



Glasgow Children's Hospital Charity



Consolidated Report and Financial Statements Year ended 31 March 2021

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Glasgow Children's Hospital Charity
Consolidated Report and Financial Statements 2021

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Chairman's Report

The past year has undoubtedly been the hardest and most challenging of times in the Charity's history, something which I suspect mirrors the general sentiment of households, businesses, communities and nations alike. With the onset of Covid-19 the Charity was plunged into a position never before witnessed. Despite the challenges and an inability to fundraise through our traditional means, we also knew that the vital services that we fund were going to be needed more than ever, helping to support those in society who were most vulnerable. Never once did our firm conviction to give babies, children and young people the extra special care that they deserve falter throughout the past year, and despite the exceptional circumstances, the Charity has undoubtedly made a profound and positive difference on the lives of children, families and NHS staff in Scotland's busiest children's hospital, in their communities and at home throughout the pandemic.

Thanks to the sheer kindness of our supporters who have remained resolute to our cause, Glasgow Children's Hospital Charity has committed more than £1.9 million of support in the past 12 months.

In those first few frightening days and months of the pandemic, our Emergency Response Team of staff and volunteers brought welcome respite to children, families and NHS staff from the relentless pressures they were facing. More hospital families found themselves vulnerable and at risk. Our Emergency Response Team worked to support front-line NHS staff and provided immediate practical, emotional and financial support for families struggling to cope with the pressures of having a child seriously ill in hospital during a global pandemic. Thanks to the steadfast support of our donors, fundraisers and volunteers our Covid-19 Emergency Appeal raised in excess of £330,000. These vital funds enabled us to direct support to wherever the need was greatest, we provided; family grants to support the wellbeing of young patients in their community; care packs for families staying in nearby, temporary accommodation; and technology to help children and families stay connected during their hospital stay. We were exceptionally grateful to the many philanthropic organisations who made available new and specific funding streams to support the Covid-19 relief efforts being delivered by the voluntary sector, this was undoubtedly a vital lifeline to so many charities like ours. These vital funds not only helped to support the immediate relief efforts, but have also allowed us to invest in new medical equipment and areas of service development which, as a result of the Coronavirus pandemic, will come to play a pivotal role in shaping the landscape of how paediatric healthcare is delivered in the future.

Given the challenges of the past year, we take great pride in having been able to fund many new and innovative projects including the NHS Peer Support Network, remote sleep diagnostics equipment for the Respiratory team and video otoscopes for the Audiology department. Alongside several new initiatives, we have also been able to commit to all of our annual programmes for a further year; Play and Events; Bereavement Service; Financial Inclusion Service; Medicinema; Complimentary Therapy, Emergency Support, and the Office for Rare Conditions.

Fundraising has undoubtedly taken on a different perspective this past year, and it has been incredible to witness so many supporters getting involved in virtual fundraising events such as the Kiltwalk and Lap the Map, or supporting our digital propositions and purchasing gifts through our online shop. The creative and innovative fundraising ideas that we have witnessed this past year have been truly remarkable and to each and every person who has supported the Charity during the toughest of years, in whatever form that may be, you have my sincere and upmost thanks. **Together, you helped Glasgow Children's Hospital Charity raise £3million over the past 12 months.**

Chairman's Report (cont'd)

At every stage of the past year we have continued to work in partnership with our colleagues in NHS Greater Glasgow & Clyde and NHS Ayrshire & Arran. Our NHS heroes have dedicated their lives to supporting and caring for us all this past year, and as we look to the months and years ahead we are above all else, very proud to continue the special relationship that we have with those colleagues and the organisation that they so diligently and passionately serve each and every day. We give thanks to our NHS colleagues and are pleased to have been able to play our part in supporting them this past year.

As a result of the pandemic, the Charity has undergone a sizeable but necessary restructure in order to ensure that we are sustainable for the years that lie ahead. As we now look to the year ahead, the Charity is beginning to feel more hopeful as restrictions start to ease and we begin to make plans for the reintroduction of fundraising events for the end of this financial year.

The year ahead is a very poignant year for the Charity, as we reflect on two decades of supporting and advancing maternity, neonatal and paediatric healthcare in Scotland. As a much-loved Scottish institution, the Charity has sat at the heart of Scotland's busiest children's hospital since 2001, supporting hundreds of thousands of babies, children, young people and their families from throughout Scotland and beyond, who are affected by ill health and require specialist treatment and care. Never before has our position been more relevant. The past year has undoubtedly changed society and the world as we know it, but what hasn't changed is that children in Scotland will continue to need the best hospital care and experience possible, long beyond the impact of the Coronavirus. Every week children diagnosed with cancer, kidney failure and heart disease will start their journey through the children's hospital in Glasgow, and every day we want to be there to support them and their families, in whatever form that may take. We care deeply about the families that we have supported in the past, and they give us hope for what the future of the Charity may be as we begin the process to rebuild. As we reflect on the two decades past, we give thanks to everyone who has supported and contributed to the Charity throughout this time. The Charity's impact is vast but we must continue to strive forth to help even more children and their families - today, tomorrow and for the future generations to come.

I extend my sincere thanks to the Glasgow Children's Hospital Charity team and our wider community of supporters for their unwavering commitment and support this past year, and look forward to more positive times ahead for each and every one.



Peter Watson
Chairman

Dated: 2 September 2021

Directors' Report

The Directors have pleasure in presenting their Annual Report together with the audited group Financial Statements for the year ended 31 March 2021 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). References to Crosshouse Children's Fund (CCF) refer to the Paediatric Units at University Hospital Crosshouse, the Neonatal and Ayrshire Maternity Units as well as outpatient services at Ayrshire Central.

Objectives and activities

Vision and values

Our vision

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

Our Values

Pride: *we care.*

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

Enthusiasm: *we are inspired.*

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

Determination: *we are all in.*

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

Unity: *we are one team.*

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

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

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

Directors' Report (cont'd)

Charitable objectives

The objects of the Charity are to provide and support excellence in paediatric, maternity and neonatal healthcare to enhance the treatment, care and wellbeing of babies, children, young people and their families treated in the Royal Hospital for Children, Glasgow, other paediatric 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.

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

Activities

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

Grant making policy

As partner Charity for the Royal Hospital for Children, Glasgow, 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 £20k between quarterly Board meetings and these are reviewed and ratified by the Board at the subsequent meeting.

The Charity works to enhance the experience of the patients and their families at all stages of their journey through the hospital system. The Hospitals we support in the West of Scotland treat more than 230,000 babies, children and young people each year.

Directors' Report (cont'd)

Activities (cont'd)

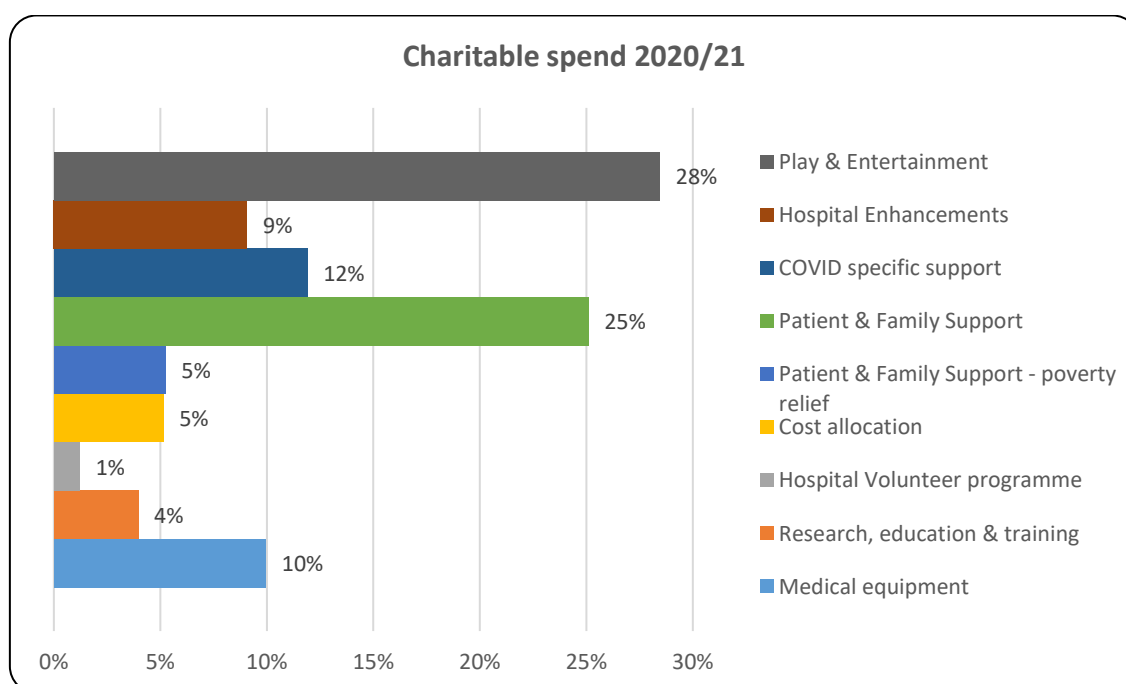
We are proud to support the extraordinary work that takes place at these hospitals through a range of projects including life-saving medical equipment and research, the support that families desperately need during their darkest days and the play and events programmes that give children in hospital the chance of a childhood. 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 these hospitals.

Achievements and performance

While the past year has been filled with uncertainty, the generosity of our supporters has never been in doubt. Despite the impact that restrictions have had on fundraising events and activities, thanks to our steadfast supporters, we have committed over £1.9m of support for Scotland's most seriously ill children, their families and our NHS heroes.

In those first few frightening days and months of the pandemic, our Emergency Response Team brought welcome respite to children, families and NHS staff from the relentless pressures they were facing. As the year progressed, our focus turned to new ways of helping children and families, both in the hospital and at home. The Covid-19 crisis has changed healthcare as we knew it, and we are proud to have funded innovative ideas and projects that were simply impossible just one year ago.

The Charity was proud in the year where consolidated income fell by 42%, to support the children's hospitals in Greater Glasgow & Clyde and Ayrshire & Arran with charitable expenditure totalling £1.9m split by area of activity as follows: (items and projects of £25,000 and higher are detailed in Note 7 to the financial statements):



Directors' Report (cont'd)

Achievements and performance (cont'd)

Covid-19 Support

Through the generous support of our donors who responded to our Covid-19 Emergency Appeal in large numbers, our impact was felt more than ever by those who needed us most. Our Covid-19 Emergency Appeal raised in excess of £330,000 and enabled us to bring practical, emotional and financial support to hospital families, and much needed respite for our NHS colleagues.

Special thanks must be given to the many philanthropic organisations who provided vital funds to enable us to support those most vulnerable throughout the pandemic; The Reid-Timoney Charitable Foundation; The Corra Foundation; Foundation Scotland; Oak Philanthropy; The National Lottery Community Fund, The Hunter Foundation and MSE.

More hospital families than ever before found themselves vulnerable and at risk. Staying at home to care for loved ones was sadly not an option for many of the parents and carers of children in hospital. Even families with the strongest support networks were often left feeling alone and isolated during the lockdown. The vital respite that grandparents, siblings and neighbours could so reliably provide in the past was sadly no longer possible, through no fault of their own. And as the pressures of hospital life mounted, so too did financial concerns. With the ground constantly moving beneath the feet of hospital families, the worries of mortgage or rent payments, unemployment and redundancy exacerbated the fear and anxiety that was already so prevalent in the hearts of parents and carers whose children were unwell and in hospital. Hospital families were facing some of the hardest days of their lives but thanks to the vital funds raised through our Covid-19 Emergency Appeal and our partnership work with NHS Greater Glasgow & Clyde and NHS Ayrshire & Arran, we were able to bring some comfort and respite to many of these families.

When the first national lockdown came into force, the Charity reacted quickly to the emerging situation and repurposed the small team of staff not furloughed, into an Emergency Response Team. This team was further supported by caring, committed and practical volunteers who were keen to show their support for the incredible efforts of the NHS at that time. Both existing and newly recruited volunteers played a crucial part in our overall relief efforts. The Emergency Response Team worked in partnership with our NHS colleagues to identify where we could support best.

NHS Staff

Wellbeing

Together with the support of our donors and volunteers, the Charity stood shoulder to shoulder with front line NHS staff during their most challenging year, offering support in a number of ways. Recognising both the pressing need and the strong public desire to help our NHS heroes throughout the pandemic, the Charity updated our charitable purposes to specifically include this need and now supports the wellbeing of NHS staff to further enhance the NHS's ability to transform the health and wellbeing of the children and young people in their care.

Directors' Report (cont'd)

Achievements and performance (cont'd)

While the NHS staff on the front-line faced unprecedented challenges to their own mental health and wellbeing, we funded the setup of staff wellbeing rooms, and provided equipment, tea, coffee and food to give staff a little respite during their long and often challenging shifts. Thanks to support offered from our corporate and community partners, we secured donations of food and refreshments for the multiple units and services we support. Our Emergency Response Team managed the logistics and distribution of these donations to our NHS heroes and the families in their care.



These donations included:

- Food and drinks to keep our NHS Staff Wellbeing Rooms stocked and replenished on a weekly basis
- Relaxation aids for NHS staff
- Emergency clothing and toiletries for patients and their families
- Supermarket food vouchers for families to utilise upon discharge
- Games, toys and resources for patients

Peer to peer support network

Following a successful pilot, the Charity granted £12,000 of Covid-19 funding to expand this pioneering programme to support the mental health and wellbeing of NHS staff and ensure its sustainability by training more 'peer supporters.' This programme provides timely and structured emotional support to care for the mental health of our NHS heroes, working around the clock with critically ill children.

The Peer Support Network works to provide hospital staff with a listening ear and emotional support following traumatic events. Under the programme, selected Peer Supporters from the hospital's Theatres, Intensive Care and Emergency Departments undergo training in critical incident stress management. Once trained, these Peer Supporters are equipped to provide structured emotional support for other members of staff working in critical care in private or group sessions following stressful events.

"National evidence suggests 31% of paediatric intensive care nurses and 16% of doctors in these units show signs of PTSD with high rates of moral distress and burnout. Dealing with critically unwell children creates highly pressured and stressful situations. This takes its toll on staff, with high rates of moral distress and burnout. The pandemic affects our usual coping mechanisms, like seeing our family and friends, leaving us more vulnerable to feeling overwhelmed. Having a supportive, non-judgemental listening ear when we are struggling is all the more necessary."

Dr Peter Donnelly, Paediatric Intensive Care Consultant

Directors' Report (cont'd)

Achievements and performance (cont'd)

Describing the benefit of a peer support group session, one participant said:

"It helped so much to hear other folk describe what I had been going through - the sleepless nights, feeling irritable and weepy. It was helpful to realise that was happening to other people too. I felt much better, even just after coming out of the session".

NHS staff member



Patients and Families

Helping patients cope at home

When your child has a complex, rare or long-term health condition, life confined at home during Covid-19 was even more challenging. For many of our hospital families, shielding was necessary. Through our Covid-19 Emergency Appeal, we have proudly funded over £8,500 of family grants to support the wellbeing of young patients in the community whose normal social routines were halted while they shielded. These awards covered a wide range of items including sensory toys, equipment and technology, garden apparatus and exercise equipment, all making their prolonged time at home easier to cope with.

Accommodation and care packs

When travelling to and from home to visit a child in hospital was simply not an option, and the availability of nearby temporary accommodation was limited, we worked in partnership with the hospital to source, coordinate and fund local accommodation for families from across Scotland. Families were also given Care Packs with essentials including breakfast provisions, refreshments and support service information to help them through their temporary stays.

Supporting bereaved families

During the global pandemic we saw an increased demand for 1:1 and group bereavement support at the hospital with Covid-19 undoubtedly adding an additional layer of anxiety to everyone's life. The crisis has acted as a trigger point for many bereaved families and NHS staff members, resulting in an increasing pressure on Bereavement Support. During Covid-19 alone, our charity-funded Bereavement Service has seen:

- A fourfold increase in the number of families and staff members who had finished support, returning for further intervention (year on year comparison)
- Heightened demand for its Parents and Carers support group meetings, resulting in monthly meetings now taking place fortnightly
- A 70% increase in the number of NHS staff being supported versus the same time period last year

Directors' Report (cont'd)

Achievements and performance (cont'd)

Our Bereavement Service in partnership with Child Bereavement UK and NHSGGC, can be a lifeline for families during their darkest days. It provides a safe and supportive environment for individuals to talk openly about their loss.

The Covid-19 Emergency Appeal allowed us to provide £55,000 of funding to continue this much-needed service initially until March 2021, with further fundraising efforts allowing us to commit a further £112,000 to the service for the full 2021/22 year.

As the year progressed, our focus turned to new ways of helping children and families, both in the hospital and at home, using technology to support longer term changes to care and treatment.

Equipment

Audiology - Video otoscopes

As a result of the Coronavirus pandemic, social distancing requirements lead professional bodies to recommend moving to the use of video otoscopes rather than standard hand devices by the hospital's Audiology team. Video otoscopes allow for increased distancing from the patient, an image of the ear canal and tympanic membrane can be viewed on the PC screen and the image then captured. Additionally, the child can see inside their own ears from the image on the PC screen, adding to their engagement with the overall clinical process. The equipment, funded by the Charity at a cost of £15,000 now supports the care of approximately 700 patients attending Audiology clinics each month.

Respiratory - Remote Sleep Diagnostics equipment

Technology also played a key part in changes and developments to the sleep service with the funding of remote sleep diagnostic equipment at a cost of £33,600. Prior to the purchase of this equipment there was no capacity to perform complex diagnostic studies as an outpatient, all had to be performed as an inpatient. Being able to undertake these diagnostic tests at home, with an equivalent quality study, presents multiple benefits for patients and their families. It ultimately reduces face to face requirements for staff, patients and parents which in the new Covid-19 secure environment, reduces potential for transmission. It also increases the flexibility of the service. The new equipment enables the service to provide a rapid response to emerging clinical issues where previously this was dependant on access to inpatient beds which is dependent on clinical pressures out with the sleep service's control.

"Between the sleep kit provided in 2013, the artwork throughout the children's hospital, the new lung function kit and now the remote sleep kit in response to Covid-19, the Charity has literally transformed the respiratory service."

Andrew Morley, Manager of Respiratory & Sleep physiological services

The Charity has also assisted the Respiratory Service through the provision of a volunteer driver service to deliver the overnight monitoring equipment direct to the patients' homes. The volunteer then returns 24-hours later to the patients' home, uplifts the equipment and returns it to RHC where the data can be analysed and the next steps taken in a diagnostic and treatment pathway.

Directors' Report (cont'd)

Achievements and performance (cont'd)

Not only did our volunteer driver service continue to operate throughout Covid-19, with steps and mitigations put in place to ensure the upmost safety of our drivers and those they were visiting, but we were able to expand the service and offer support to more departments within the hospital, most notably the sleep service.

Hospital programmes

Play & entertainment

3 out of 4 parents say that play has helped their child cope with the pandemic*. Our funded Play & Events Programme provides a vital source of fun and distraction for children in hospital, alleviating worries about their stay and upcoming procedures.

The pandemic didn't stop our charity-funded Play & Events Programme. In fact, play has never been more important, and has been crucial in helping young children cope with the challenges of a hospital stay during Covid-19. We were once again able to invest more than £500,000 in our Play & Events Programme, funding play staff, toys and technology to give every child the opportunity to have fun in hospital. The dedicated Play Team worked to adapt their service delivery to the demands of Covid-19 and technology played a key part in making this happen. Funding iPads for the wards is just one of the many ways we are committed to making hospital experiences as positive as they can be amidst some incredibly overwhelming circumstances. The iPads were used to play Zoom Bingo, have quizzes, enjoy storytelling and even have surprise visits from superheroes and celebrities. Now, more patients have the chance to interact with their friends, giving them a fun distraction to break up long days on the wards. The technology also helps young patients stay connected to their families at home when travelling and visiting is restricted. Throughout the pandemic, we organised and hosted virtual parties, family days and visits for both young patients on the wards, and for those shielding at home. Children and their families enjoyed entertainment, the chance to meet their favourite sport stars, dancing, singing and even cook-a-longs.



"Having a child in hospital for weeks on-end is bleak and scary - even more so during Covid-19. Thanks to funding from the Charity, the Play Team were with Eilidh for 49 consecutive days in hospital. They made her smile, brought her toys and activities, and helped her come to terms with her treatment."
Eilidh's Mum

A special thank you to the Celtic Charity Foundation, Emmie Smillie Foundation, Morgan Stanley International Foundation and the Rangers Charity Foundation who supported our Play & Events programme this year.

* 'The Power of Play' Report, GOSH Charity 2021

Directors' Report (cont'd)

Achievements and performance (cont'd)

Special Needs in Pregnancy (SNIPS) project

The Charity contributed £71,000 towards this project which aims to alleviate poverty and improve financial resilience of special needs in pregnancy women and their children with the additional support of an Advocate.

SNIPS is a Maternity service targeting pregnant women examples of whom may be dependent on drugs/alcohol or are on methadone, are complex asylum seekers or refugees, have a history of psychiatric disorder, are experiencing emotional difficulties, have a learning or physical disability, have a history of abuse, the very young, vulnerable or socially isolated or are experiencing domestic violence. Women who attend the SNIPS Clinics often have a number of vulnerabilities. These are exacerbated by poor social conditions such as poverty/ deprivation, poor or unstable housing, unstable or abusive relationships, material deprivation, financial instability and exclusion.

The Maternity Matters project works closely with the SNIPS Midwives to identify those who would benefit from the delivery of money, welfare, energy and debt advice; however, the service also provides a much needed and vital advocacy support element. Maternity Matters have been extremely successful at engaging with this client group who, very often, will not engage with any other agency. Staff are co-located within the clinics, meet the women there, form relationships and then make arrangements to meet to offer the full financial capability service in a location that is most comfortable for them. Referrals are also received from the SNIPS Midwives via the secure BADGERNET Portal.

The project uses a person centred approach to provide an enhanced model with extra support from an advocate who works with the most vulnerable women to ensure that their plan, initially developed by a money advisor, is followed through with longer term support as and when required.

Enhancements

Fetal Medicine Unit Enhancements

The Ian Donald Centre for Fetal Medicine in Glasgow provides the national service for interventional fetal therapy. The multi-disciplinary team is involved in the diagnosis, management and treatment of fetal anomalies and infections. The services offered include treatments for pleural effusions (fluid in the lungs) and fetal bladder obstructions. Fetal transfusions for Rhesus disease are also provided, where the mother's blood contains an antibody, which damages the baby's red blood cells leading to a condition called haemolytic disease of the newborn. Cases that are more serious cause jaundice and anaemia that need to be treated with in-utero blood transfusions.

The unit was built around ten years ago and was in need of some decorative enhancements to alleviate the rather stark, clinical atmosphere. The entranceway was hidden from view and often difficult to find and the reception / waiting area was uncomfortable and unwelcoming. The three scans rooms and three counselling rooms did not offer the calming and relaxed atmosphere that is so often needed by expectant mothers who are feeling anxious and worried about their unborn baby's diagnosis.

Directors' Report (cont'd)

Achievements and performance (cont'd)

With the generous support of Arnold Clark, we completely transformed the look and feel of the department. Following a complete repaint, and using soft colours and flower motifs, patients are now welcomed into a calm and tranquil space, with comfortable seating and soft lighting in the waiting area. The dark, clinical feeling in the scan rooms has been replaced with large-scale pastel coloured imagery of flowers, with photographs interspersed with graphics. New pull-out, wall-mounted concertina screens in each scan room replaced old-fashioned curtains to give full privacy during scanning and other medical procedures. Old window blinds were replaced with new, high quality black out blinds again adding to the privacy so desperately needed by expectant mothers. The three counselling rooms, feel more open and comfortable with new furniture and similar graphic wall manifestations. The corridors that link the whole department have been given new glazed doors to help to bring much needed natural light into the space, alongside full-height floral wall imagery.



In the last couple of years, Glasgow Children's Hospital Charity has helped to bring Scotland to the forefront of fetal medicine by fundraising for state-of-the-art ultrasound equipment and pioneering scanning techniques. At Arnold Clark, we're very proud to contribute to their amazing work by offering our support to the refurbishment of their fetal medicine unit. We understand how important this will be in creating a welcoming and calming place for expectant parents and their families."

Lady Clark, Chairwoman,
Arnold Clark

Directors' Report (cont'd)

Achievements and performance (cont'd)

Theatres – Department Enhancements

As the largest paediatric hospital in Scotland, the Theatres Department cares for around 16,500 children every year in a mix of elective and emergency surgery, across a wide range of specialities including cardiology, neurosurgery, orthopaedics and major trauma. Going into surgery can be a very stressful time for both the child and their parents and carers and the staff in Theatres care about not just looking after the children safely, but also alleviating that stress as much as possible. The vision is to create a world-class experience where children are greeted with an incredible and unforgettable environment that will not only alleviate their stress but create a positive experience.

As part of Phase 1 of the Theatre Improvement Initiative, staff, patients and parents were surveyed about their theatres experience, what mattered to them and how things could be made better. One dominant theme from these responses was the décor of the waiting areas, anaesthetic rooms and corridors. The anaesthetic rooms were described as rather clinical and not as comforting or as fun as they could be for children. The first impression of an environment leads the way to how patients feel and behave. The importance of art in the hospital environment is well known and for children especially a space which is immersive, fun, calming and distracting has incredible benefits for their treatment.

With funding of £80,000 committed in 2020/21, work has commenced on the enhancement of four of the anaesthetic rooms and we continue to fundraise for the wider Theatre Enhancement project.

Special thanks must be given to the Glasgow Freight Club, Tiny Changes and the Euan Clark Memorial Fund for their generous contributions to this project.

"Children from all over Scotland come to our theatres for operations, these vary from open heart surgery, brain surgery and kidney transplants to trauma surgery, dental operations and tonsillectomies. This can be a stressful time for children and their families.

I am passionate about transforming our theatres into a place that is welcoming, calming and fun for children rather than it feeling clinical and intimidating. I am excited to be working with GCHC to help transform our environment into a place that will delight the children and families who come to visit us. I know it will make a huge difference, and I would like to thank each and every sponsor who is helping to make this vision a reality."

Dr Alyson Walker, Consultant Paediatric Cardiac Anaesthetist

Directors' Report (cont'd)

Achievements and performance (cont'd)

Neonatal care across the West of Scotland

The Charity supports all three of NHSGGC's neonatal units at the Princess Royal Maternity, the Royal Alexandra Hospital and the Royal Hospital for Children where almost 2,000 babies are cared for each year in addition to the Ayrshire Maternity Unit. Born prematurely, or with complex health conditions, from the very second they are born, they face a marathon fight for life. Throughout the past year we have continued our close association with each of the neonatal units and have proudly funded projects to further enhance the care and experience of neonatal families.

Little Inky Feet

Prior to the Coronavirus pandemic, the Charity had awarded funding to a creative initiative at the Princess Royal Maternity Hospital, which gave the families of sick and premature babies the chance to make special memories, through safely capturing their child's first footprints which could then be used in pictures, cards and jewellery at a later date. The project had been developed by Dr Lorna McKerracher, a trainee neonatologist, along with a passionate team of nursing staff at the Princess Royal Maternity.

"Having your new-born child admitted to the neonatal unit can be extremely stressful and upsetting. Parents are separated from their baby and the bonding process can be more difficult. Memory making is one way that families can process their experience in a positive way."
Dr Lorna McKerracher

Following the success of the initiative at the Princess Royal Maternity and with funding of £7,167 being made available we were able to extend this project in 2020/21, bringing the project to all three neonatal units across the city of Glasgow.

Princess Royal Maternity - Enhancements

Building on previous work in the unit, an additional £35,000 of funding has been awarded to continue the transformation of the unit into a calm, positive, family friendly environment which is less clinical. Having a baby admitted to the neonatal unit can be a very stressful and anxious time for families and so it is vitally important that their surroundings promote positive wellbeing. Families can spend weeks and months on the unit with their baby and it is therefore essential to create as much of a 'home from home' feeling within the unit as possible. Surroundings can have such a positive impact on people's lives and the enhancements planned for the Princess Royal Maternity will see the unit transformed using specially selected colours that promote harmony and tranquillity, and furniture which is comfortable and fit for purpose for those often long days by a baby's bedside.

Crosshouse Children's Fund

Thanks to our generous supporters, we have committed more than £100,000 of support to Ayrshire's children in hospital since the fund was launched in 2019. We have been able to support a wide range of projects benefiting children throughout Ayrshire and Arran, and have made considerable investments in Ayrshire Central Hospital, Ayrshire Maternity Unit, Crosshouse University Hospital, and supporting community paediatrics throughout the region.

Directors' Report (cont'd)

Achievements and performance (cont'd)

Speech and language early years team

The Speech and Language Therapy Early Years Team based in East Ayrshire cares for families of children with communication difficulties. Through appointments and virtual drop-in sessions, the team provides advice, tips, resources and reassurance to parents and carers concerned about a child's communication skills. More than 10% of all children and young people in the UK have communication difficulties. These children may struggle to make friends, to learn or to tell people how they are feeling if they are finding it difficult to get their message across.

Through the Crosshouse Children's Fund, the Charity has funded a range of resources to support the wonderful work of the Speech and Language Therapy team in East Ayrshire. These resources which include tablets, sensory toys and equipment, will help the team demonstrate strategies and activities to parents, allowing them to continue the development of their child's communication skills at home.

"The pandemic can negatively affect families whose children have been deprived of the chance to progress their communication skills through socialising at nursery, with their wider family and with friends. This can often leave them feeling very isolated and unsure of where to turn for support. By upskilling parents and providing them with the right tools to cope with their child's speech, language and communication, children and their families will have a more positive experience."

Ashleigh McGill, Speech & Language Therapy Early Years Team

Cot Bed

The Charity made available £3,500 of funding for the purchase of a specialised cot bed for the paediatric ward at Crosshouse University Hospital. The specialised cot bed can be used to support a wide age range from small toddlers up until teenagers. Each cot bed creates a versatile space which not only ensures the safety of children, especially those children who are at risk of a seizure, but also creates a more versatile space for younger children who can play within the cot bed itself. The cot beds are more comfortable and can change position easily to accommodate a wide range of conditions and give easy access for nursing and medical staff. Toddlers can play whilst keeping them secure as the sides go up, to a height that a toddler could not climb up over. The cot bed helps to create a more child friendly environment as it has a less clinical look and feel.

Stair Gates

Crosshouse Children's Fund is proud to have granted over £5,500 to support the wonderful work of NHSAAA's Health Visiting and Family Nurse Partnership teams, funding 200 stair gates to keep Ayrshire's children safe at home.

The Health Visiting team provides professional care, support and advice to promote health and wellbeing for children up to the age of 5, and they work alongside the Family Nurse Partnership team who care for first-time young mothers to develop their parenting capacity and support them in making positive choices for their families.

Directors' Report (cont'd)

Achievements and performance (cont'd)

With an increased amount of time being spent at home during the pandemic and home becoming the main environment for learning, socialising and play, the number of accidents taking place in the household have increased. This makes the need for safety equipment like safety gates even more important, but unfortunately many families simply don't have the means to purchase these.

Last year, over 2,500 paediatric attendances at Crosshouse's Emergency Department arrived as a result of accidents including falls, limb and head injuries.

By equipping families with the tools they need to keep their children safe at home, we can help to reducing the risk of preventable harm by accidental injury resulting in hospital admissions.

Volunteers

Our dedicated volunteers continued to play a crucial role in supporting our work in communities across Scotland, throughout the pandemic. As always, the kindness of our volunteers shone through the dark days, filling us with hope and determination to be there for our young patients, their families and our NHS heroes.

As a charity we also worked collaboratively with the wider volunteer networks that were established within each Health Board at the start of the pandemic, to provide support to the ongoing relief effort in that region. Not only did we rely on the support of our existing volunteers, but we were also incredibly lucky to have the support of over 20 newly recruited volunteers, many of whom had been furloughed from their own employment due to the pandemic and were keen to support the NHS in some capacity.

Our volunteers have been by our side every step of the way through this challenging year, helping with a range of activities including:

- Joining our Emergency Response Team to support the relief effort across NHS GGC and NHS A&A.
- Continuing to greet families and patients arriving at the hospital as our much-loved Welcome Guides, with a friendly smile behind their masks and socially distanced support.
- Helping with office based fundraising activities to ensure we could continue raising as much as possible for those who need us.
- Driving across the country supporting our crucial hospital services including the CD Treat service which supports young patients living with Crohn's disease by delivering their specialist diet straight to their homes, and our Donor Milk Bank providing life-nurturing donor breast milk to Scotland's premature babies.

While the pandemic inevitably meant that many volunteers were unable to carry out their regular roles, our volunteer drivers continued to help tiny lives during lockdowns. Every year nearly 4,000 babies are born prematurely in Scotland. For babies who are born early, their organs and immune systems have had less time to mature, making them at greater risk of infection which can be devastating in those critical early days. These tiny babies face an unimaginable battle to survive from the moment they come into this world - many needing life-nurturing donor breast milk.

Directors' Report (cont'd)

Volunteers (cont'd)

Our volunteers play a crucial role in ensuring that donor breast milk is safely collected from donors, transported to the Donor Milk Bank for pasteurisation, and delivered to neonatal units across the country.



"It's an absolute privilege to help get donor milk to vulnerable babies in the Neonatal Units who need it most. Every shift is different. Some days you'll be a couple of miles down the road, other days all packed up to travel to the other end of the country."

The Mums I collect donor milk from are absolute stars and their contribution is fantastic. Particularly during difficult times like these, it's been amazing to help keep such a vital service running."

Janette, Volunteer Driver

Volunteers also played a crucial role in supporting new areas of the hospital throughout the pandemic. We were privileged to have supported the Rapid-19 trial, crucial research investigating the impact of Covid-19 on the children of healthcare workers. More than 220 'Covid Warriors' from across the West of Scotland attended the children's hospital to take part in the first stage of the trial, investigating potential immunity to Covid-19. The study, which was being carried out by the Glasgow Clinical Research Facility aims to find out whether children have developed immunity to the virus from potential exposure from their healthcare worker parents. Volunteers from the Charity gave their time to help look after the children and families involved during the study weekends. Children and young people each received a Charity-funded 'Covid Warrior' certificate and age-appropriate activity packs to celebrate their involvement in the important trial.

"With children going back to school, this research is more important than ever. We are trying to find out if children of healthcare workers have developed positive antibodies to Coronavirus. We've been overwhelmed by the generosity from children, young people and their families. We've had phenomenal support from the Clinical Research Facility and Glasgow Children's Hospital Charity."

Dr Steve Foster, Consultant in Paediatric Emergency Medicine and Principal Investigator of the RAPID-19 clinical trial

On average, volunteers directly supporting the Covid-19 relief effort provided around 40 hours of support to the Charity and the hospital each week during the pandemic.

Directors' Report (cont'd)

Financial Review

The last financial year was undoubtedly the hardest and most challenging in the Charity's history. The Charity, and the voluntary sector as a whole, were plunged into a position never before witnessed. With our inability to fundraise through traditional means, the Executive Team and Trustees had to develop a new and robust business and finance plan, which was reshaped continuously to adapt to the ever changing landscape that we were operating in, with the ultimate aim of ensuring that the Charity survived this turbulent period. The lockdowns have been particularly detrimental on mass participation and activity based fundraising events and all of our own GCHC events for 2020 were cancelled or postponed until late 2021 or 2022.

However, since the start of the crisis we worked hard to explore every possible avenue of funding, including new and innovative ways to generate income and awareness. These avenues included individual giving, virtual fundraising, marketing appeals, social and digital donations, and trust applications; we also applied for all of the Scottish Government, UK Government and third sector funds for which we were eligible, with some success. Throughout this period, we have focused our resources and attention on those areas that would generate the largest possible return for the Charity and while we were often successful in these aims, income was hit dramatically, with unrestricted income falling by 49% year on year (total consolidated income by 42%).

We are driven by our charitable purposes first and foremost, and as such the Charity needed to make some tough decisions, and cost savings in line with the reduced income and workloads. Furlough gave us a little breathing space to take the time to analyse in detail the needs of the business and those of our partners in the NHS. The Executive Team and Trustees undertook a comprehensive staff restructure which regrettably included redundancies and short term changes to working hours and / or pay. Our headcount reduced from 34 to 20. While the process was incredibly difficult for all involved, it was absolutely necessary to ensure the longer term future of the Charity, and the end result has left the Charity with a more streamlined and flexible workforce, with a reprioritised skillset to take account of the new ways that people are donating to the Charity, with a particular emphasis on digital fundraising, e-commerce and donor engagement. We believe we are well placed to carry out the required recovery and rebuilding work over the short, medium and longer term. Additionally, measures were taken to further reduce our operational overheads.

The Statement of Financial Activities shows that our charitable activities have resulted in net financial outgoings of £11,025 (2020: net financial incomings of £466,698). This is largely a direct result of the Covid-19 pandemic, however the huge success of the Oor Wullie's BIG Bucket Trail in the prior year figures is also a factor. While income dropped significantly, the Charity adopted 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. We are proud that while consolidated income was reduced by 42%, spend on charitable activities reduced by only 27% with around £1.9m committed to projects in the year.

Directors' Report (cont'd)

Financial Review (cont'd)

Reserves

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

Unrestricted Funds:

| | |
|--|---------|
| Designated charitable activities reserve - to safeguard ongoing projects | 477,600 |
| Designated charitable activities reserve - staff working on RHC projects | 81,657 |
| Designated general reserve - operational overheads | 643,297 |
| Designated general reserve - unplanned closure costs | 190,764 |
| General Funds - tangible fixed assets & investments | 36,061 |
| General funds - unallocated free reserves | 94,754 |

1,524,133

Restricted Funds 1,369,686

Total Charity Funds 2,893,819

Reserves policy

The Directors examine the requirement to retain reserves within the Charity on a regular basis to ensure there are sufficient free unrestricted reserves to safeguard the financial stability of the Charity against unforeseen fluctuations in income levels.

With the impact of the Coronavirus pandemic still being keenly felt, the Directors have taken the view that it remains necessary to maintain a high level of reserves at this point in time in order to both safeguard the funding of our ongoing projects and to protect the viability of the Charity. The Directors believe this is the prudent and appropriate approach while the Charity, and the rest of the world, are experiencing a period of extremely high uncertainty and provides the necessary resilience to face the short, medium and longer term.

The Board are acutely aware that the Charity is established for the benefit of our young beneficiaries and the need to safeguard the future of charitable projects is the priority. In order to ensure that no service or project funded by the Charity would be at threat of reduction or cancellation as a result of any unanticipated fall in income, two designated reserves relating to charitable activity have been created:

- 50% of the estimated 2022/23 cost of ongoing projects funded year on year (£477,600). The costs of these projects for the 2021/22 year has already been fully committed and this designation ensures these projects can be assured of continuation for approximately 18 months from the year end date and provide them with a degree of security.
- A separate designation representing Charity staff allocated to work on these projects in the 2021/22 year (£81,657). This ensures that whatever the financial position of the Charity in the coming year, the funding already committed can be utilised to optimum effect.

Directors' Report (cont'd)

Financial Review (cont'd)

The Charity's plans for the 2021/22 year have been built on a cautious and steady recovery period and while restrictions continue, this regrowth may not take place until the later part of the year. Accordingly, the Board recognise the need to balance the reserves between charitable and operational requirements and in order to safeguard the Charity's future has created two reserves relating to operational overheads:

- A sum representing approximately 9 months of operating costs (£643,297) was deemed prudent to cover our operational overheads throughout the quieter months where planning, engagement and stewardship will be of key priority, but may not yield an immediate financial return and would allow the Executive Team the time to evaluate the success of regrowth plans against a backdrop of more certainty as we reach the end of the calendar year and the hopeful emergence from any sort of Government restrictions.
- In the unlikely event of a further restructure or even in the worst case scenario, a sum representing redundancies and notice periods has been designated (£190,764). The Board remains highly confident of the Charity's long term survival and regards it as a going concern. This does not represent a closure plan, however the learnings from the past year have shown us that events can change quickly and it has been deemed prudent to prepare for the worst, however unlikely that may be.

Going concern

As the impact of the Coronavirus pandemic continues, there remains a level of uncertainty and unpredictability over the voluntary sector as a whole. The Board's assessment of going concern has looked at the Charity's financial health and business model and considered both short term liquidity and beyond, to our medium and long term resilience. The prudent management of reserves throughout the year has allowed us to build in safeguards for the future charitable activities and operational needs of the organisation, while the business model has been built to be agile in the face of any future changes in restrictions and / or lockdowns and responsive to new fundraising opportunities.

The past year has taught us the importance of flexibility. The 2021/22 strategy and corresponding budget will be reviewed on an ongoing basis and reforecast as often as necessary. Each planned event and activity is accompanied by a set of KPIs which will be monitored and reviewed on a monthly basis by the Executive Team and the Board. Based on our learnings from the past year it is crucial that we constantly evaluate our activities during this unprecedented time, and make necessary modifications to our business model in a timely manner.

The Board and Finance & Legal Committee are meeting virtually on a monthly basis and consider the risk assessment in detail in addition to scrutinising the Charity's finances and business planning.

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

Directors' Report (cont'd)

Financial Review (cont'd)

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 0.55% against an inflation rate of 1% (CPIH at March 2021).

Risk management

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

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

The Directors consider that the principal risk facing the Charity at the current time continues to be the social and economic fallout from the Coronavirus pandemic. The Directors have approved a budget underpinned by a series of detailed event and activity planners for all areas of the business. Based on our learnings from the past year, it is crucial that that we constantly evaluate our activities, and make any necessary modifications to our business model in a timely basis. Following the 2020 staff restructure, we are confident that we have the skills and resource available to commence a period of steady growth, however we are aware from the past year how much and how quickly circumstances can change and should we not be able to undertake our planned fundraising activities, or the economic outlook deteriorates further, a further significant fall in income could occur impacting our ability to deliver our charitable projects.

This risk has been mitigated, at least in part, by the prudent reserves policies adopted setting aside funds to safeguard charitable projects and cover a significant proportion of operational overheads during this recovery and rebuilding phase.

Directors' Report (cont'd)

Risk management (cont'd)

In addition to the action taken around reserves, this risk is being managed by robust multi-faceted Fundraising and Marketing & Communications strategies. The fundraising teams are actively engaging with donors, fundraisers and volunteers across every viable platform and are always looking to diversify the fundraising portfolio with new opportunities.

Plans for future periods

Covid-19 is still the dominant factor in everyday life in Scotland and with restrictions still in place we must continue to plan with caution, but also a greater degree of flexibility. Whilst the rollout of the vaccine programme presents hope we must plan for a steady regrowth and one which takes account of an ever changing landscape.

Recognising the ongoing challenges that Covid-19 still presents, the Directors and Executive Team developed a budget for 2021/22 with income totalling £2.6m. We anticipate that the forthcoming financial year could be a tougher economic climate than the current year as the real financial fallout of Covid-19 becomes known, and the support offered to businesses through initiatives such as the Coronavirus Job Retention Scheme come to an end in September. We have therefore adopted a very conservative approach to the budget.

This would see us focus primarily on propositions centred on virtual events, donor engagement and digital content for the first six months of the year when we anticipate lockdown restrictions to continue. As we approach the midway point of the 2021/22 financial year, it would be our intention to turn our focus to the hopeful resurgence of activity and events based fundraising, albeit with social distancing, mask wearing and reduced numbers still in place. Sector analysis suggests that there is already a pent up desire for people to get involved in activity and events based fundraising.

The later months of the financial year also present a unique opportunity to acknowledge our 20th anniversary. This offers a strong platform to discuss the impact of our work across two decades whilst also acknowledging our unwavering support of the NHS. We continue to work closely with our NHS partners to align our operations to their needs, both existing and new requirements to cope with the 'new normal' for the hospitals.

Our long-term, prudent financial management gives us the opportunity to move forward with confidence, whilst also appreciating the challenges ahead with clarity.

Directors' Report (cont'd)

Reference and administrative details

Charity number SC007856
Company number SC222439
Registered office 100 Brand Street, Glasgow G51 1DG

Key management personnel

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

Directors and Trustees

Professor Peter Watson (Chairman)
Mr Robert Vaughan (Vice-Chairman)
Professor Hazel Borland
Professor Syed Faisal Ahmed (resigned 3 December 2020)
Ms Natalie Cliff (appointed 25 May 2021)
Miss Victoria Drysdale (resigned 31 August 2021)
Dr Abid Faqir (resigned 10 November 2020)
Mr David Kennedy
Mr David McClelland
Professor Margaret MacLean (appointed 15 December 2020)
Mr Sean Murray
Mr Andrew Perratt
Ms Jennifer Rodgers
Dr Martina Rodie (appointed 25 May 2021)
Dr Joanne Stirling
Mr Scott Taylor (resigned 30 June 2021)
Ms Gail Thomson (Treasurer)

Secretary

Alison Gardner

Chief Executive

Kirsten Watson

Auditors

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

Directors' Report (cont'd)

Reference and administrative details (cont'd)

Bankers

Bank of Scotland
174 Byres Road
Glasgow G12 8SW

Solicitors

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

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 2020) 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 seven committees, which meet as required and make recommendations to the Board. These are:

Finance and Legal Committee

This Committee meets quarterly (or more frequently as required) 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.

Directors' Report (cont'd)

Reference and administrative details (cont'd)

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.

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.

Professional Scientific Advisory Committee

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

Local Activity and Funding Committee

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

Crosshouse Oversight Committee

This Committee meets quarterly to identify and review activity relating to Crosshouse Children's Fund and recommends proposals for funding to the Board for all clinical and non-clinical based function. The Committee identifies and aligns priorities and objectives between the Charity and NHSAAA and ensures that all proposals and activities are in line with relevant protocols and standards.

Appointment of Directors

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

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

Ms Natalie Cliff
Professor Margaret MacLean
Mr Andrew Perratt
Dr Martina Rodie
Ms Jennifer Rodgers
Dr Joanne Stirling

Directors' Report (cont'd)

Structure, governance and management (cont'd)

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 and Treasurer.

Director Induction and Training

Guidance notes and formal training are provided on trustee duties and responsibilities. A full induction process is conducted on recruitment including an information pack and meetings with key personnel. In addition, informal briefings are provided by Directors at regular board meetings and sub-committees 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. Throughout the Coronavirus pandemic the Board have met monthly, and have reviewed and approved all changes to the strategic direction of the charity.

Remuneration policy for key management personnel

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

Subsidiary Trading Company

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

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.

Directors' Report (cont'd)

Responsibilities of the Directors (cont'd)

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

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

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

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

Disclosure of information to auditors

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

Auditors

A resolution will be proposed at the Annual General Meeting that 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



Gail Thomson
Director and Treasurer
Dated: 28 September 2021

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the consolidated financial statements of Glasgow Children's Hospital Charity group and parent company for the year ended 31 March 2021 on pages 33 to 59. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2021 and of their incoming resources and application of resources, including their income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2021 (cont'd)

Other information

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

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

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2021 (cont'd)

Responsibilities of directors

As explained more fully in the Statement of Directors Responsibilities set out on pages 26 - 27, the directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2021 (cont'd)

Our audit procedures include:

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF GLASGOW CHILDREN'S HOSPITAL CHARITY FOR THE YEAR ENDED 31 MARCH 2021 (cont'd)

Use of our report

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



Angus McCuaig (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: 7 October 2021

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2021

| | Note | Unrestricted funds £ | Restricted funds £ | 2021 Total £ | 2020 Total £ |
|--|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | 1,292,319 | 1,241,038 | 2,533,357 | 3,494,864 |
| Other trading activities | 4 | 159,200 | 25,167 | 184,367 | 1,667,254 |
| Investment income | 5 | 19,526 | 14,671 | 34,197 | 52,620 |
| Statutory COVID Support | | 251,554 | - | 251,554 | - |
| Total income | | 1,722,599 | 1,280,876 | 3,003,475 | 5,214,738 |
| Expenditure on: | | | | | |
| Raising funds: | | | | | |
| Donations and legacies | 6 | 924,031 | 114,723 | 1,038,754 | 1,241,554 |
| Other trading activities | 6 | 56,341 | - | 56,341 | 852,769 |
| Charitable activities | 6,7,8 | 801,429 | 1,121,004 | 1,922,433 | 2,649,075 |
| Total expenditure | | 1,781,801 | 1,235,727 | 3,017,528 | 4,743,398 |
| Net movement in funds before gains / (losses) / on investments | | | | | |
| | | (59,202) | 45,149 | (14,053) | 471,340 |
| Gains / (losses) on investments | 13 | 3,028 | - | 3,028 | (4,642) |
| Net (expenditure) / income | 19 | (56,174) | 45,149 | (11,025) | 466,698 |
| Transfers between funds | 19,20,21 | 154,783 | (154,783) | - | - |
| Net movement in funds for the year | | 98,609 | (109,634) | (11,025) | 466,698 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 19,20,21 | 1,450,655 | 1,479,320 | 2,929,975 | 2,463,277 |
| Net movement in funds for the year | | 98,609 | (109,634) | (11,025) | 466,698 |
| Total funds carried forward | 19,20,21 | 1,549,264 | 1,369,686 | 2,918,950 | 2,929,975 |

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 2021

| | Note | Unrestricted funds £ | Restricted funds £ | 2021 Total £ | 2020 Total £ |
|--|----------|-------------------------|-----------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | 1,292,319 | 1,241,038 | 2,533,357 | 3,494,864 |
| Other trading activities | 4 | 113,452 | 25,167 | 138,619 | 1,167,815 |
| Investment income | 5 | 19,490 | 14,671 | 34,161 | 52,535 |
| Statutory COVID Support | | 251,554 | - | 251,554 | - |
| Total income | | 1,676,815 | 1,280,876 | 2,957,691 | 4,715,214 |
| Expenditure on: | | | | | |
| Raising funds: | | | | | |
| Donations and legacies | 6 | 924,031 | 114,723 | 1,038,754 | 1,241,554 |
| Other trading activities | 6 | 438 | - | 438 | 353,245 |
| Charitable activities | 6,7,8 | 801,429 | 1,121,004 | 1,922,433 | 2,649,075 |
| Total expenditure | | 1,725,898 | 1,235,727 | 2,961,625 | 4,243,874 |
| Net movement in funds before gains / (losses) on investments | | | | | |
| | | (49,083) | 45,149 | (3,934) | 471,340 |
| Gains / (losses) on investments | 13 | 3,028 | - | 3,028 | (4,642) |
| Net (expenditure) / income | 19 | (46,055) | 45,149 | (906) | 466,698 |
| Transfers between funds | 19,20,21 | 154,783 | (154,783) | - | - |
| Net movement in funds for the year | | 108,727 | (109,634) | (906) | 466,698 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 19,20,21 | 1,415,405 | 1,479,320 | 2,894,725 | 2,428,027 |
| Net movement in funds for the year | | 108,727 | (109,634) | (906) | 466,698 |
| Total funds carried forward | 19,20,21 | 1,524,131 | 1,369,686 | 2,893,819 | 2,894,725 |

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.

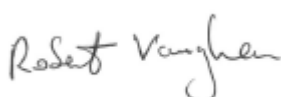
The attached notes form part of these financial statements.

Consolidated Balance Sheet

As at 31 March 2021

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|--|-------|----------------------------|--------------------------|-------------------------|-------------------------|
| Fixed assets | | | | | |
| Tangible Fixed assets | 12 | 35,961 | - | 35,961 | 63,122 |
| Investments | 13 | 38,262 | - | 38,262 | 35,234 |
| Current Assets | | | | | |
| Stock | | 7,774 | - | 7,774 | 13,796 |
| Debtors | 14 | 97,685 | 452 | 98,137 | 126,870 |
| Cash at bank and in hand | 15 | 2,637,777 | 3,554,207 | 6,191,984 | 6,627,275 |
| | | <u>2,743,236</u> | <u>3,554,659</u> | <u>6,297,895</u> | <u>6,767,941</u> |
| Creditors: amounts falling due within one year | 16 | (1,153,600) | (1,628,565) | (2,782,165) | (2,961,502) |
| Net Current Assets | | 1,589,636 | 1,926,094 | 3,515,730 | 3,806,439 |
| Creditors: amounts falling due after more than one year | 17 | (114,595) | (556,408) | (671,003) | (974,820) |
| Net Assets | | <u><u>1,549,264</u></u> | <u><u>1,369,686</u></u> | <u><u>2,918,950</u></u> | <u><u>2,929,975</u></u> |
| Accumulated Funds | | | | | |
| Unrestricted Funds: | | | | | |
| Designated charitable activities reserves | | | | 559,257 | 939,800 |
| Designated staff & operational reserves | | | | 834,061 | 447,733 |
| General funds | | | | 155,946 | 63,122 |
| | 19,20 | | | <u>1,549,264</u> | <u>1,450,655</u> |
| Restricted Funds | 19,21 | | | <u>1,369,686</u> | <u>1,479,320</u> |
| | 19,22 | | | <u><u>2,918,950</u></u> | <u><u>2,929,975</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:



Robert Vaughan (Vice-Chair)
Dated: 28 September 2021



Gail Thomson (Director & Treasurer)
Dated: 28 September 2021

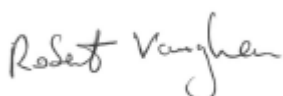
The attached notes form part of these financial statements.

Charity Balance Sheet

As at 31 March 2021

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|--|-------|----------------------------|--------------------------|--------------------|--------------------|
| Fixed assets | | | | | |
| Tangible Fixed assets | 12 | 35,961 | - | 35,961 | 63,122 |
| Investments | 13 | 38,362 | - | 38,362 | 35,334 |
| Current Assets | | | | | |
| Debtors | 14 | 102,988 | 452 | 103,440 | 449,371 |
| Cash at bank and in hand | 15 | 2,612,504 | 3,554,207 | 6,166,711 | 6,267,908 |
| | | <u>2,715,492</u> | <u>3,554,659</u> | <u>6,270,151</u> | <u>6,717,279</u> |
| Creditors: amounts falling due within one year | 16 | (1,151,087) | (1,628,565) | (2,779,652) | (2,946,190) |
| Net Current Assets | | 1,564,405 | 1,926,094 | 3,490,499 | 3,771,089 |
| Creditors: amounts falling due after more than one year | 17 | (114,595) | (556,408) | (671,003) | (974,820) |
| Net Assets | | <u>1,523,133</u> | <u>1,369,686</u> | <u>2,893,819</u> | <u>2,894,725</u> |
| Accumulated Funds | | | | | |
| Unrestricted Funds: | | | | | |
| Designated charitable activities reserves | | | | 559,257 | 939,800 |
| Designated staff & operational reserves | | | | 834,061 | 412,483 |
| General funds | | | | 130,815 | 63,122 |
| | 19,20 | | | <u>1,523,133</u> | <u>1,415,405</u> |
| Restricted Funds | 19,21 | | | <u>1,369,686</u> | <u>1,479,320</u> |
| | 19 | | | <u>2,893,819</u> | <u>2,894,725</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:



Robert Vaughan (Vice-Chair)
Dated: 28 September 2021



Gail Thomson (Director & Treasurer)
Dated: 28 September 2021

The attached notes form part of these financial statements.

Statements of Cash Flows

For the year ended 31 March 2021

| | Note | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|-----------|--------------------|--------------------|----------------------|----------------------|
| Cash provided by operating activities | | (469,488) | 361,445 | (135,358) | 184,557 |
| <u>Cash flows from investing activities:</u> | | | | | |
| Dividends and interest | 5 | 34,197 | 52,620 | 34,161 | 52,620 |
| Purchase of fixed assets | | - | - | - | - |
| Cash provided by investing activities | | 34,197 | 52,620 | 34,161 | 52,620 |
| (Decrease) / Increase in cash in the year | | (435,291) | 414,065 | (101,197) | 237,177 |
| Cash at the beginning of year | 15 | 6,627,275 | 6,213,210 | 6,267,908 | 6,030,731 |
| (Decrease) / Increase in cash in the year | | (435,291) | 414,065 | (101,197) | 237,177 |
| Cash at the end of the year | 15 | 6,191,984 | 6,627,275 | 6,166,711 | 6,267,908 |
| <u>Reconciliation to Statement of Financial Activities</u> | | | | | |
| Net expenditure for the year as per the Statement of Financial Activities | | (11,025) | 466,698 | (906) | 466,698 |
| <u>Adjustments for:</u> | | | | | |
| Depreciation | 12 | 27,161 | 27,161 | 27,161 | 27,161 |
| (Gains)/ losses on investments | 13 | (3,028) | 4,642 | (3,028) | 4,642 |
| Dividends and interest | 5 | (34,197) | (52,620) | (34,161) | (52,620) |
| Decrease / (Increase) in stock | | 6,022 | (5,845) | - | - |
| Decrease / (increase) in debtors | | 28,733 | 146,316 | 345,931 | (330,522) |
| (Decrease) / increase in creditors | | (483,154) | (224,907) | (470,355) | 69,198 |
| Cash provided by operating activities | | (469,488) | 361,445 | (135,358) | 184,557 |

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 100 Brand Street, Glasgow G51 1DG.

2. Accounting policies

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

Basis of preparation

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

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

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

(a) Group financial statements

These financial statements consolidate the results of the Charity and its wholly owned 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.

(c) Fund accounting

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

Notes to the Consolidated Financial Statements (cont'd)

2. Accounting policies (cont'd)

(d) Fund accounting

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

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

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

Investment income is allocated to the appropriate fund.

(e) Incoming resources

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

Trading turnover is attributable to the retailing of goods and services, primarily the sale of logo merchandise through the Charity's Fundraising Hub and mail order service, to the sponsorship, auction and merchandise income in relation to Oor Wullie's BIG Bucket Trail, a national art trail run in conjunction with the charity in 2019, and to the sales of food and drink via a café opened in 2018.

(f) Resources expended

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

Expenditure is classified as follows:

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

Notes to the Consolidated Financial Statements (cont'd)

2. Accounting policies (cont'd)

(f) Resources expended (cont'd)

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

(g) Gifts in Kind

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

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

(h) Investments and investment income

Investments in these financial statements are shown at market value.

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

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

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

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

(i) Tangible fixed assets and depreciation

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

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

| | |
|-----------------------|--------------------------------------|
| Computer equipment | over 3 years |
| Fixtures and fittings | over 3 years (or over term of lease) |

Notes to the Consolidated Financial Statements (cont'd)

2. Accounting policies (cont'd)

(j) Stocks

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

(k) Financial instruments

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

(l) Debtors

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

(m) Cash and cash equivalents

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

(n) Creditors

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

(o) Employee benefits

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

(p) Leases

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

(q) Commitments

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

Notes to the Consolidated Financial Statements (cont'd)

2. Accounting policies (cont'd)

(r) Going concern

In light of COVID-19, the Directors have considered the application of the going concern principle. Detailed budget are presented to and approved by the Board of Directors with regular monitoring through review of management accounts. We would refer you to our Reserves Policy and Going Concern section of the Directors' Report on pages 19 - 20. The Directors consider that adequate resources are available to fund the activities of the charitable company for a period of at least twelve months. On the basis of budgets and other financial procedures in place the Directors believe the going concern principle is appropriate to these financial statements. There are no known material uncertainties regarding the charity's ability to continue as a going concern.

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

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Donations from Individuals | 805,837 | 438,105 | 1,243,942 | 1,742,479 |
| Donations from corporate partners | 246,766 | 215,894 | 462,660 | 660,314 |
| Donations from Trusts & Foundations | 122,449 | 585,039 | 707,488 | 736,660 |
| Legacies | 117,267 | 2,000 | 119,267 | 355,411 |
| Total income from donations and legacies | 1,292,319 | 1,241,038 | 2,533,357 | 3,494,864 |

4. Income from other trading activities

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Group | | | | |
| Trading | 61,685 | - | 61,685 | 823,181 |
| Charity challenges | 895 | 80 | 975 | 37,610 |
| GCHC events | 96,620 | 25,837 | 122,457 | 701,431 |
| Course registration fees | - | (750) | (750) | 105,032 |
| Total income from other trading activities | 159,200 | 25,167 | 184,367 | 1,667,254 |

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

Notes to the Consolidated Financial Statements (cont'd)

4. Income from other trading activities (cont'd)

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Charity | | | | |
| Gift Aid payment from Glasgow Children's Hospital Trading Limited | 15,937 | - | 15,937 | 323,742 |
| Charity challenges | 895 | 80 | 975 | 37,610 |
| GCHC events | 96,620 | 25,837 | 122,457 | 701,431 |
| Course registration fees | - | (750) | (750) | 105,032 |
| Total income from other trading activities | 113,452 | 25,167 | 138,619 | 1,167,815 |

5. Investment income

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|--------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Group | | | | |
| Interest received from bank deposits | 19,228 | 14,671 | 33,899 | 51,875 |
| Dividend income | 298 | - | 298 | 745 |
| Total investment income | 19,526 | 14,671 | 34,197 | 52,620 |
| Charity | | | | |
| Interest received from bank deposits | 19,192 | 14,671 | 33,863 | 51,790 |
| Dividend income | 298 | - | 298 | 745 |
| Total investment income | 19,490 | 14,671 | 34,161 | 52,535 |

Notes to the Consolidated Financial Statements (cont'd)

6. Allocation of expenditure

| | Basis | Donations & legacies £ | Other trading activities £ | Charitable Activities £ | 2021 Total £ | 2020 Total £ |
|-----------------------------------|-------|------------------------------|----------------------------------|-------------------------------|--------------------|--------------------|
| Group | | | | | | |
| Grants payable | 1 | | | 1,775,859 | 1,775,859 | 2,285,638 |
| Staff cost - prog. delivery | 2 | | | 47,317 | 47,317 | 129,464 |
| Staff costs - excl prog. delivery | 2 | 789,308 | 10,828 | 99,257 | 899,393 | 1,100,546 |
| Community initiatives | 1 | 18,572 | | | 18,572 | 120,844 |
| Corporate partners | 1 | 1,213 | | | 1,213 | 21,576 |
| Events & challenges | 1 | | 438 | | 438 | 203,251 |
| Trading | 1 | | 32,108 | | 32,108 | 473,372 |
| Individual Giving | 1 | 24,945 | | | 24,945 | 16,971 |
| Legacies & Trusts | 1 | 548 | | | 548 | 3,168 |
| Marketing & Comms | 1 | 13,869 | 2,906 | | 16,775 | 100,221 |
| Transaction charges | 1 | 19,069 | 1,517 | | 20,586 | 36,055 |
| Legal costs | 1 | 9,420 | | | 9,420 | 4,780 |
| HR related costs | 1 | 13,875 | 45 | | 13,920 | 32,979 |
| ICT costs | 1 | 42,552 | | | 42,552 | 69,600 |
| Office facilitation costs | 1 | 91,671 | 262 | | 91,933 | 127,378 |
| Vehicle costs | 1 | 3,597 | 2,990 | | 6,587 | 2,762 |
| Volunteer costs | 1 | 985 | 34 | | 1,019 | 2,164 |
| Developing Strategy | 1 | | | | - | 3,064 |
| Audit / other prof'l fees | 1 | 9,130 | 5,213 | | 14,343 | 9,565 |
| | | 1,038,754 | 56,341 | 1,922,433 | 3,017,528 | 4,743,398 |
| Charity | | | | | | |
| Grants payable | 1 | | | 1,775,859 | 1,775,859 | 2,285,638 |
| Staff cost - prog. delivery | 2 | | | 47,317 | 47,317 | 129,464 |
| Staff costs - excl prog. delivery | 2 | 789,308 | | 99,257 | 888,565 | 1,042,321 |
| Community initiatives | 1 | 18,572 | | | 18,572 | 120,844 |
| Corporate partners | 1 | 1,213 | | | 1,213 | 21,576 |
| Events & challenges | 1 | | 438 | | 438 | 237,999 |
| Individual Giving | 1 | 24,945 | | | 24,945 | 16,971 |
| Legacies & Trusts | 1 | 548 | | | 548 | 3,168 |
| Marketing & Comms | 1 | 13,869 | | | 13,869 | 100,221 |
| Transaction charges | 1 | 19,069 | | | 19,069 | 36,055 |
| Legal fees | 1 | 9,420 | | | 9,420 | 4,780 |
| HR related costs | 1 | 13,875 | | | 13,875 | 32,979 |
| ICT Costs | 1 | 42,552 | | | 42,552 | 69,600 |
| Office facilitation costs | 1 | 91,671 | | | 91,671 | 127,378 |
| Vehicle costs | 1 | 3,597 | | | 3,597 | 2,762 |
| Volunteer costs | 1 | 985 | | | 985 | 2,164 |
| Developing Strategy | 1 | | | | - | 3,064 |
| Audit / other prof'l fees | 1 | 9,130 | | | 9,130 | 6,890 |
| | | 1,038,754 | 438 | 1,922,433 | 2,961,625 | 4,243,874 |

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

Notes to the Consolidated Financial Statements (cont'd)

6. Allocation of expenditure (cont'd)

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

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|-------------------------------|--------------------|--------------------|----------------------|----------------------|
| Staff costs | 35,425 | 51,900 | 35,425 | 51,900 |
| Audit & professional fees | 14,343 | 9,565 | 9,130 | 6,890 |
| Strategy development | - | 3,000 | - | 3,000 |
| Trustee meetings | - | 64 | - | 64 |
| Total governance costs | 49,768 | 64,529 | 44,555 | 61,854 |

7. Charitable activities – Group and Charity

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Medical Equipment | 85,323 | 105,923 | 191,246 | 744,227 |
| Research, Education & Training | 6,239 | 69,869 | 76,108 | 272,274 |
| Play & Entertainment for Children | 299,860 | 247,008 | 546,868 | 474,121 |
| Hospital Volunteer Service | 746 | 22,503 | 23,249 | 81,708 |
| Patient and Family Support Services | 212,124 | 270,185 | 482,309 | 320,689 |
| Patient and Family Support Services – Poverty Related | 76,880 | 23,813 | 100,693 | 156,000 |
| Enhancements to Hospital Environment | 21,500 | 153,010 | 174,510 | 366,083 |
| COVID specific support | - | 228,693 | 228,693 | - |
| Total grants awarded (Note 8) | 702,672 | 1,121,004 | 1,823,676 | 2,415,102 |
| Support costs allocated | 98,757 | - | 98,757 | 233,973 |
| Charitable expenditure | 801,429 | 1,121,004 | 1,922,433 | 2,649,075 |

Notes to the Consolidated Financial Statements (cont'd)

8. Grants awarded in the period – Group and Charity

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

| | Unrestricted £ | Restricted £ | Total £ |
|---|-------------------|------------------|------------------|
| Cardiology Cryoablation Equipment | - | 49,481 | 49,481 |
| ENT Microscope | 48,723 | 40,347 | 89,070 |
| Facial Nerve Monitor | 21,878 | - | 21,878 |
| Research into Rare Conditions | 18,237 | 1,763 | 20,000 |
| Structured Play Service | 384,807 | 223,361 | 608,168 |
| MediCinema Running Costs | 37,315 | - | 37,315 |
| Hospital Volunteer Service | 17,813 | 7,187 | 25,000 |
| Financial inclusion Service | 116,911 | 519 | 117,430 |
| Maternity Matters - SNIPS | 71,380 | - | 71,380 |
| Emergency Family Support Services | 16,187 | 23,813 | 40,000 |
| Bereavement Service | 97,648 | 14,826 | 112,474 |
| GI Nurse Administrator | 5,000 | 62,000 | 67,000 |
| Crosshouse Child Death Review Project | - | 51,600 | 51,600 |
| NICU Enhancements | 21,200 | 14,056 | 35,256 |
| Theatres Enhancements | - | 100,068 | 100,068 |
| Fetal Medicine Unit Enhancements | - | 28,559 | 28,559 |
| Milk Bank Volunteer Driver Service | - | 30,818 | 30,818 |
| Chemocare Maintenance & Support | - | 21,020 | 21,020 |
| IBD Clinical Fellowship | - | 28,171 | 28,171 |
| <u>COVID Specific Support:</u> | | | |
| Support for NHS Staff - Wellbeing Areas & Technology | - | 36,373 | 36,373 |
| Remote Sleep Diagnostics Equipment | - | 33,622 | 33,622 |
| Video Otoscopes | - | 15,301 | 15,301 |
| Technology for Patients & Families | - | 19,272 | 19,272 |
| Financial, Emotional & Practical Support for Families | - | 23,426 | 23,426 |
| Extension of Bereavement Service | - | 55,000 | 55,000 |
| GCHC staff ERT | - | 45,699 | 45,699 |
| Recoveries of grants awards from prior year not fully required due to COVID restrictions | (143,412) | - | (143,412) |
| Items < £25,000 | (11,015) | 194,722 | 183,707 |
| Total grants awarded (Note 7) | 702,672 | 1,121,004 | 1,823,676 |

Notes to the Consolidated Financial Statements (cont'd)

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

(b) Unrestricted funds

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

In addition the Charity operates 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.

(c) Restricted funds

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

9. Net income / (expenditure) for the year

Is stated after charging:

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Audit fees (net of VAT) | 7,250 | 10,250 | 5,750 | 7,500 |
| Tax advisory service fees | 395 | 395 | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

10. Analysis of staff and key management personnel costs

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

The key management personnel are those individuals in charge of directing and controlling, running and operating the Charity on a day to day basis and comprise the Board of Directors, who are the Charity's Trustees, the Chief Executive and the Chief Operating Officer. The Trustees received no remuneration in the period, nor re-imbursement of expenses (2020: £Nil). The total employee benefits (inclusive of pension and employer's National Insurance costs) of the Chief Executive and Chief Operating Officer were £175,198 (2020: £184,888).

The average number of employees during the year was 28 (2020: 36).

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

| | 2021 | 2020 |
|-----------|-------------|-------------|
| Full Time | 12 | 26 |
| Part Time | <u>8</u> | <u>8</u> |
| Total | <u>20</u> | <u>34</u> |

Notes to the Consolidated Financial Statements (cont'd)

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

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| <u>Programme delivery staff:</u> | | | | |
| Salaries | 41,826 | 114,312 | 41,826 | 114,312 |
| Employer's NI | 3,420 | 9,774 | 3,420 | 9,774 |
| Pension costs | 2,071 | 5,378 | 2,071 | 5,378 |
| | 47,317 | 129,464 | 47,317 | 129,464 |
| <u>Other charitable activities:</u> | | | | |
| Salaries | 81,984 | 153,617 | 81,984 | 153,617 |
| Employer's NI | 8,697 | 16,700 | 8,697 | 16,700 |
| Pension costs | 8,576 | 17,118 | 8,576 | 17,118 |
| | 99,257 | 187,435 | 99,257 | 187,435 |
| <u>Other trading activities:</u> | | | | |
| Salaries | 9,404 | 152,622 | - | 101,041 |
| Employer's NI | 708 | 14,784 | - | 9,925 |
| Pension costs | 716 | 6,065 | - | 4,280 |
| | 10,828 | 173,471 | - | 115,246 |
| <u>Donations & legacies:</u> | | | | |
| Salaries | 621,793 | 630,510 | 621,793 | 630,510 |
| Employer's NI | 60,703 | 57,249 | 60,703 | 57,249 |
| Pension costs | 45,230 | 51,881 | 45,230 | 51,881 |
| Redundancy / termination payments | 61,582 | - | 61,582 | - |
| | 789,308 | 739,640 | 789,308 | 739,640 |
| Total staff costs | 946,710 | 1,230,010 | 935,882 | 1,171,785 |

Total employee benefits include termination benefits for 14 members of staff of £61,582 (2020: £Nil) which have been fully paid during the financial period.

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

| | 2021 | 2020 |
|--------------------|------|------|
| £70,001 - £80,000 | - | 1 |
| £80,001 - £90,000 | - | 1 |
| £90,001 - £100,000 | 1 | - |
| | = | = |

Notes to the Consolidated Financial Statements (cont'd)

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

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

11. Related Party Transactions

The Trustees, in aggregate, donated the sum of £3,150 (2020: £16,864) in monetary donations in addition to the considerable amounts of time and expertise freely given to the Charity in attendance at Board and Committee meetings and in the provision of leadership, strategic guidance and professional advice throughout the period.

12. Tangible fixed assets – Group and Charity

| | Group Fixtures & Fittings £ | Group Computer Equipment £ | Group Total £ | Charity Fixtures & Fittings £ | Charity Computer Equipment £ | Charity Total £ |
|----------------------------------|--------------------------------------|-------------------------------------|---------------------|--|---------------------------------------|-----------------------|
| <u>Cost:</u> | | | | | | |
| At beginning and end of the year | 158,737 | 61,771 | 220,508 | 156,663 | 61,771 | 218,434 |
| <u>Depreciation:</u> | | | | | | |
| At beginning of the year | 103,880 | 53,506 | 157,386 | 101,806 | 53,506 | 155,312 |
| Charge for the period | 23,973 | 3,188 | 27,161 | 23,973 | 3,188 | 27,161 |
| At end of the year | 127,853 | 56,694 | 184,547 | 125,779 | 56,694 | 182,473 |
| <u>Net book value:</u> | | | | | | |
| At beginning of the year | 54,857 | 8,265 | 63,122 | 54,857 | 8,265 | 63,122 |
| At end of the year | 30,884 | 5,077 | 35,961 | 30,884 | 5,077 | 35,961 |

Notes to the Consolidated Financial Statements (cont'd)

13. Fixed asset investments

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| 100 ordinary shares in Glasgow Children's Hospital Trading Limited, a trading subsidiary | - | - | 100 | 100 |
| Shares in UK stock exchange companies | 38,262 | 35,234 | 38,262 | 35,234 |
| Total fixed asset investments | 38,262 | 35,234 | 38,362 | 35,334 |

Glasgow Children's Hospital Trading Limited's profit for the year ended 31 March 2021 was £Nil (2020: £Nil) after transferring £15,937 (2020 : £323,742) 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 2021, its capital and reserves totalled £25,231 (2020: £35,350).

Shares held in UK Stock Exchange Companies – Group & Charity

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Market value at beginning of the year | 35,234 | 39,876 |
| Gain / (Loss) on revaluation | 3,028 | (4,642) |
| Market Value at the end of the year | 38,262 | 35,234 |
| Cost at end of the year | 19,351 | 19,351 |

These shareholdings arose from a legacy received in 2010.

14. Debtors

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Amount due from Glasgow Children's Hospital Trading Limited | - | - | 6,081 | 323,218 |
| Prepayments | 26,158 | 27,209 | 25,380 | 26,492 |
| Accrued Income | 62,979 | 99,661 | 62,979 | 99,661 |
| Dilapidations | 9,000 | - | 9,000 | - |
| Total debtors | 98,137 | 126,870 | 103,440 | 449,371 |

One legacy valued at £2,000 has been accrued into income in 2021 (2020: £45,500).

Notes to the Consolidated Financial Statements (cont'd)

15. Cash at bank and in hand

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Unrestricted funds | 2,637,778 | 2,080,966 | 2,612,505 | 1,722,154 |
| Restricted funds | 3,554,206 | 4,546,309 | 3,554,206 | 4,545,754 |
| Total cash at bank and in hand | 6,191,984 | 6,627,275 | 6,166,711 | 6,267,908 |

16. Creditors: amounts falling due within one year

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Grants payable | 2,588,355 | 2,610,126 | 2,588,355 | 2,610,126 |
| Other creditors & accruals | 193,584 | 340,444 | 191,297 | 336,245 |
| Other taxation and social security | 226 | 10,932 | - | (181) |
| Total creditors falling due within one year | 2,782,165 | 2,961,502 | 2,779,652 | 2,946,190 |

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

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|----------------|--------------------|--------------------|----------------------|----------------------|
| Grants payable | 671,003 | 974,820 | 671,003 | 974,820 |

18. Commitments

At 31 March 2021, the Charity had total future commitments under non-cancellable operating leases as follows:

| | Property | | Equipment | |
|--------------------------|---------------|---------------|---------------|---------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Group | | | | |
| Within one year | 28,989 | 28,989 | 3,492 | 12,837 |
| Within two to five years | - | 28,989 | 7,865 | 10,909 |
| Total | 28,989 | 57,978 | 11,357 | 23,746 |

Notes to the Consolidated Financial Statements (cont'd)

18. Commitments (cont'd)

| | Property | | Equipment | |
|--------------------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Charity | | | | |
| Within one year | 28,989 | 28,989 | 2,686 | 11,581 |
| Within two to five years | - | 28,989 | 7,416 | 10,102 |
| Total | 28,989 | 57,978 | 10,102 | 21,683 |

19. Funds

| | Unrestricted £ | Restricted £ | Total £ |
|---|-------------------|------------------|------------------|
| Fund balances brought forward - Charity | 1,415,405 | 1,479,320 | 2,894,725 |
| Net movement in funds for period | (46,055) | 45,149 | (906) |
| Transfers between funds | 154,783 | (154,783) | - |
| Fund balances carried forward - Charity | 1,524,133 | 1,369,686 | 2,893,819 |
| Glasgow Children's Hospital Trading Ltd reserves - 31 March | 25,131 | - | 25,131 |
| Fund balances carried forward - Group | 1,549,264 | 1,369,686 | 2,918,950 |

These funds are retained in order to provide funds for:

Unrestricted purposes

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

Restricted purposes

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

Transfers between funds represent:

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

Notes to the Consolidated Financial Statements (cont'd)

20. Unrestricted funds – Group and Charity

| | Fund balances brought forward £ | Income £ | Expenditure £ | Transfers £ | (Losses) / Gains £ | Fund balances carried forward £ |
|-------------------------------------|---|------------------|--------------------|----------------|--------------------------|---|
| Tangible Fixed assets | 63,122 | - | (27,161) | - | - | 35,961 |
| Free unrestricted reserves | 1,352,283 | 1,660,878 | (1,682,800) | 154,783 | 3,028 | 1,488,172 |
| Unrestricted funds - Charity | 1,415,405 | 1,660,878 | (1,709,961) | 154,783 | 3,028 | 1,523,133 |
| Trading company reserves | 35,250 | 61,721 | (71,840) | - | - | 25,131 |
| Unrestricted funds - Group | 1,450,655 | 1,722,599 | (1,781,801) | 154,783 | 3,028 | 1,549,264 |

Designated general reserve

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

21. Restricted funds - Group and Charity

| | Fund balances brought forward £ | Income £ | Expenditure £ | Transfer (to) / from Unrestricted funds £ | Fund balances carried forward £ |
|--|---|------------------|--------------------|---|---|
| Restricted Funds held for specific areas/projects | 1,479,320 | 1,280,876 | (1,235,727) | (154,783) | 1,369,686 |

Restricted Funds held by the Charity for specific areas or projects

Provide funds for specific departments or projects within RHC, as specified by the donor on receipt of the donation, for which the Charity has accounts set up. Authority for expenditure from many of these funds has been delegated by the Trustees to the designated Fundholders and they take a long-term strategic view of expenditure from these funds. There were 152 separate restricted funds open during the financial period, the larger ones being detailed on the following page.

Notes to the Consolidated Financial Statements (cont'd)

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

| | Balances b/ fwd | Income | Expenditure | Tfr between Restricted Funds | Tfr (to) / from Unrestricted funds | Balances c/fwd |
|-------------------------------|--------------------|------------------|--------------------|------------------------------------|--|-------------------|
| | £ | £ | £ | £ | £ | £ |
| Cardiology Ward Fund (1E) | 76,356 | 2,221 | (2,340) | - | - | 76,237 |
| Cardiology Investigation Unit | 39,349 | 550 | - | - | - | 39,899 |
| Children with Diabetes Fund | 97,364 | 2,801 | 160 | - | - | 100,325 |
| Chloe's Chemoo Cows Fund | - | 130,803 | (115,789) | - | - | 15,014 |
| CLK family Fund | 35,555 | 557 | (30,006) | - | - | 6,106 |
| COVID Fund | 1,474 | 301,994 | (223,210) | (56,226) | (24,032) | - |
| COVID Operational costs | - | 22,498 | (86,693) | 64,195 | - | - |
| Crosshouse Fund - General | 53,876 | 40,323 | (74,935) | - | - | 19,264 |
| DNM Family Fund | 42,572 | 2,215 | (107) | - | - | 44,680 |
| ECMO Fund | 19,648 | 2,343 | (103) | - | - | 21,888 |
| Fetal Medicine Fund | 52,088 | 5,135 | (786) | - | - | 56,437 |
| Fetal Medicine Enhancements | - | 42,840 | (32,843) | - | (9,997) | - |
| Fetal Cardiac Scanner | - | 91,024 | (50,891) | - | (40,133) | - |
| Financial Inclusion | - | 42,978 | (2,658) | - | (40,320) | - |
| Intensive Care Unit Fund | 95,607 | 32,117 | (8,748) | - | - | 118,976 |
| IBD Fund | 66,322 | 17,131 | (31,038) | (30,000) | - | 22,415 |
| CMF Fund | - | 32,000 | (62,000) | 30,000 | - | - |
| Milk Bank Fund | - | 15,964 | (31,136) | 763 | 14,409 | - |
| Neonatal (RHC/PRM/RAH) | 70,420 | 26,331 | (7,999) | 38,289 | - | 127,041 |
| Neonatal Appeal | 15,946 | 57,886 | (6,382) | (42,789) | (24,661) | - |
| Neurosciences Research Fund | 26,722 | 344 | (2,834) | - | - | 24,232 |
| Play Project Fund | 50 | 74,100 | (50,400) | - | (23,750) | - |
| Play – Teddy Hospital Fund | - | 30,005 | (30,005) | - | - | - |
| Schiehallion Appeal | 31,485 | 3,637 | (20,627) | - | - | 14,495 |
| Schiehallion Unit Fund | 78,573 | 46,442 | (48,391) | - | - | 76,624 |
| Theatres Fund | 20,852 | 52,093 | (72,945) | - | - | - |
| Vein of Galen Fund | 77,088 | 920 | (16,249) | - | - | 61,759 |
| Wilson Family Bequest | 91,991 | 810 | (49,207) | - | - | 43,594 |
| Other funds (under £25,000) | 485,982 | 202,814 | (177,565) | (4,232) | (6,299) | 500,700 |
| Total | 1,479,320 | 1,280,876 | (1,235,727) | - | (154,783) | 1,369,686 |

Notes to the Consolidated Financial Statements (cont'd)

22. Analysis of consolidated net assets between funds

| | Fixed assets | Current assets less creditors | 31 March 2021 Total £ |
|--------------------|-----------------|-------------------------------------|--------------------------------|
| | £ | £ | £ |
| Restricted funds | - | 1,369,686 | 1,369,686 |
| Unrestricted funds | 35,961 | 1,513,303 | 1,549,264 |
| Total | 35,961 | 2,882,989 | 2,918,950 |

23. Indemnity Insurance

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

Notes to the Consolidated Financial Statements (cont'd)

24. Prior Year Statement of Financial Activities

| | Group Unrestricted funds £ | Group Restricted funds £ | Group 2020 Total £ | Charity Unrestricted funds £ | Charity Restricted funds £ | Charity 2020 Total £ |
|--|-------------------------------------|-----------------------------------|-----------------------------|---------------------------------------|-------------------------------------|-------------------------------|
| Income from: | | | | | | |
| Donations and legacies | 2,126,750 | 1,368,114 | 3,494,864 | 2,126,750 | 1,368,114 | 3,494,864 |
| Other trading activities | 1,196,386 | 470,868 | 1,667,254 | 696,947 | 470,868 | 1,167,815 |
| Investment income | 32,721 | 19,899 | 52,620 | 32,636 | 19,899 | 52,535 |
| Total income | 3,355,857 | 1,858,881 | 5,214,738 | 2,856,333 | 1,858,881 | 4,715,214 |
| Expenditure on: | | | | | | |
| Raising funds: | | | | | | |
| Donations and legacies | 1,048,838 | 192,716 | 1,241,554 | 1,048,838 | 192,716 | 1,241,554 |
| Other trading activities | 724,631 | 128,138 | 852,769 | 225,107 | 128,138 | 353,245 |
| Charitable activities | 623,668 | 2,025,407 | 2,649,075 | 623,668 | 2,025,407 | 2,649,075 |
| Total expenditure | 2,397,137 | 2,346,261 | 4,743,398 | 1,897,613 | 2,346,261 | 4,243,874 |
| Net movements in funds before unrealised (losses) / gains on investments | 958,720 | (487,380) | 471,340 | 958,720 | (487,380) | 471,340 |
| Unrealised (losses) / gains on investments | (4,642) | - | (4,642) | (4,642) | - | (4,642) |
| Net (expenditure) / income | 954,078 | (487,380) | 466,698 | 954,078 | (487,380) | 466,698 |
| Transfers between funds | (261,459) | 261,459 | - | (261,459) | 261,459 | - |
| Net movement in funds | 692,619 | (225,921) | 466,698 | 692,619 | (225,921) | 466,698 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | 758,036 | 1,705,241 | 2,463,277 | 722,786 | 1,705,241 | 2,428,027 |
| Net movement in funds | 692,619 | (225,921) | 466,698 | 692,619 | (225,921) | 466,698 |
| Total funds carried forward | 1,450,655 | 1,479,320 | 2,929,975 | 1,415,405 | 1,479,320 | 2,894,725 |

Notes to the Consolidated Financial Statements (cont'd)

25. Prior Year Unrestricted funds – Group and Charity

| | Fund balances brought forward £ | Income £ | Expenditure £ | Transfers £ | (Losses) / Gains £ | Fund balances carried forward £ |
|-------------------------------------|---|------------------|--------------------|------------------|--------------------------|---|
| Tangible Fixed assets | 90,283 | - | (27,161) | - | - | 63,122 |
| Free unrestricted reserves | 632,503 | 2,497,844 | (1,511,963) | (261,459) | (4,642) | 1,352,283 |
| Unrestricted funds - Charity | 722,786 | 2,497,844 | (1,539,124) | (261,459) | (4,642) | 1,415,405 |
| Trading company reserves | 35,250 | 858,013 | (858,013) | - | - | 35,250 |
| Unrestricted funds - Group | 758,036 | 3,355,857 | (2,397,137) | (261,459) | (4,642) | 1,450,655 |

26. Prior Year Restricted funds – Group and Charity

| | Fund balances brought forward £ | Income £ | Expenditure £ | Transfer (to) / from Unrestricted funds £ | Fund balances carried forward £ |
|--|---|------------------|--------------------|---|---|
| Restricted Funds held for specific areas/projects | 1,705,241 | 1,858,881 | (2,346,261) | 261,459 | 1,479,320 |

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

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

Notes to the Consolidated Financial Statements (cont'd)

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

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

| | Balances brought fwd | Income | Expenditure | Tfr –Restr'd Funds | Tfr – Unrestr'd Funds | Balances carried fwd |
|---------------------------------|-------------------------|------------------|--------------------|-----------------------|--------------------------|-------------------------|
| | £ | £ | £ | £ | £ | £ |
| ALU Family Fund | 19,716 | 6,481 | (26,197) | - | - | - |
| Cardiology Fund | 44,254 | 19,815 | (56,774) | - | - | 7,295 |
| Cardiology Ward Fund (1E) | 70,841 | 23,153 | (17,638) | - | - | 76,356 |
| Cardiology Investigation Unit | 38,756 | 593 | - | - | - | 39,349 |
| Creative Therapies | - | 40,053 | (38,418) | - | - | 1,635 |
| Children with Diabetes Fund | 95,145 | 5,314 | (3,095) | - | - | 97,364 |
| CLK family Fund | 14,014 | 23,058 | (1,517) | - | - | 35,555 |
| Crosshouse Fund | - | 64,152 | (10,276) | - | - | 53,876 |
| Crosshouse garden refurb | - | 25,000 | (25,000) | - | - | - |
| DNM Family Fund | 37,547 | 5,335 | (310) | - | - | 42,572 |
| ECMO Fund | 34,622 | 6,704 | (21,678) | - | - | 19,648 |
| Emergency Family Relief Fund | 886 | 20,000 | (20,886) | - | - | - |
| Epilepsy Research Fund | - | 41,635 | (27,419) | - | - | 14,216 |
| Fetal Medicine Fund | 51,512 | 4,293 | (3,717) | - | - | 52,088 |
| Fetal Medicine Enhancements | 38,556 | - | (48,553) | - | 9,997 | - |
| Fetal Cardiac Scanner | - | 42,209 | (82,342) | - | 40,133 | - |
| Financial Inclusion | - | 58,197 | (61,470) | 3,200 | 73 | - |
| GCHC Research Support Fund | - | 166 | (57,900) | - | 57,734 | - |
| Hospital Enhancements Fund | 1,689 | 14,597 | (12,874) | - | 496 | 3,908 |
| Intensive Care Unit Fund | 178,247 | 10,773 | (89,568) | (3,845) | - | 95,607 |
| IBD Fund | 107,071 | 34,935 | (75,684) | - | - | 66,322 |
| Imaging & Diagnostics Fund | 9,250 | 385 | (679) | - | - | 8,956 |
| Love At First Sight Appeal | 65 | 53,477 | (171) | - | (32,320) | 21,051 |
| MediCinema Fund | 69 | 18,249 | (47,597) | - | 29,279 | - |
| Marion's Still Smiling | 30,555 | 12,943 | (27,395) | - | - | 16,103 |
| Neonatal (RHC/PRM/RAH) | 104,585 | 126,881 | (177,120) | 16,074 | - | 70,420 |
| Neonatal Appeal | - | 192,064 | (271,043) | (3,200) | 98,125 | 15,946 |
| Neurosciences Unit Fund | 20,735 | 2,292 | (11,580) | - | - | 11,447 |
| Neurosciences Research Fund | 31,555 | 7,856 | (12,689) | - | - | 26,722 |
| Office for Rare Conditions | 564 | 8,370 | (4,822) | 2,047 | - | 6,159 |
| OWBBT Project | 36,667 | 37,804 | (73,184) | - | (1,287) | - |
| Renal Appeal | - | 277,395 | (247,298) | - | (27,739) | 2,358 |
| Playroom / Waiting Areas | 27,085 | - | (27,478) | 393 | - | - |
| Play Project Fund | - | 93,129 | (93,079) | - | - | 50 |
| Play – Teddy Hospital Fund | - | 30,756 | (30,756) | - | - | - |
| Play – Plaster It Purple Appeal | - | 29,286 | (30,020) | - | 734 | - |
| SC Family Fund | 47,482 | 19,229 | (63,460) | - | - | 3,251 |
| Schiehallion Appeal | 3,010 | 80,855 | (60,235) | 11,868 | (4,013) | 31,485 |
| Schiehallion Unit Fund | 62,074 | 101,317 | (84,318) | (500) | - | 78,573 |
| Vein of Galen Fund | 105,081 | 1,162 | (29,155) | - | - | 77,088 |
| Wilson Family Bequest | 170,918 | 1,387 | (80,314) | - | - | 91,991 |
| Other funds (under £25,000) | 322,690 | 317,581 | (292,552) | (26,037) | 90,247 | 411,929 |
| Total | 1,705,241 | 1,858,881 | (2,346,261) | - | 261,459 | 1,479,320 |

Notes to the Consolidated Financial Statements (cont'd)

26. Prior Year 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.

27. Prior Year analysis of consolidated net assets between funds

| | Fixed assets | Current assets less creditors | 31 March 2020 Total £ |
|--------------------|-----------------|-------------------------------------|--------------------------------|
| | £ | £ | £ |
| Restricted funds | - | 1,479,320 | 1,479,320 |
| Unrestricted funds | 63,122 | 1,387,533 | 1,450,655 |
| | <hr/> | <hr/> | <hr/> |
| Total | 63,122 | 2,866,853 | 2,929,975 |
| | <hr/> | <hr/> | <hr/> |