



Glasgow Children's Hospital Charity

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Consolidated Report and Financial Statements
Year ended 31 March 2018

Company number: SC222439
Charity number: SC007856

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Consolidated Report and Financial Statements 2018

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Chairman's Report

It is with great pleasure that I present my Chairman's Report for 2017/18. This past year has been an incredibly successful year for Glasgow Children's Hospital Charity, and I am delighted that we have been able to support even more babies, children and young people from throughout Scotland and beyond who are affected by ill health, and who require treatment and care at the Royal Hospital for Children in Glasgow and its associated facilities.

I am pleased to report that our income for 2017/18 was £4.6m which is a remarkable achievement, and a notable increase on the previous year, despite the ongoing economic, social and political challenges that all third sector organisations continue to face. This level of income would not be possible were it not for the unwavering support of our incredible donors, fundraisers and volunteers alike.

Glasgow Children's Hospital Charity as partner charity to the Royal Hospital for Children, Glasgow has now contributed over £30m in charitable expenditure to the hospital and its related community services, since our inception in 2001, and our ongoing contribution to paediatric medicine is something that we are immensely proud of. The Charity continues to retain its position at the heart of the hospital and is firmly aligned to the overarching priorities and objectives of the Women & Children's Directorate of NHSGGC.

In addition to our ongoing commitment to support enhanced medical equipment, paediatric research and training and the overall hospital environment, the Charity has also been asked to provide significant levels of funding towards the establishment, development and continuation of many worthwhile and highly valued services and programmes onsite at the Royal Hospital for Children, Glasgow. These include our annual support of play, events, volunteering, bereavement and financial inclusion services. Each service provides a lifeline to many families and communities, during some of the hardest and darkest days of their lives.

Our greatest achievement in 2017/18 has undoubtedly been the success of our Schiehallion Appeal. In June 2017 we set out to try and raise £500,000 to support the development and expansion of the Schiehallion Clinical Trials Centre in Glasgow. Funds raised will support the provision of early phase clinical trials here in Scotland for babies, children and young people affected by cancer or blood disorders. The Scottish people took the families of the Schiehallion Ward (Ward 2a / 2b) to their hearts, and with the support of our national media partner - the Daily Record – and the support and loyalty of our existing and new donor base, we have almost raised double what we initially set out to achieve. The Charity felt very privileged to work alongside the staff and families of the Schiehallion Ward and the impact and weight of this funding, will be felt for years to come.

This year, the Charity embarks on a new and very ambitious three year organisational strategy, which signifies the next step in our development. As a fundraising organisation with a vision to provide world class medical equipment and research, innovative play programmes and enhanced family resources, we have to continue to move forth and grow the capabilities and responsibilities of the Charity in order to realise our full potential. Whilst our work within the Royal Hospital for Children in Glasgow has been extensive, and patients from throughout Scotland benefit, their local hospitals and community clinics are often the place that they will receive primary care interventions. With this in mind, the Charity will look to expand its reach, and help to support maternity, neonatal and paediatric sites throughout the West of Scotland. We look forward to the coming years with great optimism and excitement. We will strive to work in partnership with all health boards across the West of Scotland and try to ensure that Glasgow Children's Hospital Charity plays a pivotal role at the forefront of paediatric medicine across all platforms, in Scotland and beyond.

Chairman's Report (cont'd)

I would like to offer my eternal thanks to all who contributed in so many ways to the success of last year. To our Board of Directors; to the staff of Glasgow Children's Hospital Charity; to our loyal volunteers; to our supporters who once again have shown an unwavering level of care and compassion for the babies, children and young people who are affected by ill health throughout Scotland and beyond.

Thank you.

P Watson

Peter Watson
Chairman

Dated: 24 August 2018

Directors' Report

The Directors have pleasure in presenting their Annual Report together with the audited group Financial Statements for the year ended 31 March 2018 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 neonatal, paediatric and obstetric departments within the Women & Children's Directorate of NHS Greater Glasgow & Clyde (NHSGGC).

Objectives and activities

Vision, mission and values

Our vision - All children and young people who are treated at paediatric centres in the West of Scotland, have the best care and experience possible.

Our mission - We will be the most successful and effective children's healthcare Charity in Scotland. We will provide world class medical equipment and research, innovative services and enhanced family resources.

Our values:

- Compassionate - we care about sick children and young people
- Ambitious - we aim to be the best in everything we do embracing innovation at all times
- Collaborative - we are committed to working in partnership with our key stakeholders
- Respect - an ethos of respect underpins all that we do

Charitable objectives

The objects of the Charity are to provide and support excellence in paediatric, obstetric 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 hospital or community based services in the West of Scotland and other locations nationally and internationally as appropriate.

The Charity provides innovative medical equipment, play activities, child and family support services, paediatric research and other enhancement projects. The Charity also seeks to alleviate poverty in families whose children are treated at the above facilities and are experiencing financial hardship exacerbated by the health issues of their children.

Directors' Report (cont'd)

Objectives and activities (cont'd)

2018 update

The Charity is embarking on an ambitious three year strategy 2018 - 2021 (see page 15 for further details) and intends to extend our area of support to include the care and treatment of all babies, children, young people and their families in NHS hospitals and community based services throughout the West of Scotland. As such, the Charity has updated its mission statement and our charitable objectives to reflect this strategic change.

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, the Charity works closely with NHSGGC senior management to identify the core 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 Hospital and related facilities and offer long term sustainability for key NHS needs, which are outwith 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 Hospital 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 Hospital which have been agreed as priority by NHSGGC and the Charity's Board.

These 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 quarterly 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 £10k between quarterly Board meetings and these are reviewed and ratified by the Board at the subsequent meeting.

Achievements and performance

In another year of significant change and uncertainty in the financial, political, social and compliance landscape, the Charity is delighted to have exceeded our targets for both income and spend on charitable activities. With the generous support of our donors, fundraisers and volunteers we have raised **income of £4.6m** (2017: £4.2m). This generosity and unwavering support allowed us to support the hospital with a **spend of £3.5m** (2017: £2.8m), funding the latest innovative medical equipment and research, the support services that families desperately need during their darkest days and the play programmes that give children in hospital the chance of a childhood.

Directors' Report (cont'd)

Achievements and performance (cont'd)

Schiehallion Appeal

In June 2017 we launched, in conjunction with NHSGGC and our national media partner, The Daily Record, a major fundraising appeal to raise £500k for the Haemato-Oncology Unit of RHC, affectionately known as the Schiehallion Unit. Every year more than 100 children are treated in the Schiehallion wards (Ward 2a and 2b) for cancer and blood disorders and sadly, despite the best efforts of the nursing, medical and clinical teams, not all children respond to conventional modes of treatment such as chemotherapy or radiotherapy. For those children an early phase clinical trial can be a lifeline but, until now, are often only available in highly specialised centres in England, or overseas.

The clinical Haemato-Oncology department at RHC provides care for children with leukaemia, solid tumours, brain tumours, bleeding disorders and a range of benign haematological conditions for patients. This serves not only the West of Scotland but acts as a National Tertiary Referral Centre for the whole of the country. In addition, the department houses the National Stem Cell Transplant Unit and is the Regional Paediatric Haemophilia Centre.

The Haemato-Oncology department of RHC is the largest UK Children's Cancer and Leukaemia Group Centre (CCLG) in Scotland and sees approximately 90 new cases a year with cancer of which two thirds are solid or brain tumours.

"We named the ward after the mountain - Schiehallion - to mirror the journey for children with cancer. We recognise that it's an uphill struggle, but we also recognise that you can walk up a path with lots of people who will get you to the top. The Schiehallion Appeal will give us access to new drugs for children who have failed conventional chemotherapy."

Professor Brenda Gibson OBE, Professor of Paediatric Haematology

The levels of generosity of our new and existing supporters far surpassed all expectations and the appeal has been a huge success raising to date £935k, almost twice the original target and allowing the team in the Schiehallion Wards to further develop a leading clinical trials centre here in Glasgow to bring the very latest cancer treatments to Scotland for years to come. Now fewer children and their families will have to make the arduous journey to England for treatment and can be treated in the hospital they know, by their own doctors and nurses.

The appeal will support the provision of highly specialist staff including a Clinical Research Fellow, Clinical Research Nurse and Psychologist to develop this service in Glasgow for a period of at least 5 years. Thanks to the incredible efforts of our unwavering supporters, we have also been able to identify and will be in a position to refurbish a dedicated space within the RHC, where early phase clinical trials will be administered, researched and evaluated from.

The beneficiaries of these early phase cancer trials are young cancer patients, aged 0-16, for whom current medical treatments for cancer have failed. This development will give local access for Scotland's sickest children to participate in critical and innovative early phase clinical trials for oncology and haematology.

Directors' Report (cont'd)

Achievements and performance (cont'd)

The Schiehallion Appeal was generously supported by a number of substantial donations. The Cannonball Kids cancer Foundation pledged £50k (of which £25k was received in the 2017/18 financial year), the Hugh Fraser Foundation pledged £45k (of which £15k was received in the 2017/18 financial year) and Marion's Still Smiling donated £50k to the Appeal with a further £10k dedicated to supporting short breaks and treats for patients treated in the oncology ward. The Charity has developed a lasting partnership with Marion's Still Smiling, who aim to provide families with an opportunity to create lasting memories, during what is an incredibly difficult and stressful time for the immediate and wider family cohort. The generous donation from Marion's Still Smiling helped to officially launch the Schiehallion appeal in June 2017, and was gifted in memory of Marion Callaghan from Ayrshire who sadly passed away from lung cancer in 2014.

MoVE

The way children recover in Intensive Care has been transformed thanks to special equipment funded by the Charity. The pioneering 'Move on Ventilation Early' (MoVE) project, the first of its kind in a children's hospital in the UK, aims to help children recover more quickly by getting them moving as early as possible, as soon as they are medically stable. The equipment helps children take part in physical activity, even if they cannot leave their beds and allows them to spend fewer days on ventilators, to start breathing on their own more quickly and ultimately reduce the amount of time children need to spend in hospital.

This innovative project has been kindly supported by funds raised by the Devenny Family Fund, who have been longstanding supporters of the Charity for many years. We are very grateful for their ongoing commitment to support the MoVE project.

There are also significant benefits to the emotional wellbeing of the children and their families, reducing the stress and anxiety they feel while in the Paediatric Intensive Care Unit. The data from the MoVE project will be used to help many other children in hospitals in the UK and beyond and help the project go from strength to strength in future years.

"Thanks to Glasgow Children's Hospital Charity, we can give everyone a few wee moments of normality in an overwhelming environment. It's lovely to walk around the unit now and see things that you just wouldn't have seen a year ago. You see little ones up for cuddles, sitting up in chairs or being taken for a walk in the hospital grounds, instead of spending the whole day confined to their beds. It's great because the children get up sooner, and it's so reassuring for parents to see their little ones moving again."

Jenna Hills, Physiotherapy Team

Bereavement Service

For parents, the death of a child is simply unimaginable. For some, it can become a tragic reality. In 2017 we launched, in conjunction with NHSGGC, a new Bereavement Service helping families to try and rebuild their lives following the death of a child. This new service, funded entirely by the Charity at an annual investment of £110k, provides immediate and long term support to families, helping them to begin to rebuild their lives after the devastation of child bereavement. The service is delivered by Child Bereavement UK.

Directors' Report (cont'd)

Achievements and performance (cont'd)

Support is not limited solely to families – NHSGGC staff also receive training to improve their skills in caring for bereaved families, as well as having access to support if they are affected by the death of a baby or child in their care. The service helps to empower frontline nursing, medical and clinical staff to communicate with and support families who are dealing with the loss of a child. The service will provide training to all staff continuously throughout the year via 'bitesize' training blocks which will equip them to handle these desperately sad and difficult situations more effectively.

This is a comprehensive bereavement service with experienced counsellors who are well equipped to deal with the complexity of emotions that bereavement brings. The service relieves the burden on staff having to support families whilst they too are suffering, but also provides them with the immediate support they need in order to emotionally deal with the sheer trauma that the death of a baby, child or young person can bring.

"When a child dies, the care for the child stops: the care for the parents should then begin."
Michael Angus, who fundraises for the Charity in memory of his son Christopher

Play & Events Programme

It is our ambition that no child should ever be lonely or scared in hospital. During even the darkest and most difficult moments, our very special team of play staff and volunteers create joyful memories for children and their families. Each year we fund an extensive programme of play and events at the hospital, ensuring that every child has the opportunity to laugh, play and enjoy their childhood, regardless of their condition. Our funding includes the provision of 12 play workers, 11 fully stocked inpatient play rooms, MediCinema, the Teddy Hospital and Kitten Scanner, twice weekly visits from the Clowndoctors, Zone 12, and a full calendar of fun and engaging events which are age and needs appropriate.

"The medical and nursing care was second-to none. But the play team... they saved our sanity. It's a long day as a parent caring for a child in hospital. Even something as simple as arts and crafts supplies made such a difference. It's such an important service and it makes a huge difference to the healing of the child and parents at such a terrible time."
Nichola, parent

In total the Charity invested £814k in our wide-ranging Play and Events programme. The Charity is thankful for the £10k donation from The Gannochy Trust in support of our play service.

For many children, MRI scans can be a very frightening experience with large, noisy machinery in an unfamiliar environment. In 2017 we enhanced the Imaging Preparation Suite with the addition of Scotland's first 'Kitten Scanner', a miniature version of a real MRI scanner which shows the children how it works by using a series of toy animals which when placed in the scanner show the animals 'insides' demonstrating how the scanner works and why. At the Hospital, one in five MRI scans or CT scans are carried out while children are under general anaesthetic due to anxieties about the procedure. The use of the Kitten scanner by the Play Team helps to reduce the fear and anxiety associated with the procedure.

Directors' Report (cont'd)

Achievements and performance (cont'd)

This should reduce the amount of admissions under general anaesthetic and therefore reduce the amount of time children need to spend in the hospital allowing for a more positive experience for the patient and family. The Charity is very grateful to the staff of HSBC in Hamilton for their significant donation enabling this project to be brought to fruition.

"When we first attended the hospital Amelie was just three and, as you can imagine, she was petrified of the scan and the scanner itself. This meant most of her scans were being carried out under general anaesthetic, resulting in long days in hospital and a stressful time for everyone. There is an obvious benefit to get the kids to a stage when a general anaesthetic is not required, and I'm sure this equipment will be very much appreciated by everyone who benefits."

Walter Trotter, Dad to patient, Amelie.

Volunteers

The Charity's volunteers make an invaluable contribution to the organisation. The Charity has 212 active volunteers (2017: 221) contributing 17,000 hours of their own time to benefit children, young people, and their families at the Royal Hospital for Children and to assist with the busy programme of events and fundraising activities throughout the year.

The Charity works in partnership with NHS GGC to deliver the volunteer programme at the Royal Hospital for Children, Glasgow and has 140 (2017: 129) hospital-based Charity volunteers who are there to help children and their families across a wide range of functions including playmakers, MediCinema film screenings, storytellers, hospital welcome guides, health & beauty services, volunteer drivers, gardeners, education service and more. Charity volunteers are also the face of the Fundraising Hub at the hospital.

A new volunteer role this year is supporting the 'Help us Grow Group' (HUGG) for families. This collaboration between families and staff was launched in 2016 and has the aim of supporting families to care for their babies in the Neonatal Unit. This innovative model of 'Family Integrated Care' has had a major impact in the Unit, empowering both families and staff and focussing on family education, staff education, peer to peer support, resources and environment and communications. Examples of HUGG's work so far includes daily family education sessions, development of innovative video messaging for families, enhanced décor, biometric (fingerprint) entry system for parent access and an annual reunion party for former patients and families to continue the peer to peer support. The volunteers recruited have become integral members of the HUGG team and work to support the group and to encourage and empower parents to be primary caregivers. They work to ensure parents are fully aware of all the resources and support available to them to care for their babies.

In addition to hospital volunteers, the Charity has 72 (2017: 92) active fundraising and administration volunteers who provide the Charity with assistance at external talks and events, bucket collections, the collection can service and office administration.

Directors' Report (cont'd)

Achievements and performance (cont'd)

Volunteers (cont'd)

In addition to our 212 regular volunteers, the Charity was fortunate to have benefited from the support from staff of our corporate supporters who gave over 1,000 hours of time last year to help with bucket collections, hospital decorating days, gift wrapping and even being Santa and Santa's elves. We could not do what we do without all of these volunteers.

Financial Review

Financial Objectives	Result
Achieve income budget of £4,449,961	Exceeded – income total of £4,610,472 – improvement on budget of £160,511
Achieve cost of generating income from donations & legacies ratio of 35.8%	Exceeded – ratio of 34.2% (<i>excl. Gifts in Kind</i>)
Achieve charitable expenditure of £2,811,437	Exceeded – expenditure of £3,515,805 – improvement on budget of £704,368

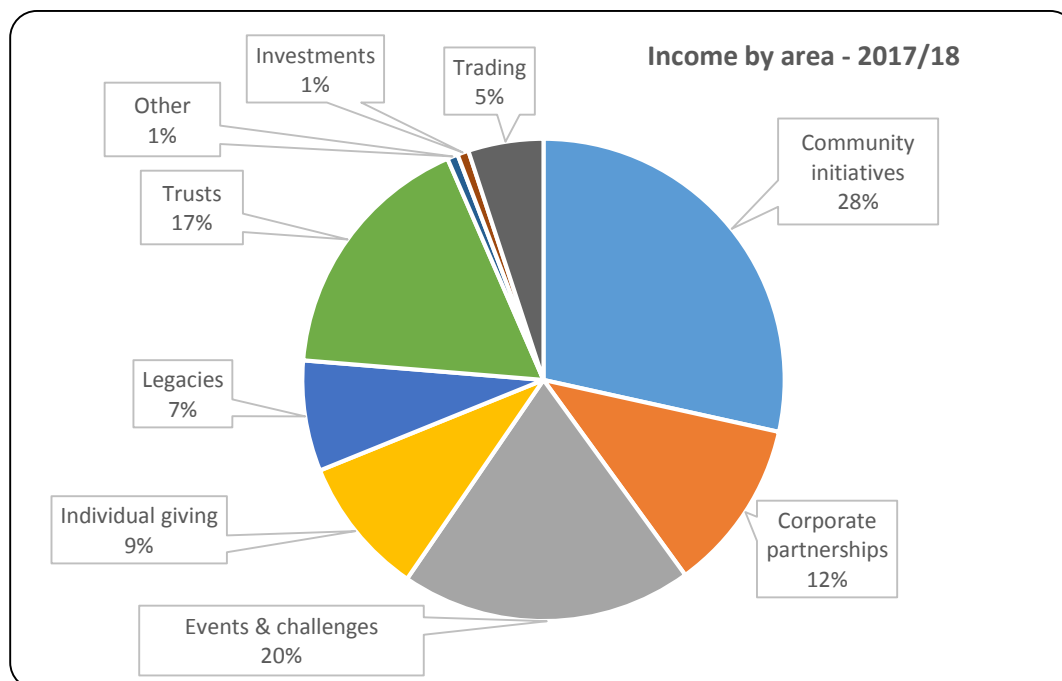
2017/18 was another challenging year for the Charity sector as a whole battling issues with public trust, continuing financial and political uncertainties and increased compliance in many areas, most notably data protection and child safeguarding in what is an increasingly competitive environment. To have not only met but exceeded our targets in this environment is a testament to the steadfast support of our donors for the Charity, the projects we fund in the hospital and, more importantly, for the 168,000 babies, children and young people treated there each year.

The Statement of Financial Activities shows that our charitable activities have resulted in net financial outgoings of £493k (2017: net financial incomings of £6k). This is as a direct result of a deliberate strategy of utilising reserves accumulated in previous years and matching projects to reserves where appropriate to allow a greater number and value of charitable activities to be delivered to the benefit of the patients and families.

Directors' Report (cont'd)

Financial Review (cont'd)

The 2017/18 income split by source:



The income achieved in the 2017/18 financial year of £4.6m was higher than the budget by £160k and the prior year by £408k which is a significant achievement in the current fundraising landscape. The Charity relies entirely on fundraising income and having recognised the contraction of grassroots community fundraising income in recent years, we have worked over successive years to diversify our income streams and balance our fundraising portfolio, in order to ensure that we are best placed to react to the changing giving patterns of the general public.

Income from community initiatives have started to recover showing a 3% growth over the prior year despite the continuing challenges of the economic climate. The change of name in 2016 saw an initial downturn in numbers of donors fundraising for the Charity and amounts raised, however we are confident that the new name and brand has now become more firmly established, and is well recognised throughout the West of Scotland and beyond. It is important to acknowledge however that awareness levels are still not on par with those of 'Yorkhill' which was a heritage brand built on generations of patients and families passing through its doors over a period of 100 years. As an organisation, we have made good progress in rebuilding elements of our donor base, and overcome some of the challenges of being viewed as more Glasgow centric due to our name change in 2016. This continues to be a key priority for the Charity, and is addressed in our comprehensive Marketing and Communications Plan for the years ahead.

Directors' Report (cont'd)

Financial Review (cont'd)

The Charity has successfully grown its online community support across all digital channels, and continues to have one of the strongest social presences in the Scottish third sector. Despite the challenges that Facebook's new algorithm has presented to organisations, the platform still remains our strongest digital channel for connecting with supporters. While we have previously only used Facebook to raise awareness, we are now also successfully generating income on a monthly basis through the platform.

	2017/18	2016/17	Growth
Facebook likes	52,417	48,048	9%
Average Facebook daily reach *	17,661	28,272	(37%)
Facebook fundraising income generated	6,067	0	N/A
Twitter followers	10,673	8,777	22%
Twitter mentions	4,716	3,150	50%
Instagram followers	3,401	2,064	65%

** In 2017/18, Facebook's algorithm changes to make posts from brands less prominent which is having a significant impact on reach and engagement for organisations with business pages.*

Events and challenges continue to be an area of growth for the Charity. Our 11th Annual Ball in November was a truly poignant and inspiring event, where guests took our brave Schiehallion patients, families and staff to their hearts; raising a phenomenal amount of £211k of income in support of our Schiehallion Appeal. Our annual sponsored walk and family fun day in September attracted over 1,200 participants, a record number for the Charity and included many patients and their families all coming together to raise an amazing £102k of income, also for our Schiehallion Appeal.

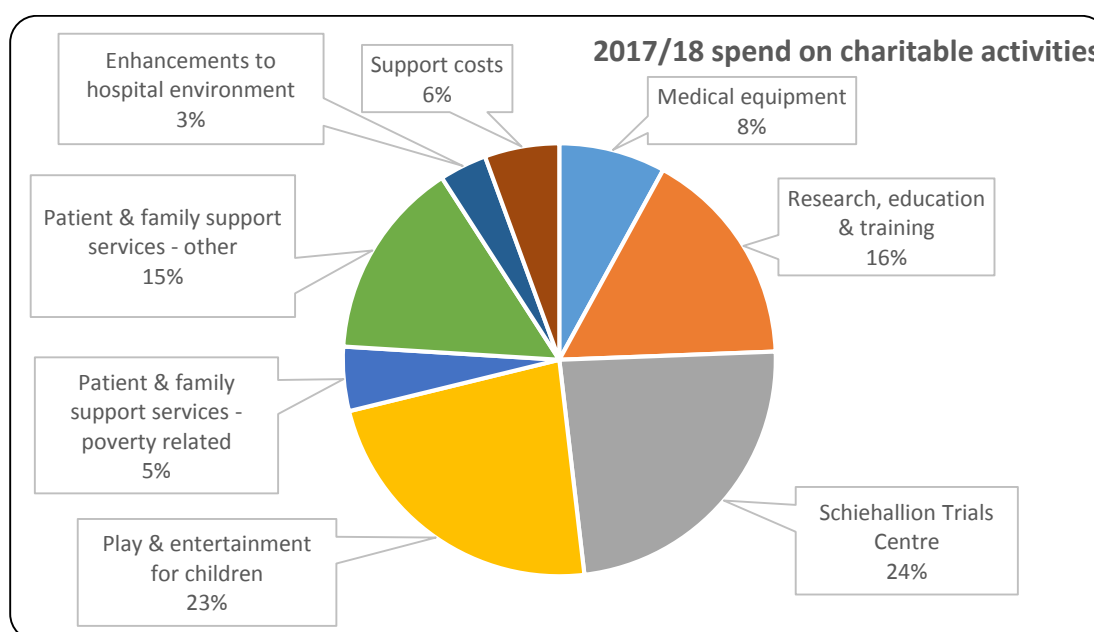
Our long standing relationship with the KiltWalk has gone from strength to strength where the monies raised in 2017 and 2018 are in support of the Schiehallion Appeal. The Charity raised a phenomenal £234k from the 2017 KiltWalk inclusive of a 40% uplift generously gifted by The Hunter Foundation. The KiltWalk is now open to all Scottish charities and the support we receive from it, are thanks to the efforts of the 535 number of walkers who took part in 2017, which increased to an incredible 1,027 walkers in 2018.

The Charity has in recent years invested additional resources into Trusts and Foundations and this continues to yield positive returns with this income stream growing by 18% this year to £726k across a wide spread of organisations. The Charity has also been most fortunate to benefit from £342k of legacy income in the year, up 102% on the previous year.

Directors' Report (cont'd)

Financial Review (cont'd)

The Charity was able in the year to support the RHC with grant awards totalling £3.5m split by area of activity as follows (items and projects greater than £25k are detailed in Note 9 of the financial statements):



As partner Charity of the RHC, the Charity works to enhance the experience of the patients and their families at all stages of their journey through the hospital. Every year 168,000 children from Scotland and beyond are treated at RHC. 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. Thanks to the generous support of our donors, fundraisers and volunteers alike we have been able to enhance the care and experience provided at the hospital.

The amount spent on charitable activities has climbed by £691k from the prior financial year to £3.5m driven by the extraordinary success of our Schiehallion Appeal and will be directed towards the development of the Schiehallion Clinical Trials Centre in the Hospital.

The Charity is now in the position of providing significant levels of funding towards the establishment, development and continuation of many services onsite at the Hospital to enhance the patient care and experience including those services dedicated to providing an extensive programme of play and events for children, the hospital volunteers, bereavement support, financial inclusion, family support & information and emergency accommodation, travel and subsistence needs.

For some families a hospital visit can become a long term stay, which can put a significant strain on their finances. The Charity has continued to fund the Money and Debt Advice Service at the Hospital which helps families access welfare support. In the financial year, the service claimed £2.4m for 361 newly referred families (2017: 2.3m for 408 families) – an average of £6,743 for every family supported.

Directors' Report (cont'd)

Financial Review (cont'd)

The Family Support team at the Hospital offer essential support at a critical time. Families often arrive at the Hospital with nothing but the clothes on their backs; lives are turned upside down in a heartbeat, and a new life in Hospital begins.

We do all that we can during those critical moments to ensure families receive the support that they need. From meal vouchers and toiletries, to help with travel and accommodation, the Family Support & Information team look after the parents and carers, and it has been a real privilege for the Charity to support these families during their darkest hours with one-off, emergency grants.

"It's such a dark world caring for a sick child. There are no words to describe what we owe the hospital and the Charity. They let in the light."

David, parent

The Charity is most thankful for the continued support of the STV Children's Appeal who supported the Family Support & Information Service and the provision of emergency travel and support costs with a generous donation of £106k in 2017/18.

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.

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 3 years. The Board of Directors has reviewed the investment policy and practice and concluded that short to medium term investment of funds should be held in a mixture of current and term bank accounts to optimise interest earned.

As a result of wider economic conditions, deposits rates have remained low and the interest earned has not exceeded inflation. The funds invested in term deposits have achieved an average rate of 0.6% against an inflation rate of 2.3% (CPIH at March 2018).

Directors' Report (cont'd)

Risk management

The Directors and Senior Management Team examine the major strategic, business and operational risks which the Charity faces on a regular basis and adopt a risk management strategy which comprises:

- an annual Board-level review of the risks which the Charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan;
- the implementation of procedures designed to minimise any potential impact on the Charity should any of those risks materialise, and
- monthly reviews of these risks and procedures by the Senior Management Team complemented by a quarterly update to the Finance & Legal Committee.

The Directors consider that the principal risks facing the Charity at the current time are:

- potential contractions in key income streams adversely impacting our ability to continue to fund a full range of charitable activities,
- potential reductions in the amount of donors who may be contacted about fundraising appeals as a result of changes in General Data Protection Regulations requiring unambiguous consent to contact from May 2018,
- the uncertainties in the social, political and economic landscape in the UK, and
- potential time parameters around the creation, development and implementation of a regionalised fundraising presence.

These risks are being managed by robust multi-faceted Fundraising and Marketing & Communications strategies. The fundraising team are actively engaging with donors, fundraisers and volunteers across every viable platform and are always looking to diversify the fundraising portfolio with new opportunities. A planned 2019 campaign with Edinburgh Children's Hospital Charity, and the ARCHIE Foundation presents a strong opportunity to harness support at a national level, and to initiate discussions around partnership working for the future.

The General Data Protection Regulations (GDPR) came into force in May 2018 and like most charities, we have been preparing for this for over a year now to ensure full compliance with these important new regulations to give individuals more control over their personal data. We are aware that unfortunately we could lose contact with a large number of supporters on our database, and we have worked tirelessly throughout the past 12 -18 months developing a robust data retention and donor stewardship campaign. The Charity has ensured that all documentation, practices and policies were updated to reflect the change to the law on 25 May 2018. The Charity designed and implemented a comprehensive communications strategy in order to gain consent requests for as many individual donors on our database as possible, this was executed via mailings, telephone calls, face to face interaction and email. The Charity will continue to use the principle of Legitimate Interest as outlined as best practice by the Institute of Fundraising, to keep in touch with donors appropriately in a predefined time parameter. All staff at the Charity are fully aware of GDPR implications.

Directors' Report (cont'd)

Reserves

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

Unrestricted Funds:

Designate general reserve	600,000
General funds	142,021

742,021

Restricted Funds	1,819,829
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Total Funds **2,561,850**

Reserves policy

The Directors examine the requirement to retain reserves within the Charity on an annual basis to ensure there are sufficient free unrestricted reserves to safeguard the financial stability of the Charity against unforeseen fluctuations in income levels. The Directors are confident that the sum of £600,000 set aside as a designated reserve is sufficient to allow the Charity to continue to operate and meet commitments over a period of four to six months. The Directors believe this is the prudent and appropriate sum to set aside and review this level as required in conjunction with their regular assessment of the risks facing the Charity.

Going concern

The Board considers that there are no 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 Boards consider that the Charity has sufficient reserves and detailed management accounts are prepared and scrutinised on a regular basis.

Plans for future periods

2018 marks the start of the next phase in the Charity's development with our ambitious three year strategy for 2018 – 2021. The internal and external landscape for the Charity has seen enormous change on a level which could not have been predicted when the previous 2015 – 2018 organisational strategy was developed. The opening of the new hospital and our resulting name change combined with a time of increased competition in the sector and high levels of political and economic uncertainties meant that the original growth strategy was no longer feasible. The Charity has taken a very proactive approach to the changing landscape and built a more balanced fundraising portfolio, rebuilt our brand and are in a strong position to face the future.

In addition to the loss of the 'Yorkhill' name in 2016, societal values have altered significantly in recent years, and there has been a strong trend towards localised giving patterns, where people can see a tangible benefit to the communities in which they serve. Given this context, we must consider our strategic aims and the implication that this will have in terms of competitive positioning, growth and potential opportunities and threats.

Directors' Report (cont'd)

Plans for future periods (cont'd)

Throughout the years, the Charity has maintained its commitment to support children and their families across Scotland, and has made extensive, constructive contributions to the care and experience provided at the Royal Hospital for Children, Glasgow. This is central to what the Charity does, and we must now explore the possibility of expanding our core commitment, and the ability that we have to support more babies, children and young people affected by ill health in the West of Scotland.

We have a strong and trusted reputation as a fundraising organisation, and we must look to maximise the expertise and knowledge that we have, to expand the reach of our contribution.

As a fundraising organisation with a vision to provide world class medical equipment and research, innovative play programmes and enhanced family resources, we have to continue to move forth and grow the capabilities and responsibilities of the Charity in order to realise our full potential.

The Charity is now recognised as the Charity partner of the Women's & Children's Directorate of NHS Greater Glasgow & Clyde, working in alignment with key NHS strategic priorities to deliver projects and services making a real and lasting impact on the lives of the young patients and their families. The Charity intends to build on this position and extend our reach through fundraising and delivery of charitable activities within other health boards in the West of Scotland. While maintaining the support the Charity gives to the Royal Hospital for Children, Glasgow we intend in the 2018/19 financial year to extend our support to include the care and treatment of all babies, children, young people and their families in NHS hospitals and community based services throughout the West of Scotland.

It is also important to recognise that the strategic aim of growing our presence and impact throughout the West of Scotland does not sit in isolation to our wider strategic priorities of continuing to enhance and grow the number of direct services that the Charity is able to offer, to those patients and families who need it the most. It would be our intention to start negotiation with other health boards offering service delivery, in addition to the already well established programmes that we deliver such as events and volunteering.

We recognise that these developments will require considerable investments of resources including additional staffing requirements and accordingly in the 2018/19 financial year, income and amounts available for charitable expenditure, are forecast as £4.7m and £2.5m respectively.

Reference and administrative details

Charity number	SC007856
Company number	SC222439
Registered office	2 nd Floor, PSP House, 50 High Craighall Road, Glasgow G4 9UD

Directors' Report (cont'd)

Reference and administrative details (cont'd)

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 comprise the Board of Directors, who are the Charity's Trustees for the purpose of Charity law, and the Chief Executive Officer.

Directors and Trustees

Professor Peter Watson (Chairman)
Mr Robert Tomlinson (Vice-Chairman)
Mr Robert Vaughan (appointed as Vice-Chairman 26 June 2018)
Mr Stuart Anderson (Secretary)
Mr Jonathan Bryden (Treasurer)
Professor Syed Faisal Ahmed
Dr Graham Bell (resigned 9 February 2018)
Miss Victoria Drysdale
Dr Abid Faqir
Mr Andrew Perratt
Dr Alison Rennie
Ms Jennifer Rodgers
Dr Joanne Stirling (appointed 14 June 2018)
Mr Scott Taylor (appointed 31 May 2018)

Chief Executive

Shona Cardle

Auditors

Hardie Caldwell LLP
Citypoint 2
25 Tyndrum Street
Glasgow G4 0JY

Bankers

Bank of Scotland
174 Byres Road
Glasgow G12 8SW

Solicitors

Turcan Connell
Sutherland House
149 St. Vincent Street
Glasgow G2 5NW

Directors' Report (cont'd)

Structure, governance and management (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 2018) 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 quarterly 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, 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 five sub-committees, which meet as required and make recommendations to the Board. These are:

Professional Scientific Advisory Committee

This Committee meets quarterly 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.

Finance and Legal Committee

This Committee meets quarterly to review the annual operating budget, quarterly reforecasts, comprehensive monthly management accounts, risk register 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 quarterly 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.

Directors' Report (cont'd)

Structure, governance and management (cont'd)

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.

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. All retired Directors can offer themselves for re-appointment.

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

Mr Robert Tomlinson (Vice-Chairman)
Mr Jonathan Bryden (Treasurer)
Professor Syed Faisal Ahmed
Dr Alison Rennie
Dr Joanne Stirling
Mr Scott Taylor

Directors represent independent professional individuals and medical and other NHS staff. The maximum number of Directors is 16 and the Chair may not be an NHS employee. Directors are appointed to the offices of Chair, Vice-Chair, Secretary 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 quarterly board meetings and sub-committees by members of the legal and accountancy professions. 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.

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.

Directors' Report (cont'd)

Structure, governance and management (cont'd)

Subsidiary Trading Company

The Charity operates a retail shop under a separate company, Glasgow Children's Hospital Trading Limited, which annually gifts an appropriate proportion of its net profits to the Charity with the remainder being re-invested in the company.

Responsibilities of the Directors

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.

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;
- 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 operation.

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 ensuring their proper application in accordance with Charity law, 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.

Directors' Report (cont'd)

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, having made enquiries of fellow Directors and the group's auditors that they ought to have individually taken, have 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 Hardie Caldwell 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

On behalf of the Board

S Anderson

Stuart Anderson
Director and Secretary

Dated: 25 September 2018

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the consolidated financial statements of Glasgow Children's Hospital Charity group and parent company for the year ended 31 March 2018 on pages 25 to 53. 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'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors (who are also the trustees of the charitable company for the purposes of charity law), 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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2018 and of the incoming resources and application of resources, including the 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 the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)

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 directors' 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's or 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.

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

Matters on which we are required to report by exception

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

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

- the information given in the Directors' Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2018 (cont'd)

- the financial statements are not in agreement with the accounting records and returns; 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 Directors' Report.

Responsibilities of Directors

As explained more fully in the Responsibilities of the Directors statement set out on page 20, the directors 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's or 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 charitable company 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.

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.

M Hopper

Marion Hopper (Senior Statutory Auditor)
For and on behalf of Hardie Caldwell 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: 28 September 2018

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2018

	Note	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Income from:					
Donations and legacies	3	1,774,326	1,813,282	3,587,608	3,246,836
Other trading activities	4	254,282	733,824	988,106	917,673
Investment income	5	17,251	17,507	34,758	37,744
Total income		2,045,859	2,564,613	4,610,472	4,202,253
Expenditure on:					
Raising funds:					
Donations and legacies	7	1,066,619	104,548	1,171,167	1,063,152
Other trading activities	7	242,009	179,415	421,424	313,498
Charitable activities	7,8,9	1,246,102	2,269,703	3,515,805	2,824,842
Total expenditure		2,554,730	2,553,666	5,108,396	4,201,492
Net movement in funds before gains / (losses) on investments		(508,871)	10,947	(497,924)	761
Gains /(losses) on investments	14,16	4,754	-	4,754	5,018
Net income / (expenditure)	22	(504,117)	10,947	(493,170)	5,779
Transfers between funds	22,23,24	233,591	(233,591)	-	-
Net movement in funds for the year		(270,526)	(222,644)	(493,170)	5,799
Reconciliation of funds:					
Total funds brought forward	22,23,24	1,012,547	2,042,473	3,055,020	3,049,241
Net movement in funds for the year		(270,526)	(222,644)	(493,170)	5,779
Total funds carried forward	22,23,24	742,021	1,819,829	2,561,850	3,055,020

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 2018

	Note	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Income from:					
Donations and legacies	3	1,774,326	1,813,282	3,587,608	3,246,836
Other trading activities	4	140,634	700,565	841,199	824,120
Investment income	5	17,242	17,507	34,749	37,736
Total income		1,932,202	2,531,354	4,463,556	4,108,692
Expenditure on:					
Raising funds:					
Donations and legacies	7	1,066,619	104,548	1,171,167	1,063,152
Other trading activities	7	128,352	146,156	274,508	219,937
Charitable activities	7,8,9	1,246,102	2,269,703	3,515,805	2,824,842
Total expenditure		2,441,073	2,520,407	4,961,480	4,107,931
Net movement in funds before gains / (losses) on investments					
		(508,871)	10,947	(497,924)	761
Gains / (losses) on investments	14,16	4,754	-	4,754	5,018
Net income / (expenditure)	22	(504,117)	10,947	(493,170)	5,779
Transfers between funds	22,23,24	233,591	(233,591)	-	-
Net movement in funds for the year		(270,526)	(222,644)	(493,170)	5,779
Reconciliation of funds:					
Total funds brought forward	22,23,24	977,297	2,042,473	3,019,770	3,013,991
Net movement in funds for the year		(270,526)	(222,644)	(493,170)	5,779
Total funds carried forward	22,23,24	706,771	1,819,829	2,526,600	3,019,770

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 2018

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Fixed assets					
Tangible Fixed assets	13	86,635	-	86,635	104,724
Investments	14	32,379	-	32,379	31,891
Current Assets					
Stock		8,367	-	8,367	5,813
Debtors	15	172,339	-	172,339	45,578
Investments	16	-	-	-	14,825
Cash at bank and in hand	17	2,567,356	3,223,396	5,790,752	5,352,333
		<u>2,748,062</u>	<u>3,223,396</u>	<u>5,971,458</u>	<u>5,418,549</u>
Creditors: amounts falling due within one year	18	(1,920,059)	(643,567)	(2,563,626)	(2,204,824)
Net Current Assets		828,003	2,579,829	3,407,832	3,213,725
Creditors: amounts falling due after more than one year	19	(204,996)	(760,000)	(964,996)	(295,320)
Net Assets		<u>742,021</u>	<u>1,819,829</u>	<u>2,561,850</u>	<u>3,055,020</u>
Accumulated Funds					
Unrestricted Funds:					
Designated general reserve				600,000	600,000
General funds				142,021	412,547
	21,22			<u>742,021</u>	<u>1,012,547</u>
Restricted Funds	21,23			<u>1,819,829</u>	<u>2,042,473</u>
	21,24			<u>2,561,850</u>	<u>3,055,020</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:

R Tomlinson

Robert Tomlinson (Vice-Chair)
Dated: 25 September 2018

J Bryden

Jonathan Bryden (Treasurer)
Dated: 25 September 2018

The attached notes form part of these financial statements.

Charity Balance Sheet

As at 31 March 2018

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Fixed assets					
Tangible Fixed assets	13	86,053	-	86,053	102,978
Investments	14	32,479	-	32,479	31,991
Current Assets					
Debtors	15	196,184	62,266	258,450	94,842
Investments	16	-	-	-	14,825
Cash at bank and in hand	17	2,506,620	3,161,130	5,667,750	5,268,940
		<u>2,702,804</u>	<u>3,223,396</u>	<u>5,926,200</u>	<u>5,378,607</u>
Creditors: amounts falling due within one year	18	(1,909,569)	(643,567)	(2,553,136)	(2,198,486)
Net Current Assets		793,235	2,579,829	3,373,064	3,180,121
Creditors: amounts falling due after more than one year	19	(204,996)	(760,000)	(964,996)	(295,320)
Net Assets		<u><u>706,771</u></u>	<u><u>1,819,829</u></u>	<u><u>2,526,600</u></u>	<u><u>3,019,770</u></u>
Accumulated Funds					
Unrestricted Funds:					
Designated general reserve				600,000	600,000
General funds				106,771	377,297
	21,22			<u>706,771</u>	<u>977,297</u>
Restricted Funds	21,23			<u>1,819,829</u>	<u>2,042,473</u>
	21			<u><u>2,526,600</u></u>	<u><u>3,019,770</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:

R Tomlinson

Robert Tomlinson (Vice-Chair)
Dated: 25 September 2018

J Bryden

Jonathan Bryden (Treasurer)
Dated: 25 September 2018

The attached notes form part of these financial statements.

Statements of Cash Flows

For the year ended 31 March 2018

	Note	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Cash (used in)/ provided by operating activities		404,649	(58,267)	367,049	(65,370)
<u>Cash flows from investing activities:</u>					
Dividends and interest		34,758	37,744	34,749	37,736
Purchase of fixed assets		(2,988)	-	(2,988)	-
Cash provided by / (used in) investing activities		31,770	37,744	31,761	(37,736)
(Decrease) / increase in cash in the year		438,419	(20,523)	398,810	(27,634)
Cash at the beginning of year		5,352,333	5,372,856	5,268,940	5,296,574
(Decrease) / increase in cash in the year		438,419	(20,523)	398,810	(27,634)
Cash at the end of the year		5,790,752	5,352,333	5,667,750	5,268,940
<u>Reconciliation to Statement of Financial Activities</u>					
Net income / (expenditure) for the year as per the Statement of Financial Activities		(493,170)	5,779	(493,170)	5,779
<u>Adjustments for:</u>					
Depreciation		21,077	27,923	19,913	26,759
(Gains)/ losses on investments		(4,754)	(5,018)	(4,754)	(5,018)
Dividends and interest		(34,758)	(37,744)	(34,749)	(37,736)
Disposal of current asset investment		19,091	-	19,091	-
(Increase) / decrease in stock		(2,554)	(666)	-	-
Decrease / (increase) in debtors		(126,761)	58,710	(163,608)	51,377
(Decrease) / increase in creditors		1,028,478	(107,251)	1,024,326	(106,531)
Cash (used in)/ provided by operating activities		406,649	(58,267)	367,049	(65,370)

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 2nd Floor, PSP House, 50 High Craighall Road, Glasgow G4 9UD.

2. Accounting policies

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 2015), 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).

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

(a) Group financial statements

These financial statements consolidate the results of the Charity and its wholly owned trading subsidiary Glasgow Children's Hospital Trading Limited on a line by line basis incorporating income and expenditure under income from and expenditure on other trading activities respectively. With the preparation of consolidated financial statements by the Charity there is no requirement to disclose related party transactions with the wholly-owned subsidiary undertaking, Glasgow Children's Hospital Trading Limited.

(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.

Notes to the Consolidated Financial Statements (cont'd)

2. Accounting policies (cont'd)

(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.

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.

(d) 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 one principal activity, the retailing of goods.

(e) 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.

Support costs have been allocated between expenditure categories based on the use of resources. 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.

Notes to the Consolidated Financial Statements (cont'd)

2. Accounting policies (cont'd)

(f) 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.

(g) 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.

Current asset investments are shares which have been gifted to the Charity which are intended to be sold in the near future, and are included in the financial statements at market value.

(h) 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
Leasehold improvements	term of the lease

(i) 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.

Notes to the Consolidated Financial Statements (cont'd)

2. Accounting policies (cont'd)

(j) 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.

(k) Debtors

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

(l) 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.

(m) 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.

(n) 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.

(o) Leases

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

(p) Commitments

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

(q) Going concern

The Board considers that there are no 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 detailed management accounts are prepared and scrutinised on a regular basis.

Notes to the Consolidated Financial Statements (cont'd)

3. Consolidated income from donations and legacies – Group and Charity

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Donations from Individuals	1,008,340	912,306	1,920,646	1,812,100
Donations from corporate partners	383,497	148,694	532,191	546,213
Donations from Trusts & Foundations	40,291	752,282	792,573	719,323
Legacies	342,198	-	342,198	169,200
Total income from donations and legacies	1,774,326	1,813,282	3,587,608	3,246,836

4. Income from other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Group				
Trading	137,100	95,525	232,625	143,557
Charity challenges	95,334	89,956	185,290	345,456
Charity events	21,848	515,271	537,119	381,937
Course registration fees	-	33,072	33,072	46,723
Total income from other trading activities	254,282	733,824	988,106	917,673

Incoming resources from Trading are stated net of Value Added Tax and represent the value of sales made in the course of Glasgow Children's Hospital Trading Limited's principal activity, which is retailing of goods.

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Charity				
Dividend payment from Glasgow Children's Hospital Trading Limited	23,452	62,266	85,718	50,004
Charity challenges	95,334	89,956	185,290	345,456
In house events	21,848	515,271	537,119	381,937
Course registration fees	-	33,072	33,072	46,723
Total income from other trading activities	140,634	700,565	841,199	824,120

Notes to the Consolidated Financial Statements (cont'd)

5. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Group				
Interest received from bank deposits	15,791	17,507	33,298	36,529
Dividend income	1,460	-	1,460	1,215
	<u>17,251</u>	<u>17,507</u>	<u>34,758</u>	<u>37,744</u>
Total investment income	17,251	17,507	34,758	37,744
Charity				
Interest received from bank deposits	15,782	17,507	33,289	36,521
Dividend income	1,460	-	1,460	1,215
	<u>17,242</u>	<u>17,507</u>	<u>34,749</u>	<u>37,736</u>
Total investment income	17,242	17,507	34,749	37,736

6. Gifts in kind

The Charity is grateful for the generous support in the year to the following donors who have made significant donations of goods or services as Gifts in Kind:

- PSP Publishing who donated several goods valued at £13,979 in support of various events throughout the year (2017: £10,525);
- Weber Shandwick who donated £9,000 of PR Services (2017: £9,000).

Notes to the Consolidated Financial Statements (cont'd)

7. Allocation of expenditure

	Basis	Donations & legacies £	Other trading activities £	Charitable Activities £	2018 Total £	2017 Total £
Group						
Grants payable	1			3,209,650	3,209,650	2,573,760
Staff cost – prog. delivery	2			109,556	109,556	111,317
Staff costs (excl prog. delivery)	2	616,071	103,659	161,291	881,021	787,664
Community initiatives	1	102,545			102,545	89,976
Corporate partners	1	32,228			32,228	28,804
Events & challenges	1		198,651		198,651	151,489
Trading	1		117,644		117,644	80,039
Individual Giving	1	13,400			13,400	18,029
Legacies & Trusts	1	937			937	12,259
Marketing & Communications	1	121,295			121,295	108,642
Transaction charges	1	68,007			68,007	54,281
Staff related costs	1	25,053		6,262	31,315	23,691
Office related costs	1	113,109		29,046	142,155	141,430
Volunteer costs	1	3,053			3,053	2,877
Strategy	1	4,906			4,906	720
Development Costs	1	60,871			60,871	-
Audit & other professional fees	1	9,692	1,470		11,162	16,514
		1,171,167	421,424	3,515,805	5,108,396	4,201,492
Charity						
Grants payable	1			3,209,650	3,209,650	2,573,760
Staff cost – prog. delivery	2			109,556	109,556	111,317
Staff costs (excl prog. delivery)	2	616,071	75,857	161,291	853,219	775,572
Community initiatives	1	102,545			102,545	89,976
Corporate partners	1	32,228			32,228	28,804
Events & challenges	1		198,651		198,651	151,489
Individual Giving	1	13,400			13,400	18,029
Legacies & Trusts	1	937			937	12,259
Marketing & Communications	1	121,295			121,295	108,642
Transaction charges	1	68,007			68,007	54,281
Staff related costs	1	25,053		6,262	31,315	23,691
Office related costs	1	113,109		29,046	142,155	141,430
Volunteer costs	1	3,053			3,053	2,877
Developing Strategy	1	4,906			4,906	720
Development costs	1	60,871			60,871	-
Audit & other professional fees	1	9,692			9,692	15,084
		1,171,167	274,508	3,515,805	4,961,480	4,107,931

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

Notes to the Consolidated Financial Statements (cont'd)

7. 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 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Staff costs	37,734	35,690	37,734	35,690
Audit fees	7,700	7,660	6,360	6,230
Strategy development	4,000	720	4,000	720
Trustee meetings	78	1,673	78	1,673
Total governance costs	49,512	45,743	48,172	44,313

8. Charitable activities – Group and Charity

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Medical Equipment	-	280,112	280,112	405,249
Research, Education & Training	241,644	1,170,770	1,412,414	854,658
Play & Entertainment for Children	529,268	280,466	809,734	744,607
Patient and Family Support Services	111,037	412,884	523,921	213,158
Patient and Family Support Services – recovery of over-provisions in prior years	-	-	-	(140,513)
Patient and Family Support Services – Poverty Related	155,088	13,386	168,474	266,422
Enhancements to Hospital Environment	12,466	110,885	123,351	215,831
Other Projects	-	407	407	111,481
	1,049,503	2,268,910	3,318,413	2,670,893
Grants to affiliated bodies	-	793	793	14,184
Total grants awarded (Note 9)	1,049,503	2,269,703	3,319,206	2,685,077
Support costs allocated	196,599	-	196,599	139,765
Charitable expenditure	1,246,102	2,269,703	3,515,805	2,824,842

Notes to the Consolidated Financial Statements (cont'd)

9. Grants awarded in the period – Group and Charity

(a) 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 three 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 services and milk bank volunteer driver service.

A breakdown of individual grants larger than £25,000 is shown in Note 9(d).

(b) 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 of individual grants larger than £25,000 is shown in Note 9(d) and a breakdown by Fund is given in Note 24.

(c) Restricted funds – Grants to affiliated bodies

Grants in respect of funds donated to specific departments of RHC for which the accounts are administered by NHS Greater Glasgow & Clyde.

(d) Items of charitable expenditure over £25,000 in value:

	From unrestricted funds £	From restricted funds £	2018 Total £
<u>Medical equipment</u>			
Pacemakers (16)	-	44,000	44,000
NICU Scanner	-	94,000	94,000
IBD Scope Guide	-	39,084	39,084
Medical Equipment < £25,000	-	103,028	103,028
<u>Research, education & training</u>			
PHD Studentship	60,000	-	60,000
Project Support Grants	167,014	2,703	169,717
Schiehallion Appeal (Clinical Trials centre)	-	835,000	835,000
Clinical Research Fellowship	-	57,079	57,079
Shine a Light Eyecare project	-	59,865	59,865
Office for Rare Conditions	-	75,000	75,000
Training Courses & Conferences < £25,000	14,630	141,123	155,753

Notes to the Consolidated Financial Statements (cont'd)

9. Grants awarded in the period – Group & Charity (cont'd)

(d) Items of charitable expenditure over £25,000 in value:

	From unrestricted funds £	From restricted funds £	2018 Total £
<u>Play & Entertainment for Children</u>			
Structured Play Service	366,226	188,752	554,978
Internal Hospital Events	50,270	13,414	63,684
Hospital Volunteer Service	61,689	5,000	66,689
MediCinema Running Costs	-	49,932	49,932
Clown Doctors service	51,817	-	51,817
Items < £25,000	(735)	23,369	22,634
<u>Patient & Family Support Services</u>			
Creative Therapies art project	-	74,233	74,233
Move Project Year 2	-	58,574	58,574
Bereavement Service	98,110	12,168	110,278
Renal service development	-	150,000	150,000
Items < £25,000	12,927	117,909	130,836
<u>Patient & Family Support Services - Poverty</u>			
Financial Inclusion Service	99,748	(9,338)	90,410
Family Needs Assessment & Support Service	46,104	3,000	49,104
Items < £25,000	9,236	19,724	28,960
<u>Environmental & artistic enhancements within RHC:</u>			
IMD Corridor artwork – underspend from prior year	-	(29,801)	(29,801)
Clinic 1 FOA Unit waiting area & treatments rooms	-	37,138	37,138
Rehabilitation Kitchen refurbishment	695	35,000	35,695
Rehabilitation Waiting Area refurbishment	-	26,127	26,127
Items < £25,000	11,772	42,420	54,192
Other Projects	-	407	407
Grants to Affiliated Bodies	-	793	793
Total grants awards (Note 8)	1,049,503	2,269,703	3,319,206

Notes to the Consolidated Financial Statements (cont'd)

10. Net (expenditure) / income for the year

Is stated after charging:

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Audit fees (net of VAT)	6,770	6,580	5,300	5,150
Tax advisory service fees	514	894	241	894
	=====	=====	=====	=====

11. Analysis of staff and key management personnel costs

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
<u>Programme delivery staff:</u>				
Salaries	97,255	98,717	97,255	98,717
Employer's NI	7,451	7,483	7,451	7,483
Pension costs	4,394	5,117	4,394	5,117
	=====	=====	=====	=====
	109,100	111,317	109,100	111,317
<u>Other charitable activities:</u>				
Salaries	132,419	92,770	132,419	92,770
Employer's NI	13,038	9,680	13,038	9,680
Pension costs	16,568	11,480	16,568	11,480
	=====	=====	=====	=====
	162,025	113,930	162,025	113,930
<u>Other trading activities:</u>				
Salaries	88,117	69,778	63,787	59,600
Employer's NI	7,833	7,158	5,931	5,753
Pension costs	5,188	3,604	3,978	3,095
	=====	=====	=====	=====
	101,138	80,540	73,696	68,448
<u>Donations & legacies:</u>				
Salaries	527,063	503,729	527,063	503,729
Employer's NI	48,584	45,009	48,584	45,009
Pension costs	42,667	44,456	42,667	44,456
	=====	=====	=====	=====
	618,314	593,194	618,314	593,194
Total staff costs	=====	=====	=====	=====
	990,577	898,981	963,135	886,889

Notes to the Consolidated Financial Statements (cont'd)

11. 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, and the Chief Executive. The Trustees received no remuneration in the period, nor re-imbursement of expenses (2017: £Nil). The total employee benefits (inclusive of pension and employer's National Insurance costs) of the Chief Executive were £86,658 (2017: £81,989).

The average number of employees in the year was 32 (2017: 30).

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

	2018	2017
£70,001 - £80,000	1 =	1 =

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.

12. Related Party Transactions

The Trustees, in aggregate, donated the sum of £13,623 (2017: £10,318) 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.

Notes to the Consolidated Financial Statements (cont'd)

13. Tangible fixed assets – Group and Charity

	Group Fixtures & Fittings £	Group Computer Equipment £	Group Total £	Charity Fixtures & Fittings £	Charity Computer Equipment £	Charity Total £
Cost:						
At beginning of the year	159,217	49,219	208,436	155,725	49,219	204,944
Additions	-	2,988	2,988	-	2,988	2,988
At end of the year	159,217	52,207	211,424	155,725	52,207	207,932
Depreciation:						
At beginning of the year	54,493	49,219	103,712	52,747	49,219	101,966
Charge for the period	21,077	-	21,077	19,913	-	19,913
At end of the year	75,570	49,219	124,789	72,660	49,219	121,879
Net book value:						
At beginning of the year	104,724	-	104,724	102,978	-	102,978
At end of the year	83,647	2,988	86,635	83,065	2,988	86,053

14. Fixed asset investments

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
100 ordinary shares in Glasgow Children's Hospital Trading Limited, a trading subsidiary	-	-	100	100
Shares in UK stock exchange companies	32,379	31,891	32,379	31,891
Total fixed asset investments	32,379	31,891	32,479	31,991

Glasgow Children's Hospital Trading Limited's profit for the year ended 31 March 2018 was £Nil (2017: £Nil) after transferring £85,718 (2017 : £50,004) 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 2018, its capital and reserves totalled £35,350 (2017: £35,350).

Notes to the Consolidated Financial Statements (cont'd)

14. Fixed asset investments (cont'd)

Shares held in UK Stock Exchange Companies – Group & Charity

	2018 £	2017 £
Market value at beginning of the year	31,891	28,460
Gain on revaluation	489	3,431
Market Value at the end of the year	32,380	31,891
Cost at end of the year	19,351	19,351

These shareholdings arose from a legacy received in 2010 and may be sold at some future date.

15. Debtors

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Amount due from Glasgow Children's Hospital Trading Limited	-	-	86,664	50,004
Prepayments	20,584	20,356	20,031	19,616
Accrued Income	151,755	25,222	151,755	25,222
Total debtors	172,339	45,578	258,450	94,842

Four legacies totalling £115,000 have been accrued into income in 2018 (2017: £Nil).

16. Current asset investments – Group and Charity

	2018 £	2017 £
Market value at beginning of the year	14,825	13,238
Gain on revaluation	4,266	1,587
Disposal	(19,091)	-
Market Value at the end of the year	-	14,825

Notes to the Consolidated Financial Statements (cont'd)

17. Cash at bank and in hand

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Unrestricted funds	2,567,356	2,162,220	2,444,354	2,078,827
Restricted funds	3,223,396	3,190,113	3,223,396	3,190,113
Total cash at bank and in hand	5,790,752	5,352,333	5,667,750	5,268,940

18. Creditors: amounts falling due within one year

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Grants payable	2,276,900	1,920,243	2,276,900	1,920,243
Other creditors & accruals	264,307	261,511	256,211	258,218
Other taxation and social security	22,419	23,070	20,025	20,025
Total creditors falling due within one year	2,563,626	2,204,824	2,553,136	2,198,486

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

Grants payable	964,996	295,320	964,996	295,320
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20. Commitments

At 31 March 2018, the Charity had total future commitments under non-cancellable operating leases as follows:

	Property		Equipment	
	2018 £	2017 £	2018 £	2017 £
Group				
Within one year	19,450	19,450	11,015	3,581
Within two to five years	-	-	9,195	3,064
Total	19,450	19,450	20,209	6,645

Notes to the Consolidated Financial Statements (cont'd)

20. Commitments (cont'd)

	Property		Equipment	
	2018	2017	2018	2017
	£	£	£	£
Charity				
Within one year	19,450	19,450	9,218	1,793
Within two to five years	-	-	8,787	2,527
Total	19,450	19,450	18,005	4,320

21. Funds

	Unrestricted £	Restricted £	Total £
Fund balances brought forward - Charity	977,297	2,042,473	3,019,770
Net movement in funds for period	(504,117)	10,947	(493,170)
Transfers between funds	233,591	(233,591)	-
Fund balances carried forward - Charity	706,771	1,819,829	2,526,600
Glasgow Children's Hospital Trading Ltd reserves - 31 March	35,250	-	35,250
Fund balances carried forward - Group	742,021	1,819,829	2,561,850

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 22.

Restricted purposes

Donations for specific funds and projects as detailed in Note 23.

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)

22. Unrestricted funds – Group and Charity

	Fund balances brought forward £	Income £	Expenditure £	Transfers £	(Losses) / Gains £	Fund balances carried forward £
Designated General reserve	600,000	-	-	-	-	600,000
General reserves	377,297	1,908,750	(2,417,621)	233,591	4,754	106,771
Unrestricted funds - Charity	977,297	1,908,750	(2,417,621)	233,591	4,754	706,771
Trading company reserves	35,250	137,109	(137,109)	-	-	35,250
Unrestricted funds - Group	1,012,547	2,045,859	(2,554,730)	233,591	4,754	742,021

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.

23. Restricted funds

Group	Fund balances brought forward £	Income £	Expenditure £	Transfer (to) / from Unrestricted funds £	Fund balances carried forward £
(a) Restricted Funds held for specific areas/projects	2,042,473	2,563,809	(2,552,862)	(233,591)	1,819,829
(b) Restricted Funds held by NHS Greater Glasgow & Clyde	-	804	(804)	-	-
Total	2,042,473	2,564,613	(2,553,666)	(233,591)	1,819,829

Notes to the Consolidated Financial Statements (cont'd)

23. Restricted funds (cont'd)

Charity	Fund balances brought forward £	Income £	Expenditure £	Transfer (to) / from Unrestricted funds £	Fund balances carried forward £
(a) Restricted Funds held for specific areas/projects	2,042,473	2,530,550	(2,519,603)	(233,591)	1,819,829
(b) Restricted Funds held by NHS Greater Glasgow & Clyde	-	804	(804)	-	-
Total	2,042,473	2,531,354	(2,520,407)	(233,591)	1,819,829

(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)

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

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

There were 116 separate restricted funds open during the financial period relating to specific units, specialities, projects and tribute funds, the larger ones being detailed below:

	Fund balances brought forward	Income	Expenditure	Transfer between Restricted Funds	Transfer (to) / from Unrestricted funds	Fund balances carried forward
	£	£	£	£	£	£
All Active Kids App	-	49,197	-	-	(49,197)	-
Cardiology Fund	66,403	19,976	(56,498)	-	-	29,881
Cardiology Ward Fund (1E)	74,635	8,764	(19,290)	-	-	64,109
Cardiology Investigation Unit	38,046	380	-	-	-	38,426
Creative Therapies	-	73,604	(73,604)	-	-	-
Children with Diabetes Fund	100,569	7,444	(7,457)	-	-	100,556
CAL Fund	30,764	1,648	(30,427)	-	-	1,985
DNM Fund	33,046	5,901	(553)	-	-	38,394
DM Fund	-	32,455	(16,905)	-	-	15,550
ECMO Fund	26,911	828	(46)	-	-	27,693
Endoscope (Neurology)	-	20,677	(9,210)	-	3,553	15,020
Fetal Medicine Fund	53,116	2,852	(5,339)	-	-	50,629
Financial Inclusion Service	-	23,850	9,338	-	(33,188)	-
Intensive Care Unit Fund	188,794	16,698	(20,928)	-	-	184,564
IBD Fund	128,682	136,664	(113,680)	5,030	-	156,696
Kitten Scanner	4,625	27,579	(23,943)	-	-	8,261
MediCinema Fund	36,268	25,352	(52,086)	-	-	9,534
Marion's Still Smiling	-	60,000	(6,044)	(50,000)	-	3,956
Neonatal Fund (RHC)	194,179	66,996	(160,416)	-	9,298	110,057
Neonatal Fund (GCHC)	22,010	21,242	(913)	-	-	42,339
Neurosciences Unit Fund	27,415	1,068	(1,480)	-	-	27,003
Neurosciences Research Fund	33,433	77,244	(71,729)	-	-	38,948
Office for Rare Conditions	82,579	57,246	(75,140)	3,626	-	68,311
Renal Appeal	-	218	(156,100)	-	155,882	-
Playroom / Waiting Areas	38,382	-	(9,555)	-	-	28,827
Rehab Kitchen	19,920	37,516	(57,030)	-	-	406
Respiratory Fund	18,732	4,222	(22,810)	-	-	144
Schiehallion Appeal	-	1,169,017	(1,027,116)	53,982	(187,517)	8,366
Schiehallion Unit Fund	181,821	58,374	(121,399)	-	-	118,796
STV Children's Appeal Fund	-	106,124	-	-	(106,124)	-
Vein of Galen Fund	101,657	1,015	-	-	-	102,672
Vitamin D Research Project	42,000	-	(39,297)	(2,703)	-	-
Wilson Family Bequest - Capital	159,550	-	-	-	-	159,550
Wilson Family Bequest- Interest	9,389	1,685	(500)	-	-	10,574
Other funds (under £25,000)	329,547	447,973	(382,705)	(9,935)	(26,298)	358,582
Total	2,042,473	2,563,809	(2,552,862)	-	(233,591)	1,819,829

Notes to the Consolidated Financial Statements (cont'd)

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

(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.

24. Analysis of consolidated net assets between funds

	Fixed assets	Current assets less creditors	31 March 2018 Total £
	£	£	£
Restricted funds	-	1,819,829	1,819,829
Unrestricted funds	119,014	623,007	742,021
Total	119,014	2,442,836	2,561,850

25. 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)

26. Prior Year Statement of Financial Activities

	Group Unrestricted funds £	Group Restricted funds £	Group 2017 Total £	Charity Unrestricted funds £	Charity Restricted funds £	Charity 2017 Total £
Income from:						
Donations and legacies	1,505,400	1,741,436	3,246,836	1,505,400	1,741,436	3,246,836
Other trading activities	324,658	593,015	917,673	231,105	593,015	824,120
Investment income	22,648	15,096	37,744	22,640	15,096	37,736
Total income	1,852,706	2,349,547	4,202,253	1,759,145	2,349,547	4,108,692
Expenditure on:						
Raising funds:						
Donations and legacies	984,292	78,860	1,063,152	984,292	78,860	1,063,152
Other trading activities	200,814	112,684	313,498	107,253	112,684	219,937
Charitable activities	801,785	2,023,057	2,824,842	801,785	2,023,057	2,824,842
Total expenditure	1,986,891	2,214,601	4,201,492	1,893,330	2,214,601	4,107,931
Net movements in funds before unrealised (losses) / gains on investments	(134,185)	134,946	761	(134,185)	134,946	761
Unrealised (losses) / gains on investments	5,018	-	5,018	5,018	-	5,018
Net (expenditure) / income	(129,167)	134,946	5,779	(129,167)	134,946	5,779
Transfers between funds	110,387	(110,387)	-	110,387	(110,387)	-
Net movement in funds	(18,780)	24,559	5,779	(18,780)	24,559	5,779
Reconciliation of funds:						
Total funds brought forward	1,031,327	2,017,914	3,049,241	996,077	2,017,914	3,013,991
Net movement in funds	(18,780)	24,559	5,779	(18,780)	24,559	5,779
Total funds carried forward	1,012,547	2,042,473	3,055,020	977,297	2,042,473	3,019,770

Notes to the Consolidated Financial Statements (cont'd)

27. Prior Year Unrestricted funds – Group and Charity

	Fund balances brought forward £	Income £	Expenditure £	Transfers £	(Losses) / Gains £	Fund balances carried forward £
Designated General reserve	600,000	-	-	-	-	600,000
General reserves	396,077	1,709,141	(1,843,326)	110,387	5,018	377,297
Unrestricted funds - Charity	996,077	1,709,141	(1,843,326)	110,387	5,018	977,297
Trading company reserves	35,250	143,565	(143,565)	-	-	35,250
Unrestricted funds - Group	1,031,327	1,852,706	(1,986,891)	110,387	5,018	1,012,547

28. Prior Year Restricted funds – Group and Charity

	Fund balances brought forward £	Income £	Expenditure £	Transfer (to) / from Unrestricted funds £	Fund balances carried forward £
(a) Restricted Funds held for specific areas/projects	2,017,864	2,335,251	(2,200,255)	(110,387)	2,042,473
(b) Restricted Funds held by NHS Greater Glasgow & Clyde	50	1426	(14,346)	-	-
Total	2,017,914	2,349,547	(2,214,601)	(110,387)	2,042,473

(c) 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)

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

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

There were 135 separate restricted funds open during the financial period relating to specific units, specialities, projects and tribute funds, the larger ones being detailed below:

	Fund balances brought forward	Income	Expenditure	Transfer between Restricted Funds	Transfer (to) / from Unrestricted funds	Fund balances carried forward
	£	£	£	£	£	£
All Active Kids App	-	-	(76,196)	-	76,196	-
Cardiology Fund	34,305	51,779	(58,415)	38,734	-	66,403
Cardiology Ward Fund (1E)	69,861	9,349	(4,575)	-	-	74,635
Cardiology Investigation Unit	37,706	340	-	-	-	38,046
4D Cardiac Scanner Appeal	-	35,034	(8)	(35,026)	-	-
Children with Diabetes Fund	77,450	30,192	(7,073)	-	-	100,569
CAL Fund	24,651	8,699	(1,686)	(550)	(350)	30,764
DNM Fund	-	34,319	(1,273)	-	-	33,046
ECMO Fund	15,816	11,725	(630)	-	-	26,911
Endoscope (Gastroenterology)	300	78,663	(87,675)	-	8,712	-
Endoscope (Neurology)	-	455,208	(275,097)	(3,708)	(176,403)	-
Fetal Medicine Fund	51,358	6,506	(4,748)	-	-	53,116
Financial Inclusion Service	-	64,628	(98,295)	-	33,667	-
Intensive Care Unit Fund	194,338	14,603	(20,147)	-	-	188,794
IBD Fund	107,290	84,058	(62,666)	-	-	128,682
MediCinema Fund	23,689	63,129	(50,550)	-	-	36,268
Surgical Microscope Appeal	-	199,749	(85,405)	-	(114,344)	-
MEND Fund	-	35,170	(35,170)	-	-	-
Neonatal Fund	38,004	11,586	(27,580)	-	-	22,010
NICU Fund	195,399	29,332	(30,552)	-	-	194,179
Neurosciences Unit Fund	15,990	1,250	(2,441)	12,616	-	27,415
Neurosciences Research Fund	43,745	66,800	(64,496)	(12,616)	-	33,433
Caledonia Enhancements	26,962	-	(26,962)	-	-	-
Office for Rare Conditions	5,731	178,037	(98,289)	1,650	(4,550)	82,579
Play in Hospital programme	3,487	135,050	(125,935)	(12,602)	-	-
Playroom / Waiting Areas	51,688	-	(30,541)	17,235	-	38,382
Renal Unit Fund	69,641	8,384	(37,836)	(18,556)	-	21,633
Respiratory Fund	31,301	5,489	(18,058)	-	-	18,732
Schiehallion Appeal	-	27,608	(111,225)	-	83,617	-
Schiehallion Unit Fund	308,896	147,164	(292,795)	18,556	-	181,821
Sensory Room Fund	2,400	40,551	(4,372)	-	(36,000)	2,579
STV Children's Appeal Fund	5,917	68,877	(136,665)	1,000	60,871	-
Vein of Galen Fund	99,734	1,993	(70)	-	-	101,657
Vitamin D Research Project	-	42,000	-	-	-	42,000
Wilson Family Bequest - Capital	159,550	-	-	-	-	159,550
Wilson Family Bequest-Interest	7,880	1,509	-	-	-	9,389
Other funds (under £25,000)	314,775	386,470	(322,829)	(6,733)	(41,803)	329,880
Total	2,017,864	2,335,251	(2,200,255)	-	(110,387)	2,042,473

Notes to the Consolidated Financial Statements (cont'd)

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

(d) 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.