



Glasgow Children's Hospital Charity



Consolidated Report and Financial Statements Year ended 31 March 2023

Company number: SC222439

Charity number: SC007856

Glasgow Children's Hospital Charity
Consolidated Report and Financial Statements 2023

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Chair's Report

It has been another extraordinary year for Glasgow Children's Hospital Charity, characterised by both challenges and exceptional achievements. Despite the lingering effects of the COVID-19 pandemic and the prevailing cost of living crisis, Glasgow Children's Hospital Charity has remained steadfast in its commitment to support the health and wellbeing needs of babies, children, and young people throughout Scotland.

I am delighted to announce that in 2022/23, Glasgow Children's Hospital Charity raised an incredible £3.9million in funds. This achievement is testament to the unwavering support of our generous donors, dedicated fundraisers, and the wider hospital community. These contributions have played a vital role in enabling us to fulfil our mission of providing the best possible care and experience to patients and their families, cared for at the Royal Hospital for Children in Glasgow. The selfless dedication of time and effort from our volunteer community has also been instrumental. Their tireless work has allowed us to maximise the impact of our programmes and activities and ensure that our resources are utilised effectively and efficiently.

Our charitable expenditure for the year amounted to £3.4million, a significant investment in the health and wellbeing of children across the nation. These funds have been utilised to enhance facilities, invest in state-of-the-art medical equipment, provide distraction and respite, and supporting ground-breaking research, development, and innovation initiatives.

It is essential to acknowledge the challenges of the past year. The lingering effects of the COVID-19 pandemic has presented ongoing obstacles, again forcing us to adapt and modify our operations to ensure the safety and well-being of our beneficiaries, hospital community, staff, and volunteers. Additionally, the prevailing cost-of-living crisis has affected everyone, making fundraising and charitable contributions more challenging. Not only has the cost-of-living crisis had an impact on our ability to fundraise, but it has also had a direct impact on the lives of hospital families. With it being estimated that around 1 in every 5 children in Scotland are now living in absolute poverty, the link between ill health and poverty is intrinsic. Throughout the past year we have supported individual families and communities throughout Scotland facing financial hardships as a direct consequence of their child's health condition. We have also worked alongside our Public Health colleagues to react to challenges and identify solutions that can offer a pathway of support to some of the most vulnerable children and families in the West of Scotland affected by ill health.

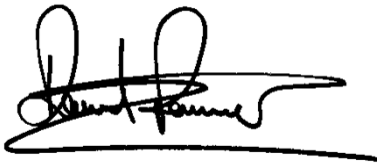
Nevertheless, we remain resolute in our dedication to serving those in need, and our collective efforts have ensured that we continue to thrive despite the obstacles.

Our investments in the children's hospital and related facilities, have yielded substantial results, enabling our partners in NHS GGC to deliver high-quality healthcare and drive positive outcomes. From expanding services to implementing innovative programmes, we have left an indelible mark on the lives of those who depend on us. The collective efforts of our dedicated staff, volunteers and partner organisations have contributed to these achievements, and we are immensely grateful for their unwavering support.

On behalf of Glasgow Children's Hospital Charity, I extend my heartfelt gratitude to all our supporters who have contributed to our cause. All donations have made a tremendous difference in the lives of children and families facing challenging circumstances. The generosity of our supporters has been the driving force behind our accomplishments, and we are indebted to all for their unwavering support.

Chair's Report (cont'd)

As we look to the year ahead, we have ambitious plans and an unwavering determination to create a legacy of care, compassion and innovation that will endure for generations to come. We stand at the precipice of an exciting future for Glasgow Children's Hospital Charity. Driven by our unwavering commitment to the health and wellbeing of children in Scotland, we are embarking on a journey of even greater significance and influence.

A handwritten signature in black ink, appearing to read 'David Kennedy', with a long horizontal flourish extending to the right.

David Kennedy
Chair

Dated: 26 September 2023

Directors' Report

The Directors have pleasure in presenting their Annual Report together with the audited group Financial Statements for the year ended 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Articles of Association and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

References to the Royal Hospital for Children (RHC) in the Consolidated Report and Financial Statements relate to all maternity, neonatal and paediatric departments within the Women & Children's Directorate of NHS Greater Glasgow & Clyde (NHSGGC). References to Crosshouse Children's Fund (CCF) refer to the Paediatric Units at University Hospital Crosshouse, the Neonatal and Ayrshire Maternity Units as well as outpatient services at Ayrshire Central and throughout Ayrshire and Arran.

Objectives and activities

Vision and values

Our vision

We raise funds to help those who tirelessly care for and nurture young lives at their most vulnerable; to invest in equipment, research and the continued improvement of facilities and services for children and families in hospital.

Our Values

Pride: *we care.*

We are proud ambassadors of the charity, and will carry out our work with conviction. It's not just a job; it's our privilege to be part of this special community of supporters, children and families.

Enthusiasm: *we are inspired.*

We will enthusiastically approach each new opportunity, inspired by the resilience, hope and commitment of our supporters, patients and families. We are always looking up.

Determination: *we are all in.*

We are determined to give our all, because we are dedicated to the children, families and staff we support. They deserve our best work.

Unity: *we are one team.*

We respect and encourage each other. We can make an extraordinary impact when we work together with our colleagues, supporters and partners.

Integrity: *we do what we say we'll do.*

We promise to be honest, professional and respectful. We will never compromise the charity's reputation or our values, and will always act in the best interests of those we support.

Directors' Report (cont'd)

Charitable objectives

The objects of the charity are to provide and support excellence in paediatric, maternity and neonatal healthcare to enhance the treatment, care and wellbeing of babies, children, young people and their families treated in the Royal Hospital for Children, Glasgow, other paediatric hospitals or community based services in the West of Scotland and other locations nationally and internationally as appropriate.

In addition, the charity aims to provide support to the specialty of obstetrics and gynaecology at the Queen Elizabeth University Hospital, Glasgow and its associated hospitals and community clinics. The charity aims to support excellence in care for women and unborn children focusing on pre-conception, pregnancy, childbirth, postpartum care and reproductive health.

The charity provides innovative medical equipment, play activities, child and family support services, research and other enhancement projects. The charity also seeks to alleviate poverty for those who are treated at the above facilities and are experiencing financial hardship exacerbated by their health issues.

The Charity supports the wellbeing of NHS staff to further enhance the NHS's ability to transform the health and wellbeing of the children, young people and women in their care.

Activities

The Charity is a grant-making organisation which generates fundraising income, primarily voluntary donations from various sources including individuals, companies, community groups and trusts, needed to achieve our charitable objectives through the making of grant awards.

Grant making policy

As partner Charity for the Royal Hospital for Children, Glasgow and the maternity, neonatal and paediatric units within University Hospital Crosshouse, we work closely with NHSGGC / NHSAAA senior management to identify the needs of patients and families. Together, we identify, develop and bring to fruition fundraising propositions that align with the overarching objectives and priorities of the hospitals and related facilities and offer long term sustainability for key NHS needs, which are out with or beyond statutory requirements. The grants awarded fund medical equipment, research, structured play programmes and distraction therapies, patient and family support services, facility enhancements and other projects in the hospitals whether one-off awards or ongoing services. In recent years, the Charity has been asked to provide significant levels of funding towards the establishment, development and continuation of many services on site at the hospitals which have been agreed as priority by NHSGGC / NHSAAA and the Charity's Board.

All projects are reviewed by the relevant Board sub-committees which make recommendations to the Charity's Board. Decisions regarding grant awards are taken at each Board meeting. Projects may be approved between meetings where the nature of the project requires a quicker decision and these are ratified at the subsequent Board meeting.

Authority has been delegated to the Chief Executive for approval of awards of an emergency nature up to £20k between Board meetings and these are reviewed and ratified by the Board at the subsequent meeting.

Directors’ Report (cont’d)

Achievements and performance

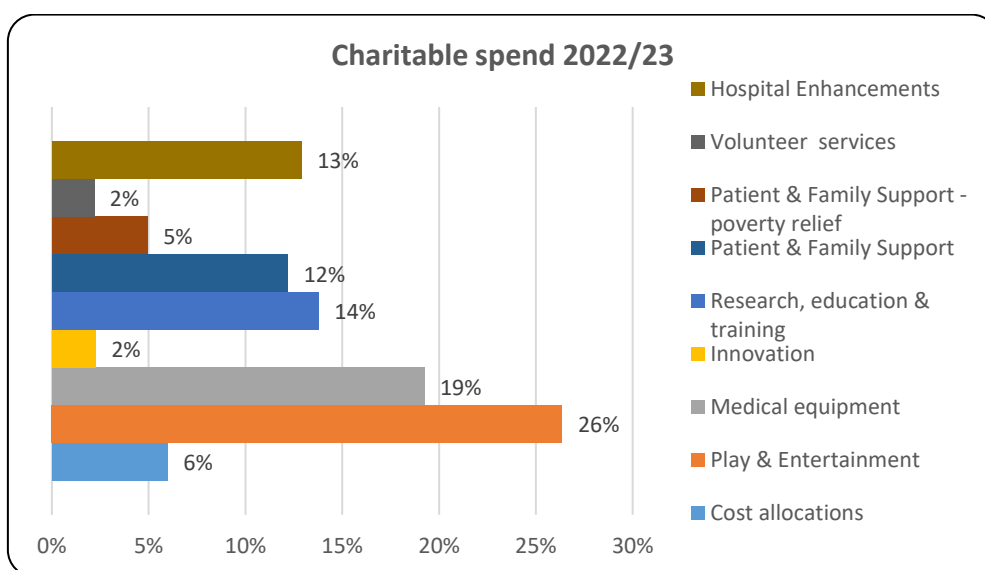
As we enter our third decade as a Charity, and following on from the turbulence of the last few years, it has been timely to take stock, to reflect on our success of the last two decades, and also to look forward to our future, not only as partner Charity for the largest children’s hospital in Scotland, but as a major provider of health and wellbeing for all our young beneficiaries, their families and the NHS staff that work so tirelessly to care for them.

Over the last two decades, we have built a strong legacy of enhancing the experience of the patients and their families at all stages of their hospital journey. The hospitals we support in the West of Scotland treat more than 193,000 babies, children and young people each year.

We are proud to support the extraordinary work that takes place at these hospitals through a range of projects including life-saving medical equipment and research, the practical support that families desperately need during their darkest days and the play and events programmes that give children in hospital the chance for distraction. Some children will visit just once for a minor injury, while others may spend many months or years at the hospital, fighting for their lives.

We recognise that the patient journey may start long before a child crosses the threshold of a hospital and this year we have broadened our support of services to include many new areas. In addition to continuing to fund our ongoing commitments to play & distraction, bereavement and financial support services, to funding new medical equipment and enhancement projects, we have also moved to fund enhancements to facilities and services within maternity, training for those working in emergency transport services and new research to better inform the care of future generations.

Despite challenging economic circumstances, we have been able with the generous support of our donors and fundraisers, to commit £3.4m of charitable funding split by area of support as follows (items and projects of £20,000 and higher are detailed on Note 8 to the financial statements):



Directors' Report (cont'd)

Achievements and performance (cont'd)

Improving bereavement care for women and families in maternity services

The Queen Elizabeth University Hospital Maternity Unit provides care for some of the most high-risk women and babies in Scotland. Sadly, this complexity sometimes brings bereavement to families. Baby loss – at any stage of pregnancy, birth or life – is a tragedy, and one that can leave women feeling isolated, alone and adrift. The maternity unit is a busy, dynamic space and thankfully is usually focused on bringing life into the world. For those experiencing loss, this can compound their own personal tragedy more. These projects aim to provide emotional and practical bereavement support so that these mothers don't experience their loss alone. Short-term, mothers and families can be supported to spend time with their baby after loss, to make memories such as bathing and dressing, or taking photographs. They will be provided practical support and counselling and also signposted to other support services and groups.

The focus for the NHS is always on ensuring safe staffing providing direct clinical midwifery care. However, this focus can mean that other more specialist roles, such as bereavement, may not receive the resource needed and that's where the Charity is trying to offer support. The project aims to combat the potential for long-term negative impacts on women's mental and physical family health after experiencing baby loss.

The team in maternity services noted that around 1 in 4 pregnancies end in miscarriage, around 60 babies are stillborn each year across Greater Glasgow & Clyde, with a similar number of neonatal deaths.

The Charity has **committed funding of £63,716** for a full time midwife trained in bereavement services to be appointed for a one year trial period with a specific remit to coordinate a shared approach across Greater Glasgow & Clyde and implement the National Bereavement care pathway. NHSGGC currently have only limited dedicated staffing resource for developing, improving and providing bereavement services for the women and families suffering miscarriage, termination for fetal abnormality and stillbirth. This post will lead to enhanced and consistent care for those families at their time of need.

Additionally, the Charity has **committed funding of £70,000** for enhancements to the bereavement suite to create a more suitable and patient centred environment for women and their families who are bereaved. The plan is to transform the current rooms, which are by necessity clinical rooms, with sparse and uncomfortable décor and feel cold and unwelcoming and instead provide two dedicated bereavement rooms and a sanctuary for family and friends which are warm and welcoming, with a 'home-like' environment. A comfortable and secure environment, in a dedicated area, where the families can have dignity, privacy and support to spend time with their babies following birth is of vital importance as it will make precious memories such as hand and foot casts and have photographs taken.



Directors' Report (cont'd)

Achievements and performance (cont'd)

ScotSTAR paediatric retrieval service

RHC in Glasgow is the Major Trauma Centre for children in the West of Scotland. This means that the Hospital has all the necessary, speciality expert teams who can provide the best care for the most severely injured or unwell children. The Charity supported the launch of the Centre in 2021, and in 2022 **committed funding of £20,000** to ScotSTAR to fund two specialist training manekins.

ScotSTAR (Scottish Specialist Transport and Retrieval) is a division of the Scottish Ambulance Service. It exists to provide a national service for the safe and effective transport and retrieval of critically ill babies and children in Scotland. The service provides a safe and dedicated transport service for a particular patient group who, because of their clinical condition, require a clinical team during retrieval/transport, and represent the most vulnerable of patients transported in Scotland. The paediatric team are highly specialised and senior medical staff and experienced Transport Nurses, who work in tandem with the paediatric intensive care units (PICU) and have a dedicated transport base at Glasgow airport, close to the RHC.

The ScotSTAR helicopter is regularly heard throughout the RHC atrium, landing on the roof of the adults' hospital, bringing a child to RHC to give them the best possible chance of survival, whatever their circumstances.



The staff undergo regular on-base training and this equipment upgrade allows ongoing simulation training to be more realistic, with the ability to train with life-like and similar sized models to a human family.

The two manekins - one to resemble a 5 year old child, and one a teen - are hyper-realistic models, using several different kinds of prosthetic grade silicone to recreate the look and feel of human skin, with colouring, hair and eyes to provide true-to-life sensations and a truly immersive training experience. The limbs are weighted proportionately and move appropriately for a realistic experience of working with young patients. The maniken's allow the team to practice clinical procedures such as needle decompression, CPR (cardiopulmonary resuscitation) and intubation and ventilation.



This permits on-base training to simulate delivering critical care in remote environments and ultimately improve the outcomes for approximately 400 children transported annually by ScotSTAR, either treated at the scene of an accident or retrieved from remote and rural locations.

Directors' Report (cont'd)

Achievements and performance (cont'd)

Ophthalmology equipment

Building on funding committed in previous years for the ophthalmology service including the funding of the retinopathy of prematurity equipment and the optical coherence tomography (OCT) equipment, the Charity has continued to invest in this service with further **funding committed of £84,628** for a specialised ophthalmology camera. This Clarus 700 camera provides a comprehensive ultra-widefield retinal camera for eye care specialists to capture ultra-widefield images in true colour, with unsurpassed image quality, bringing imaging quality previously only available to adult services. This equipment is a first for paediatric care in Scotland and would enable diagnostic advances in both medical illustration and telemedicine, making the department at RHC a centre of excellence and leader in their field. This would support the diagnostics for ophthalmic, oncology and neurology patients.

Neonatal ventilators with intelligent oxygenation monitoring software

The Charity continued its investment in neonatal care across Greater Glasgow & Clyde with funding for purchase of new ventilators with additional modes of respiratory support at a cost of **£58,352**, installation of Predictive Intelligent Control of Oxygenation (PRICO) software onto ventilators at a cost of **£82,180**, neonatal transport frames at a cost of **£100,000**.

Each year, almost 2,000 tiny and vulnerable babies are cared for in one of the Neonatal Intensive Care Units (NICU) across Greater Glasgow & Clyde. Born prematurely or with complex health conditions, from the very second they are born, they face a marathon fight for life. These fragile babies will spend many weeks and months receiving lifesaving care in the NICU. The longest stay in the NICU at the Princess Royal Maternity Unit was almost 6 months. There is no quick fix for prematurity and the complications that it brings. In the beginning of a premature baby's journey, their condition can change hour by hour, making every minute, every breath and every milestone precious for their families. It is crucial for the teams looking after them to have access to the latest and most specialised medical equipment in order to help them thrive under the most challenging circumstances.

Ventilators help babies breathe when they are unable to breathe on their own. For premature babies whose lungs have not yet fully developed, taking a single fragile breath can be exhausting. These ventilators employ a mode of respiratory support that is non-invasive and can reduce the number babies needing full ventilation.

Too little oxygen increases the chance of morbidity and too much oxygen runs the risk of the baby developing Retinopathy of Prematurity, a condition that can impair the sight of the baby and lead to complete loss of sight. It can be hard to fine tune a premature babies oxygen levels when different levels need manually adjusted by medical teams, multiple times in an hour.

The Predictive Intelligent Control of Oxygenation (PRICO) software for the neonatal units allows those ventilators to automatically adjust the amount of oxygen delivered to meet the patient's individual requirements. Each neonatal unit is a very busy environment and the sound of alarms beeping, under the current system of manual adjustment, can also unsettle other babies and families on the unit.

Directors' Report (cont'd)

Achievements and performance (cont'd)

Invasive Group A Streptococcus Research

In late 2022, there was a rise in cases of invasive group A *Streptococcus* noted in children in Scotland, particularly in Glasgow. The result was a record number of attendances to the paediatric Emergency Department, prolonged and complicated inpatient admissions and, sadly, a number of deaths. The RHC team were able to characterise some of the early microbiological and epidemiological features and quickly identified a need for funding to further investigate this rise in group A *Streptococcus* infections in attempt to learn lessons to inform treatment of future outbreaks.

There were a number of unique factors in the 2022 outbreak, including an increase in respiratory infections in particular pleural empyema which is a rare but serious condition, often requiring prolonged hospital stays, long courses of antibiotics and for some patients, intensive care admission.

Samples were gathered for analysis to determine why the number and presentation of these cases, was different to previous years, why some children in Glasgow were more susceptible to severe disease and contribute towards a national and international understanding of this recent outbreak.

The Charity acted swiftly to **commit funding of £20,000**.

"Glasgow Hospital Children's Charity funding will provide the resources to support our multi-disciplinary team from across NHS GGC, as they investigate the recent Strep A outbreak in more detail. We are hopeful that the results will inform clinicians, both locally and nationally, on how best to manage future outbreaks."

- Dr Langley, Paediatric Respiratory Consultant

Play & Events at RHC

Each year, the Charity provides substantial money and resource towards the play & events programme in the Children's Hospital and have this year **committed funding of £703,000** for the 2023/24 year. The UN Convention on the rights of the child, says all children have the right to relax and play, and our play & events programme ensures that ill health is no barrier to these rights. The team of staff and volunteers provide play and distraction and a full calendar of events throughout the year that give children in hospital the same opportunities for interactive and age appropriate play as they would if not in hospital.

One of our new initiatives has been the 'Memory Making' programme. When the unimaginable happens and a child passes away, memory-making can become a very treasured part of their family's journey. We are proud to support families through their darkest days by funding precious keepsakes, including hand and feet casts, and the chance to make special memories with their little ones during their final moments.

"No parent wants to be making memories of a child they know will die, but as time has went on, the prints we made have now been shared with close family, we have put some items in her room, and they can be shared with any future children we are blessed to have"

- Baby Grace's parents

Directors' Report (cont'd)

Achievements and performance (cont'd)

Children's Centre for Health Innovation

"Innovation is solving problems articulated by the people we have the privilege of looking after."
- Neil Patel, Clinical Innovation Director.

Building on the investment of £200,000 in 2021/22, the Charity has, with the support of McGills Bus Group and other new Legacy Partners, **committed further funding of £50,000** to the development of this centre. Our mission is to be a world-leading centre for children's health innovation, based in the heart of Glasgow, but with global reach and impact. For more than 100 years, teams at RHC in Glasgow have led pioneering projects in maternity, neonatal and paediatric healthcare. The Charity aims to advance this legacy and see Glasgow become a world-leading centre for innovation in paediatric healthcare.

In June 2023, Glasgow Children's Hospital Charity hosted our inaugural Legacy Partner Dinner and Innovation Networking Event, at the iconic Glasgow Science Centre. This exclusive gathering celebrated the spirit of innovation in healthcare, highlighting the invaluable support from the Legacy Partners who made generous pledges during the charity's 20th Anniversary Ball in November 2022. More than 160 guests attended an informative reception, where exhibitors showcased the latest innovations in maternity, neonatal and paediatric healthcare. This immersive experience allowed attendees to witness first-hand the ground-breaking advancements that are shaping the future of healthcare. The evening brought together distinguished keynote speakers, who engaged in insightful discussions about the future of innovation and technology in healthcare in Scotland, backed by the unwavering support of GCHC.

Moving forward, the Centre will be launched as a stand-alone entity, within the GCHC family, to seek funding and deliver new innovations in technology and working practices.

Volunteers

We are indebted to the support of all our volunteers who give up their time so willingly to support the Charity, from those with regular roles such as the volunteer drivers and hospital welcome guides to fundraising volunteers who come and help at bucket collections and events throughout the busy events calendar. All are an integral part of the Charity team and we have the greatest appreciation for their contributions to the cause.

We are also truly grateful to the many volunteers who contribute to our office and fundraising activities, without whom we would be unable to do what we do. The time that they all generously donate makes a huge difference to the Charity.

"It's not just about raising funds – although that part is vital of course! Seeing the children benefitting from these wonderful experiences because of the help of volunteers is what means the most to me."
- Jenny, GCHC volunteer

Directors' Report (cont'd)

Financial Review

The past financial year has once again been challenging. As the world came out of COVID restrictions, we began to re-establish more face to face fundraising opportunities and a return to mass participation events, but this has been offset to an extent by the harsh economic climate in particular the cost of living situation. This has undoubtedly had an adverse impact on disposable incomes and a knock-on impact on donations and supporter-led community fundraising activities. Given this landscape, we are delighted to have raised an impressive **£3.9m of consolidated gross income**, exceeding budget by £800k. This success has been achieved first and foremost through the generosity of our donors and the efforts of those who give their time so willingly to fundraise for us. The Charity has also continued to closely review activities throughout the year and ensure we are able to respond to changing circumstances and redeploy resources as required to match the opportunities available to us. Having learned lessons from the COVID period, our operating model allows for greater agility and flexibility to achieve desired outcomes and ensure we continue to raise the monies required to commit to grant funding.

We are particularly delighted that we were able to grow not only our income but our charitable spending. At £3.4m for the year, we committed a remarkable level of charitable expenditure given the economic and fundraising landscape. This was achieved largely from current year fundraising income but also prudent management of restricted reserves and the release of designated reserves set aside in the prior year to ensure the protection of some of our annual charitable projects during those more uncertain times. This has resulted in a position of net outgoings for the year of £632,492 (2022: Net incomings of £38,157). Despite this apparent 'loss', we have maintained a robust control over our costs and did not require to utilise our operating reserves at any point. The net outgoings figure is driven by matching of charitable projects to reserves set aside in prior years.

We were thrilled, after many postponements, to be able finally to hold our 20th Anniversary Ball in November 2022 and the evening was a huge success raising unprecedented net sum of £267k and allowing funding of some key innovations to neonatal equipment and a boost to the funding for the Children's Centre for Health Innovation (explored further in the Achievements and Performance section above).

The Charity is deeply indebted to all our donors and fundraisers who go above and beyond to support the Charity and our young beneficiaries. We would like to give special thanks to the Reid-Timoney Charitable Foundation for their continued support of the Respiratory Research project, to Coldstones Charitable Trust who provided funding for a major development the Skye House Outdoor Space and the Neonatal Transport Frames, the Saint Andrews Society of New York for continued funding towards the Theatres Enhancement project, Morgan Stanley International Foundation for supporting play on for neurology patients, Celtic FC Foundation for providing Christmas gifts to hospital / clinic families in the Greater Glasgow and Clyde area with a particular focus on those families affected by ongoing ill health and facing financial hardship, Rangers FC Foundation for a funding Safe Space Bed to support children admitted to hospital with additional support needs and Christmas Decorations and the Brownlie Charitable Foundation.

Directors' Report (cont'd)

Financial Review (cont'd)

Subsidiary activity - trading company

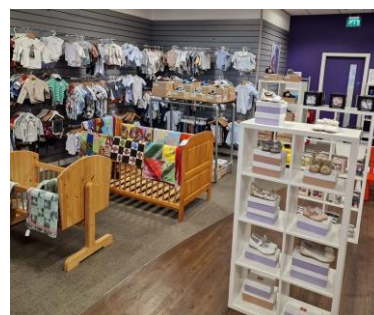
In addition to our flourishing retail activity in the RHC Hub and via mail order, we have been seeking new ways to grow our retail activity, especially with the trends we have seen in 'transactional giving', as a growing way of raising vital funds for our charitable activities.

In September 2022, we opened our first high street shop in Buchanan Galleries selling a beautiful range of handmade and pre-loved baby and infant outfits, while we also stock clothes for children up to age 13 and maternity clothing.

In addition, we sell an array of toys and donated furniture such as small wardrobes, changing tables, cots, highchairs, and bouncers.

This is a new venture for the Charity and we have learned a great deal about this new operating model which offers an area for further growth in the future. It is key to our continued success as a Charity, that we continue to diversify our income streams and retail offers a way to do this while also offering the opportunity for increased public and volunteer engagement.

We are indebted to Buchanan Galleries for providing this opportunity to the Charity.



Subsidiary activity – Crosshouse Children's Fund (CCF)

In June 2022, CCF was launched as an independent charity, within the GCHC group. On incorporation, GCHC, as the parent charity, transferred over the balances on the restricted CCF funds, totalling £166,663. This new entity, while having its own brand and legal identity, sits firmly within the group structure, overseen by GCHC and its charitable objectives will always remain in alignment with the overall group charitable objectives and ethos. By sitting under the umbrella of the GCHC parent, it can share common resources and thereby maximise cost efficiencies. The constitution of CCF as a separate legal entity has strengthened CCF's brand and will maximise the opportunities to grow the income and develop the charitable activities moving forward into the future.

Directors' Report (cont'd)

Financial Review (cont'd)

Reserves

At the end of the financial year the Charity's reserves were as follows:

Unrestricted Funds:

Designated general reserve - operational overheads	586,787
General funds - unallocated free reserves	85,290
	<hr/>
	672,077
Restricted Funds	1,587,644
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Total Charity Funds	2,259,721
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Reserves policy

The uncertainties during the year ensured we remained very conscious of our financial position and our costs were robustly monitored and controlled in the year and we remained mindful of the over-arching requirement to maximise the charitable spend available. Despite the uncertainties that prevail, the Charity has come out of the post COVID rebuild phase in a stronger financial position and are now very much looking to the future with increased confidence and positivity.

The Directors examine the requirement to retain reserves within the Charity on a regular basis to ensure there are sufficient free unrestricted reserves to safeguard the financial stability of the Charity against unforeseen fluctuations in income levels and it remains vital that we can both safeguard the funding of our ongoing projects and protect the viability of the Charity to provide the necessary resilience to face the short, medium and long term.

We are also mindful that when looking at our reserves, we need to balance this prudence with the need to provide the greatest benefit to the patients, families and NHS staff we support and have accordingly taken the decision to release the designated reserve set aside to support ongoing projects. This designated reserve, started during COVID times, provided an additional level of security for ongoing projects at a time when we felt unable to guarantee that fundraising income alone would be sufficient to ensure they would not need to be curtailed or even cancelled. This is a calculated balance of needs which is considered very carefully each year and the Directors are confident that the Charity has reached a position of greater financial strength and optimism, and no longer requires that extra level of security.

This level of security and optimism has also informed the decision taken by the Directors to reduce the level of the operational reserve. It is necessary to hold operational reserves to ensure financial stability and mitigate the risk to the Charity from any future downturns in income, uneven income patterns, or to allow it to take advantage of new opportunities. They allow a Charity to plan for the future and take time to act intentionally should plans need to be changed and can be seen as a bridge to the future, ensuring our vital impact for years to come.

Directors' Report (cont'd)

Financial Review (cont'd)

Reserves (cont'd)

There is no single measure of reserves that is right for all charities and the Directors reviewed the budgets and future strategic plans in detail and decided that a sum of £586,787 should be set aside, representing approximately six months of operational costs. This was deemed the best level to strike the desired balance between prudence on the one hand with the need to safeguard the Charity and its operations, with the need to make grant awards in the here and now and allow new and impactful charitable projects to take place. The Directors are confident that they have achieved this balance.

Going concern

The Board's assessment of going concern has examined the Charity's financial health and operational model and considered both short term liquidity and beyond, to our medium and longer term resilience. The business model has been built to be agile and flexible and we are able to respond to both challenges and opportunities quickly.

The 2023/24 strategy and operational budget will be reviewed on a regular and ongoing basis and reforecast as often as required. Each planned activity and event is accompanied by a set of KPIs which will be monitored and reviewed on a monthly basis by the Executive Team and the Board. Based on our long experience, and particularly from the challenges faced in recent years, we understand fully the need to regularly and critically evaluate our activities and be ready and willing to make any necessary modifications to our business model in a timely manner.

The Board and Finance & Legal Committee each meet on a bi-monthly basis and consider the risk assessment in details in addition to scrutinising the Charity's finances and business planning.

The Board have concluded that there are no known material uncertainties regarding the Charity's ability to continue as a going concern and accordingly the financial statements have been prepared on a going concern basis. The Board considers that the Charity has sufficient reserves and the intention to see them utilised only when appropriate to do so. Detailed management accounts are prepared and scrutinised on a regular basis.

Investment policy

The Charity's investment objectives are to at least maintain, and ideally grow, the real value of the Charity's capital with a low attitude to risk. Funds needed to meet immediate, short and medium term commitments along with an allowance for the Charity to be able to react to unplanned events, should be in investments which are both liquid and of low capital volatility. The key risk to funds held for the longer term is inflation and assets should be invested with a view to generating a return on excess of inflation over the longer term whilst generating an income to support the Charity's on-going activities.

Directors' Report (cont'd)

Financial Review (cont'd)

Investment policy (cont'd)

The Charity is reliant on fundraising income for its grant making and operational activities and the majority of the Charity's funds have a time horizon of less than three years. Detailed consideration has been given by the Board to investing surplus cash in longer term investment vehicles and advice sought from Investment Managers. The Board of Directors has reviewed the investment policy and practice and concluded that at this point in time, short to medium term investment of funds should continue to be held in a mixture of current and term bank accounts to optimise interest earned.

As a result of wider economic conditions, deposits rates, while rising, have remained fairly low relative to inflation. The funds invested in term deposits have achieved an average rate of 1.2% against an inflation rate of 8.9% (CPIH at March 2023).

Risk management

The Directors and Executive Team examine the major strategic, business and operational risks which the Charity faces on a regular basis and adopt a risk management strategy which throughout the year comprised:

- Monthly reviews of these risks and procedures by the Executive Team complemented by monthly updates to the Finance & Legal Committee and Board,
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the Charity should any of those risks materialise.

The Directors consider that the principal risks facing the Charity at this time relate to the continuing uncertainties arising from the social, political and economic landscape, specifically:

- The challenging economic landscape, and
- The rising cost of living in Scotland which directly impacts disposable income levels.

The Directors have approved a budget underpinned by a series of detailed event and activity planners for all areas of the business. Based on our learnings from recent turbulent times, we fully understand how crucial it is that that we continue to constantly evaluate our activities, and make any necessary modifications to our business model in a timely basis. We have learned how quickly circumstances can change and should we not be able to undertake our planned fundraising activities, or the economic outlook deteriorates further, a further significant fall in income could occur impacting our ability to deliver our charitable projects.

The Directors are confident that these risks have been mitigated, at least in part, by the prudent reserves policies adopted and by robust multi-faceted fundraising and marketing & communications strategies. The fundraising teams are actively engaging with donors, fundraisers and volunteers across every viable platform and are always looking to diversify the fundraising portfolio with new opportunities.

Directors' Report (cont'd)

Plans for future periods

As we move forward into our third decade, and after the turbulence of the last few years, we are poised and ready to embark on the next phase for the Charity, ready to take on new opportunities and growth across all our activities. In April 2023 we added the support for obstetrics and gynaecology to our charitable objectives and have also extended our support for the maternity units with two major grant awards and full inclusion in our Christmas and other hospital events programme. In addition to our core ongoing projects, we are looking to the future for new and effective ways to support our beneficiaries on their 'hospital journey'.

We remain acutely aware that we are operating in an exceptionally competitive market now, exacerbated by the current cost of living crisis. During the last recession, 36% of the UK population ceased charitable giving and in our recent brand awareness research, cost of living remained one of the reasons cited by respondents as to why they would not support the Charity. To mitigate this, we are looking to fresh new fundraising propositions including a gaming fundraiser, a schools campaign and Facebook challenges. We continue to strive to diversify our income streams, building on relationships with donors, corporate partners, trusts and foundations and philanthropic giving to forge longer term and repeat giving patterns. We have invested in our retail arm with a view to fully testing the retail opportunities available to us. Our group income for 2023/24 has been set at £3.5m which we believe to be both ambitious but achievable.

Reference and administrative details

Charity number	SC007856
Company number	SC222439
Registered office	Ground Floor, Merrylee House, 8 Marchfield Drive, Paisley PA3 2RB

Key management personnel

The key management personnel are those individuals in charge of directing and controlling, running and operating the Charity on a day to day basis and during the period comprised the Board of Directors, who are the Charity's Trustees for the purpose of Charity law and the Chief Executive.

Directors' Report (cont'd)

Reference and administrative details (cont'd)

Directors and Trustees

Mr David Kennedy (Chair)
Ms Gail Thomson (Vice-Chair & Treasurer)
Ms Natalie Dillon (resigned 25 January 2023)
Mrs Morag Fleming (appointed 2 February 2023)
Mr Jonathan Haggerty (appointed 21 April 2022)
Mr Kyle Hamilton
Mrs Delia Henry (appointed 22 April 2022)
Mrs Clare Livingston (appointed 20 April 2022)
Mr David McClelland
Mr Graham McKnight (appointed 20 April 2022)
Professor Margaret MacLean
Mr Andrew Perratt
Mr Bernard Ponsonby (appointed 12 May 2022)
Ms Jennifer Rodgers
Dr Martina Rodie
Dr Joanne Stirling
Mr Robert Vaughan (resigned 30 March 2023)
Professor Peter Watson (resigned 30 March 2023)
Mrs Jennifer Wilson (resigned 28 September 2022)

Secretary

Alison Gardner

Chief Executive

Kirsten Watson

Auditors

Anderson Anderson & Brown Audit LLP
Citypoint 2, 25 Tyndrum Street
Glasgow G4 0JY

Bankers

Bank of Scotland
174 Byres Road
Glasgow G12 8SW

Solicitors

Turcan Connell
149 St. Vincent Street
Glasgow G2 5NW

Directors' Report (cont'd)

Reference and administrative details (cont'd)

Governing Document

The Charity is a charitable company limited by guarantee, incorporated and registered as a Charity on 22 August 2001. The company is established and governed under its Articles of Association (revised 2023) which established the objects and powers of the charitable company.

Organisational Structure

The Board of Directors is responsible for providing strategic guidance and leadership. The Board meets every second month with regular communication occurring between the Chair, the Vice-Chair and the Chief Executive on matters requiring decisions between board meetings.

The Board appoints the Chief Executive who is responsible for ensuring that their policies and strategies are followed and for ensuring the operational management of the Charity. A formal staff structure exists below the Chief Executive covering the main activities of fundraising, marketing, corporate services and finance. There is an established procedure of delegation from the Board to the Chief Executive for the approval of commitments and payments within the parameters of an annually approved operating budget.

There are six committees, which meet as required and make recommendations to the Board. These are:

Finance and Legal Committee

This Committee meets bi-monthly to review the annual operating budget, quarterly reforecasts, comprehensive monthly management accounts and all financial and legal arrangements of the Charity and to report on these to the Board and make recommendations on actions required. This Committee also liaises with the external auditors.

Remuneration Committee

This Committee meets annually to review proposed staff salaries in conjunction with the annual operating budget, to assess their suitability in line with industry benchmarking and individual objectives and to make recommendations to the Board.

Board Review Committee

This Committee meets as required and its remit includes a full review of the policies and procedures in place for all aspects of Board recruitment, selection and induction in addition to making recommendations to the Board on potential skills gaps and specific appointments.

Business Development Committee

This Committee meets periodically to identify and develop new avenues of income growth, growth in existing income streams, responses to emerging issues in business development and to review and assess appropriate business cases and plans prepared by the team in respect of delivering outcomes on a timely basis.

Directors' Report (cont'd)

Reference and administrative details (cont'd)

Professional Scientific Advisory Committee

This Committee meets as required to discuss the applications received for charitable expenditure, with specific reference to medical equipment, to assess and prioritise them and to make recommendations to the Board.

Local Activity and Funding Committee

This Committee meets quarterly to identify and review activity at local level and recommend proposals for funding to the Board for all non-clinical based functions. The Committee identifies and aligns priorities and objectives between the Charity and NMSGGC at a local level and ensures that all proposals and activities are in line with relevant protocols and standards.

Appointment of Directors

There is a formal appointment process, led by the Board Review Committee. A skills assessment is carried out on a regular basis to identify gaps and succession plans reviewed. Written applications for membership are considered by the Committee who meet the applicants and make recommendations to the Board. Following a comprehensive induction process the admitted member automatically constitutes a Director of the company. At each Annual General Meeting, any Director appointed during the year and one third of remaining Directors, on a rotation basis, will retire.

The following Directors will retire at the following AGM and will be eligible to offer themselves for re-election at this time:

Professor Margaret MacLean
Mr Andrew Perratt
Ms Jennifer Rodgers
Dr Martina Rodie
Dr Joanne Stirling
Mrs Morag Fleming

Directors represent independent professional individuals and medical and other NHS staff. The maximum number of Directors is 18 and the Chair may not be an NHS employee. Directors are appointed to the offices of Chair, Vice-Chair and Treasurer.

Director Induction and Training

Guidance notes and formal training are provided on trustee duties and responsibilities. A full induction process is conducted on recruitment including an information pack and meetings with key personnel. In addition, informal briefings are provided by Directors at regular Board meetings and sub-committees. Opportunities also exist for touring the facilities at the hospital. The Board holds 'away days' periodically to review the strategic direction of the organisation and receive refresher training as required. The Board meet bi-monthly, mostly online, and have reviewed and approved all changes to the strategic direction of the charity.

Directors' Report (cont'd)

Structure, governance and management (cont'd)

Remuneration policy for key management personnel

Staff salaries for all staff are set annually by the Remuneration Committee utilising regular benchmarking activity undertaken throughout the year looking at similar roles in similar organisations within the sector, published salary guides and taking account of both recruitment trends in the sector and staff turnover within the organisation.

Subsidiary Trading Company

The Charity operates two retail shops, a cafe and a mail order service under a separate company, Glasgow Children's Hospital Trading Limited, which annually gifts its net profits to the Charity.

The Directors (who are also the Trustees of the charitable company for the purposes of Charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102: 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources including the income and expenditure of the charitable company and the group, for that period.

Crosshouse Children's Fund

Fundraising for the benefit of Paediatric Units at University Hospital Crosshouse, the Neonatal and Ayrshire Maternity Units as well as outpatient services at Ayrshire Central and throughout Ayrshire and Arran, is carried out by our newly launched subsidiary, Crosshouse Children's Fund.

The Directors (who are also the Trustees of the charitable company for the purposes of Charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102: 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources including the income and expenditure of the charitable company and the group, for that period.

Directors' Report (cont'd)

Responsibilities of the Directors

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website.

Disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director, has each taken all the steps that he or she is obliged to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

A resolution will be proposed at the Annual General Meeting that Anderson Anderson & Brown Audit LLP be re-appointed as the Charity's auditors.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board



Gail Thomson

Vice-Chair and Treasurer

Dated: 26 September 2023

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the consolidated financial statements of Glasgow Children's Hospital Charity group and parent company for the year ended 31 March 2023 on pages 27 to 55. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2023 and of their incoming resources and application of resources, including their income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- The information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the group and charitable company has not kept proper and adequate accounting records 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

Responsibilities of directors

As explained more fully in the Statement of Directors Responsibilities set out on page 21, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the group, charitable company and industry, discussions with management and directors we identified financial reporting standards and Charity SORP as having direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the group and charitable company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

Our audit procedures include:

- Completing a risk assessment process during our planning for this audit that specifically considered the risk of fraud;
- Enquiry of management about the charity's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- Examining supporting documents for all material balances, transaction and disclosures;
- Review, where applicable, of the Board of Directors' minutes;
- Enquiry of management about litigations and claims and inspection of relevant correspondence;
- Analytical procedures to identify any unusual or unexpected relationships;
- Specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notable around the key judgements and estimates, including the carrying value of investments, grant creditors, accruals and revenue recognition;
- Considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of the inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

Use of our report

This report is made solely the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and directors as a body, for our audit work, for this report, or for the opinions we have formed.

Anderson Anderson & Brown Audit LLP

Angus McCuaig (Senior Statutory Auditor)
For and on behalf of Anderson Anderson & Brown Audit LLP
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

Date: 5 October 2023

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	2023 Total £	2022 Total £
Income from:					
Donations and legacies	3	1,608,350	1,535,749	3,144,099	2,845,906
Other trading activities	4	270,202	402,566	672,768	303,727
Charitable activities		-	35,848	35,848	44,208
Investment income	5	41,391	34,991	76,382	18,282
COVID Support		2,170	-	2,170	30,972
Total income		1,922,113	2,009,154	3,931,267	3,243,095
Expenditure on:					
Raising funds:					
Donations and legacies	6	765,894	134,749	900,643	791,669
Other trading activities	6	178,692	69,989	248,681	107,711
Charitable activities	6,7,8	1,418,746	1,992,205	3,410,951	2,315,058
Total expenditure		2,363,332	2,196,943	4,560,275	3,214,438
Net movement in funds before gains /					
(losses) / on investments		(441,219)	(187,789)	(629,008)	28,657
(Losses) /Gains on investments	13	(3,484)	-	(3,484)	9,500
Net (expenditure) / income	19	(444,703)	(187,789)	(632,492)	38,157
Transfers between funds	19,20,21	560	(560)	-	-
Net movement in funds for the year		(444,143)	(188,349)	(632,492)	38,157
Reconciliation of funds:					
Total funds brought forward	19,20,21	1,141,239	1,815,868	2,957,107	2,918,950
Net movement in funds for the year		(444,143)	(188,349)	(632,492)	38,157
Total funds carried forward	19,20,21	697,096	1,627,519	2,324,615	2,957,107

All of the above results are derived from continuing operations. All gains and losses recognised in the year and previous year are included in the above.

The attached notes form part of these financial statements.

Charity Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	2023 Total £	2022 Total £
Income from:					
Donations and legacies	3	1,608,350	1,499,020	3,107,370	2,845,906
Other trading activities	4	144,593	395,785	540,378	226,817
Charitable activities		-	35,848	35,848	44,208
Investment income	5	41,385	34,991	76,376	18,280
COVID Support		2,170	-	2,170	30,972
Total income		1,796,498	1,965,644	3,762,142	3,166,183
Expenditure on:					
Raising funds:					
Donations and legacies	6	744,000	128,053	872,053	791,669
Other trading activities	6	74,971	67,181	142,152	30,687
Charitable activities	6,7,8	1,418,746	1,831,411	3,250,157	2,315,058
Gift of restricted funds to CCF		-	166,663	166,663	-
Total expenditure		2,237,717	2,193,308	4,431,025	3,137,414
Net movement in funds before gains / (losses) on investments					
		(441,219)	(227,664)	(668,883)	28,769
(losses) / Gains / on investments	13	(3,484)	-	(3,484)	9,500
Net (expenditure) / income	19	(444,703)	(227,664)	(672,367)	38,269
Transfers between funds	19,20,21	560	(560)	-	-
Net movement in funds for the year		(444,143)	(228,224)	(672,367)	38,269
Reconciliation of funds:					
Total funds brought forward	19,20,21	1,116,220	1,815,868	2,932,088	2,893,819
Net movement in funds for the year		(444,143)	(228,224)	(672,367)	38,269
Total funds carried forward	19,20,21	672,077	1,587,644	2,259,721	2,932,088

All of the above results are derived from continuing operations. All gains and losses recognised in the year and previous year are included in the above.

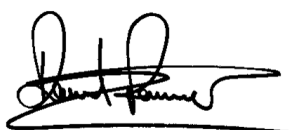
The attached notes form part of these financial statements.

Consolidated Balance Sheet

As at 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Fixed assets					
Tangible Fixed assets	12	3,250	-	3,250	8,464
Investments	13	-	-	-	47,762
Current Assets					
Stock		9,514	-	9,514	16,444
Debtors	14	205,963	137,002	342,965	477,614
Cash at bank and in hand	15	2,863,743	3,997,341	6,861,084	6,025,488
		<u>3,079,220</u>	<u>4,134,343</u>	<u>7,213,563</u>	<u>6,519,546</u>
Creditors: amounts falling due within one year	16	<u>(2,385,374)</u>	<u>(1,997,949)</u>	<u>(4,383,323)</u>	<u>(3,014,125)</u>
Net Current Assets		693,846	2,136,394	2,830,240	3,505,421
Creditors: amounts falling due after more than one year	17	-	(508,875)	(508,875)	(604,540)
Net Assets		<u><u>697,096</u></u>	<u><u>1,627,519</u></u>	<u><u>2,324,615</u></u>	<u><u>2,957,107</u></u>
Accumulated Funds					
Unrestricted Funds:					
Designated charitable activities reserves				-	350,000
Designated staff & operational reserves				586,787	740,564
General funds				110,309	50,679
	19,20			<u>697,096</u>	<u>1,141,239</u>
Restricted Funds	19,21			<u>1,627,519</u>	<u>1,815,868</u>
	19,22			<u><u>2,324,615</u></u>	<u><u>2,957,107</u></u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and were authorised for issue by the Board of Directors and signed on its behalf by:



David Kennedy (Chair)
Dated: 26 September 2023



Gail Thomson (Vice-Chair & Treasurer)
Dated: 26 September 2023

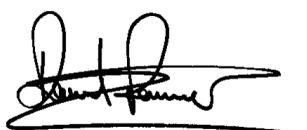
The attached notes form part of these financial statements.

Charity Balance Sheet

As at 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Fixed assets					
Tangible Fixed assets	12	-	-	-	4,214
Investments	13	100	-	100	47,862
Current Assets					
Debtors	14	215,948	137,244	353,192	483,928
Cash at bank and in hand	15	2,835,230	3,730,255	6,565,485	6,010,359
		<u>3,051,178</u>	<u>3,867,499</u>	<u>6,918,677</u>	<u>6,494,287</u>
Creditors: amounts falling due within one year	16	<u>(2,379,201)</u>	<u>(1,770,980)</u>	<u>(4,150,181)</u>	<u>(3,009,735)</u>
Net Current Assets		671,977	2,096,519	2,768,496	3,484,552
Creditors: amounts falling due after more than one year	17	<u>-</u>	<u>(508,875)</u>	<u>(508,875)</u>	<u>(604,540)</u>
Net Assets		<u>672,077</u>	<u>1,587,644</u>	<u>2,259,721</u>	<u>2,932,088</u>
Accumulated Funds					
Unrestricted Funds:					
Designated charitable activities reserves				-	350,000
Designated staff & operational reserves				586,787	740,564
General funds				85,290	25,656
	19,20			<u>672,077</u>	<u>1,162,220</u>
Restricted Funds	19,21			<u>1,587,644</u>	<u>1,815,868</u>
	19			<u>2,259,721</u>	<u>2,932,088</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and were authorised for issue by the Board of Directors and signed on its behalf by:



David Kennedy (Chair)
Dated: 26 September 2023



Gail Thomson (Vice-Chair & Treasurer)
Dated: 26 September 2023

The attached notes form part of these financial statements.

Statements of Cash Flows

For the year ended 31 March 2023

	Note	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash provided by operating activities		715,451	(179,779)	434,981	(174,633)
<u>Cash flows from investing activities:</u>					
Dividends and interest	5	75,867	18,282	75,867	18,280
Purchase of fixed assets		-	(5,000)	-	-
Disposal of investments		44,278	-	44,278	
Cash provided by investing activities		120,145	13,282	120,145	18,280
(Decrease) / Increase in cash in the year		835,596	(166,497)	555,126	(156,352)
Cash at the beginning of year	15	6,025,488	6,191,984	6,010,359	6,166,711
(Decrease) / Increase in cash in the year		835,596	(166,496)	555,126	(156,352)
Cash at the end of the year	15	6,861,084	6,025,488	6,565,485	6,010,359
<u>Reconciliation to Statement of Financial Activities</u>					
Net expenditure for the year as per the Statement of Financial Activities		(632,492)	38,158	(672,367)	38,269
<u>Adjustments for:</u>					
Depreciation	12	5,214	32,497	4,214	31,747
Losses / (Gains) on investments	13	3,484	(9,500)	3,484	(9,500)
Dividends and interest	5	(75,867)	(18,282)	(75,867)	(18,280)
Decrease / (Increase) in stock		6,930	(8,670)	-	-
Decrease / (increase) in debtors		134,649	(379,478)	130,736	(380,488)
Increase / (Decrease) in creditors		1,273,533	165,497	1,044,781	163,620
Cash provided by operating activities		715,451	(179,779)	434,981	(174,633)

Notes to the Consolidated Financial Statements

1. General information

The Charity is a company limited by guarantee, incorporated and registered in Scotland, under company number SC222439, and has no share capital. The liability of each member is limited to £1 in the event of winding up. The Charity's registered number is SC007856 and the registered office is Ground Floor, Merrylee House, 8 Marchfield Drive, Paisley PA3 2RB.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements of the charitable company, have been prepared in accordance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

The Charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Charity's activities.

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

(a) Group financial statements

These financial statements consolidate the results of the Charity and its wholly owned subsidiaries Glasgow Children's Hospital Trading Limited and Crosshouse Children's Fund on a line by line basis incorporating income and expenditure under the relevant line items. With the preparation of consolidated financial statements by the Charity there is no requirement to disclose related party transactions with the wholly-owned subsidiary undertakings, Glasgow Children's Hospital Trading Limited and Crosshouse Children's Fund.

(b) Taxation

The Charity is registered with the Office of the Scottish Charity Regulator and HM Revenue & Customs as a Scottish Charity for tax purposes and has no liability to corporation tax.

(c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Notes to the Consolidated Financial Statements (cont'd)

2. Accounting policies (cont'd)

(d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes.

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.

Investment income is allocated to the appropriate fund.

(e) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

Trading turnover is attributable to the retailing of goods and services, primarily the sale of logo merchandise through the Charity's Fundraising Hub and mail order services.

(f) Resources expended

All expenditure is accounted for on an accruals basis once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified as follows:

- Expenditure on raising donations and legacies are those costs incurred in attracting these income streams.
- Expenditure on other trading activities are those costs incurred in the trading activities of the Charity's subsidiary company and fundraising events organised by the Charity.
- Charitable activities comprises both direct costs of grant payments awarded and an allocation of support costs associated with that activity.

Notes to the Consolidated Financial Statements (cont'd)

2. Accounting policies (cont'd)

(f) Resources expended (cont'd)

Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time. Included within support costs are costs associated with the governance arrangements of the Charity, including the external audit and staff time attributable to strategic matters. Support costs have been allocated between expenditure categories based on the use of resources.

(g) Gifts in Kind

Where gifts in kind are donated for the purposes of auction or other sale at events organised by the Charity, the proceeds from the auction are included in the activities for generating funds figures in the Statement of Financial Activities.

Where goods or services are donated directly to the Charity, these are included in the Statement of Financial Activities if the value is known with any certainty.

(h) Investments and investment income

Investments in these financial statements are shown at market value.

Realised gains/losses are calculated as the difference between the investments carrying value and its disposal proceeds.

Unrealised gains/losses are calculated as the difference between the market value of investments at the end of the year compared with the start of the year, and cost of additions in the year, as relevant.

Unrealised gains / losses on revaluation and gains / losses realised on disposal are taken to the Statement of Financial Activities.

Investment income represents dividends received from listed investments, and interest receivable in the year gross of tax.

(i) Tangible fixed assets and depreciation

Fixed assets are capitalised where the cost of any item exceeds £1,000.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Computer equipment	over 3 years
Fixtures and fittings	over 3 years (or over term of lease)
Vehicles	over 5 years

Notes to the Consolidated Financial Statements (cont'd)

2. Accounting policies (cont'd)

(j) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition.

(k) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(l) Debtors

Debtors and accrued income are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

(m) Cash and cash equivalents

Cash and cash equivalents include cash, bank and term deposits. Term deposits are held in short to medium term accounts to optimise interest earned and not held for investment purposes.

(n) Creditors

Grants payable and other creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

(o) Employee benefits

The Charity operates a defined contribution pension scheme. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

(p) Leases

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

(q) Commitments

Full commitments to charitable donations out of existing funds are provided for in the financial statements.

Notes to the Consolidated Financial Statements (cont'd)

2. Accounting policies (cont'd)

(r) Going concern

In light of the current economic climate, the Directors have considered the application of the going concern principle. Detailed budget are presented to and approved by the Board of Directors with regular monitoring through review of management accounts. We would refer you to our Reserves Policy and Going Concern section of the Directors' Report on pages 13 - 14. The Directors consider that adequate resources are available to fund the activities of the charitable company for a period of at least twelve months. On the basis of budgets and other financial procedures in place the Directors believe the going concern principle is appropriate to these financial statements. There are no known material uncertainties regarding the charity's ability to continue as a going concern.

3. Consolidated income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Group				
Donations from Individuals	1,009,635	674,700	1,684,335	1,369,865
Donations from corporate partners	308,345	85,462	393,807	483,281
Donations from Trusts & Foundations	100,946	592,762	693,708	414,441
Legacies	189,424	182,825	372,249	578,319
	<u>1,608,350</u>	<u>1,535,749</u>	<u>3,144,099</u>	<u>2,845,906</u>

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Charity				
Donations from Individuals	1,009,635	653,885	1,663,520	1,369,865
Donations from corporate partners	308,345	81,449	389,794	483,281
Donations from Trusts & Foundations	100,946	580,862	681,808	414,441
Legacies	189,424	182,824	372,248	578,319
	<u>1,608,350</u>	<u>1,499,020</u>	<u>3,107,370</u>	<u>2,845,906</u>

Notes to the Consolidated Financial Statements (cont'd)

4. Income from other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Group				
Trading	136,179	-	136,179	83,946
Charity challenges	15,780	2,069	17,849	6,527
GCHC events	117,843	356,268	474,111	203,879
Course registration fees	400	44,229	44,629	9,375
	<u>270,202</u>	<u>402,566</u>	<u>672,768</u>	<u>303,727</u>
Total income from other trading activities	270,202	402,566	672,768	303,727

Incoming resources from Trading are stated net of Value Added Tax and represent the value of sales made via the charity's trading subsidiary, Glasgow Children's Hospital Trading Limited.

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Charity				
Gift Aid payment from Glasgow Children's Hospital Trading Limited	10,571	-	10,571	7,036
Charity challenges	15,779	2,069	17,848	6,527
GCHC events	117,843	349,487	467,330	203,879
Course registration fees	400	44,229	44,629	9,375
	<u>144,593</u>	<u>395,785</u>	<u>540,378</u>	<u>226,817</u>
Total income from other trading activities	144,593	395,785	540,378	226,817

5. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Group				
Interest received from bank deposits	41,391	34,991	76,382	18,282
	<u>41,391</u>	<u>34,991</u>	<u>76,382</u>	<u>18,282</u>
Charity				
Interest received from bank deposits	41,385	34,991	76,376	18,280
	<u>41,385</u>	<u>34,991</u>	<u>76,376</u>	<u>18,280</u>

Notes to the Consolidated Financial Statements (cont'd)

6. Allocation of expenditure

	Basis	Donations & legacies £	Other trading activities £	Charitable Activities £	2023 Total £	2022 Total £
Group						
Grants payable	1			3,167,083	3,167,083	2,093,757
Staff cost - prog. delivery	2			243,868	243,868	83,648
Staff costs - excl prog. delivery	2	494,741	63,093		557,834	628,910
Community initiatives	1	103,087			103,087	28,638
Corporate partners	1	11,305			11,305	31,900
Events & challenges	1		115,901		115,901	22,750
Trading	1		69,687		69,687	37,626
Individual Giving	1	23,739			23,739	33,486
Legacies & Trusts	1	2,485			2,485	2,151
Marketing & Comms	1	91,637			91,637	15,334
Transaction charges	1	29,240			29,240	25,965
Legal & professional costs	1	16,510			16,510	604
HR related costs	1	14,643			14,643	25,961
ICT costs	1	41,286			41,286	38,573
Office facilitation costs	1	45,490			45,490	127,682
Vehicle costs	1	5,953			5,953	4,353
Volunteer costs	1	1,442			1,442	2,927
Development	1	4,725			4,725	594
Strategy & governance	1	550			550	-
Audit & tax fees	1	13,810			13,810	9,579
		900,643	248,681	3,410,951	4,560,275	3,214,438
Charity						
Grants payable	1			3,006,289	3,006,289	2,093,757
Staff cost - prog. delivery	2			243,868	243,868	83,648
Staff costs - excl prog. delivery	2	494,741	29,059		523,800	600,605
Community initiatives	1	102,063			102,063	28,543
Corporate partners	1	11,272			11,272	31,900
Events & challenges	1		113,093		113,093	22,750
Individual Giving	1	23,316			23,316	33,486
Legacies & Trusts	1	2,485			2,485	2,151
Marketing & Comms	1	83,704			83,704	14,166
Transaction charges	1	27,895			27,895	24,240
Legal & professional fees	1	12,610			12,610	604
HR related costs	1	14,597			14,597	25,961
ICT Costs	1	41,111			41,111	38,393
Office facilitation costs	1	42,676			42,676	126,243
Volunteer costs	1	1,248			1,248	2,927
Development	1	4,725			4,725	594
Strategy & governance	1	550			550	-
Audit & tax fees	1	9,060			9,060	7,446
		872,053	142,152	3,250,157	4,264,362	3,137,414

Expenditure is allocated as follows: 1. Direct attribution 2. Time allocation

Notes to the Consolidated Financial Statements (cont'd)

6. Allocation of expenditure (cont'd)

Included within support costs, which have been allocated between expenditure categories, are costs associated with the governance arrangements of the Charity, including the external audit and staff time attributable to strategic matters:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Staff costs	32,598	30,135	32,598	30,135
Audit & professional fees	21,404	9,700	17,324	7,590
Total governance costs	54,002	39,835	49,922	37,725

7. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Charity				
Medical Equipment	56,140	568,723	624,863	157,057
Innovation	23,229	50,000	73,229	200,000
Research, Education & Training	17,218	430,496	447,714	296,537
Play & Entertainment for Children	700,681	155,729	856,410	572,065
Volunteer Services	26,781	43,873	70,654	95,976
Patient and Family Support Services	196,889	199,330	396,219	347,595
Patient and Family Support Services – Poverty Related	99,814	60,771	160,585	199,611
Enhancements to Hospital Environment	101,024	317,997	419,021	239,476
NHS Staff Support	2,552	4,492	7,044	15,228
Total grants awarded (Note 8)	1,224,328	1,831,411	3,055,739	2,123,545
Support costs allocated	194,418	-	194,418	191,513
Charitable expenditure	1,418,746	1,831,411	3,250,157	2,315,058

Notes to the Consolidated Financial Statements (cont'd)

7. Charitable activities (cont'd)

Group	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Medical Equipment	56,140	569,762	625,902	157,057
Innovation	23,229	50,000	73,229	200,000
Research, Education & Training	17,218	432,296	449,514	296,537
Play & Entertainment for Children	700,681	158,414	859,095	572,065
Volunteer Services	26,781	43,873	70,654	95,976
Patient and Family Support Services	196,889	252,861	449,750	347,595
Patient and Family Support Services – Poverty Related	99,814	60,771	160,585	199,611
Enhancements to Hospital Environment	101,024	419,566	520,590	239,476
NHS Staff Support	2,552	4,662	7,214	15,228
	<hr/>	<hr/>	<hr/>	<hr/>
Total grants awarded (Note 8)	1,224,328	1,992,205	3,216,533	2,123,545
Support costs allocated	194,418	-	194,418	191,513
	<hr/>	<hr/>	<hr/>	<hr/>
Charitable expenditure	1,418,746	1,992,205	3,410,951	2,315,058

8. Grants awarded in the period – Charity

(a) Items of charitable expenditure over £20,000 in value:

Charity	Unrestricted £	Restricted £	Total £
Bereavement Service 2023/24	50,398	113,733	164,131
Play & Events Service 2023/24	662,702	96,712	759,414
Volunteer service 2023/24	47,911	3,870	51,781
Financial Inclusion service 2023/24	99,814	22,500	122,314
MediCinema 2023/24	52,024	3,409	55,433
Theatres Enhancement project	-	194,676	194,676
Office for Rare Conditions & pathfinder role	50,305	81,162	131,467
Respiratory Research project - physio & nursing staff	-	214,608	214,608
Ear surgery endoscopic equipment	56,960	-	56,960
Technology & innovation temporary post	23,229	-	23,229
Strep A research study	20,000	-	20,000
Bereavement Midwife post	63,716	-	63,716
QUEH labour ward bereavement suite enhancement	70,000	-	70,000
Skylark Centre Waiting Area & Clinic Room enhancements	25,000	-	25,000
Milk Bank Volunteer Driver Service	-	30,740	30,740
C-MAC videoelaryngoscope	-	19,584	19,584
Ophthalmology Optime 700 Claris camera	-	84,628	84,628
Fetal cardiology echo equipment Voluson Expert 22	-	54,720	54,720
PRM ventilators	-	58,352	58,352
Milkbank Digitisation equipment	-	25,000	25,000
Billicocoon home phototherapy units	-	26,511	26,511
Neonatal enhancements	-	47,152	47,152
Neonatal oxygenation equipment	-	82,180	82,180
Neonatal transport frames, monitors & ventilation equipment	-	100,000	100,000
ScotSTAR simulation equipment	-	20,000	20,000
Innovation Centre funding	-	50,000	50,000
Continuation funding - Schiehallion Clinical Trials Centre	-	81,426	81,426
Family respite breaks	-	37,815	37,815
Skye House - outdoor multi use games area	-	118,750	118,750
Underspend recovered from prior years	(45,365)	(33,475)	(78,840)
Items < £20,000	47,634	297,358	344,992
	1,224,328	1,831,411	3,055,739
CCF Subsidiary			
Infant feeding service	-	44,367	44,367
Maternity & neonatal garden project	-	104,964	104,964
Items < £20,000	-	11,463	11,463
	1,224,328	1,992,205	3,216,533

Notes to the Consolidated Financial Statements (cont’d)

8. Grants awarded in the period – Group & Charity (cont’d)

(b) Unrestricted funds

The Charity invites applications for funding of medical equipment, research, structured play programmes and distraction therapies, patient and family support services, facility enhancements and other projects from RHC.

In addition the Charity operates six separate Service Level Agreements (SLAs) / Programme Delivery Agreements (PDAs) with NHS Greater Glasgow & Clyde for the provision of the structured play programme (including internal children’s events), volunteer driver services for donor milk bank, cardiology, respiratory, iPENS (gastroenterology) and Skye House art therapy services.

(c) Restricted funds

Charitable expenditure in respect of funds donated to specific departments of RHC for which the accounts are administered by Glasgow Children’s Hospital Charity. A breakdown by Fund is given in Note 21.

9. Net income / (expenditure) for the year

Is stated after charging:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Audit fees (net of VAT)	13,140	9,240	9,060	7,590
Tax advisory service fees	630	460	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10. Analysis of staff and key management personnel costs

All employees are employed by Glasgow Children’s Hospital Charity with an allocation of costs made to the wholly owned trading subsidiary, Glasgow Children’s Hospital Trading Limited on the basis of time spent on trading activities.

The key management personnel are those individuals in charge of directing and controlling, running and operating the Charity on a day to day basis and comprise the Board of Directors, who are the Charity’s Trustees, the Chief Executive. The Trustees received no remuneration in the period, nor re-imburement of expenses (2022: £Nil). The total employee benefits (inclusive of pension and employer’s National Insurance costs) of the Chief Executive were £92,528 (2022: £88,573).

The average number of employees during the year was 21 (2022: 20).

Actual staff numbers on a headcount basis at the end of the year were:

	2023	2022
Full Time	19	13
Part Time	<u>3</u>	<u>4</u>
Total	<u>22</u>	<u>17</u>

Notes to the Consolidated Financial Statements (cont'd)

10. Analysis of staff and key management personnel costs (cont'd)

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
<u>Programme delivery staff:</u>				
Salaries	72,811	73,576	72,811	73,576
Employer's NI	7,047	6,420	7,047	6,420
Pension costs	3,336	3,652	3,336	3,652
	83,194	83,648	83,194	83,648
<u>Other charitable activities:</u>				
Salaries	132,945	113,667	132,945	113,667
Employer's NI	14,853	12,283	14,853	12,283
Pension costs	12,876	11,703	12,876	11,703
	160,674	137,653	160,674	137,653
<u>Other trading activities:</u>				
Salaries	54,583	31,653	25,028	6,887
Employer's NI	5,499	2,803	2,824	706
Pension costs	3,011	1,786	1,207	344
	63,093	36,242	29,059	7,937
<u>Donations & legacies:</u>				
Salaries	417,408	386,902	417,408	386,902
Employer's NI	43,551	37,758	43,551	37,758
Pension costs	33,782	30,355	33,782	30,355
	494,741	455,015	494,741	455,015
Total staff costs	801,702	712,558	767,668	684,253

The number of employees whose emoluments (excluding pension costs) fell within the following bands, was:

	2023	2022
£80,001 - £90,000	1	-
£70,001 - £80,000	-	1
	=	=

Notes to the Consolidated Financial Statements (cont'd)

10. Analysis of staff and key management personnel costs (cont'd)

Contributions are made to money purchase pension schemes on behalf of all employees. All schemes are administered by funds independent from the charitable company. On the basis of the immateriality of the total charge it is not considered necessary to disclose any further information on the pension scheme arrangements in force.

11. Related Party Transactions

The Trustees, in aggregate, donated the sum of £7,840 (2022: £1,700) in monetary donations in addition to the considerable amounts of time and expertise freely given to the Charity in attendance at Board and Committee meetings and in the provision of leadership, strategic guidance and professional advice throughout the period.

12. Tangible fixed assets

Group

	Fixtures & Fittings £	Computer Equipment £	Vehicles £	Total £
<u>Cost:</u>				
At beginning of the year	144,524	61,771	5,000	211,295
Additions	-	-	-	-
Disposals	-	-	-	-
	<u>144,524</u>	<u>61,771</u>	<u>5,000</u>	<u>211,295</u>
At end of year	<u>144,524</u>	<u>61,771</u>	<u>5,000</u>	<u>211,295</u>
<u>Depreciation:</u>				
At beginning of the year	143,298	58,783	750	202,831
Charge for the period	1,226	2,988	1,000	5,214
Disposals	-	-	-	-
	<u>144,524</u>	<u>61,771</u>	<u>1,750</u>	<u>208,045</u>
At end of the year	<u>144,524</u>	<u>61,771</u>	<u>1,750</u>	<u>208,045</u>
<u>Net book value:</u>				
At beginning of the year	1,226	2,988	4,250	8,464
	<u>1,226</u>	<u>2,988</u>	<u>4,250</u>	<u>8,464</u>
At end of the year	<u>-</u>	<u>-</u>	<u>3,250</u>	<u>3,250</u>

Notes to the Consolidated Financial Statements (cont'd)

12. Tangible fixed assets (cont'd)

Charity

	Fixtures & Fittings £	Computer Equipment £	Total £
<u>Cost:</u>			
At beginning of the year	142,450	61,771	204,221
Additions	-	-	-
Disposals	-	-	-
	<u>142,450</u>	<u>61,771</u>	<u>204,221</u>
At end of year	142,450	61,771	204,221
<u>Depreciation:</u>			
At beginning of the year	141,224	58,783	200,007
Charge for the period	1,226	2,988	4,214
Disposals	-	-	-
	<u>142,450</u>	<u>61,771</u>	<u>204,221</u>
At end of the year	142,450	61,771	204,221
Net book value:			
At beginning of the year	<u>1,226</u>	<u>2,988</u>	<u>4,214</u>
At end of the year	<u>-</u>	<u>-</u>	<u>-</u>

13. Fixed asset investments

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
100 ordinary shares in Glasgow Children's Hospital Trading Limited, a trading subsidiary	-	-	100	100
Shares in UK stock exchange companies	-	47,762	-	47,762
	<u>-</u>	<u>47,762</u>	<u>100</u>	<u>47,862</u>
Total fixed asset investments	-	47,762	100	47,862

Glasgow Children's Hospital Trading Limited's loss for the year ended 31 March 2023 was £Nil (2022: loss of £111) after transferring £10,571 (2022 : £7,036) to Glasgow Children's Hospital Charity. The Charity holds the entire issued share capital of the company whose principal activity is retailing. At 31 March 2023, its capital and reserves totalled £25,119 (2022: £25,119).

Notes to the Consolidated Financial Statements (cont'd)

13. Fixed asset investments (cont'd)

Shares held in UK Stock Exchange Companies – Group & Charity

	2023 £	2022 £
Market value at beginning of the year	47,762	38,262
Disposals	(44,278)	-
Gain on revaluation	-	9,500
Realised loss on disposal	(3,484)	-
	<u>-</u>	<u>47,762</u>
Market Value at the end of the year	-	47,762
	<u>-</u>	<u>19,351</u>
Cost at end of the year	-	19,351

14. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Amount due from Glasgow Children's Hospital Trading Limited	-	-	10,832	6,953
Prepayments	14,564	22,997	13,959	22,358
Accrued Income	324,401	454,617	324,401	454,617
Dilapidations	4,000	-	4,000	-
	<u>342,965</u>	<u>477,614</u>	<u>353,192</u>	<u>483,928</u>
Total debtors	342,965	477,614	353,192	483,928

Six legacies totalling £2555,330 have been accrued into income in 2023 (2022: seven legacies totalling £402,505).

15. Cash at bank and in hand

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Unrestricted funds	2,863,743	2,688,111	2,835,230	2,672,982
Restricted funds	3,997,341	3,337,377	3,730,255	3,337,377
	<u>6,861,084</u>	<u>6,025,488</u>	<u>6,565,485</u>	<u>6,010,359</u>
Total cash at bank and in hand	6,861,084	6,025,488	6,565,485	6,010,359

Notes to the Consolidated Financial Statements (cont'd)

16. Creditors: amounts falling due within one year

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Grants payable	4,018,379	2,773,451	3,845,635	2,773,451
Other creditors & accruals	363,793	240,030	304,546	236,284
Other taxation and social security	1,151	644	-	-
Total creditors falling due within one year	4,383,323	3,014,125	4,150,181	3,009,735

17. Creditors: amounts falling due after more than one year

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Grants payable	508,875	604,540	508,875	604,540

18. Commitments

At 31 March 2023, the Charity had total future commitments under non-cancellable operating leases as follows:

	Property		Equipment	
	2023	2022	2023	2022
	£	£	£	£
Group				
Within one year	-	-	1,908	2,839
Within two to five years	-	-	349	4,769
Total	-	-	2,257	7,607

	Property		Equipment	
	2023	2022	2023	2022
	£	£	£	£
Charity				
Within one year	-	-	1,098	2,686
Within two to five years	-	-	349	4,731
Total	-	-	2,257	7,416

Notes to the Consolidated Financial Statements (cont’d)

19. Funds

	Unrestricted £	Restricted £	Total £
Fund balances brought forward - Charity	1,116,220	1,815,868	2,932,088
Net movement in funds for period	(444,703)	(227,664)	(672,367)
Transfers between funds	560	(560)	-
	<hr/>	<hr/>	<hr/>
Fund balances carried forward - Charity	672,077	1,587,644	2,259,721
Glasgow Children’s Hospital Trading Ltd reserves - 31 March	25,019	-	25,019
Crosshouse Children’s Fund reserves – 31 March	-	39,875	39,875
	<hr/>	<hr/>	<hr/>
Fund balances carried forward - Group	697,096	1,627,519	2,324,615
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

These funds are retained in order to provide funds for:

Unrestricted purposes

To meet the financial objectives of the Charity, which are detailed in the Directors’ Report. These reserves are broken down further in Note 20.

Restricted purposes

Donations for specific funds and projects as detailed in Note 21.

Transfers between funds represent:

- where subsequent instructions are received from a donor restricting income that was originally recorded in a prior period with no restrictions,
- where two or more restricted funds have a common purpose, transfers may be made to support a project which matches their specific restriction, or the funds may be merged, or
- where restricted donations are received for projects initially underwritten from unrestricted funds in a prior period.

Notes to the Consolidated Financial Statements (cont'd)

20. Unrestricted funds – Group and Charity

	Fund balances brought forward £	Income £	Expenditure £	Transfers £	(Losses) / Gains £	Fund balances carried forward £
Tangible Fixed assets	4,214	-	(4,214)	-	-	-
Free unrestricted reserves	1,112,006	1,796,498	(2,233,503)	560	(3,484)	672,077
Unrestricted funds - Charity	1,116,220	1,796,498	(2,237,717)	560	(3,484)	672,077
Trading company reserves	25,019	125,615	(125,615)	-	-	25,019
Unrestricted funds - Group	1,141,239	1,922,113	(2,363,332)	560	(3,484)	697,096

Designated general reserve

As detailed in the Directors' Report, the general designated reserve exists to allow the current activities of the Charity to continue for the short term in the event of unforeseen significant fluctuations in income levels.

21. Restricted funds - Group and Charity

	Fund balances brought forward £	Income £	Expenditure £	Transfer (to) / from Unrestricted funds £	Fund balances carried forward £
Restricted Funds held for specific areas/projects - Charity	1,815,868	1,965,644	(2,193,308)	(560)	1,587,644
Restricted Funds held for specific areas/projects - CCF	-	43,510	(3,635)	-	39,875
Restricted funds - Group	1,815,868	2,009,154	(2,196,943)	(560)	1,627,519

Restricted Funds held by the Charity for specific areas or projects

Provide funds for specific departments or projects within RHC, as specified by the donor on receipt of the donation, for which the Charity has accounts set up. Authority for expenditure from many of these funds has been delegated by the Trustees to the designated Fundholders and they take a long-term strategic view of expenditure from these funds. There were 166 separate restricted funds open during the financial period, the larger ones being detailed on the following page.

Notes to the Consolidated Financial Statements (cont'd)

21. Consolidated and Charity restricted funds (cont'd)

	Balances b/fwd	Income	Expenditure	Tfr between Restricted Funds	Tfr (to) / from Unrestricted funds	Balances c/fwd
	£	£	£	£	£	£
Cardiology Fund	91,778	10,418	(5,962)	-	-	96,234
Cardiology Investigation Unit	39,899	629	(350)	-	-	40,178
Children with Diabetes Fund	98,716	2,685	(54)	-	-	101,347
Crosshouse - General	17,851	11,298	(29,149)	-	-	-
Crosshouse – Neonatal	126,182	2,941	(18,634)	(110,489)	-	-
Crosshouse - Rainbow House	12,608	-	(12,608)	-	-	-
Crosshouse 'Garden Retreat'	-	-	(110,489)	110,489	-	-
DNM Family Fund	44,800	10,982	(55,782)	-	-	-
Fetal Medicine Fund	56,449	15,001	(4,620)	-	-	66,830
Financial Inclusion	22,500	-	(22,500)	-	-	-
Home phototherapy	7,493	14,652	(27,244)	5,099	-	-
Intensive Care Unit Fund	156,829	10,955	(30,147)	-	-	137,637
IBD Fund	30,439	535	(762)	-	-	30,212
Innovation Centre	-	51,000	(50,000)	-	-	1,000
Life Support Equipment	-	123,330	(123,330)	-	-	-
Milk Bank Fund	-	31,248	(29,965)	-	(1,283)	-
Neonatal (RHC/PRM/RAH)	149,933	26,410	(16,356)	-	-	159,987
Neonatal Project	41,848	296,078	(304,120)	-	(30,109)	3,697
Neonatal Transport Frame	-	80,000	(80,000)	-	-	-
Ophthalmology	49,570	-	(7,547)	-	(42,023)	-
Ophthalmology camera	-	88,703	(88,703)	-	-	-
Play Project Fund	-	54,775	(54,775)	-	-	-
Respiratory Research Project	-	120,706	(202,864)	-	82,158	-
Schiehallion Unit Fund	86,938	132,429	(38,804)	-	-	180,563
Schiehallion Clinical Trials	-	80,365	(79,890)	-	-	475
Skye House Outdoor Space	-	125,500	(125,025)	-	-	475
Theatres Dept Fund	19,813	187,539	(192,024)	-	-	15,328
Vein of Galen Fund	61,759	983	-	-	-	62,742
Ward 3A Fund	26,515	7,512	(1,233)	-	-	32,794
Wilson Family Bequest	48,594	773	-	-	-	49,367
Other funds (under £25,000)	625,354	478,197	(480,371)	(5,099)	(9,303)	608,778
Restricted funds – Charity only	1,815,868	1,965,644	(2,193,308)	-	(560)	1,587,644
Crosshouse Children's Fund	-	43,510	(3,635)	-	-	39,875
Restricted Funds- Group	1,815,868	2,009,154	(2,196,943)	-	(560)	1,627,519

Notes to the Consolidated Financial Statements (cont'd)

22. Analysis of consolidated net assets between funds

	Fixed assets £	Current assets less creditors £	31 March 2023 Total £
Restricted funds	-	1,627,519	1,627,519
Unrestricted funds	3,250	693,846	697,096
Total	3,250	2,321,365	2,324,615

23. Indemnity Insurance

Indemnity insurance in respect of the Directors and Officers of the Charity is in place.

Notes to the Consolidated Financial Statements (cont'd)

24. Prior Year Statement of Financial Activities

	Group Unrestricted funds £	Group Restricted funds £	Group 2022 Total £	Charity Unrestricted funds £	Charity Restricted funds £	Charity 2022 Total £
Income from:						
Donations and legacies	1,906,921	938,985	2,845,906	1,906,921	938,985	2,845,906
Other trading activities	224,135	79,592	303,727	147,305	79,512	226,817
Investment income	-	44,208	44,208	-	44,208	44,208
Statutory COVID Support	14,492	3,790	18,282	14,490	3,790	18,280
	30,972	-	30,972	30,972	-	30,972
Total income	2,176,520	1,066,575	3,243,095	2,099,688	1,066,495	3,166,183
Expenditure on:						
Raising funds:						
Donations and legacies	736,662	55,007	791,669	736,662	55,007	791,669
Other trading activities	105,979	1,732	107,711	29,035	1,652	30,687
Charitable activities	1,775,102	539,956	2,315,058	1,775,102	539,956	2,315,058
Total expenditure	2,617,743	596,695	3,214,438	2,540,799	596,615	3,137,414
Net movements in funds before unrealised (losses) / gains on investments	(441,223)	469,880	28,657	(441,111)	469,880	28,769
Unrealised (losses) / gains on investments	9,500	-	9,500	9,500	-	9,500
Net (expenditure) / income	(431,723)	469,880	38,157	(431,611)	469,880	38,269
Transfers between funds	23,698	(23,698)	-	23,698	(23,698)	-
Net movement in funds	(408,025)	446,182	38,157	(407,913)	446,182	38,269
Reconciliation of funds:						
Total funds brought forward	1,549,264	1,369,686	2,918,950	1,524,133	1,369,686	2,893,819
Net movement in funds	(408,025)	446,182	38,157	(407,913)	446,182	38,269
Total funds carried forward	1,141,239	1,815,868	2,957,107	1,116,220	1,815,868	2,932,088

Notes to the Consolidated Financial Statements (cont'd)

25. Prior Year Unrestricted funds – Group and Charity

	Fund balances brought forward £	Income £	Expenditure £	Transfers £	(Losses) / Gains £	Fund balances carried forward £
Tangible Fixed assets	35,961	-	(31,747)	-	-	4,214
Free unrestricted reserves	1,488,172	2,092,886	(2,502,250)	23,698	9,500	1,112,006
Unrestricted funds - Charity	1,524,133	2,092,886	(2,533,997)	23,698	9,500	1,116,220
Trading company reserves	25,131	83,634	(83,746)	-	-	25,019
Unrestricted funds - Group	1,549,264	2,176,520	(2,617,743)	23,698	9,500	1,141,239

26. Prior Year Restricted funds – Group and Charity

	Fund balances brought forward £	Income £	Expenditure £	Transfer (to) / from Unrestricted funds £	Fund balances carried forward £
Restricted Funds held for specific areas/projects	1,369,686	1,066,575	(596,695)	(23,698)	1,815,868

(a) Restricted Funds held by the Charity for specific areas or projects

Provide funds for specific departments or projects within RHC, as specified by the donor on receipt of the donation, for which the Charity has accounts set up. Authority for expenditure from many of these funds has been delegated by the Trustees to the designated Fundholders and they take a long-term strategic view of expenditure from these funds. Additional analysis is provided below.

Notes to the Consolidated Financial Statements (cont'd)

26. Prior Year Consolidated and Charity restricted funds (cont'd)

(a) Restricted Funds held by the Charity for specific areas or projects (cont'd)

	Balances brought fwd	Income	Expenditure	Tfr –Restr'd Funds	Tfr – Unrestr'd Funds	Balances carried fwd
	£	£	£	£	£	£
Cardiology Team Fund	76,237	17,571	(2,030)	-	-	91,778
Cardiology Investigation Unit	39,899	-	-	-	-	39,899
Children with Diabetes Fund	100,325	832	(2,441)	-	-	98,716
COVID Fund	-	2,203	(2,203)	-	-	-
COVID Operational costs	-	-	-	-	-	-
Crosshouse - General	19,264	23,624	(25,037)	-	-	17,851
Crosshouse – Neonatal	9,107	114,897	2,178	-	-	126,182
Crosshouse - Rainbow House	-	54,183	(41,575)	-	-	12,608
DNM Family Fund	44,680	127	(7)	-	-	44,800
Fetal Medicine Fund	56,437	1,705	(1,693)	-	-	56,449
Financial Inclusion	-	50,500	(28,000)	-	-	22,500
Home phototherapy	-	34,751	(11,000)	(16,258)	-	7,493
Intensive Care Unit Fund	118,976	13,751	24,103	-	-	156,829
IBD Fund	22,415	670	7,354	-	-	30,439
Mamometry equipment	-	58,850	(58,850)	-	-	-
Milk Bank Fund	-	44,209	(34,552)	-	(9,657)	-
Neonatal (RHC/PRM/RAH)	127,041	44,255	(19,963)	(1,400)	-	149,933
Neonatal Project	-	43,500	(1,652)	-	-	41,848
Ophthalmology	21,070	30,000	(1,500)	-	-	49,570
Play Project Fund	-	130,765	(108,515)	-	(22,250)	-
Play – Teddy Hospital Fund	-	3,000	(3,000)	-	-	-
Schiehallion Unit Fund	76,624	49,428	(39,114)	-	-	86,938
Vein of Galen Fund	61,759	-	-	-	-	61,759
Ward 3A Fund	14,292	12,854	(631)	-	-	26,515
Wilson Family Bequest	43,594	-	5,000	-	-	48,594
Other funds (under £25,000)	537,966	334,901	(253,567)	17,658	8,209	645,167
Total	1,369,686	1,066,575	(596,695)	-	(23,698)	1,815,868

(b) Restricted Funds held by NHS Greater Glasgow & Clyde

Provide funds for specific departments within RHC, as specified by the donor on receipt of the donation, the accounts for which are held by NHS Greater Glasgow & Clyde Endowments.

Notes to the Consolidated Financial Statements (cont'd)

27. Prior Year analysis of consolidated net assets between funds

	Fixed assets	Current assets less creditors	31 March 2022 Total £
	£	£	£
Restricted funds	-	1,815,868	1,815,868
Unrestricted funds	8,464	1,132,775	1,141,239
Total	8,464	2,948,643	2,957,107