



**STARLIGHT CHILDREN'S FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2014**  
**(Registered Company Number 02038895)**  
**(Registered Charity Number 296058)**

**BDO LLP**

**STARLIGHT CHILDREN'S FOUNDATION  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2014**

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**STARLIGHT CHILDREN'S FOUNDATION  
STATUTORY INFORMATION**

**REGISTERED OFFICE**

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

**REGISTERED CHARITY NUMBER**

296058

**REGISTERED COMPANY NUMBER**

02038895

**REGISTERED AUDITORS**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**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 2013/2014**

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

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

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



I am delighted to report that we increased the number of new Mark III Starlight Fun Centres to 1,320 units 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-eight 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 over 1,000 in 2014/2015.

**STARLIGHT CHILDREN'S FOUNDATION  
CHAIRMAN'S FOREWORD TO THE ANNUAL REPORT  
AND FINANCIAL STATEMENTS 2013/2014**

During 2013/14 the wish granting team was further strengthened to help manage the huge demand placed on the charity by new referrals. At any one time, Starlight is managing over 1,300 wishes. As soon as wishes are granted, even more ill children are referred to take their place. In 2014/2015, our expectation is that the number of wishes granted will continue to increase (subject to fitting wishes in with treatment regimes which are, of course, beyond Starlight's control). Without continuing support from our donors we would face the heart-breaking situation of having to keep seriously ill children waiting for their wishes. Seventy percent of these children are cured. Many parents write to Starlight saying that they perceived the Starlight wish as a turning point for their child. When you take a call from the parent of a child giving you the simply wonderful news that their child has been given a clean bill of health and that in their opinion the Starlight Wish was the turning point in their child's illness – you know it is all worthwhile!

Wishes cost anything between £200 and £10,000 with an average cost of £3,582 per wish. They are granted on the basis of: 'if you could have anything you wanted in the world what would it be?' There appears to be no limit to children's imaginations and the wishes include: meeting celebrities; tangible items (TV's, computers, etc.); holidays (Disneyland, swimming with dolphins, bucket and spade on the beach, etc.); imagination (to be a soldier, police officer or airhostess for the day); and others such as 'to see a rainbow'; or one little girl who asked to have three stars named after her, her brother and her sister – so they could still speak to her in heaven.

To the best of our knowledge, there are about 2,500 children diagnosed each year with a serious, terminal or life shortening illness. Starlight's wish is to be able to offer a wish to each of these children and to do so will cost circa £9 million per annum.



**Where does your money go?**



In the last 13 years the charity's income has gone up ten-fold whilst at the same time the cost of fund raising has reduced to 7 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 2014/2015 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 over 7 pence per £1 raised. However, it is the number of ill children that we help each year that is the true measure of Starlight's success, and this has risen fourteen-fold.

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 2014.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

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

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

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

#### **Employees**

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

#### **Members of the Board of Trustees**

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

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

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

#### **Auditors**

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

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

### **OBJECTIVES AND ACTIVITIES**

#### **Objects of the Charity**

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

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

#### **Review of Activities and Future Developments**

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

### **STRATEGIC REPORT**

Starlight is committed to the following:

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

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

The Trustees have included a designated fund equivalent to the number of wishes committed to, but not yet paid for, at the year end to illustrate the moral commitment of 'wishes promised'. It is intended that this fund, totalling £4,901,394, will be spent during the year on wishes outstanding as at 31 March 2014.

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

A further 120 requests were received for Starlight Fun Centres during the year and so a designated fund of £215,000 has been allocated to pay for these during 2014/15. 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. Subject to finding a suitable hospital partner, it is hoped to start planning this project during 2015.

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

### **STRATEGIC REPORT (CONTINUED)**

#### **Achievements and performance**

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

Starlight has provided entertainment and wishes for over 600,000 very poorly children during the 2013/14 year and offered support to every children's hospital ward and hospice across the UK. This has been gratefully received in virtually 100% of cases. This is an extraordinary achievement when considering the relative size of the charity to the number of children undergoing hospital treatment or care in hospices.

Starlight chooses to direct its funds towards sick children, rather than towards TV and digital 'marketing and advertising' which has become a growing trend amongst massive charities as they fight for 'market share' in a declining market. The explosion in marketing and advertising of massive charities, together with the ever increasing number of national TV and radio based telethons, continues to challenge the Starlight fund raising team, but despite this challenge, there has only been a small downturn of just 1% in overall income during 2013/14 at a time when the charity sector as a whole has suffered a substantially larger downturn in fund raising income.

Once again, for the ninth year running, Starlight has managed to spend less than 10 pence of every £1 donated on fund raising and governance, compared to the market average of over 30 pence per £1 donated.

#### **Financial Review**

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

Total Incoming Resources of £9,862,482 compares with the previous year's figure of £9,946,947 Cash donations of £3,714,519 are lower than the previous year (£4,428,078) 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 £713,525 compared to £821,192 and this resulted in a fund raising ratio of just over 7 pence spent on fund raising per £1 donated. Expenditure on services to children was £8,959,662 (2013: £9,281,239) The Charity maintained its commitment to its Reserves policy.

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

#### **Investment Policy**

With over £5.4 million of committed expenditure on 'wishes-in-waiting' and hospital projects for seriously and terminally ill children, the charity holds 71% (£6.7m) of its funds in bank deposits and money market accounts allowing quick access to the funds to pay for wishes and hospital services as and when the children's treatments allow. Every effort is made to maximise interest on 'cash in hand' required for the efficient day-to-day running of the Charity as a whole. The remaining 29% of funds are held in shares and during the year these shares produced a 2.89% return.

#### **Financial Policy and Reserves**

In any normal year, Starlight aims to maintain a reserve equivalent to a minimum of one year's expenditure, thus always being able to grant any wish promised, irrespective of income at any particular moment in time. In the light of the global economic downturn; the Trustees are pleased to report that the Charity has a robust balance sheet which will be used to allow services for seriously and terminal ill children to be delivered at the same rate during the year, whatever the rate of income during 2014/2015. Accordingly the Trustees believe the level of reserves at 31 March 2014 is appropriate.

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

### STRATEGIC REPORT (CONTINUED)

#### Plans for future periods

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

#### Principal risks and uncertainties

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

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

Approved by the Board and signed on its behalf:



Bertie Way  
Chairman  
25 June 2014

## **STARLIGHT CHILDREN'S FOUNDATION STATEMENT OF TRUSTEES RESPONSIBILITIES**

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

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

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

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

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

## INDEPENDENT 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 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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

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

A description of the scope of an audit of financial statements is provided on the 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 2014 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, incorporating the Strategic 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

26 June 2014

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 2014**

<u>Notes</u>	<u>Unrestricted funds</u> £	<u>Restricted funds</u> £	<u>Endowment funds</u> £	<u>Total funds 2014</u> £	<u>Total funds 2013</u> £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	3,694,719	19,800	-	3,714,519	4,428,078
Legacies	388,407	-	-	388,407	65,763
Value of other goods and services donated	1(e),3 5,197,463	518,418	-	5,715,881	5,410,254
<b>Activities to generate funds</b>					
Bank interest	38,339	-	-	38,339	37,805
Income from quoted investments	5,336	-	-	5,336	5,047
<b>Total incoming resources</b>	<b>9,324,264</b>	<b>538,218</b>	<b>-</b>	<b>9,862,482</b>	<b>9,946,947</b>
<b>Resources expended</b>					
Cost of generating voluntary income	4 713,525	-	-	713,525	821,192
<b>Charitable activities</b>					
Wishes and fun centres and other charitable activities	4 8,433,144	526,518	-	8,959,662	9,281,239
<b>Governance costs</b>	5 17,946	-	-	17,946	18,586
<b>Total resources expended</b>	<b>9,164,615</b>	<b>526,518</b>	<b>-</b>	<b>9,691,133</b>	<b>10,121,017</b>
<b>Net incoming/ (outgoing) resources</b>	<b>159,649</b>	<b>11,700</b>	<b>-</b>	<b>171,349</b>	<b>(174,070)</b>
<b>Gains on investment assets</b>					
Unrealised	9 72,340	-	-	72,340	567,066
<b>Net movement in funds</b>	<b>231,989</b>	<b>11,700</b>	<b>-</b>	<b>243,689</b>	<b>392,996</b>
Balances brought forward at 1 April 2013	9,381,120	24,593	200,000	9,605,713	9,212,717
<b>Balances carried forward at 31 March 2014</b>	12 <b>9,613,109</b>	<b>36,293</b>	<b>200,000</b>	<b>9,849,402</b>	<b>9,605,713</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 13 to 21 form part of these financial statements

**STARLIGHT CHILDREN'S FOUNDATION  
BALANCE SHEET  
AT 31 MARCH 2014**

Company House Number: 02038895

	<u>Notes</u>	£	<u>2014</u>	£	<u>2013</u>	£
<b>FIXED ASSETS</b>						
Tangible assets	8		9,127		10,399	
Investments	9		<b>2,761,549</b>		2,689,209	
			<hr/>		<hr/>	
			<b>2,770,676</b>		2,699,608	
<b>CURRENT ASSETS</b>						
Debtors	10	629,440		702,114		
Money market deposits		6,612,258		5,867,175		
Cash at bank and in hand		41,705		639,915		
			<hr/>	<hr/>		
			<b>7,283,403</b>		7,209,204	
<b>CREDITORS</b>						
Amounts falling due within one year	11	<b>(204,677)</b>		(303,099)		
			<hr/>	<hr/>		
<b>NET CURRENT ASSETS</b>			<b>7,078,726</b>		6,906,105	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<hr/> <b>9,849,402</b> <hr/>		<hr/> <b>9,605,713</b> <hr/>	
<b>FUNDS</b>						
	12					
<b>Endowment funds</b>						
Barry & Shaun Springer Memorial Fund		100,000		100,000		
Kathy's Courageous Kids Fund		100,000		100,000		
			<hr/>	<hr/>		
			<b>200,000</b>		200,000	
<b>Unrestricted funds</b>						
General funds		4,154,844		6,492,042		
Designated funds		5,458,265		2,889,078		
			<hr/>	<hr/>		
			<b>9,613,109</b>		9,381,120	
<b>Restricted funds</b>			<b>36,293</b>		24,593	
			<hr/>	<hr/>		
			<b>9,849,402</b> <hr/>		<b>9,605,713</b> <hr/>	

Approved and authorised for issue by the Board of Trustees on 25 June 2014.

  
 ..... Bertie Way  
 Trustee

**STARLIGHT CHILDREN'S FOUNDATION  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2014**

	<u>Note</u>	<u>2014</u> £	<u>2013</u> £
<b>Net cash inflow from operating activities</b>	<b>A</b>	<b>104,530</b>	(708,430)
<b>Capital expenditure</b>			
Capital expenditure and financial investment	<b>B</b>	(1,332)	(1,514)
<b>Returns on investments and servicing of finance</b>			
Investment income received		43,675	42,852
Cash inflow/ (outflow) before use of liquid resources	<b>C</b>	146,873	(667,092)
Management of liquid resources		-	-
Increase / (Decrease) in cash		<b>146,873</b>	(667,092)

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

Net incoming/(outgoing) resources for the year	171,349	(174,070)
Depreciation of tangible fixed assets	2,604	2,772
Decrease/(Increase) in debtors	72,674	(394,900)
(Decrease) in creditors	(98,422)	(99,380)
Investment income receivable	(43,675)	(42,852)
<b>Net cash inflow from operating activities</b>	<b>104,530</b>	(708,430)

**B. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

Purchase of fixed assets	(1,332)	1,514
<b>Net cash inflow from operating activities</b>	<b>(1,332)</b>	1,514

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

	1 April 2013	Change in year	31 March 2014
Short term deposits	5,867,175	745,083	6,612,258
Cash at bank	639,915	(598,210)	41,705
	<b>6,507,090</b>	<b>146,873</b>	<b>6,653,963</b>

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2014**

**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 9 to the financial statements.

**(i) Pension costs**

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

**(j) Operating lease rentals.**

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

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2014**

**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.

<b>3 VALUE OF OTHER GOODS AND SERVICES DONATED</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Intangible Income – services &amp; goods provided</b>	<b>£</b>	<b>£</b>
Intangible income – services to fulfil wishes	<b>5,197,463</b>	4,599,433
Fun Centres	<b>184,200</b>	383,000
Gifts in kind for parties	<b>37,933</b>	109,000
Popham Air Day	<b>261,285</b>	280,821
Other events	<b>35,000</b>	38,000
	<hr/> <b>5,715,881</b> <hr/>	<hr/> 5,410,254 <hr/>

<b>4 COST OF GENERATING FUNDS</b>	<b><u>2014</u></b>	<b><u>2012</u></b>
	<b>£</b>	<b>£</b>
Direct costs	<b>257,463</b>	311,044
Salaries	<b>317,689</b>	373,700
General overheads	<b>138,373</b>	136,448
	<hr/> <b>713,525</b> <hr/>	<hr/> 821,192 <hr/>

<b>CHARITABLE ACTIVITIES</b>	<b><u>2014</u></b>	<b><u>2012</u></b>
	<b>£</b>	<b>£</b>
Direct costs	<b>8,173,387</b>	8,415,138
Salaries	<b>671,278</b>	757,802
General Overheads	<b>114,997</b>	108,299
	<hr/> <b>8,959,662</b> <hr/>	<hr/> 9,281,239 <hr/>

General Overheads includes expenditure on rent and services of £77,835 (2013: £79,088), professional services of £63,363 (2013: £69,716), other staff-related costs of £19,911 (2013: £16,873), depreciation of £2,604 (2013: £2,772) and other office costs of £89,658 (2013: £76,298).

<b>5 GOVERNANCE COSTS</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
	<b>£</b>	<b>£</b>
Salaries	<b>2,710</b>	2,849
Audit fees	<b>10,980</b>	10,740
Other costs	<b>4,256</b>	4,997
	<hr/> <b>17,946</b> <hr/>	<hr/> 18,586 <hr/>

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2014**

<b>6 STAFF COSTS</b>	<u><b>2014</b></u> £	<u><b>2013</b></u> £
Salaries	<b>785,395</b>	942,459
Social Security costs	<b>81,816</b>	101,261
Other Pension costs	<b>124,466</b>	90,631
	<hr/> <b>991,677</b> <hr/>	<hr/> 1,134,351 <hr/>

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

£80,000 - £89,999	-	1
£90,000 - £99,999	1	1
£110,000 - £119,999	1	-
£150,000 - £159,999	-	1

Average numbers employed in the year:

Children's services	<b>14</b>	15
Fund Raising	<b>10</b>	12
	<hr/> <b>24</b> <hr/>	<hr/> 27 <hr/>

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

£Nil was reimbursed to Trustees for hospitality (2013: £Nil).

Trustees' indemnity insurance was purchased during the year for £882 (2013: £923)

Pension contributions for higher paid staff were £124,466 (2013: £89,118) for 2 employees (2013: 2).

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

**7 NET INCOMING RESOURCES**

Net incoming resources are stated after charging:

	<u><b>2014</b></u> £	<u><b>2013</b></u> £
Auditor's remuneration	<b>10,980</b>	10,740
Depreciation	<b>2,604</b>	2,772
Operating lease rentals	<b>79,088</b>	79,088
	<hr/> <b>92,672</b> <hr/>	<hr/> 92,600 <hr/>

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2014**

**8 FIXED ASSETS - TANGIBLE**

	<u>Computers</u> £	<u>Furniture</u> £	<u>Office equipment</u> £	<u>Total</u> £
<b>Cost or valuation</b>				
As at 1 April 2013	48,403	21,526	14,284	84,213
Additions	-	-	1,332	1,332
<b>As at 31 March 2014</b>	<b>48,403</b>	<b>21,526</b>	<b>15,616</b>	<b>85,545</b>
<b>Depreciation</b>				
At 1 April 2013	48,403	12,338	13,073	73,814
Charge for the year	-	2,035	569	2,604
<b>As at 31 March 2014</b>	<b>48,403</b>	<b>14,373</b>	<b>13,642</b>	<b>76,418</b>
<b>Net book value</b>				
<b>As at 31 March 2014</b>	<b>-</b>	<b>7,153</b>	<b>1,974</b>	<b>9,127</b>
As at 31 March 2013	-	9,188	1,211	10,399

**9 INVESTMENTS**

	<u>2014</u> £	<u>2013</u> £
<b>Quoted investments at market value</b>		
Market value investments as at 31 March 2013	2,689,207	2,122,141
Unrealised gain/(loss) on revaluation	72,340	567,066
Market value investments at 31 March 2014	2,761,547	2,689,207
Investment in trading subsidiary	2	2
	<b>2,761,249</b>	2,689,209
<b>Historic cost</b>		
At 31 March 2014	2,183,278	2,183,278
<b>Analysed as follows:</b>	<b>£</b>	<b>£</b>
32,497.165 units - Charishare Common Investment Fund	164,760	157,254
1,732.88 units - Odey European Inc Euro Shares	1,242,909	1,231,511
4,059.79 units - Odey European Inc Class A Sterling GBP Shares	1,347,970	1,292,811
2,000 ordinary shares – Tesco	5,908	7,631
<b>Total</b>	<b>2,761,547</b>	2,689,207

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**10 DEBTORS**

	<u>2014</u> £	<u>2013</u> £
<b>Due within one year</b>		
Amounts due from subsidiary undertaking	790	790
Prepayments and accrued income	<b>284,034</b>	325,296
Taxation	<b>344,616</b>	376,028
	<hr/>	<hr/>
	<b>629,440</b>	702,114
	<hr/> <hr/>	<hr/> <hr/>

**11 CREDITORS**

	<u>2014</u> £	<u>2013</u> £
<b>Amounts falling due within one year</b>		
Taxation and social security	<b>18,518</b>	23,989
Creditors and accruals	<b>126,659</b>	249,435
Deferred income (see note 11(a))	<b>59,500</b>	29,675
	<hr/>	<hr/>
	<b>204,677</b>	303,099
	<hr/> <hr/>	<hr/> <hr/>

**11(a) DEFERRED INCOME**

	<u>2014</u> £	<u>2013</u> £
Deferred income brought forward	<b>29,675</b>	67,345
Deferred in year	<b>59,500</b>	29,675
Released to Statement of Financial Activities	<b>(29,675)</b>	67,345
	<hr/>	<hr/>
Deferred income carried forward	<b>59,500</b>	29,675
	<hr/> <hr/>	<hr/> <hr/>

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2014**

**12 FUNDS**

<b>Consolidated and Foundation</b>	<b>Balance 1 April 2013</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>Net investment gains</b>	<b>Balance 31 March 2014</b>
	£	£	£	£	£	£
<b>General funds</b>	6,492,042	9,324,264	(6,952,173)	(4,781,629)	72,340	4,154,844
<b>Designated funds</b>						
Wish Fund	2,547,207	-	(2,010,003)	4,364,190	-	4,901,394
Fun centres	-	-	(127,635)	342,635	-	215,000
Distraction boxes	100,000	-	(74,804)	74,804	-	100,000
Captain Starlight	241,871	-	-	-	-	241,871
<b>Total unrestricted funds</b>	<b>9,381,120</b>	<b>9,324,264</b>	<b>(9,164,615)</b>	<b>-</b>	<b>72,340</b>	<b>9,613,109</b>
<b>Restricted funds</b>						
Hospital Programme	24,593	-	-	-	-	24,593
Distraction Boxes	-	100	(100)	-	-	-
Fun Centres	-	203,900	(192,200)	-	-	<b>11,700</b>
Parties & Events	-	334,218	(334,218)	-	-	-
<b>Total restricted funds</b>	<b>24,593</b>	<b>538,218</b>	<b>(526,518)</b>	<b>-</b>	<b>-</b>	<b>36,293</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>9,605,713</b>	<b>9,862,482</b>	<b>(9,691,133)</b>	<b>-</b>	<b>72,340</b>	<b>9,849,402</b>

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

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

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

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

Designated funds have been set aside by the Trustees for the purposes of granting wishes where a promise to grant the wish has been made and for providing distraction boxes. The designated wish fund will be spent during the year on wishes outstanding as at 31 March 2014 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 2014**

**13 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

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

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>	<u>Endowment</u>	<u>2014</u> <u>Total</u>	<u>2013</u> <u>Total</u>
	£	£	£	£	£	£
Tangible fixed assets	9,127	-	-	-	<b>9,127</b>	10,399
Investments	2,761,549	-	-	-	<b>2,761,549</b>	2,689,209
Cash at bank	41,705	-	-	-	<b>41,705</b>	639,915
Money market deposits	917,700	5,458,265	36,293	200,000	<b>6,612,258</b>	5,867,175
Other net current assets	424,763	-	-	-	<b>424,763</b>	399,015
	<u>4,154,844</u>	<u>5,458,265</u>	<u>36,293</u>	<u>200,000</u>	<u><b>9,849,402</b></u>	<u>9,605,713</u>

**14 SUBSIDIARY UNDERTAKING**

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

	<u>2014</u> <u>£</u>	<u>2013</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>(792)</u></u>	<u><u>(792)</u></u>

**STARLIGHT CHILDREN'S FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2014**

**15 OTHER COMMITMENTS**

At 31 March 2014, annual commitments under operating leases were as set out below:

	<u>2014</u>		<u>2013</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>	-	79,088	-
Within two to five years	-	<b>1,440</b>	-	1,440
After five years	-	-	-	-
	<hr/> <b>79,088</b> <hr/>	<hr/> <b>1,440</b> <hr/>	<hr/> 79,088 <hr/>	<hr/> 1,440 <hr/>

**16 RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year (2013: Nil).