

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 2022

DSK Partners LLP  
75 Park Lane  
Croydon  
Surrey  
CR9 1XS

## **Childlife**

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## Childlife

### Reference and Administrative Details

<b>Chairman</b>	Ms C White, Appointed as chair 15th November 2021
<b>Trustees</b>	B McNaught, Treasurer Ms C White, Appointed as chair 15th November 2021 D J Beacon Ms C Mcstravick, Appointed as on 08th October 2021
<b>Secretary</b>	Ms A Rimington
<b>Charity Registration Number</b>	1080536
<b>Company Registration Number</b>	03696656
<b>Registered Office</b>	The charity is incorporated in England & Wales. Westmead House Westmead Farnborough Hants GU14 7LP
<b>Auditor</b>	DSK Partners LLP Institute of Chartered Accountants in England and Wales 75 Park Lane Croydon Surrey CR9 1XS

## Childlife

### 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 2022. 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 C Mcstravick (appointed 8th October 2021)

Other trustees in year

Ms A Hassall (resigned as chair and as a trustee on 16th September 21)

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.

# Childlife

## 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 were;

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, Gilcore.

2) Loss of Income - The ongoing effects of covid 19 are still being felt, Retention work was carried out with existing donors to mitigate cancellation levels with payment holidays being offered. With regard to fundraising and Covid-19, Government policy was 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 2021/22. 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 2021/22, 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 Chartered 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 2021/22.

PFS ltd carried out fundraising to recruit 2100 new direct debit donors for Childlife. We continued to take one 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 1773 new direct debit donors for Childlife. Altru also recruited 1467 new Continuous Card Payment Donors. No one off donors were recruited.

Gilcore Ltd carried out fundraising to recruit 423 new direct debit donors for Childlife. No one off donors were recruited.

PFS, Altru and Gilcore are experienced in driving quality alongside good operational practices in line with CIOF and the Fundraiser Regulator guidance. Through a personalized service from these agencies our fundraising with 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, Altru and Gilcore, 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.

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 very limited payroll fundraising took place in the year.

Childlife received thirtyone complaints during 2021/2022 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 2021/22.

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 2021/22

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 2021/22 Childlife gave a total of £320,000 to the member charities. This enabled the four member charities to achieve the following:

#### **Acorns Children's Hospice**

Acorns Children's Hospice provides care, support, fun and laughter for children and their families across the West Midlands.

A parent never imagines their child will be diagnosed with a life limiting or life threatening condition. But when the unimaginable happens, Acorns steps in, helping families cope at every stage of their child's life and beyond, wherever and whenever they need it. Our dedicated teams provide specialist palliative care for babies, children and young people, and support for their families. This support is offered from our three children's hospices, based in Birmingham, Walsall and Worcester, and in the community.

The babies, children and young people that we care for at Acorns have been diagnosed with a life limiting or life threatening condition and not yet reached their 18th birthday. We accept referrals from children in one of four medical categories, as set by Together for Short Lives, the national charity for our sector.

Category 1: Life threatening conditions for which curative treatment may be feasible but can fail.

Category 2: Conditions where premature death is inevitable.

Category 3: Progressive conditions without curative treatment options.

Category 4: Irreversible but non-progressive conditions causing severe disability, leading to susceptibility to health complications and likelihood of premature death.

At Acorns we provide care 24 hours a day, 365 days a year to children and families who need us most. We rely heavily on the generosity and donations from the general public to do this, as around 60% or £6 million of the money needed to run our care services comes from the local community.

Over the past year, Acorns has supported 704 children and 940 families, including those who have been bereaved. Childlife supporters make this possible with their ongoing support and dedication.

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.

Financial year 2021-22 continued provide new challenges following a turbulent previous year including another challenging year for fundraising. Despite this we continue to strive towards a cure and treatment for the ataxia's and until these are found, supporting everyone affected.

Some key highlights from FY 2021-22

- Supporting the approval and distribution of treatments for Friedreich's ataxia
  - o At the moment, the drug that is closest to potential approval is a drug from the company Reata pharmaceuticals. Ataxia UK is following the work of Reata pharmaceuticals closely as they try and get approval for their drug Omaveloxolone, which would be the first drug for Friedreich's ataxia. We invited a representative of Reata to the Euro-ataxia research conference we organised in June followed by a discussion. During the year we welcomed Reata's submission of a new drug application to the US Federal Drugs Agency (FDA). We eagerly await the decision of the FDA and are seeking a meeting to encourage the company to seek approval in the UK using the UK NHS Early Access to Medicines Scheme.
- Awarded a research grant to Prof Richard Festenstein (Imperial College London, UK) 'Generation and characterization of a cardiomyocyte model for Friedreich's ataxia to reveal the molecular mechanism of heart failure in patients'
- Friedreich's ataxia Global Registry
  - o Ataxia UK and FARA are the lead organisations facilitating the FA Global Registry. Ataxia UK has helped recruit participants by ensuring every new Friend of Ataxia UK affected by FA is given an information flyer about the registry, and a webinar we produced explaining how to register is on the Ataxia UK website. There has been a substantial increase in participants in the last year from around 1000 to around 1400.
- Ataxia Children's Centre - Sheffield Children's Hospital
  - o The Sheffield Children's Centre, staffed by ataxia specialist paediatric neurologist, Dr Santosh Mordekar, supported by an Ataxia nurse, funded by Ataxia UK, continues to receive referrals and see children with a range of ataxias.
- Launch of a second Paediatric Ataxia Centre
  - o There have been delays in the launch, but progress has been made.
- Advocacy Service

## **Childlife**

### **Report of the Trustees**

- The Advocacy Service provides 1-2-1 support to people in the ataxia community with a range of issues. Successful outcomes include improvements in financial circumstances, faster diagnosis and access to specialist neurology, access to appropriate housing, and support in school for children affected by ataxia.
- Recruitment of Participants to Research Studies
  - o Having a database of people with ataxia puts Ataxia UK in a unique position to support research via the recruitment of volunteers to participate. During the year we have supported a number of projects with the following child specific projects:
  - o Natural history study in Friedreich's ataxia (London UCL/UCLH)
  - o Friedreich's Ataxia Global Patient Registry
  - o Friedreich's Ataxia app

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.

Thanks to the generosity of Childlife supporters, we have been able to provide life-changing support and invaluable information to deaf children and their families across the UK over the last year. This has included:

- delivering Family Sign Language training to 200 people, enabling parents and their deaf children to gain invaluable communication skills
- providing vital, timely help and advice via our Helpline service, with more than 3,000 calls, emails and live chat messages answered
- welcoming around 3,900 new members, and providing relevant and tailored information for free to our members through our quarterly Families magazine, monthly e-newsletters, blogs and online content
- running 60 events for families, ranging from newly diagnosed days, to getting your child ready for school, to raising a deaf child, offering more than 1,000 families practical skills and emotional support
- providing parent to parent support via our new 'Your Community' site
- giving deaf children and young people the opportunity to trial equipment through our technology test drive service
- delivering 17 outreach visits across the UK to schools, local group events and an audiology event for young people transitioning to adult services. A range of workshops were delivered to 211 deaf children and young people, 329 hearing children, 25 families and 94 professionals
- delivering 171 digital workshops for a range of educational settings. 603 deaf young people attended workshops such as Deaf Identity, Emotional Health & Wellbeing, Online Safety, and Technology, while 2,529 of their hearing friends received deaf awareness information to help improve communication and inclusion within their class
- providing seven accessibility in the workplace training sessions for 94 attendees, and two sessions for larger organisations reaching another 253 professionals, to help increase deaf awareness of employers
- delivering an online conference for professionals focussing on employment, with over 170 delegates attending
- providing a programme of online training reaching almost 2,000 professionals to help increase awareness and understanding of childhood deafness issues.

Childlife supporters are helping to make this possible. Thank you.

**Ben McNaught**  
**Deputy Director: Fundraising**

## Childlife

### Report of the Trustees

#### National Children's Bureau

Through our leadership role in the sector, NCB made a far-reaching and demonstrable impact on children's lives through our policy, public affairs and campaigning activity.

Based closely on evidence of need, we led the development of a cross-sector vision for the three-year Spending Review, uniting over 150 organisations in a series of campaign actions calling on government to #BuildBackChildhood and put #ChildrenAtTheHeart of their long-term spending plans in England. This significantly influenced the Treasury decision to invest over £500m in additional services for children and families this year.

Again, taking the lead in the children's sector, NCB delivered a programme of work to put children's needs at the heart of new NHS structures in England, securing a number of amendments to primary legislation included in the Health and Care Act and embedding a new appreciation within Whitehall of the benefits of integrating services for children.

The incredibly busy policy agenda has proved challenging, with NCB also playing a key role in providing evidence based on the views of those with lived experience to the Independent Review of Children's Social Care, the Leadsom Review, the SEND Review, and the development of Family Hubs.

Our research highlights this year included publishing our report on the Impact of Covid-19 on children with SEND which attracted significant attention from the media and NI Assembly. We also delivered our third annual evaluation report on embedding Trauma Informed Practice across the workforce in Northern Ireland. We completed our fieldwork evaluating the work of four projects in England that support care leavers with insecure immigration status and we continued to ensure that young people and families inform the research work of our academic partners.

We continue to put the voices of children and young people at the heart of everything we do. Rose, one of our young Trustees, had her say at an event with the Treasury to influence spending decisions. She was amazed to hear people in positions of power really listening to her opinions:

“All of the young people, including myself, were free and allowed to speak up and say what was REALLY bothering us, there was no backlash, counter-arguments or negative questioning. The panel was very receptive to what we had to say, and genuinely wanted to understand.”

It is through your donations that people like Rose can be heard. You are helping us to transform childhood.

**Ms Celine Mcstravick, Director of External Affairs, 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 £1,173,918 a slight increase from the previous year from £997,911. The main reason for the increase is the large investment in donor recruitment in 20/21.

Expenditure on raising funds increased to £935,028 from £640,809 reflecting the fundraising suppliers fulfilling their contracts to recruit requested donor levels.

Expenditure on charitable activities was £320,000 versus the previous year of £250,000 reflecting the increase in support costs. This included £320,000 of grant payments (2020/21: £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 2021-22 budget, the required reserve level for the year end was set at £211,160 (low) to £422,320 (high). The free reserves balance at 31st March 2021 was £423,507 and as such falls just above the required reserves policy. This will be addressed by the trustees in the upcoming financial year.

### Statement of Responsibilities

#### 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/Energy Crisis and Russian Ukrainian Conflict**

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe.

With economies now opening back up after covid 19 restrictions have been lifted, energy prices have soared, affecting many households in the UK. The Russian Ukrainian conflict is putting further stress on this situation and average bills have more than doubled.

Childlife is not currently seeing the affect of this in the form of loss of income, although cancelation rates are starting to return to pre pandemic levels.

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 2022 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, the fuel crisis and the conflict, as well as the effectiveness of government and central bank responses, remains unclear at this time, 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 examination 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 on 15 July 2022 and signed on its behalf by:



.....  
Ms C White  
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 2022, which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 charity 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 11 ), 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 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.

## Childlife

### Independent Auditor's Report to the Members of Childlife

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The key laws and regulations we have considered in this context included the Companies Act 2006, pension and tax legislation. In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- o Using our general commercial and sector experience and through discussions with the directors and management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.
- o We examined the company's regulatory and legal correspondence and discussed with the directors and management any known or suspected instances of fraud or non-compliance with laws and regulations.
- o We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- o In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

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](http://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 (Partner)  
For and on behalf of DSK Partners LLP,  
Chartered Accountants and Statutory Auditors  
75 Park Lane  
Croydon  
Surrey  
CR9 1XS

15 July 2022

## Childlife

### Statement of Comprehensive Income for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Total 2022 £	Total 2021 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	1,173,690	996,352
Investment income	3	228	1,559
Total income		1,173,918	997,911
<b>Expenditure on:</b>			
Raising funds	4	(935,028)	(640,809)
Charitable activities	5	(320,000)	(250,000)
Governance costs		(9,710)	(13,069)
Total expenditure		(1,264,738)	(903,878)
Net (expenditure)/income		(90,820)	94,033
Net movement in funds		(90,820)	94,033
<b>Reconciliation of funds</b>			
Total funds brought forward		514,327	420,294
Total funds carried forward	13	423,507	514,327

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

The funds breakdown for 2021 is shown in note 13.

The notes on pages 21 to 28 form an integral part of these financial statements.

## Childlife

### (Registration number: 03696656) Statement of Financial Position as at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	9	4,921	2,400
Tangible assets	10	-	540
		<u>4,921</u>	<u>2,940</u>
<b>Current assets</b>			
Debtors	11	27,401	25,646
Cash at bank and in hand		<u>445,724</u>	<u>539,010</u>
		473,125	564,656
<b>Creditors: Amounts falling due within one year</b>	12	<u>(54,539)</u>	<u>(53,269)</u>
<b>Net current assets</b>		<u>418,586</u>	<u>511,387</u>
<b>Net assets</b>		<u>423,507</u>	<u>514,327</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>423,507</u>	<u>514,327</u>
<b>Total funds</b>	13	<u>423,507</u>	<u>514,327</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 18 to 28 were approved by the trustees, and authorised for issue on 15 July 2022 and signed on their behalf by:



.....  
Ms C White  
Chairman and Trustee

The notes on pages 21 to 28 form an integral part of these financial statements.

## Childlife

### Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash (expenditure)/income		(90,820)	94,033
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	4, 6	540	540
Amortisation	4, 6	3,480	-
Investment income	3	(228)	(1,559)
		(87,028)	93,014
<b>Working capital adjustments</b>			
(Increase)/decrease in debtors	11	(1,755)	17,809
Increase/(decrease) in creditors	12	1,270	(22,020)
Net cash flows from operating activities		(87,513)	88,803
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	3	228	1,559
Purchase of intangible fixed assets	9	(6,001)	(2,400)
Net cash flows from investing activities		(5,773)	(841)
Net (decrease)/increase in cash and cash equivalents		(93,286)	87,962
Cash and cash equivalents at 1 April		539,010	451,048
Cash and cash equivalents at 31 March		445,724	539,010
<b>Reconciliation of net cash flow to movement in net funds</b>			
(Decrease)/increase in cash		(93,286)	87,962
Net funds at 1 April 2021		539,010	451,048
Net funds at 31 March 2022		445,724	539,010

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

The notes on pages 21 to 28 form an integral part of these financial statements.

# Childlife

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### 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.

## Childlife

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### ***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.

#### ***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 2022 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 2022

#### **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 2022

#### **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 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 2022

#### 2 Income from donations and legacies

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Donations and legacies;		
Donations from individuals	1,173,690	996,352
	1,173,690	996,352

#### 3 Investment income

	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Interest receivable and similar income;		
Interest receivable on bank deposits	228	1,559
	228	1,559

#### 4 Expenditure on raising funds

##### a) Costs of generating donations and legacies

	<b>Note</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Other direct costs of generating voluntary income		1,811	400
		1,811	400

#### 5 Expenditure on charitable activities

	<b>Note</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Grant funding of activities		320,000	250,000
		320,000	250,000

## Childlife

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 6 Other expenditure

Note	Total 2022 £
	-

#### 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:

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries	161,452	155,954

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

	2022 No	2021 No
Cost of raising income	3	3
Charitable activities	1	1
	4	4

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

## Childlife

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 9 Intangible fixed assets

	<b>Computer software £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 April 2021	15,354	15,354
Additions	6,001	6,001
	21,355	21,355
At 31 March 2022	21,355	21,355
<b>Amortisation</b>		
At 1 April 2021	12,954	12,954
Charge for the year	3,480	3,480
	16,434	16,434
At 31 March 2022	16,434	16,434
<b>Net book value</b>		
At 31 March 2022	4,921	4,921
At 31 March 2021	2,400	2,400

#### 10 Tangible fixed assets

	<b>Furniture and fixtures £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 April 2021	23,152	23,152
At 31 March 2022	23,152	23,152
<b>Depreciation</b>		
At 1 April 2021	22,612	22,612
Charge for the year	540	540
	23,152	23,152
At 31 March 2022	23,152	23,152
<b>Net book value</b>		
At 31 March 2022	-	-
At 31 March 2021	540	540

## Childlife

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 11 Debtors

	2022 £	2021 £
Prepayments	5,517	9,056
Other debtors	21,884	16,590
	27,401	25,646

#### 12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	32,431	38,033
Other taxation and social security	1	-
Other creditors	7,655	2,499
Accruals	14,452	12,737
	54,539	53,269

#### 13 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>				
General	514,327	1,173,918	(1,264,738)	423,507
	<b>Balance at 1 April 2020 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Balance at 31 March 2021 £</b>
<b>Unrestricted funds</b>				
General	420,294	997,911	(903,878)	514,327

#### 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 £80,000 each (2021: £62,500 each) were payable to the four member charities during the financial year. The Charity was controlled by four member charities throughout the financial year.