

Company registration number: 03696656

Charity registration number: 1080536

Childlife

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

DSK Partners LLP
75 Park Lane
Croydon
Surrey
CR9 1XS

Childlife

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Reference and Administrative Details

Chairman	Ms A Hassall
Trustees	B McNaught, Treasurer Ms C White, Fundraising Manager D J Beacon Ms A Hassall
Secretary	Ms A Rimington
Principal Office	Westmead House Westmead Farnborough Hants GU14 7LP
Company Registration Number	03696656
Charity Registration Number	1080536
Auditor	DSK Partners LLP Institute of Chartered Accountants in England and Wales 75 Park Lane Croydon Surrey CR9 1XS

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Report of the Trustees

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2021. The trustees have adopted the provisions of 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).

Trustees

B McNaught, Treasurer

Ms C White, Fundraising Manager

D J Beacon

Ms A Hassall

The appointment of Trustees is in accordance with the charity's Articles of Association, whereby each member has the right to appoint and remove a trustee and to appoint and remove an alternate.

None of the Trustees has any beneficial interest in the company.

Childlife provides both a role description and a code of conduct for trustees to ensure that the duties and responsibilities of being a trustee are clearly understood. In addition, it has specialist role descriptions for both the Chair of Trustees and Honorary Treasurer. These are provided to all new trustees as part of their induction information.

New trustees are encouraged to meet with the Chief Executive Officer and staff members and other trustees within the first few months of appointment. Training for trustees is provided if required.

The arrangements for setting the pay and remuneration of all the charity's staff including key management personnel are agreed by the CEO and the trustees.

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Report of the Trustees

Background

The idea for Childlife, a consortium of children's charities allowing its member charities to fundraise collectively, originated in 1992. Its first donor was recruited in July 1993. Childlife became a company limited by guarantee in 1999 and a registered charity in 2000.

Member charities of Childlife:

Acorns Children's Hospice

Ataxia UK

National Children's Bureau

National Deaf Children's Society

The Board of Trustees, which has four members, one from each member charity, administers the charity and normally meets quarterly. In the past year there have been more frequent meetings due to the ever changing situation with the pandemic, with the trustees meeting most months. A Chief Executive Officer is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within the terms of delegation approved by the Trustees, for operational matters including finance, employment, fundraising and charitable activities.

Donations received by Childlife are distributed annually to these charities and hundreds of thousands of pounds are raised each year to support their important work with children and young people. The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The risks are documented on the risk register. The main two risks are;

1) Financial Failure of Key Suppliers (PFS and Ethical) - We have undertaken due diligence before signing contracts, including credit checks. We also horizon scan to identify supplier issues and potential alternative suppliers. In this year we have also worked with two other agencies Altru, LPS.

2) Impact of COVID-19. This has been broken down into a separate register, as there are many aspects, loss of income and public and fundraiser safety while fundraising being the most critical. Retention work was carried out with existing donors to mitigate cancellation levels with payment holidays being offered and alternative methods of fundraising investigated, and a digital lead generation campaign was completed at the end of the year. Government policy is strictly adhered to with advice from public health England incorporated into internal policy and risk assessments. Additional measures such as the wearing of face shields were added in on top of the government requirements to ensure safety and give public confidence while fundraising.

Childlife's Board of Trustees is legally required to minimise any risk to the charity. The trustees have developed a risk management strategy, which involves a regular review of the key risks faced by the charity, and the establishment of systems and procedures to address these potential risks and to minimise both the likelihood of these risks occurring and their impact should they materialise

Childlife

Report of the Trustees

Objectives and Activities

Objectives and aims

The objects of Childlife are; to promote the relief of children who are in need, by enabling the member charities to meet their respective charitable purposes, through the provision of grant payments.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Childlife's aims and objectives.

Childlife carries out the object of improving the lives of children and young people through the work of its member charities by supporting the member charities in providing a strong income source in the short, medium and long term future, and this has continued to be the focus in 2020/21. To enable Childlife to achieve its aim, it has continued to develop its fundraising programs in payroll giving and in new donor recruitment programs through face-to-face fundraising campaigns as well as on-going telephone campaigns to upgrade existing regular supporters and re-activate lapsed regular donors. The surplus of net income in 2020/21, after allowing for promotional and support costs for member charities and governance costs was distributed equally and on an annual basis to its four member charities as grants.

As we carry out fundraising across the UK we are members of both The Institute of Fundraising and the Fundraiser Regulator. As we now run a lottery campaign we also registered with Gamble Aware. We worked with four main external agencies for our recruitment of new donors in 2020/21. Fundraising was on off throughout the year as lockdowns took place, some agencies were more successful than others in being able to respond rapidly to changing situations.

PFS Ltd carried out fundraising to recruit 2100 new direct debit donors for Childlife. We continued to take one off donations and generate warm leads. PFS recruited 106 new cash donors; only 14 did not opt in to future contact.

Childlife

Report of the Trustees

Altru Ltd carried out fundraising to recruit 1237 new direct debit donors for Childlife. We continued to take one off donations and generate warm leads. Altru recruited 4 new cash donors; only 2 did not opt in to future contact.

Both PFS and Altru are experienced in driving quality alongside good operational practices in line with CIOF and the Fundraiser Regulator guidance. Through a personalized service from Altru, our fundraising through them builds a relationship with the supporter to ensure life-long loyalty to Childlife. There are registered with the Chartered Institute of Fundraising and the Fundraising Regulator.

During the time that we were fundraising with PFS and Altru, due to Covid restrictions, the CEO was unable to carry out shadowing with the door to door fundraisers. There was a regular program of training in place. We did not run any street campaigns so there was not any CIOF mystery shopping.

We had budget scheduled in with LPS, they were unable to react as quickly to be able to set up face to face fundraising in the periods where this could happen, so we allocated this budget to be for telephone fundraising with them from purchased lead lists. The calling was slow to start and did not manage to get any momentum, we recruited 102 donors and decided to halt the campaign. LPS is a member of the CIOF and the Fundraising Regulator. Training was completed with all the telephone fundraisers and the CEO regularly listened to calls from the campaign to check quality.

A test campaign for digital lead generation & phone conversion was run with Goodbytes and Ethicall at the end of the year. This generated 2266 email leads and 1112 telephone leads. After two weeks of calling only 22 conversions were made so the campaign was bought to a close. Training was completed with all the telephone fundraisers and the CEO regularly listened to calls from the campaign to check quality.

Childlife is a member of four other consortiums which STC Ltd recruits new donors through Payroll Giving. STC Ltd organise tax effective fundraising events and campaigns in companies and organisations across the UK to raise money for our charity consortiums. All fundraisers are employed on a non-commission basis so that they can promote a non-target driven campaign. STC Ltd is a member of the Association of Payroll Giving Organisations and the Fundraising Regulator. Due to COVID-19 no payroll fundraising took place in the year.

Childlife received thirty four complaints during 2020/2021 regarding its fundraising. All complaints were investigated thoroughly and fairly in keeping with the Code of Fundraising Practice. Childlife regularly reviews any lessons to be learnt to help with future fundraising activity. None of the complaints were of a nature serious enough to require Trustees to inform the Charity Commission or Fundraising Regulator. There have not been any compliance issues with either Childlife or any other agencies that we have employed in 2020-21.

Childlife has an Ethical Fundraising Policy and a Dealing with Vulnerable donors Policy. We also review the policies that our partner agencies hold on these subjects to make sure they meet our standards.

Childlife

Report of the Trustees

Achievements and Performance Review of 2020/21

The beneficiaries of Childlife's work are the children, young people and their families throughout the UK who have received support and advice or will benefit from research undertaken by the four member charities through the grant payment to them from Childlife. In 2020/21 Childlife gave a total of £250,000 to the member charities. This enabled the four member charities to achieve the following:

Acorns Children's Hospice

Acorns Children's Hospice is the UK's largest children's hospice charity, measured by the number of children and families we support. We provide care, support, fun and laughter for children with life limiting or life threatening conditions and their families across the West Midlands. Our reputation for excellence and high clinical standards is recognised nationally and this is reflected in our ratings with the Care Quality Commission.

We run three hospices; Acorns in Birmingham (located in Selly Oak), Acorns in the Black Country (located in Walsall) and Acorns for the Three Counties (located in Worcester). Our hospices are purpose built with 10 specially decorated bedrooms designed to cater for children and young people from birth to 18 years of age. They are designed to be a home-from-home environment to help children enjoy their stay and make the most of every day. On-site hospice facilities include hydrotherapy pools and spas, multisensory rooms, complementary therapies, play and activity areas with landscaped gardens.

Over the past year, the Coronavirus pandemic has changed the world beyond recognition. Here at Acorns, we have responded to ensure that no family faces this crisis alone.

We have offered care and support to over 700 children and their families. Our Outreach teams made more than 160 visits to children most at need. We have delivered 4,320 bags of essential goods and supplies to families shielding at home. Our Family Team Workers have provided over 8,000 hours of support, including phone or video calls.

It costs £27,000 a day to run all of Acorns services. 60% of our funding, around £6 million a year, comes from the generosity of the general public. Without the committed support and dedication of Childlife supporters, Acorns would not be able to take care of local children and their families when they need us most

On behalf of the children and families we support, thank you so much.

Christina White, Senior Manager - Individual Giving and Legacies, Acorns Children's Hospice

Childlife

Report of the Trustees

Ataxia UK

The ataxias are a set of life-limiting neurological conditions that disrupts the messages sent from our brains to our muscles. Not just the muscles we use to move, but those we use to speak, listen and see. Over time, people with ataxia are slowly imprisoned in their own bodies, losing the tools they once had to communicate with loved ones. Over 200 different genetic ataxias have been discovered in the past 30 years, each of which requires a different treatment. Currently, no treatments or cures for most of the ataxias have been found. Ataxia UK is the leading national charity which supports those affected ataxia and funds research into finding treatments and cures.

The most common and aggressive form of the condition is Friedreich's ataxia (FA), which predominantly shows its symptoms during childhood or early puberty. The earlier FA begins to show, the likelihood is the faster it progresses. It hampers a child/young person's balance, mobility and movement, before causing speech, hearing and vision to deteriorate and, eventually, weakens the heart. As a result, children diagnosed with FA usually have a shorter life expectancy than their peers and will spend much of their life in a wheelchair.

As with the other ataxias, there is no cure for FA.

A major part of our work is to support and advise parents of children who have FA, whilst funding research into treatments and a cure. The support we receive from Childlife is essential in achieving this: it enables us to run local support groups, conferences, various online forums and information sessions to reduce families' isolation and help them understand the condition.

As for most of us, 2020-21 has been a turbulent year for Ataxia UK and we have had to adapt to difficult and unprecedented circumstances. The pandemic has impacted our work across the board but we have adapted and continued to support the ataxia community. One significant different was to our Annual Conference which for the first time ever was held virtually. We had 120 "screens" attending the conference, and provided Doctors Q&A's and specific research updates for FA and other ataxias. This virtual service provision also extended into providing information to the community and throughout the year we ran Covid-19 focused webinars and updates providing specific advice and support to those affected by ataxia. Unfortunately, the "formal" opening of the first Ataxia Specialist Centre for children at the Sheffield Children's Hospital NHS Foundation Trust was postponed due to Covid-19 but the centre remained open to Provide specialist expertise in the diagnosis and management of the ataxias in children. We are continuing to make progress with opening a second Ataxia Specialist Centre for children in London.

Whilst the pandemic affected and slowed scientific research across the world, we were able to award grants to two projects focused on FA this year;

- Etravirine as a potential therapeutic for Friedreich's ataxia - if successful further research can be carried out and explored as potential treatments for FA
- Development of a selective high throughput screening assay for the discovery of compounds replacing frataxin in FA (the missing protein in FA patients) - They aim to develop drugs that would replace the frataxin protein or enhance the activity of residual frataxin in the cells of FA patients. In future work, any compounds that are identified will be further tested and modified to improve their efficiency. These researchers hope that eventually these compounds could be tested as treatments for FA.

Scientific research into treatment and cures and the support made available to those affected by ataxia whilst we wait for a cure, is sustained by Childlife supporters. On behalf of everyone affected by ataxia and us at all at Ataxia UK, Thank you.

Dan Beacon, Head of Fundraising and Communications, Ataxia UK

Childlife

Report of the Trustees

The National Deaf Children's Society

The National Deaf Children's Society is dedicated to creating a world without barriers for deaf children and young people.

We work to overcome the social and educational barriers that hold deaf children back, by:

- helping families give the best possible support to their deaf child every step of the way
- ensuring the needs of deaf children and young people come first
- giving expert unbiased support to help deaf children and their parents make informed choices about their lives
- positively challenging unfairness, and influencing key decision makers to make deaf children and young people a political priority.

The Covid-19 pandemic meant that face to face delivery of our services was not possible over the course of the year. By pivoting and adapting our work we were able to continue to respond to the needs of deaf children and provide vital support and advice. This included:

- delivering over 100 family online events via webinar, reaching over 2,100 parents of deaf children.
- adapting our Family Sign Language training for online delivery, reaching over 200 people with our online courses and with nearly 30,000 views of our new Family Sign Language online videos.
- answering over 3,200 calls, emails and live chat messages via our Helpline.
- influencing the Government to ensure deaf children and young people are considered in pandemic response work, including campaigning for the use of clear face masks and online learning which is accessible.
- launching Your Community - a place for parents to find online support from other parents.
- introducing a new pen pals programme which helped more than 200 deaf young people stay connected during the pandemic.

Childlife supporters help to make this possible. Thank you.

Ben McNaught, Deputy Director: Fundraising, National Deaf Children's Society

Childlife

Report of the Trustees

National Children's Bureau

The National Children's Bureau brings people together to bring about the best for the UK's children and young people. We strengthen the ecosystem of support and services that exists to help them grow up safe, secure and happy.

For the past year, we have been working flat out to help keep this ecosystem alive, providing training and support to over 60,000 practitioners and nearly 10,000 parents. The demand for our services has risen significantly as the children's sector workforce turned to us for practical resources, training and access to evidence and research. We couldn't do this without your support.

With increased pressure on families already struggling to cope and chronic strain on services already reeling from a decade of cuts, we have worked proactively with partners and policymakers to identify gaps and unmet needs and find solutions to protect our children's welfare.

From conducting researching on the impact of the pandemic on babies to shaping support for vulnerable young people unable to access vital services, we have brought every inch of our policy and practice expertise to bear on stopping childhoods from being disrupted and life chances from being derailed.

Alongside this, we've continued to work in every region of the UK to deliver changes that make childhood better, driving improvements to the services children count on and developing the skills and knowledge of the children's workforce.

Taking the voices of children and young people to the heart of Government has long been a central feature of our work, and this year we seamlessly shifted to online collaboration working with 1,300 young people giving this part of our work a whole new dimension.

As Young NCB member Bethan put it, after giving evidence at the Education Select Committee:

"My living room became the House of Commons! The feeling after being able to speak to these MPs for over an hour was indescribable.

"In a year where I should have had the most certainty and power over my life; I've had to choose university courses based on unis I've never seen apart from via a screen; I've had to study and do tests online and battle internet issues or distractions from across my house.

"That zoom call gave me hope for the future."

There were several moments during the year when children and young people entered the House of Commons, Stormont or other places of influence, direct from their living rooms or bedrooms, from meetings with Minister Ford to presenting evidence to the All Party Parliamentary Group for Children about their experience of the pandemic, as part of our Children at the Heart campaign. Through this campaign, we brought together 150 partner organisations in England and 50 organisations in Northern Ireland to raise their voices with children and young people to call for children to be at the heart of Government decision-making, both in response to the pandemic and beyond.

Together we are setting out a bold, new vision of childhood.

Your donations transform our capacity to achieve this vision. Thank you for your support.

Annamarie Hassall MBE, Director of Practice and Programmes, National Children's Bureau

Childlife

Report of the Trustees

Statement on Public Benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial Review

Income in the year was £997,911 a slight increase from the previous year from £952,621. The main reason for the increase is the large investment in donor recruitment in 19/20.

Expenditure on raising funds increased to £579,277 from £472,221 reflecting the fundraising suppliers fulfilling their contracts to recruit requested donor levels.

Expenditure on charitable activities was £263,069 versus the previous year of £262,298 reflecting the increase in support costs. This included £250,000 of grant payments (2020: £250,000)

Reserves Policy

It is the policy of Childlife to have free reserves amounting to no less than three months and no more than six months operating costs. Based on the 2020-21 budget, the required reserve level for the year end was set at £180,031 (low) to £360,062 (high). The free reserves balance at 31st March 2021 was £514,670 and as such falls above the required reserves policy. The trustees will be considering their options on what to do to address this excess of reserves over the next financial year.

Trustees Responsibilities in Relation to the Financial Statements

The trustees (who are also the directors of Childlife for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Childlife

Report of the Trustees

Covid-19

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. In the UK this began on 23rd March 2020. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic condition.

Childlife was not affected in the form of loss of income, as cancellation rates were very low on existing donors, we also benefited from savings in costs. We were not able to recruit the amount of new donors that we had planned and there was no recruitment at all for payroll, therefore there will need to be an additional drive for recruitment in the next financial year to ensure long term income. This will not significantly impact the entity's financial position. Childlife has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 March 2021 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time, although the current road map in the UK seems to be stable. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of Childlife for future periods.

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

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

Structure, governance and management

Nature of governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Childlife

Report of the Trustees

Disclosure of information to auditor

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
 - the trustees have taken all the steps that they ought to have taken individually as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.
- The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The annual report was approved by the trustees of the charity on13/08/2021..... and signed on its behalf by:



.....
Ms A Hassall
Chairman and Trustee

Childlife

Independent Auditor's Report to the Members of Childlife

Opinion

We have audited the financial statements of Childlife (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Childlife

Independent Auditor's Report to the Members of Childlife

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 10), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Childlife

Independent Auditor's Report to the Members of Childlife

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



.....
Romit Basu FCA (Senior Statutory Auditor)
For and on behalf of DSK Partners LLP,
Chartered Accountants and Statutory Auditors
75 Park Lane
Croydon
Surrey
CR9 1XS

Date: 22/09/2021.....

Childlife

Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Total 2021 £	Total 2020 £
Income and Endowments from:			
Donations and legacies	2	996,352	951,017
Investment income	3	1,559	1,354
Other income		-	250
Total income		<u>997,911</u>	<u>952,621</u>
Expenditure on:			
Raising funds	4	(579,277)	(472,221)
Charitable activities	5	(263,069)	(262,298)
Other expenditure	6	(56,891)	(50,947)
Governance costs		<u>(4,641)</u>	<u>(4,974)</u>
Total expenditure		<u>(903,878)</u>	<u>(790,440)</u>
Net income		<u>94,033</u>	<u>162,181</u>
Net movement in funds		94,033	162,181
Reconciliation of funds			
Total funds brought forward		<u>420,294</u>	<u>258,113</u>
Total funds carried forward	13	<u><u>514,327</u></u>	<u><u>420,294</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 13.

Childlife

(Registration number: 03696656) Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	9	2,400	-
Tangible assets	10	<u>540</u>	<u>1,080</u>
		<u>2,940</u>	<u>1,080</u>
Current assets			
Debtors	11	25,646	43,455
Cash at bank and in hand		<u>539,010</u>	<u>451,048</u>
		564,656	494,503
Creditors: Amounts falling due within one year	12	<u>(53,269)</u>	<u>(75,289)</u>
Net current assets		<u>511,387</u>	<u>419,214</u>
Net assets		<u>514,327</u>	<u>420,294</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>514,327</u>	<u>420,294</u>
Total funds	13	<u>514,327</u>	<u>420,294</u>

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements on pages 16 to 26 were approved by the trustees, and authorised for issue on 13/08/2021 and signed on their behalf by:



.....
Ms A Hassall
Chairman and Trustee

Childlife

Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income		94,033	162,181
Adjustments to cash flows from non-cash items			
Depreciation	4, 6	540	540
Investment income	3	<u>(1,559)</u>	<u>(1,354)</u>
		93,014	161,367
Working capital adjustments			
Decrease/(increase) in debtors	11	17,809	(15,152)
(Decrease)/increase in creditors	12	<u>(22,020)</u>	<u>53,463</u>
Net cash flows from operating activities		<u>88,803</u>	<u>199,678</u>
Cash flows from investing activities			
Interest receivable and similar income	3	1,559	1,354
Purchase of intangible fixed assets	9	<u>(2,400)</u>	<u>-</u>
Net cash flows from investing activities		<u>(841)</u>	<u>1,354</u>
Net increase in cash and cash equivalents		87,962	201,032
Cash and cash equivalents at 1 April		<u>451,048</u>	<u>250,016</u>
Cash and cash equivalents at 31 March		<u><u>539,010</u></u>	<u><u>451,048</u></u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash		87,962	201,032
Net funds at 1 April 2020		<u>451,048</u>	<u>250,016</u>
Net funds at 31 March 2021		<u><u>539,010</u></u>	<u><u>451,048</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Childlife

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Childlife meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Currency

The financial statements are prepared in sterling which is also the functional currency of the company and rounded to the nearest pound.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Voluntary income is received by way of donations and is included in the Statement of Financial Activities when receivable or received. The majority of the donations are received in the form of payroll giving, standing orders and direct debits. The nature of these forms of donation is that they can be cancelled at any time by the donor. In most cases they are therefore recognised upon receipt unless there is a certainty about the amounts receivable and about the period to which they are attributable. Income from gift aid tax recoverable is recognised in the same accounting period that the related donations are recognised.

The value of services provided by volunteers has not been included. The value of services provided by volunteers has not been included.

Deferred income

Any income received by the charity in advance of the due date upon which it becomes receivable is deferred until that due date. Such amounts are not material and arise only incidentally.

Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT.

Raising funds

The costs of raising voluntary income includes amounts paid by Childlife during the financial year to third parties to recruit new committed givers for the charity and to undertake various telephone fundraising campaigns. Donors to Childlife choose to donate via payroll giving, via the gift aid scheme or via home money boxes. It is the charity's policy to expense these costs in the period in which they are incurred.

Childlife

Notes to the Financial Statements for the Year Ended 31 March 2021

PROMOTION AND SUPPORT OF MEMBER CHARITIES

This includes the costs of promotion and support to the member charities and the costs of grants payable. The surplus of net income after allowing for promotional and support costs for member charities and governance costs is distributed equally and on a quarterly basis to its four member charities. A fifth payment may be made annually to the member charities, subject to approval by the trustees, based on surplus reserves determined from the annual financial statements. It is the charity's policy to include fifth payment grants in the period to which they relate.

Grant expenditure

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Going concern

Childlife has not been affected in the form of loss of income from the impact of COVID-19 during the year and it has benefited from savings in costs and therefore this will not significantly impact the entity's financial position.

Childlife has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 March 2021 have not been adjusted to reflect their impact. It is not possible to reliably estimate the duration and severity of the consequences of COVID-19, as well as their impact on the financial position and results of the Company for future periods.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

Governance costs reflect central operating costs excluding direct and apportioned support costs of raising funds and charitable activities.

Childlife

Notes to the Financial Statements for the Year Ended 31 March 2021

Allocation and apportionment of costs

Costs which are directly attributable to a charitable activity or to the costs of raising funds are allocated directly to those activity cost categories. Items of expenditure which contribute directly to the output of more than one activity cost category are apportioned on a reasonable, justifiable and consistent basis. Depreciation is attributed in accordance with the same principles. Support costs which are shared between activities are apportioned on a reasonable, justifiable and consistent basis to the activity cost categories being supported.

The basis of apportionment of actual staff costs is by the estimated time spent by individual members of staff on different activity cost categories. Most other support costs are apportioned in the same proportion as the staff costs unless there are specific reasons to apply different proportions of the cost to different activity cost categories.

Expenditure is classified under principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the account. Charitable activities comprise direct

expenditure including direct staff costs attributable to the activity. Support costs have been allocated to activities based on the average staff time spent. Governance costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached have been fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

Consortia

Donations to Childlife as a result of Smile a Minute and Friends at Work and Together for Change consortia are recognised in the Statement of Financial Activities within donations. Expenditure on the recruitment and administration of donors for the consortia is recognised in the Statement of Financial Activities within fundraising costs.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Childlife

Notes to the Financial Statements for the Year Ended 31 March 2021

Tangible fixed assets

Tangible fixed assets held for the entity's own use are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives at the following rates

Computer Equipment - 25% straight line

Fixture & Fittings - 25% straight line

Website costs - 50% straight line

Assets held under finance leases are depreciated in the same way as owned assets.

At each statement of financial position date, the entity reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication

exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Fund accounting

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Childlife

Notes to the Financial Statements for the Year Ended 31 March 2021

2 Income from donations and legacies

	Total 2021 £	Total 2020 £
Donations and legacies;		
Donations from individuals	996,352	951,017
	996,352	951,017

3 Investment income

	Total 2021 £	Total 2020 £
Interest receivable and similar income;		
Interest receivable on bank deposits	1,559	1,354
	1,559	1,354

4 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Total 2021 £	Total 2020 £
Donations		513,969	407,610
Other direct costs of generating voluntary income		400	46
		514,369	407,656

5 Expenditure on charitable activities

	Note	Total 2021 £	Total 2020 £
Grant funding of activities		250,000	250,000
Allocated support costs		13,069	12,298
		263,069	262,298

Childlife

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Other expenditure

	Note	Total 2021 £	Total 2020 £
Depreciation, amortisation and other similar costs		540	540
Allocated support costs		56,351	50,407
		<u>56,891</u>	<u>50,947</u>

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

8 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	<u>77,977</u>	<u>76,863</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Cost of raising income	3	3
Charitable activities	<u>1</u>	<u>1</u>
	<u>4</u>	<u>4</u>

No employee received emoluments of more than £60,000 during the year.

Childlife

Notes to the Financial Statements for the Year Ended 31 March 2021

9 Intangible fixed assets

	Computer software £	Total £
Cost		
At 1 April 2020	12,954	12,954
Additions	2,400	2,400
At 31 March 2021	15,354	15,354
Amortisation		
At 1 April 2020	12,954	12,954
At 31 March 2021	12,954	12,954
Net book value		
At 31 March 2021	2,400	2,400
At 31 March 2020	-	-

10 Tangible fixed assets

	Furniture and fixtures £	Computer equipment £	Total £
Cost			
At 1 April 2020	2,864	20,288	23,152
At 31 March 2021	2,864	20,288	23,152
Depreciation			
At 1 April 2020	2,864	19,208	22,072
Charge for the year	-	540	540
At 31 March 2021	2,864	19,748	22,612
Net book value			
At 31 March 2021	-	540	540
At 31 March 2020	-	1,080	1,080

Childlife

Notes to the Financial Statements for the Year Ended 31 March 2021

11 Debtors

	2021 £	2020 £
Prepayments	9,056	13,990
Other debtors	16,590	29,465
	25,646	43,455

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	38,033	36,859
Other taxation and social security	-	1,428
Other creditors	2,499	3,407
Accruals	12,737	33,595
	53,269	75,289

13 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted funds				
General	(420,294)	(997,911)	903,878	(514,327)

Unrestricted funds

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Unrestricted funds				
General	(258,113)	(952,621)	790,440	(420,294)

14 Related party transactions

The board of trustees, which has four members, one from each member charity, administers the Charity and meets quarterly. Each trustee is an employee of one of the member charities. Grants of £62,500 each (2020: £62,500 each) were payable to the four member charities during the financial year. At the year end £20,000 (2020: £20,000 each) was payable to each of the four member charities. The charity was controlled by the four member charities throughout the financial year.