-</u>
Covenant to Starlight Foundation	-	-
	<u>-</u>	<u>-</u>
Retained profit/(loss) for the year	-	-
Balance brought forward	(792)	(792)
	<u>-</u>	<u>-</u>
Balance carried forward	(792)	(792)
	<u><u>-</u></u>	<u><u>-</u></u>

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**14 OTHER COMMITMENTS**

At 31 March 2013, annual commitments under operating leases were as set out below:

	<u>2013</u>		<u>2012</u>	
	<u>Land and buildings</u> £	<u>Other</u> £	<u>Land and buildings</u> £	<u>Other</u> £
Operating leases which expire:				
Within one year	<b>79,088</b>	-	105,450	-
Within two to five years	-	<b>1,440</b>	-	1,440
	<hr/> <b>79,088</b> <hr/>	<hr/> <b>1,440</b> <hr/>	<hr/> 105,450 <hr/>	<hr/> 1,440 <hr/>

**15 RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year.