



**Edinburgh Children's Hospital Charity
Trustees' Report and Accounts**

Year to 31 December 2017

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TRUSTEES' REPORT

The Trustees are pleased to present the Annual Report and Accounts of Edinburgh Children's Hospital Charity for the year to 31 December 2017.

The information on page 46 forms part of this report.

ABOUT EDINBURGH CHILDREN'S HOSPITAL CHARITY (EHC)

OBJECTIVES AND ACTIVITIES

Edinburgh Children's Hospital Charity believe that nothing should get in the way of being a child.

We exist to transform the experiences of children and young people in hospital so they can be a child first and a patient second.

As a result of what we do:

- Children and young people's lives are less interrupted by illness.
- Children and young people are less scared of hospital and have a positive experience.
- Children and young people's families are better supported and comforted.
- Children and young people have an improved experience of healthcare in their community.

EHC is a grant-giving organisation which distributed £1.2m in 2017. It is our privilege to continue to support over 110,000 babies, children and young people who come to The Royal Hospital for Sick Children both locally and from across Scotland to access specialist services. We also continue to support the tens of thousands who attend other healthcare settings such as St John's Hospital in Livingston; community health centres across the Lothians, Borders and Fife; and child and adolescent mental health services (CAMHS).

EHC enjoys the support of over 150 volunteers who assist in the hospital, in the hospital shop, in the charity's office and with fundraising. All money raised by the organisation comes from charitable donations. The charity has a Royal Patron, HRH Princess Beatrice of York, and a great number of supporters across Edinburgh and further afield.



2017

This year we raised

£1,636,797



32,867

donations received in 2017



ECHC enjoyed 'Charity of the Year' partnerships with 28 companies

This year we paid out

£1,242,190

through our Grants Programme

2017

115 

grants awarded in 2017

53 | **36**

small grants

large grants

26 

training and research grants

£131k



the largest single award, given to run the Drop in Centre for children, young people and their families

27 

fearless fundraisers jumped out of a plane at

10,000 feet



Hospital Heroes took a walk to Fife across the new Queensferry crossing

110

people ran marathons and half marathons from Paris to Berlin and everywhere in between..

.. a total of over **2000** miles



which is the distance from Edinburgh to the Western Sahara Desert.



kilt clad walkers took part in the Kiltwalk in locations across Scotland

32

abseilers plunged on a free fall abseil from the iconic Forth Rail Bridge. Between them, they scaled the length of 5 Empire State buildings



ECHC ran a summer programme with physiotherapy and Dancebase at Musselburgh Primary Care Centre, engaging children in their physio in a fun way

35 

number of organisations we worked with to deliver art and activities in the hospital

2x 

number of arts workshops – in 2017 ECHC's Arts Programme delivered over 398 arts workshops, an increase of 205 on 2016

We enjoyed the support of over

150

amazing volunteers



22%

more Twitter followers



19%

more likes on Facebook



The charity changed name in May and moved office in August 2017

1 Children and young people's lives are less interrupted by illness

£49,000

provided by ECHC to transform the endoscopic imaging systems at RHSC, allowing surgeons to perform current procedures faster, more safely and with greater confidence than ever before

£67,000

awarded by ECHC for a two year screening project which will improve the outcomes for children with epilepsy

£35,000

awarded by ECHC to develop prototype equipment to support a global study into improving understanding of child brain injury



We provided funding for the Cerebral Palsy Integrated Pathway Scotland (CPIPS) programme which aims to improve or maintain physical function and quality of life for children with Cerebral Palsy



We funded a Transitional Care Unit Project Lead to train parents in the technical aspects of caring for their child with complex needs to support the family to get home sooner.

3 Children and young people's families are better supported and comforted

£131,000

our largest single award of £131k was awarded to run Drop in Centre services supporting children, young people and their families at times of anxiety and stress



5,940

We provided 5,940 overnight stays in our parent accommodation allowing parents to be near their child during their hospital stay

£5,000

We awarded £5,000 to a project "Making Memories" which encourages parents of children in Critical Care to create patient diaries

"you and the team are such great friends and supporters of the hospital, staff and children. I cannot emphasise enough what a difference the charity makes to what we can do"

Associate Nurse Director, Children and Young People

2 Children and young people are less scared and have a positive experience



We provided a Complementary Therapist for children and young people being treated for cancer and their families



We funded rewards, bravery certificates, stickers and welcome gifts for children and young people at the children's hospital, at St John's and in Child and Adolescent Mental Health Services (CAMHS)



We awarded funding to enable one hospital play assistant to undertake their Play Specialist training, bringing our total to three for the year. Play Specialists provide vital support to children who may be anxious or scared of treatment.



We enhanced the children's outpatient clinics at the Lauriston Building

4 Children and young people have an improved experience of healthcare in the community



We expanded our support to healthcare settings outwith the hospital, including running our Arts Programme weekly in the children's ward at St John's in Livingston



We provided funds to bring artist residencies to Child and Adolescent Mental Health Services (CAMHS) outpatient services for the first time



We funded projects which provided volunteering opportunities to young people attending CAMHS inpatient services, as well as projects which taught outdoor skills, teamwork and confidence



We provided support to Family Nurse Partnership for the first time. This is a service which works with first time mums under 20 years of age, and supports them with parenting until their child is two years old.

Grant Application Process

ECHC is a grant-giving organisation. We have three grant application programmes:

- Small Grants Programme (applications £5k and under)
- Large Grants Programme (applications over £5k)
- Training and Research Fund

Each fund has an Application Form; Terms & Conditions of Funding; and Guidance Notes. Applications can be accepted from any NHS staff member or voluntary sector organisation which can demonstrate that their application will deliver at least one of ECHC's four strategic outcomes and fit with our charitable purpose.

Grant applications of up to £5,000 are decided by the Chief Executive. The Grants Committee (a sub committee of the Board of Trustees) can approve grants up to £50k. All grants up to £50k are homologated by the Trustees. Anything over £50k is considered and approved by the full Trustee Board.

Evaluating Impact

All recipients of awards must complete an annual Evaluation Form which details how their award has met at least one of ECHC's strategic outcomes. They must provide hard and soft measurements to evidence this, such as numbers of children supported or quotes from those who've received support. This information is used by ECHC in our annual Impact Report and on our marketing materials to demonstrate to supporters how their money has been used.

Our Impact Report is available separately.

Restricted funds

It is the preference of ECHC that funds are donated for general rather than restricted purposes whenever possible and staff will advise supporters to this effect. However, ECHC may at times wish to restrict funds being solicited through an appeal (e.g. a Christmas appeal for a specific piece of equipment).

ECHC also receives funds which are restricted by supporters for specific items and projects; or more generally to a ward or to the treatment of a condition.

In 2015 the organisation developed a 'Policy on Management of Restricted Funds' and staff hold regular meetings to manage these funds and ensure that they are being spent appropriately and within a reasonable time period, in line with our 'Policy on Management of Restricted Funds'.

Arts Programme

ECHC employs an Arts Programme Manager to deliver a programme of arts within the hospital. The arts programme includes services funded by ECHC but delivered by others, such as Hearts and Minds delivering a Clown Doctor Service. The Arts Programme Manager also works closely with the hospital Play Team to bring ad hoc arts activities to the hospital and works with teams to consider innovative

ways to use art as therapy and distraction. ECHC also enjoys a number of ongoing long-term partnerships with arts organisations.

In 2017 we worked with over 35 organisations to bring art and activities into the hospital including Dynamic Earth, Edinburgh Theatres, Wee Replicators and Dancebase. There is more information on our Arts Programme in the 'Achievements' section of this Report.

"The story telling session was excellent. The children really enjoyed it as did my colleague and me. Ailie was great with the kids and allowed them time to react to the noises and touch of materials. She quickly realised the different noise levels each child would tolerate and changed her voice accordingly. There were three girls in our group. We had a wee girl who was having a lot of seizures that day and Ailie was very soft with her which was great as this meant she could still take part. I feel it would benefit a lot more of our children"

NHS Lothian staff member feedback after a storytelling session by Flotsam and Jetsam at Sunndach respite centre in Livingston

The New Hospital - Art and Therapeutic Design Programme

Thanks to our supporters; when the new children's hospital in Edinburgh opens we will have contributed over £3 million to the largest art and therapeutic design project in a children's hospital anywhere in the UK.

This has included funding enhancements to:

- Arrivals and wayfinding
- All playrooms, waiting and dining areas; including the exciting "pod" outpatient waiting area
- Bedside environment – a unique project bringing tablets and SMART TVs to every bedside, with content available via high-speed wi-fi connection
- Distraction in clinical areas through the use of projectors
- Child and Adolescent Mental Health Services (CAMHS) unit
- The Sanctuary and two bereavement suites
- Interview, sitting and dining rooms including an area specifically for adolescents
- Drop-in Centre
- The Child Protection Unit
- Multi-sensory rooms to encourage participation in therapy through fun, interactive digital content
- Landscaping including various outdoor spaces around the hospital

Once the doors open we need to continue to provide distractions, enhancements, equipment and training to support the hundreds of thousands of babies, children and young people who will use the new hospital throughout the coming years.

Fundraising and Marketing

All of ECHC's income comes from charitable sources so the activities of the fundraising team are vital to the success of the organisation. ECHC receives income from a number of income streams including;

- Individuals making donations and fundraising
- Nurseries, schools, colleges and universities
- Companies
- Indoor events e.g. dinners and balls
- Outdoor events e.g. sports challenges
- Trusts and Foundations

The Marketing Plan for the organisation is updated annually and all marketing activity is led by the Director of Fundraising and Marketing and her team. ECHC works with a PR agency called Holyrood Partnership and all releases are written and distributed to the media by them.

Did you know...

- ECHC received 32,867 donations in 2017
- ECHC saw a 19% increase in Facebook likes and a 22% increase in twitter followers in the year

Finance and Administration

The organisation conducts a great many financial transactions over the course of the year.

Total income for the year equalled £1.8m which included £1.6m of donations, plus trading, investments, and other income. During the year expenditure on charitable activities equalled £1.6 million.

The organisation has robust financial management procedures. These include processes for committing the organisation to expenditure, ordering from suppliers and cash handling.

The Audit Committee (a sub committee of the Board of Trustees) receives reports from the CEO and the finance team on financial activity, systems and processes. Each year the organisation undergoes an audit whereby the robustness of ECHC's financial processes are assessed. The auditors report to the Trustees on any issues or areas requiring improvement.

All staff play an important role in ensuring that financial management policies and processes are followed at all times.

An income and expenditure budget is developed annually with input from all staff. This is approved by the Trustees and progress against the budget is monitored through monthly management accounts.

ECHC also has robust policies and procedures in relation to information governance (the storing, management and processing of personal data). All supporter information is stored on our Raisers Edge database in line with Data Protection legislation.

Retail

ECHC runs the shop within the main inpatients reception area in The Royal Hospital for Sick Children. The shop provides a range of snacks, drinks, gifts, cards and toys. All the profits from the shop are transferred from ECHC's trading company Task Trading to ECHC at the end of the year and used for charitable purposes. The shop is run by one member of staff and many volunteers. The shop serves a vital role of not just raising money and awareness for ECHC but also providing a service to children, young people and their families whilst in hospital.

Additionally, ECHC has an online shop within our website and also sells branded items and Christmas cards at off-site locations.

We are delighted that we will run the shop within the busy main atrium of the new children's hospital when it opens in 2018. ECHC is extremely grateful to Scotmid who have assisted with the design and fit-out of the new shop as a gift in kind.

"You and the team are such great friends and supporters of the hospital, staff and children. I cannot emphasise enough what a difference the charity makes to what we can do"

Associate Nurse Director, Children and Young People

Strategy and planning

The organisation develops and implements a Strategic Plan every three years and is two years into its current Strategy for 2016-2018. The strategy was developed by the staff team with input from a range of stakeholders, and approved by the Trustees in June 2015.

The strategy details:

- Aim and purpose of the organisation
- ECHC's four strategic outcomes
- Our values
- Who we work with
- What we do
- The difference this makes
- How we measure this difference
- The actions we will take to deliver this difference

All the actions are detailed in our Annual Action Plans which all staff participate in developing each year. A three-year Financial Plan along with annual expenditure and income budgets are developed to support the work of the strategy.

Trustees began the process of developing the next organisational strategy (2019-2021) at their awayday in September 2017 and this will be developed further by staff in 2018 for future approval by the Trustees.

Monitoring

Progress against the strategy is monitored annually by the Trustees although regular updates on activity, as well as latest financial performance, are received by Trustees at each meeting. A Trustee awayday was held in September 2017 which considered progress against year two of strategy.

Staff monitor progress against strategy by reviewing action plans and through a schedule of regular meetings. These include staff and volunteer management meetings, departmental team meetings and specific meetings such as health and safety. There are also a number of short-term working groups set up to deliver specific pieces of work. All staff are involved in at least one of these meetings.

In addition, all staff receive a monthly support meeting with their line manager. At these meetings personal objectives are agreed for the coming year and progress against these is discussed. It is also a good opportunity to discuss any learning or development needs which employees may have.

"I really enjoyed the whole session and in particular the team-working activities. I think it demonstrated to us just how well we work as a team and complement each other"

"The different tools for analysing and assessing where our charity is up to were helpful, and helping us to dream for the future as well. Investing in these sessions as a whole team will help us moving forward; vision, strategy, approaching change together as we look to grow"

Staff feedback after a team training event in autumn 2017

ACHIEVEMENTS AND PERFORMANCE

Grants Awarded

In 2017, ECHC awarded 115 grant applications, as well as paying out grants awarded and accrued in 2016. In the year, 22 further applications were made which have been carried into 2018 for decision as they relate to the new hospital.

The 115 grants were awarded as follows from our three funding streams:

- 53 were awarded from our Small Grants Fund (under £5k)
- 36 were awarded from our Large Grants Fund (over £5k)
- 26 awards were made from our Training and Research Fund (19 under £5k; 7 over £5k).

We supported all the wards within the hospital as well as departments including:

- Paediatric Psychology Liaison Service (PPALS)
- Palliative care
- Play team
- Social work team
- Occupational therapy, Physiotherapy and Speech and Language therapy
- Radiology
- Emergency department
- Children's Intensive Care Unit, High Dependency Unit and Neonatal Surgical Care
- Surgical including Laparoscopy, Gastroenterology, Ear Reconstruction, ENT and Respiratory
- Oncology and Haematology
- Clinical Research Facility
- Orthopaedics

We also continued our funding of the entire hospital voluntary services team.

We provided support in locations other than the hospital, including:

- St John's Hospital, Livingston – Children's Ward, Radiology and The Mother and Baby Unit
- Eye Pavilion
- Outpatients clinics at Lauriston
- Musselburgh Primary Care Centre
- Family Nurse Partnership – working with first-time young mums, their babies and their families
- Child and Adolescent Mental Health Services (CAMHS) – Learning Disabilities Team, CAMHS North, CAMHS South, Tipperlinn (young person's inpatient unit), Forteviot (day programmes), Meadows Trauma service
- Sunndach and Calareidh respite centres

Some of the awards made throughout the year supported children and young people with specific conditions, including

- | | |
|-----------------------|---------------------------|
| ▪ Brain injury | ▪ Arthritis/ rheumatology |
| ▪ Cancers | ▪ Diabetes |
| ▪ Renal conditions | ▪ Liver conditions |
| ▪ Crohn's and Colitis | ▪ Down Syndrome |
| ▪ Cerebral Palsy | ▪ Epilepsy |

All grants must achieve at least one of our four strategic objectives and some examples are detailed below.

1. Children and young people's lives are less interrupted by illness

- ECHC provided £35k to develop prototype equipment to support a global research study into improving understanding of child brain Injury
- ECHC awarded £67k for a two year screening project which will improve the outcomes for children with epilepsy
- We are funding a Transitional Care Unit Project Lead to train parents in the technical aspects of caring for their child with complex needs (such as long term ventilation) to support the family to get home sooner.
- We provided funding for the Cerebral Palsy Integrated Pathway Scotland (CPIPS) programme which aims to improve or maintain physical function and quality of life for children with Cerebral Palsy
- We awarded £49k to transform the endoscopic imaging systems at RHSC, allowing surgeons to perform current procedures faster, more safely and with greater confidence than ever before.

"Thanks to the grant we received, we were able to present the results of our pilot study in an international setting last year in London. Presenting it in London has made it possible for us to spread the word about our results and make new connections which will help in setting up the bigger study".

Surgical student after ECHC funded their attendance at the Near-Infrared Spectroscopy (NIRS) Assisted Monitoring in Neonates

2. Children and young people are less scared and have a positive experience

- We funded rewards, bravery certificates, stickers and welcome gifts for children and young people at the children's hospital, at St John's and in Child and Adolescent Mental Health Services (CAMHS)
- We enhanced the children's outpatient clinics at the Lauriston Building
- We provided a Complementary Therapist for children and young people being treated for cancer and their families
- We awarded funding to enable two hospital play assistants to undertake their Play Specialist training. Play Specialists provide vital support to children who may be anxious or scared of treatment.

"One boy we visited over an eight to ten-week period...as he got that bit better each week we were able to do more with him. At the beginning of our visits he just couldn't abide the sound of our baby shakers, so we would swap the shaker for a bell which he was happy with. It took a few visits before he would hold anything in his hands, and a few weeks before he was tracking the movement of scarves, bells, lights over his head and around him. As the weeks progressed, his hand to eye co-ordination improved, his tracking skills improved and where before he would only look in one direction he was then able to move his head turning over to the look at the other side as well. Our last session was by far the best...the biggest indicator for them was the wee boy reaching out as I shook the baby shaker - he took it from me and gave it a shake, happy with the noise and delighted to be playing with the instrument."

Evaluation Report from practitioner from Baby Sensory, Edinburgh East, who worked in the hospital as part of the ECHC Arts programme.

3. Children and young people's families are better supported and comforted

- Our largest single award in 2017 of £131k was awarded to run Drop in Centre services supporting children, young people and their families at times of anxiety and stress
- We awarded £5,000 to a project "Making Memories" which encourages parents of children in Critical Care to create patient diaries

4. Children and young people have an improved experience of healthcare in the community

- We expanded our support to healthcare settings beyond the hospital, including running our Arts Programme weekly in the children's ward at St John's in Livingston
- We provided funds to bring artist residencies to Child and Adolescent Mental Health Services (CAMHS) outpatient services for the first time
- We funded projects which provided volunteering opportunities to young people attending CAMHS inpatient services, as well as project which taught outdoor skills, teamwork and confidence.
- We provided support to Family Nurse Partnership for the first time. This is a service which works with first time mums under 20 years of age and supports them with parenting until their child is two years old.
- We provided distractions, rewards and toys to the Radiology Department at St John's Hospital, Livingston.

"Feeling dirt releases chemicals in your brain and makes you feel happier"

"Places that are untouched by people are prettier"

"How to focus a bit better"

Comments in response to 'what did you learn' from young people using Child and Adolescent Mental Health Services (CAMHS) who took part in the Green Team project, part funded by ECHC. The project supports young people recovering from a range of mental health issues (eg Anxiety, Depression, Eating Disorders, Autism Spectrum Disorder) towards accessing the benefits of volunteering and being physically active outdoors in nature.

Grants to organisations

ECHC does not award grants to individuals but does provide funds to non-NHS organisations if they can demonstrate that they achieve at least one of our strategic outcomes.

Organisations which we funded in 2017 through our grants programme include:

- Nordoff Robbins to provide music therapy for children in the hospital as well as those attending respite homes Calareidh and Sunndach.
- Teapot Trust to provide art therapy to children and young people visiting outpatient clinics; and children accessing psychology services.
- Hearts and Minds to provide twice-weekly clown doctor visits to brighten up the day of children, young people and their families on the wards. Interacting with the Clowndoctors results in children growing in confidence and feeling empowered in situations where they have little control.

"We cannot thank you enough for your visits and dance lessons each week. It really has been a highlight for us and it has been amazing for me to see X progress with you and watch her do something she enjoys. Thank you for always being so lovely, kind and thoughtful." **Parent feedback to Christina from Dancebase who deliver dance sessions within the hospital**

- Kindred to provide peer to peer support and advocacy to families of children and young people using the hospital, helping them to access financial support and assisting with education and housing.
- University of Edinburgh to part-fund a PhD Studentship to 'Examine the Role of Technology in Promoting Play in a Children's Hospital'.
- Cleft Lip and Palate Association (CLAPA) to part fund a Regional Coordinator.
- Action for Sick Children Scotland (ASCS) to fund a Project Officer to run self-management workshops for young people with long-term conditions.
- Friends of the Award to deliver the Duke of Edinburgh Award Scheme to young people with mental health conditions attending the young person's unit at The Royal Edinburgh Hospital.
- Over The Wall to allow seriously ill children to attend a summer therapeutic camp
- What Why Children in Hospital to create a film and leaflet to support children with prominent ears and their concerned parents.

Arts Programme

In 2017, ECHC delivered 398 arts workshops, an increase of 205 on 2016. The Programme continues to expand and highlights in 2017 have included:

- The temporary recruitment of an Activities Coordinator to support the Arts Manager has allowed us to expand the arts programme beyond the hospital, into other healthcare settings.
- Thanks to a generous corporate donation, ECHC was able to deliver artist residencies for the first time to children and young people accessing mental health services.
- ECHC now runs a weekly arts programme within the children's ward at St John's Hospital, Livingston; and ran a summer programme with Dancebase, supporting children at Musselburgh Primary Care Centre to engage with physiotherapy in a fun way.
- We have increased our work with the older age group (12 years and above) with 'Magic Café' an evening session with magician Tricky Ricky teaching magic tricks to young people; arts residencies in Tipperlinn inpatient adolescent mental health unit.
- The Arts Programme Manager is working more closely with departments to create arts projects which link to clinical activity and desired therapeutic output. One example of this was a project with 'Wee Replicators' which used 3D printing pens in the waiting area of the ear reconstruction service. Children and young people were able to make their own creations with a version of the technology used to create their new ear (surgeons use a 3D printer funded by ECHC). This has reduced anxiety and encouraged positive engagement and conversation about treatment.

Other Charitable Activities

In addition to providing funds through our grants programme ECHC provides extra impact as follows:

- Arranging volunteering opportunities for companies.
- 'Free' elements of the arts/activities programme for children and families in hospital, for example, live performances from the pantomime cast; visits from mobile cinemas Screen Machine and Pix in the Stix; and by sourcing free arts and crafts materials.
- Sourcing gifts in kind such as Christmas trees and presents; electronic equipment such as games consoles/ DVDs; books, games and toys; days out, visits and tickets.
- Assisting in negotiations between families/ funders and NHS to identify appropriate projects for funders to fund.

- Arranging and hosting visits and tours of the hospital for sports teams e.g. footballers, rugby players and celebrities.
- Assisting those we fund to find the best price, negotiate deals, place orders and arrange deliveries.
- From time to time we also run appeals on our social media for specific items such as clothing for parents or babies.

Fundraising

Voluntary income for the twelve months to 31 December 2017 was £1,637k, down from the record we achieved in 2016 of £1,805k. This was due to the timing of events and from reduced fundraising capacity in the year.

Corporate income was £324K (£326k in 2016). Throughout the year, ECHC had 28 new 'Charity of the Year' partnerships including Gilson Gray, ESPC, Canon Medical Research Europe Ltd and TSB.

Individuals donated £304k (£223k in 2016) through regular direct debit giving, one-off donations, appeals and legacies. Supporters in the community such as individuals, schools, nurseries and adult groups contributed £367k (£409k in 2016) through a range of fundraising activities.

2017 saw a number of new partnerships in the community. The Gilded Balloon chose ECHC to benefit from collections during the festival. The Junior Award Scheme for Schools and Duke of Edinburgh Awards chose ECHC as the charity which they recommend to children and young people undertaking their awards. A partnership with The Dome over the month of December saw schools, community groups and bands invited to come along for a festive singalong and collection on the iconic Dome steps. These partnerships gave us the opportunity engage new volunteers and new schools whilst being out in the community talking to the public about the organisation.

Events income for 2017 was £189k which was down on the previous year's £290k due to two large events held in 2016. The successful Girly Get Together was a sell-out and the Sports Quiz moved to a larger venue to meet demand for tickets.

Sports Challenges saw increased income on last year with £225k raised (£184k in 2016). Participants ran, cycled, walk, swam or skydived to raise funds.

- **110 people** ran marathons and half marathons from Paris to Berlin and everywhere in between. This equated to over **2,000 miles** which is the distance from Edinburgh to the Western Sahara Desert
- **23 children** including former RHSC patients ran in the junior Edinburgh Marathon races.
- **12 Hospital Heroes** took on the exciting walk to Fife across the brand new Queensferry crossing
- **27 fearless fundraisers** jumped out of a plane at 10,000 feet
- **32 amazing abseilers** plunged on a free fall abseil from the iconic Forth Rail Bridge. Between them, they scaled the length of **5 Empire State buildings**
- **53 kilt clad walkers** took part in the Kiltwalk on our behalf in various locations across Scotland
- **17 radical runners** represented us south of the border at the Great North Run
- **36 warriors** were crowned Tough Mudder, covering a distance longer than 5,000 football pitches

Organisational

Our Strategy 2016 – 2018 sets out our strategic outcomes for children, young people and their families. To achieve these, the main focus of the annual action plans which accompany the strategy, are as follows:

- Increasing the contribution of ECHC.
- Raising the profile of ECHC amongst children and their families; NHS staff; and the general public.
- Evaluating, measuring and demonstrating the impact of ECHC.
- Developing and maintaining relationships.

A number of activities were undertaken within the year to further these strategic aims. Some examples are detailed below:

Increasing the contribution of ECHC:

- Over £1 million distributed through our grants and arts programmes. This was the first time this has been achieved in the charity's history without the inclusion of a single 'big ticket' item
- Increased support to Child and Adolescent Mental Health Services (CAMHS) including supporting teams in North and South Edinburgh, The Meadows Trauma Service and the inpatient unit, Tipperlinn.
- We continued to grow the Arts Programme in 2017 to provide more opportunities for children and young people to engage with the arts in hospital and in community health settings
- In addition to supporting all areas of the hospital we also provided support to over ten other children's healthcare settings, including St John's Hospital, Livingston; Musselburgh Primary Care Centre; The Eye Pavilion; and Wester Hailes Healthy Living centre.
- Throughout the year, we enjoyed extensive gift in kind support from Scotmid as we planned the design and fit-out of the ECHC shop within the new children's hospital. The shop will balance raising funds for the hospital whilst providing a vital service for families.

Did you know...

- In 2016, ECHC delivered 193 art workshops
- In 2017, ECHC delivered 398 art workshops
- In 2018, we project that we will deliver approximately 700 art workshops

Raising profile:

- The Royal Hospital for Sick Children announced that it will be renamed The Royal Hospital for Children and Young People once it moves. In May 2017, the charity changed its name from The Sick Kids Friends Foundation to Edinburgh Children's Hospital Charity to better reflect the hospital's new name. The name change led to some significant PR, including over 35,000 views of our 'name change' films, 253,000 impressions on twitter and Facebook and 30 media articles including a front page.
- We increased our branding in the hospital so that children, young people and their families could more easily see which services we provide. This has included all those delivering our

art programme and all hospital volunteers wearing an EHC T-shirt so they can be easily identified.

- 2017 saw the highest number of participants in our Sports Challenge events and a greater number of attendees at our Sports Quiz and Girly Get Together events. We continued our programme of monthly tours of the hospital to demonstrate first-hand to supporters how their money is used, showing round over 50 supporters in 2017.
- Again in 2017 EHC was pleased to support the Nurse Specialist Conference which allowed us to promote our grants programme to over 150 attendees. EHC again held a Grand Round Learning Event within the hospital, highlighting our Training and Research Fund.

Did you know...

- We lit up the front of the hospital with festive messages and a virtual snow flurry as part of our 2017 Christmas Campaign "Santa Stop Here". Supporters gave generously through text, online and by post to help encourage Santa to stop for 'one last time' at the Sciennes site before the move in 2018.

Evaluating, measuring and demonstrating the impact of EHC:

- Our annual Impact Report was available from Spring 2017 and included an animated version for our website and slide versions for social media. Our reporting was held up as an example of good practice in transparency at a charity seminar.
- The Arts Programme team now collect evaluation and feedback for all the art workshops which they run. This gives us important information from children, young people and families to help shape the future programme and make improvements.
- We were really pleased that we had two poster presentations and a platform presentation accepted for the Culture, Health & Wellbeing International Conference in Bristol in June. This conference, which is held every four years, "showcases inspirational practice, policy and the latest research in culture and arts in health and wellbeing".
- The team now evaluate every activity and consider 'what went well' and 'even better if' to allow us to continually improve our work.

Our Impact Report is available separately.

Developing and maintaining relationships:

- Continued partnership working with NHS Lothian through the introduction of regular meetings with the Associate Director of Nursing; attendance at new hospital steering group; attendance at monthly senior management meetings; and a variety of other NHS Lothian meetings and forums.
- A 'champions' event was held for volunteers and supporters in advance of the name change to engage those who are most closely linked to the
- An increased number of voluntary organisations engaged with including over 35 for the delivery of arts and activities.
- EHC staff attended six professional forums including Scottish Directors of Charity Finance (SDCF), Association of Chief Officers Scottish Voluntary Organisations (ACOSVO) and a UK-wide Arts in Hospital Forum. Staff also attended the Institute of Fundraising National Fundraising Convention and one presented on EHC's Arts Programme at the Dublin Children's Hospital Arts Council meeting.

Royal Patron

We are delighted to continue to receive invaluable support from our Royal Patron, HRH Princess Beatrice of York. Her Royal Highness meets with the Chief Executive annually and provides support to initiatives, as well as messages of support throughout the year. This year Her Royal Highness judged the hospital Easter Bonnet competition and the children in the hospital were delighted to have had their efforts judged by a Princess. We are very grateful for this ongoing interest in our work.

NHS Lothian

We would like to thank NHS Lothian for many years of rent free office space and shop space in the hospital. We are also delighted to have been given office space rent free within the new hospital for at least five years. This is combined with the same arrangement for our shop and Drop in Centre in the new hospital, for which are very grateful.

FINANCIAL REVIEW

Total income for the year to 31 December 2017 equalled £1,784,765 (£2,434,901 in the year to 31 December 2016) and total expenditure equalled £2,181,096 (£1,655,168 in 2016). The total net expenditure was £396,331 (net income was £845,857 in 2016).

Details are provided in the preceding paragraphs and further analysis is provided in the notes to the accounts.

Reserves Policy

Funds at 31 December 2017 totalled £1,564,509 (£1,960,840 at 31 December 2016) of which £476,474 (£566,659 at 31 December 2016) represents Restricted Funds (funds received which are earmarked by the donor for a specific ward, department or project) and £1,088,035 (£1,394,181 at 31 December 2016) represents Unrestricted Funds.

Out of the unrestricted funds, the Trustees have designated a sum totalling £354,773 which will be spent on specific projects during the next year. This is shown separately in the balance sheet as Designated Funds. A further sum totalling £483,425 is allocated to the Operating Fund, which is equivalent to six months operating costs. The increase in the Operating Fund reflects the Arts Programme and the Hub, a vibrant support service for children, young people and their families, which are included in the ECHC Operating Fund from 2018, previously reported within grants.

Going Concern

The Trustees are satisfied that the accounts should be prepared on a going concern basis. They have reviewed the level of reserves, the budget for both income and expenditure for the next 12 months and also reviewed the risks to the charity and its ability to continue to raise funds in the future.

Risk Management

Risk is managed through the risk register which is reviewed twice yearly by the Trustees. Risks are identified, as are mitigants and controls, and are grouped into strategic, financial, reputational, organisational, legal and compliance, and governance. As at 31 December 2017, three risks identified as scoring 9 – “moderate/ likely”; six identified as scoring 6 – “moderate/ unlikely” or “likely/low”; and ten identified as scoring 4 or lower – “moderate/ possible”.

The three key identified risks, along with some of the mitigants identified for each, are:

Decline in fundraising due to proposed regulatory changes including fundraising regulation and GDPR. Minimised through:

- Working group formed to deliver the requirements of General Data Protection Regulations by the compliance date, including securing explicit opt-in consent to minimise database reductions
- ECHC participating in sector discussions and events to shape/ respond to future regulation/ consultations
- Transparency to supporters demonstrated through Impact Report, Annual report and Accounts available on website.

Complaint from staff member, volunteer or member of the public

- All Organisational Policy up-to-date including Grievance Procedure and Whistleblowing; Complaints Procedure available to public on website, along with Fundraising Promise
- Staff Handbook reviewed and updated in 2016
- Volunteer Policy and Handbook introduced; as well as Trustee handbook and Code of Conduct
- Staff trained in complaints resolution and reporting
- Reflective practice introduced to encourage continuous improvement.

Reputational risk of services being run 'in our name' but not subject to our controls and management

- Review of these services undertaken in 2017 and recommendations made to Trustees
- The Drop in Centre to be managed by the charity from 2018 onwards
- Improvements made to 'conditions of funding' when an award is made, to give more control
- Evaluation process improved to achieve over 75% completed forms.

FUTURE PLANS

The opening of the new hospital in 2018 will mark the beginning of an exciting new chapter for ECHC. In preparation for this move, the organisation moved office in August 2017. The move to the new office would not have been possible without the generosity of several companies, these include Savills, Pricewaterhouse Coopers, and CBRE Scotland. We are delighted to have been given office space by NHS Lothian within the new children's hospital and our Arts Programme Manager along with some members of our fundraising team will be based at the hospital.

ECHC is delighted to be running the shop within the new children's hospital and in preparation for this opening a new Manager was recruited in January 2018. Their immediate priorities will be to project manage the fit-out of the shop, develop financial projections and recruit staff and volunteers. We are delighted to be receiving support from Scotmid and Filshill who are assisting us in creating a new shop which will not only raise vital funds for the charity but will provide an important service to families visiting the hospital.

As part of an ongoing review of our funding, ECHC Trustees made the decision to take over the running of the hospital Drop in Centre, a service which the charity has funded for over ten years. The aim is to reach even more children, young people and their families and to provide support to them at times of anxiety or stress, during visits to the hospital. The service will continue at its present site until the move to the new hospital when it will be located within the new hospital. This will be renamed "The Hub".

STRUCTURE, GOVERNANCE AND MANAGEMENT

Edinburgh Children's Hospital Charity was formed as an unincorporated association on 7 December 1992. On 1 October 2010 the assets and liabilities of the association were transferred into a company limited by guarantee, then called The Sick Kids Friends Foundation. The 'Memorandum and Articles of Association' is the governing document for the organisation and sets out the charitable purpose and governance structure. ECHC is recognised by HM Revenue & Customs as a charity and is registered with the Office of the Charity Regulator (OSCR) as a Scottish Charity with Scottish Charity Number SC 020862.

These accounts are the seventh accounts of the charity in the form of a company limited by guarantee and cover the twelve months to 31 December 2017.

Trustees

The Directors of the Company (the Trustees) are responsible for the strategy and governance of the Charity and monitoring performance in line with the strategic objectives. The Trustees include members with professional experience in public sector (including health and education) and private sector (including retail, property, legal and financial services). The responsibility for delivering the strategy is delegated by the Board to the staff team.

There are 11 Trustees currently who are all volunteers. Biographies of the Trustees are given on the ECHC website. They receive no remuneration other than reasonable expenses, such as travel, should they wish to claim it. No expenses were claimed in either 2017 or 2016. When being recruited, Trustees undergo a selection process led by a delegated Governance Sub-Committee. All Trustees have a Role Description and Person Specification, sign up to the ECHC Trustee Code of Conduct and complete a Register of Interests annually. In 2016, ECHC, supported by Edinburgh Voluntary Organisations Council (EVOC) embarked on a programme of Trustee training and governance review to ensure that all Trustees were reminded of their duties and responsibilities. A Trustee Handbook was developed in 2017 to provide existing and new Trustees with helpful information about the organisation. Board Effectiveness reviews were also introduced in 2017.

During the twelve months (and up to the signing of these accounts) there were the following changes to the Board of Trustees:

- Lady Stewart resigned from the Board in June 2017.
- Isabel McCallum resigned from the Board in December 2017.
- Elizabeth Bremner resigned from the Board in January 2018.
- Professor Angela Thomas was appointed to the Board in February 2018.

The Trustees would like to record their gratitude to Shona Stewart, Isabel McCallum and Elizabeth Bremner for their time on the Board, all brought enthusiasm, insight and dedication to the role which was very much appreciated.

Decision Making

The Trustees meet regularly to monitor progress, decide on applications and receive reports. A schedule of meetings is agreed annually. The Trustees approved the current Strategy in 2015 and on an annual basis a budget for income and expenditure is approved. Responsibility for delivering the strategy is delegated to the Chief Executive and staff as detailed in the Scheme of Delegation and Sub-Committee Terms of Reference. Regular reports on progress are given at Trustee meetings. An annual Trustee Awayday to consider the ongoing suitability of the strategy was held in September 2017.

Management

The charity is led by the Chief Executive and has two senior managers, the Director of Fundraising and Marketing; and the Director of Finance and Operations. The latter post commenced in April 2017.

Organisational structure

The staff team is made up of:

- The Chief Executive
- Fundraising and marketing team
- Finance and operations team
- An Arts Programme Manager and a temporary, part-time Activities Coordinator
- A Shop Manager

Since year end, the following staff have been recruited:

- Hub Manager, to manage The Hub in the new children's hospital; a vibrant new support service for children, young people and their families.
- Two Project Workers for The Hub
- Two new fundraising team members
- A Shop assistant
- Arts and Activities Coordinator

The team comprises eight full time staff and ten part-time on average throughout the year.

Restructure and salary review

The Trustees approved the ECHC Strategy for 2016-2018 at their meeting in June 2015, along with the associated Financial Plan. It was agreed at this meeting that in order to deliver the strategic outcomes of the Strategy a review of organisational structure was required. This led to the creation of the current Fundraising and Marketing team structure. At their meeting in November 2016, the Trustees approved a proposal to conduct a further restructure to create a Finance and Operations function. This took effect from April 2017.

A salary review in September 2015 was conducted and a new pay scale introduced. In considering this, the CEO benchmarked against a number of charities, including two with similar purpose; used online salary comparison sites; and considered the scope and salary of similar posts advertised in sector recruitment sites. The pay of senior management was subject to the same approach. However, the remuneration of the CEO is considered and agreed by the Chair and Trustees.

Connected Bodies

Task Trading Limited is a wholly owned subsidiary company through which the trading activities for Edinburgh Children's Hospital Charity are carried on. Task Trading Limited shares its principal address with Edinburgh Children's Hospital Charity. Gross income for the year to 31 December 2017 amounted to £117,737 (£119,051 in 2016) and the net profit to be gifted to Edinburgh Children's Hospital Charity for the year to 31 December 2017 was £18,483 (£17,760 in 2016). The Sick Kids Friends (Little France) Limited was set up in December 2010 and has not traded.

Relationship between the Charity and Related Parties

- Task Trading Ltd was set up as the trading company of the charity and donates its profits to the charity under the Gift Aid Scheme on an annual basis.
- Three Trustees, Lindsay Gardiner (Chair), Gordon MacKinlay and John Brodie are directors of Task Trading Ltd. The CEO of ECHC, Roslyn Neely, is also a director of Task Trading.
- Two Trustees, Lindsay Gardiner (Chair) and Suzanne Wilson are directors of The Sick Kids Friends (Little France) Limited, as is the CEO of ECHC, Roslyn Neely.
- One Trustee, Paul Leonard, is employed by NHS Lothian.
- One Trustee, Isabel McCallum (who resigned December 2017) is a director of Radio Lollipop Limited.
- One Trustee, John Brodie, is CEO of Scotmid who have provided significant support to Task Trading in designing the new shop, free of charge. This fit out will be recognised in the 2018 accounts, when the work is complete and the value is known.

Auditors

A resolution to re-appoint Henderson Loggie will be put to members at the Annual General Meeting. So far as each Trustee is aware, there is no relevant audit information of which the auditors are unaware. Each Trustee has taken the appropriate steps to make themselves aware of such information and to establish that the auditors are aware of it. The Trustees' report is prepared in accordance with special provisions of the Companies Act 2006 relating to small companies.

Approved by the Trustees and authorised for signature by:

Lindsay Gardiner
Chair
30 April 2018

Statement of the Trustees' Responsibility in respect of the Accounts

The Trustees are responsible for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and regulations.

Law applicable to incorporated charities in Scotland requires the Trustees to prepare an annual report and financial statements for each financial period in accordance with applicable law and regulations. Under that law the Trustees prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charity and of the group at the end of the period and of its financial activities including its income and expenditure during the period then ended.

In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards and statements of recommended practice 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 charity and the group will continue in operation.

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

The Trustees are also responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the UK, governing the preparation and dissemination of financial statements, may differ from legislation in other jurisdictions of accounts may differ from legislation in other jurisdictions.

Independent auditor's report to the Trustees of Edinburgh Children's Hospital Charity

Opinion

We have audited the financial statements of Edinburgh Children's Hospital Charity Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2017 which comprise the Group and Parent Charitable Company Statements of Financial Activities, the Group and Parent Charitable Company Statements of Financial Position, the Group and Parent Charitable Company Cash Flow Statements 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 applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2017 and of 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis of 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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

Independent auditor's report to the Trustees of Edinburgh Children's Hospital Charity

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit: the information given in the Trustees' Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' Report which includes the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purposes of charitable law) 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder

Independent auditor's report to the Trustees of Edinburgh Children's Hospital Charity

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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's directors 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 charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

James Davidson (Senior Statutory Auditor)

For and on behalf of Henderson Loggie

Chartered Accountants & Statutory Auditors

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

34 Melville Street
Edinburgh
EH3 7HA

30 April 2018

Edinburgh Children's Hospital Charity

Consolidated Income and Expenditure Account and Statement of Financial Activities for the year ended 31 December 2017

		Year to 31 December 2017			Year to 31 December 2016		
	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Income:							
Donations and Legacies	2	1,299,382	337,415	1,636,797	1,192,289	613,043	1,805,332
VAT Refund	3	-	-	-	-	467,281	467,281
Other Income	3	25,000	-	25,000	-	-	-
Other Trading Activities	4	117,737	-	117,737	119,051	-	119,051
Income from Investments	5	5,231	-	5,231	43,237	-	43,237
Total Income		1,447,350	337,415	1,784,765	1,354,577	1,080,324	2,434,901
Expenditure							
Expenditure on Raising Funds	6,7,8	488,001	67,630	555,631	541,160	114,828	655,988
Expenditure on Charitable Activities	9	917,454	708,011	1,625,465	451,764	547,416	999,180
Total expenditure		1,405,455	775,641	2,181,096	992,924	662,244	1,655,168
Net Gains / (Losses) on Investment Assets		-	-	-	66,124	-	66,124
Net Income / (Expenditure)		41,895	(438,226)	(396,331)	427,777	418,080	845,857
Transfers between funds	12	(348,041)	348,041	-	356,944	(356,944)	-
Net movement in funds		(306,146)	(90,185)	(396,331)	784,721	61,136	845,857
Reconciliation of funds							
Total funds brought forward at 1 January 2017		1,394,181	566,659	1,960,840	609,460	505,523	1,114,983
Total funds carried forward		1,088,035	476,474	1,564,509	1,394,181	566,659	1,960,840

Edinburgh Children's Hospital Charity

Income and Expenditure Account and Statement of Financial Activities for the year ended 31 December 2017

	Year to 31 December 2017			Year to 31 December 2016		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Income:						
Donations and Legacies	1,317,865	337,415	1,655,280	1,210,049	613,043	1,823,092
VAT Refund	-	-	-	-	467,281	467,281
Other Income	25,000	-	25,000			
Income from Investments	5,231	-	5,231	43,237	-	43,237
Total Income	1,348,096	337,415	1,685,511	1,253,286	1,080,324	2,333,610
Expenditure						
Expenditure on Raising Funds	388,747	67,630	456,377	439,869	114,828	554,697
Expenditure on Charitable Activities	917,454	708,011	1,625,465	451,764	547,416	999,180
Total Expenditure	1,306,201	775,641	2,081,842	891,633	662,244	1,553,877
Net Gains / (Losses) on Investments	-	-	-	66,124	-	66,124
Net Income / (Expenditure)	41,895	(438,226)	(396,331)	427,777	418,080	845,857
Transfers between funds	(348,041)	348,041	-	356,944	(356,944)	-
Net movement in funds	(306,146)	(90,185)	(396,331)	784,721	61,136	845,857
Reconciliation of funds						
Total funds brought forward at 1 January 2017	1,394,181	566,659	1,960,840	609,460	505,523	1,114,983
Total funds carried forward	1,088,035	476,474	1,564,509	1,394,181	566,659	1,960,840

Edinburgh Children's Hospital Charity

Balance Sheet at 31 December 2017

		Group		Charity	
		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
	Notes	£	£	£	£
FIXED ASSETS					
Investments	13	-	-	-	-
CURRENT ASSETS					
Stock		15,687	12,793	4,940	-
Debtors	14	163,204	31,320	181,683	50,040
Cash at bank and in hand		1,588,559	2,052,923	1,571,947	2,038,954
CURRENT ASSETS		1,767,450	2,097,036	1,758,570	2,088,994
Other grants and creditors	15	(202,941)	(136,196)	(194,061)	(128,154)
CREDITORS: amounts falling due within one year	15	(202,941)	(136,196)	(194,061)	(128,154)
NET CURRENT ASSETS		1,564,509	1,960,840	1,564,509	1,960,840
NET ASSETS		1,564,509	1,960,840	1,564,509	1,960,840
Net assets comprising:					
Restricted funds	11,12	476,474	566,659	476,474	566,659
Unrestricted funds	12	249,837	192,172	249,837	192,172
Operating fund	10,12	483,425	282,332	483,425	282,332
Designated funds	10,12	354,773	919,677	354,773	919,677
Total unrestricted funds		1,008,035	1,394,181	1,088,035	1,394,181
		1,564,509	1,960,840	1,564,509	1,960,840

These accounts have been prepared in accordance with special provisions of the Companies Act 2006 relating to small companies.

These accounts were approved and authorised for issue by the Trustees on 30 April 2018 and signed on their behalf by:

Lindsay Gardiner
Chair

Edinburgh Children's Hospital Charity

Consolidated Statement of Cash Flows

	Year to 31 December 2017 £	Year to 31 December 2017 £	Year to 31 December 2016 £	Year to 31 December 2016 £
Cash flows from operating activities				
Net cash used in operating activities		(469,595)		(1,716,410)
Cash flows from investing activities				
Dividends, interest and rents from investments	5,231		43,237	
Proceeds from sale of investments	-		1,436,806	
Purchase of investments	-		(226,919)	
Net cash provided by investing activities		5,231		1,253,124
Change in cash and cash equivalents in the reporting period		(464,364)		(463,286)
Cash and cash equivalents at the beginning of the year		2,052,923		2,516,209
Total cash and cash equivalents at the end of the year		1,588,559		2,052,923

Notes to the statement of cash flows

Note a -	Year to 31 December 2017 £	Year to 31 December 2016 £
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net (expenditure)/income for the year	(396,331)	845,857
Adjustments for:		
(Gains)/losses on investments	-	(66,124)
Dividends, interest and rents from investments	(5,231)	(43,237)
(Increase)/decrease in stock	(2,894)	3,963
(Increase) in debtors	(131,884)	(9,779)
Increase/(decrease) in creditors	66,745	(2,447,090)
Net Cash used in Operating Activities	(469,595)	(1,716,410)

Note b -	At start of year £	Cash Flow £	Non-cash changes £	At end of year £
Analysis of cash and cash equivalents				
Cash at bank	2,052,923	(464,364)	-	1,588,559
Net funds	2,052,923	(464,364)	-	1,588,559

Edinburgh Children's Hospital Charity

Charity Statement of Cash Flows

	Year to 31 December 2017 £	Year to 31 December 2017 £	Year to 31 December 2016 £	Year to 31 December 2016 £
Cash flows from operating activities				
Net cash used in operating activities		(472,238)		(1,707,170)
Cash flows from investing activities				
Dividends, interest and rents from investments	5,231		43,237	
Proceeds from sale of investments	-		1,436,806	
Purchase of investments	-		(226,919)	
Net cash provided by investing activities		5,231		1,253,124
Change in cash and cash equivalents in the reporting period		(467,007)		(454,046)
Cash and cash equivalents at the beginning of the year		2,038,954		2,493,000
Total cash and cash equivalents at the end of the year		1,571,947		2,038,954

Notes to the statement of cash flows

Note a - Reconciliation of net income/(expenditure) to net cash flow from operating activities	Year to 31 December 2017 £	Year to 31 December 2016 £
Net (expenditure)/income for the year	(396,331)	845,857
Adjustments for:		
(Gains)/losses on investments	-	(66,124)
Dividends, interest and rents from investments	(5,231)	(43,237)
(Increase) in stock	(4,940)	-
(Increase) in debtors	(131,643)	(208)
Increase/(decrease) in creditors	65,907	(2,443,458)
Net Cash used in Operating Activities	(472,238)	(1,707,170)

Note b - Analysis of cash and cash equivalents	At start of year £	Cash Flow £	Non-cash changes £	At end of year £
Cash at bank	2,038,954	(467,007)	-	1,571,947
Net funds	2,038,954	(467,007)	-	1,571,947

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historic cost convention. The charity is a public benefit entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 46. The financial statements are compliant with the charity's Articles, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Companies Act 2006, the Statement of Recommended Practice FRS102 (SORP FRS102) "Accounting and Reporting by Charities" (revised 2015) and in accordance with Financial Reporting Standard 102 (FRS102). The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going Concern

These accounts have been prepared on a going concern basis. There are no material uncertainties that exist or material changes in the way charity operates. The Trustees consider it is appropriate to prepare accounts on a going concern basis. Further detailed information is given on page 17.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary Task Trading Limited on a line by line basis incorporating income and expenditure under activities and expenditure on raising funds respectively.

Recognition of income

Donations and legacies income also includes gifts and grants that provide core funding or are of a general nature is recognised where there is entitlement, probability of receipt, changed from certainty of receipt in previous years, and the amount can be measured with sufficient reliability. Income tax reclaims are recognised when claimed.

Gifts in kind

Where gifts in kind are donated for the purposes of auction or other sale the proceeds from the auction are included in the donations and legacies figures in the Statement of Financial Activities.

Where goods or services are donated directly to Edinburgh Children's Hospital Charity these are included in the Statement of Financial Activities if the value is known with any certainty. If there is uncertainty over the quantification of donations these are noted in the financial statements, if significant. Where goods are held for distribution to beneficiaries they are held in stock at fair value.

The general volunteer time of the volunteers is not recognised.

Grants payable

Grants awarded are recognised in full in the period in which they are payable.

Expenditure on Raising Funds

The expenditure on raising funds consists of direct expenditure, trading activity costs, investment management costs and an apportionment of overhead and support costs as shown in note 7.

Charitable activities

Expenditure on charitable activities includes grants made, and an apportionment of overhead and support costs as shown in note 7.

Pensions

The charity operates a defined contribution pension scheme. The amount charged to the income and expenditure account represents the contribution payable to the scheme in respect of the accounting period.

1. ACCOUNTING POLICIES *(continued)*

Fixed asset investments

Investments are stated at market value as at the balance sheet date. UK Open-ended investment companies are included as listed investments. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the period.

Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the period end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

Capital items

Capital items acquired for the office or for the Drop In Centre which individually have a cost or value of less than £5,000 are written off in the financial period of purchase.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition or net realisable value.

Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of twelve months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

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

VAT policy

Edinburgh Children's Hospital Charity is not registered for VAT and accordingly expenditure includes VAT where appropriate. However, Task Trading Limited is registered for VAT and accordingly its income and expenditure are stated net of VAT.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds which have been granted by the Trustees for particular purposes from which the expenditure has not been incurred. Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal. Transfers between restricted funds are made where special purpose activities are continuing but the delivery has changed due to the closure of, for example, a ward. Such transfers are separately disclosed in note 11. Where other transfers are required the reasons are noted in the appropriate funds note.

2. DONATIONS AND LEGACIES

			Year to 31 December 2017	Year to 31 December 2016
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Corporate	221,771	102,002	323,773	325,618
Individuals	300,047	4,307	304,354	222,581
Community	266,284	100,554	366,838	409,374
Events	148,985	39,909	188,894	289,633
Sports challenges	182,247	42,393	224,640	184,108
Trusts and Foundations	11,786	48,250	60,036	360,199
Major Donors	168,262	-	168,262	13,819
	1,299,382	337,415	1,636,797	1,805,332

3. OTHER INCOME AND VAT REFUND

In August 2017 we moved to new offices. The previous tenant gave us £25,000 as a contribution towards the legal costs, the wear and tear they had built up while renting, and our initial rent.

During 2016 we received confirmation from NHS Lothian that the VAT paid on the original new hospital Art and Therapeutic Design projects was mostly recoverable. This resulted in a sum of £467,281 being returned to ECHC in October 2016.

4. OTHER TRADING ACTIVITIES

	Year to 31 December 2017	Year to 31 December 2016
	£	£
Shop turnover	117,737	119,051

Incoming resources from trading activities are stated net of value added tax and represent the value of sales made in the course of Task Trading Limited's activity.

5. INCOME FROM INVESTMENTS

	Year to 31 December 2017	Year to 31 December 2016
	£	£
Dividend income	-	31,083
Interest from UK Government securities	-	531
Bank interest on cash held as part of the portfolio	-	209
Income from investment portfolio	-	31,823
Interest from cash deposits	5,231	11,414
Total investment income	5,231	43,237

The dividend income and the interest from UK Government securities is received from investments listed on a recognised UK Stock Exchange.

6. STAFF COSTS

	Year to 31 December 2017 £	Year to 31 December 2016 £
Salaries	450,200	437,983
Social security costs	39,145	36,896
Pension costs	15,719	13,519
	505,064	488,398

The team comprises eight full time staff and ten part-time (eight and eleven in 2016).

A defined contribution pension scheme for all staff was introduced on 1 October 2011. At 31 December 2017 £1,843 was due to be paid (2016: £1,150).

No Trustees received any remuneration during the year (nil in 2016). No trustees received any reimbursement of expenses during the year (nil in 2016). Trustee indemnity insurance was provided during the period at a cost of £773 (£773 in 2016).

In line with the Statement of Recommended Practice for Charities, the allocation of staff costs between fundraising, charitable activities and governance is shown in Note 7.

The total remuneration for key management during the year was £157,650 including employers' national insurance of £15,317 (2016: £128,676 including employers' national insurance of £13,451). The number of employees included within this rose by 1 during the year. During the year one employee received annual emolument between £60,000 and £70,000 (one between £60,000 and £70,000 in 2016). Employer contributions to a defined contribution scheme in respect of the higher paid employee totalled £4,675 (£4,630 in 2016).

Edinburgh Children's Hospital Charity

Notes to the financial statements for the year ended 31 December 2017

7. ALLOCATION OF COSTS

		Expenditure on Raising Funds	Fundraising trading	Charitable activities	Governance	Year to 31 December 2017 Total
	Basis	£	£	£	£	£
Staff costs (see note 6)	1	220,147	11,295	206,934	66,688	505,064
Special events	2	69,874	-	-	-	69,874
Promotional	2	16,056	-	-	-	16,056
Other direct fundraising costs	2	58,429	-	-	-	58,429
Travel	3	3,222	-	3,028	976	7,226
Postage and communications	3	5,093	-	4,788	1,543	11,424
Computer expenses and maintenance	2	10,215	-	-	-	10,215
Office expenses and other items	4	32,324	4,736	30,385	9,792	77,237
Premises costs	3	25,439	-	23,913	7,706	57,058
Audit fee	2	-	1,030	-	8,160	9,190
Other professional fees	3	15,578	-	14,643	4,719	34,940
Total		456,377	17,061	283,691	99,584	856,713
Allocation						
Restricted funds		67,630	-	131,633	-	199,263
Unrestricted funds		388,747	17,061	152,058	99,584	657,450
		456,377	17,061	283,691	99,584	856,713

Costs are allocated as follows:

- 1 Time allocation
- 2 Direct attribution
- 3 Allocation based on staff costs
- 4 Direct attribution to activities for generating funds and the remainder allocated on staff costs

Included within expenditure is £1,045 of non-audit fees paid to the auditor (2016: £1,045).

8. EXPENDITURE ON RAISING FUNDS

			Year to 31 December 2017	Year to 31 December 2016
	Unrestricted £	Restricted £	Total £	Total £
Expenditure on Raising Funds (note 7)	388,747	67,630	456,377	546,793
Fundraising trading:				
Costs of goods sold	82,193	-	82,193	82,213
Costs allocated to fundraising trading (note 7)	17,061	-	17,061	19,078
	99,254	-	99,254	101,291
Investment management fee	-	-	-	7,904
Total expenditure on raising funds	488,001	67,630	555,631	655,988

To the extent that the costs attributable to generating donations and legacies are not directly attributable between unrestricted and restricted funds, they are allocated in direct proportion to donations and legacies received. The costs attributed to fundraising trading and investment management all relate to unrestricted funds.

9. EXPENDITURE ON CHARITABLE ACTIVITIES

			Year to 31 Dec 2017	Year to 31 Dec 2016
	Unrestricted £	Restricted £	Total £	Total £
Grants and donations:				
Arts Programme	-	25,118	25,118	28,753
Art Therapy	-	20,481	20,481	28,650
Refresh A&E Waiting Rooms	-	-	-	2,400
CAMHS new unit inpatient bedrooms enhancements	-	99,840	99,840	-
CAMHS Courtyards enhancements	-	30,785	30,785	-
Cerebral Palsy Integrated Pathway Scotland	-	7,200	7,200	-
ECHC Nurse Specialist	33,438	700	34,138	33,690
Child Protection Unit enhancement	40,000	-	40,000	-
Clinical Teacher to support migration	13,599	-	13,599	-
Clowndoctors	-	17,000	17,000	17,000
Critical Care Kwickscreens	-	-	-	(1,213)
Critical Care Manikins	2,438	14,291	16,729	-
Drop In Centre	-	131,012	131,012	121,408
Drop In Centre Guided Self Help	-	13,178	13,178	16,766
Endoscopic Imaging System	49,500	-	49,500	-
Family Support	29,249	4,519	33,768	32,957

9. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

			Year to 31 Dec 2017	Year to 31 Dec 2016
	Unrestricted £	Restricted £	Total £	Total £
Grants and donations:				
Fibrescopes, Microscopes, Telescope and Lightsource	-	-	-	30,408
Hospital Passport Assistant Psychologist	8,442	-	8,442	10,761
Inpatient support chairs	8,115	-	8,115	-
International Paediatric Neurosurgery Conference	-	7,249	7,249	-
Kindred Counselling Service	9,000	-	9,000	12,000
Kindred Support Project	39,000	-	39,000	52,000
Module in Paediatric Haematology & Oncology	-	-	-	5,460
Music Therapy	3,741	3,741	7,482	10,836
New Hospital enhancements	283,225	33,169	316,394	-
Oncology Low Level Laser Therapy (LLLT)	-	-	-	5,776
Out of area placement expenses	5,000	-	5,000	-
Paediatric Cardiac Analyser	-	38,120	38,120	-
Play Department	-	7,088	7,088	6,579
Play Specialist Training Courses	1,641	4,968	6,609	15,377
Quiet Room Refurbishment	585	-	585	1,083
Relax and View in MRI DVD System	-	-	-	16,440
Epilepsy Screening Methodology	-	24,760	24,760	7,102
Self Management Workshops	26,951	-	26,951	2,292
Sunndach & Calareidh Music Therapy	-	7,998	7,998	9,933
Therapies Ward 2	-	22,351	22,351	11,966
Therapeutic Recreation Activity Camps	-	9,200	9,200	-
Transitional Care Unit Project Lead	12,497	-	12,497	-
Social Work Department	-	7,115	7,115	7,750
Study of Incident Paediatric - onset IBD	-	-	-	38,367
USS Machine Utilisation in the Emergency Department	-	-	-	28,554
Volunteer Services	30,994	-	30,994	20,787
Voluntary Services Assistant Co-ordinator	13,782	-	13,782	7,619
Other grants and donations (under £5,000)	54,615	46,495	101,110	100,083
Total grants and donations	665,812	576,378	1,242,190	681,585
Costs attributable to charitable activities (note 7) including governance costs	251,642	131,633	383,275	317,595
Total cost of charitable activities	917,454	708,011	1,625,465	999,180

All of the grants and donations payable were to support patients, families, projects or staff at the Royal Hospital for Sick Children and other healthcare centres.

The costs attributable to charitable activities are attributed between unrestricted and restricted funds in direct proportion to the grants and donations paid.

10. DESIGNATED FUNDS

In line with the Statement of Recommended Practice for Charities, £354,773 (£919,677 in 2016) has been designated for various charitable projects and £483,425 (£282,332 in 2016) equivalent to six months minimum operating costs has been designated in the Operating Fund as detailed in the 'Financial Review' on page 17.

A net transfer has been made from unrestricted funds of £288,770. This is the net effect of provisions made in the current financial period for grants approved in the period reduced by designations having been made in a previous financial year which are no longer required. This happens when specific funds are subsequently raised for the project or where the final cost is less than the designated amount.

	Funds Balance at 1 January 2017	(Payments) made during the period	Transfer from/(to) Unrestricted Funds	Funds Balance at 31 December 2017
	£	£	£	£
Designated Funds				
Family Support	30,000	(32,587)	29,254	26,667
Drop In Centre	120,000	(129,242)	19,992	10,750
Arts Programme	60,117	(60,235)	118	-
Clowndoctors	17,000	(17,000)	-	-
Art Therapy	30,600	(23,406)	(7,194)	-
Music Therapy in Hospital	10,505	(4,883)	(5,622)	-
Music Therapy Sunndach & Calareidh	9,120	(3,238)	(5,882)	-
Volunteer Services	39,000	(30,994)	24,494	32,500
Drop In Centre Guided Self Help	28,000	(13,178)	8,511	23,333
ECHC Nurse Specialist	37,099	(34,139)	33,216	36,176
Play Department	6,000	(1,735)	735	5,000
Welcome and Reward Presents	6,500	(2,704)	1,621	5,417
Social Work	7,000	(4,815)	9,815	12,000
Fish Tanks	5,000	(2,305)	(1,059)	1,636
Ward 2 Massage Therapy	6,741	-	10,300	17,041
Hospital Passport Clinical Psychologist	12,814	(8,442)	8,460	12,832
Kindred Support Project	39,000	(39,000)	-	-
Kindred Counselling	9,000	(9,000)	-	-
CAMHS	10,000	(10,511)	511	-
Assistant Voluntary Serv Co-ordinator	13,820	(13,782)	8,311	8,349
Transitional Care Unit Project Lead	20,417	(12,497)	14,583	22,503
Epilepsy Screening Methodology	33,653	(24,660)	26,451	35,444
Enhancement of Child Protection Unit	40,000	(40,000)	-	-
Clinical Teacher to Support Migration	32,000	(13,599)	13,599	32,000
Lothian Self Management Project	26,951	(26,951)	-	-
Study on Parental Group Sleep				
Education in young children with Down Syndrome	-	-	30,995	30,995
Paediatric Ultrasound Probe	-	-	7,100	7,100
Arts Therapists Pilot	-	-	6,715	6,715
Out of area placement expenses	-	-	5,000	5,000
Other approved grants (under 5,000)	20,320	(11,546)	14,541	23,315
New Hospital (VAT refunds)	249,020	(283,225)	34,205	-
Designated Funds	919,677	(853,674)	288,770	354,773
Operating Fund	282,332	-	201,093	483,425

10. DESIGNATED FUNDS (continued)

Further information on grants paid and accrued during the period is given in the Trustees' Report. The designated funds balance represents our commitments out of unrestricted funds for the next year.

	Funds Balance at 1 January 2016	(Payments) made during the period	Transfer from/(to) Unrestricted Funds	Funds Balance at 31 December 2016
	£	£	£	£
Designated Funds				
Family Support	30,000	(26,340)	26,340	30,000
Drop In Centre	120,000	(119,612)	119,612	120,000
Arts Programme	74,075	(23,621)	9,663	60,117
Clowndoctors	17,000	(16,900)	16,900	17,000
Art Therapy	32,400	(32,550)	30,750	30,600
Music Therapy in Hospital	13,000	(5,418)	2,923	10,505
Music Therapy Sunndach & Calareidh	9,224	(9,406)	9,302	9,120
Volunteer Services	39,000	(20,787)	20,787	39,000
Drop In Centre Guided Self Help	28,000	(16,766)	16,766	28,000
ECHC Nurse Specialist	39,000	(33,690)	31,789	37,099
Play Department	6,000	(6,579)	6,579	6,000
Welcome and Reward Presents	6,500	(3,399)	3,399	6,500
Social Work	7,000	(6,185)	6,185	7,000
Fish Tanks	5,000	(3,108)	3,108	5,000
Ward 2 Massage Therapy	14,000	-	(7,259)	6,741
Hospital Passport Clinical Psychologist	32,035	(10,761)	(8,460)	12,814
Kindred Support Project	52,000	(52,000)	39,000	39,000
Kindred Counselling	10,000	(12,000)	11,000	9,000
CAMHS	-	-	10,000	10,000
Flexiscope	35,032	(24,408)	(10,624)	-
Assistant Voluntary Serv Co-ordinator	13,000	(7,619)	8,439	13,820
Transaitional Care Unit Project Lead	-	-	20,417	20,417
Epilepsy Screening Methodology	-	-	33,653	33,653
Enhancement of Child Protection Unit	-	-	40,000	40,000
Clinical Teacher to Support Migration	-	-	32,000	32,000
Lothian Self Management Project	-	-	26,951	26,951
Other approved grants (under 5,000)	12,225	(3,926)	12,021	20,320
New Hospital (VAT refunds)	-	-	249,020	249,020
Designated Funds	594,491	(435,075)	760,261	919,677
Operating Fund	-	-	282,332	282,332

11. RESTRICTED FUNDS

Restricted funds are funds received which are earmarked by the donor for a specific ward, department or project.

	Funds Balance at 1 January 2017	Transfers between Funds	Transfer from (to) Unrestricted Funds	Income during the period	Payments and Grants during the period	Funds Balance at 31 December 2017
	£	£	£	£	£	£
Arts Programme	-	-	39,059	4,431	(43,490)	-
Bill Manson Scholarship	15,385	-	-	1,250	(2,510)	14,125
Billy Macdougall Memorial	19,401	-	-	1,277	-	20,678
Calareidh Fund	-	-	953	15,392	(7,499)	8,846
CAMHS Therapeutic Work	30,000	-	-	-	(3,988)	26,012
Cardiology Congenital Heart Disease	7,750	-	30,369	-	(38,119)	-
Chronic Fatigue	12,261	-	-	-	-	12,261
Clowndoctors	-	-	16,900	100	(17,000)	-
Craig Gowans Memorial Trust	-	-	-	13,737	-	13,737
Intensive Care & High Dependency	48,381	(5,800)	-	16,080	(13,662)	44,999
Crohn's Disease Research	17,375	-	-	39,120	-	56,495
Drop In Centre	-	-	129,242	1,770	(131,012)	-
Epilepsy Research Fund	-	-	24,660	100	(24,760)	-
Guided Self Help	-	-	13,178	-	(13,178)	-
Kidsnet	11,916	-	-	-	(1,933)	9,983
Memory Boxes	2,079	25	2,158	10,382	(3,836)	10,808
Neurology	11,818	-	-	-	(1,285)	10,533
New Hospital Enhancements	244,837	-	(133,456)	146,261	(163,794)	93,848
Orthopaedic / Spinal	28,061	-	-	7,946	(1,277)	34,730
Play Department	-	-	3,226	11,877	(13,215)	1,888
Ward 2	-	5,996	-	16,848	(22,844)	-
Ward 7 Neurology	21,102	-	-	12,272	(17,749)	15,625
Other funds (under £10,000)	96,293	(221)	22,489	38,572	(55,227)	101,906
Subtotal	566,659	-	148,778	337,415	(576,378)	476,474
Raising funds apportioned*	-	-	67,630	-	(67,630)	-
Charitable activities apportioned*	-	-	131,633	-	(131,633)	-
Total Restricted Funds	566,659	-	348,041	337,415	(775,641)	476,474

*These are the costs apportioned to restricted funds per note 7. They are deemed to have been applied to restricted funds in the statement of financial activities but are not charged against each separate restricted fund.

Transfers were made from Unrestricted Funds to Restricted Funds in instances where grant expenditure exceeded the amount available in a Restricted Fund. Transfers have also been made between Funds where this has been considered appropriate or agreed with the fund holder.

In the 2015 accounts, it was necessary to transfer £2,241,170 from Unrestricted Funds to cover the accrued costs of the New Hospital Enhancements. Following additional income in 2017 towards these projects, it was possible in 2017 to restate £133,456 back to Unrestricted Funds.

11. RESTRICTED FUNDS (continued)

	Funds Balance at 1 January 2016	Transfers between Funds	Transfer from (to) Unrestricted Funds	Income during the period	Payments and Grants during the period	Funds Balance at 31 December 2016
	£	£	£	£	£	£
Accident & Emergency	-	-	11,484	942	(12,426)	-
Arts Programme	-	-	25,658	39,707	(65,365)	-
Bill Manson Scholarship	16,135	-	-	1,250	(2,000)	15,385
Billy Macdougall Memorial	-	-	-	19,401	-	19,401
CAMHS Therapeutic Work	-	-	-	30,000	-	30,000
Chronic Fatigue	12,261	-	-	-	-	12,261
Clowndoctors	-	-	16,900	100	(17,000)	-
Craig Gowans Memorial Trust	117,419	(120,981)	-	3,562	-	-
Intensive Care & High Dependency	33,933	-	-	13,586	862	48,381
Crohn's Disease Research	48,635	-	-	7,107	(38,367)	17,375
Drop In Centre	-	-	119,612	1,796	(121,408)	-
Family Support	-	-	(4,785)	10,068	(5,283)	-
Flexiscope	6,000	-	24,408	-	(30,408)	-
Kidsnet	12,842	-	-	250	(1,176)	11,916
Leukaemia & Oncology	15,933	(4,142)	-	2,552	(7,085)	7,258
Neurology	14,719	-	-	-	(2,901)	11,818
New Hospital Enhancements	41,352	162,575	(852,877)	893,787	-	244,837
Orthopaedic / Spinal	27,861	-	-	200	-	28,061
Patrick Hamilton - Oncology	39,726	(39,726)	-	-	-	-
Play Department	-	-	24,091	2,254	(26,345)	-
Ward 2	1,658	4,142	-	12,106	(17,906)	-
Ward 7 Neurology	18,702	-	-	12,958	(10,558)	21,102
Other funds (under £10,000)	98,347	(1,868)	24,218	28,698	(50,531)	98,864
Subtotal	505,523	-	(611,291)	1,080,324	(407,896)	566,659
Raising funds apportioned*	-	-	114,828	-	(114,828)	-
Charitable activities apportioned*	-	-	139,519	-	(139,519)	-
Total Restricted Funds	505,523	-	(356,944)	1,080,324	(662,244)	566,659

In the 2015 accounts, it was necessary to transfer £2,241,170 from Unrestricted Funds to cover the accrued costs of the New Hospital Enhancements. Following additional income in 2016 towards these projects and a refund of VAT, it was possible in 2016 to restate £852,877 back to Unrestricted Funds.

12. FUNDS SUMMARY

The movements during the year allocated to the different funds are summarised as follows:

	Restricted Funds £	Unrestricted Funds £	Operating Fund £	Designated Fund £	Total Funds £
Funds per Balance Sheet at 31 December 2016	566,659	192,172	282,332	919,677	1,960,840
Net Income from the Statement of Financial Activities	(438,226)	41,895	-	-	(396,331)
Grants paid from Designated Funds	-	853,674	-	(853,674)	-
Transfers to Designated Funds	-	(288,770)	-	288,770	-
Operating Fund movement	-	(201,093)	201,093	-	-
Transfer to Restricted funds	348,041	(348,041)	-	-	-
Funds per Balance Sheet at 31 December 2017	476,474	249,837	483,425	354,773	1,564,509

Analysis of Net Assets

	Restricted Funds £	Unrestricted Funds £	Operating Fund £	Designated Fund £	Total Funds £
Net Current assets	476,474	249,837	483,425	354,773	1,564,509
Net Assets at 31 December 2017	476,474	249,837	483,425	354,773	1,564,509

	Restricted Funds £	Unrestricted Funds £	Operating Fund £	Designated Fund £	Total Funds £
Net Current assets	566,659	192,172	282,332	919,677	1,960,840
Net Assets at 31 December 2016	566,659	192,172	282,332	919,677	1,960,840

13. INVESTMENTS

	Group and Charity	
	31 December 2017	31 December 2016
	£	£
Cost of Investments at 31 December 2016	-	1,164,835
Net cumulative gain on revaluation at 31 December 2016	-	(21,072)
Market Value at 31 December 2016	-	1,143,763
Acquisitions at cost	-	226,919
Sale proceeds	-	(1,436,806)
Realised gain on investments sold	-	66,124
Market Value at 31 December 2017	-	-
Cost of Investments at 31 December 2017	-	-
Net cumulative gain on revaluation at 31 December 2017	-	-
Market Value at 31 December 2017	-	-
Cash held as part of portfolio	-	-
Investment gains	-	-
Realised gain on investments sold	-	66,124
Net gain in the period	-	66,124

14. DEBTORS

	Group		Charity	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	£	£	£	£
Interest Receivable	208	212	208	212
Prepayments and accrued income	162,996	31,108	162,823	31,108
Other Debtors	-	-	-	-
	163,204	31,320	163,031	31,320
Due from Task Trading Limited:				
- Profit for the period	-	-	18,483	17,760
- Balance of Task Trading A/c at 31 December	-	-	169	960
	163,204	31,320	181,683	50,040

15. CREDITORS: amounts falling due within one year

	Group		Charity	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	£	£	£	£
Trade creditors	24,710	51,475	20,288	47,756
PAYE/NIC due to HMRC	12,571	10,600	12,571	10,600
Other grants due	126,830	55,660	126,830	55,660
Other creditors	36,380	16,465	34,372	14,138
VAT due to HMRC	2,450	1,996	-	-
	202,941	136,196	194,061	128,154

16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the charity had annual commitments under non-cancellable operating leases as set out below:

	Group and Charity	
	31 December 2017	31 December 2016
	Buildings £	Buildings £
Operating leases which expire		
Within 1 year	36,317	-
Within 2 to 5 years	145,267	-
Over 5 years	51,449	-
	233,033	-

The total lease payments recognised as an expense is £21,185 (2016: £nil).

17. RELATED PARTY TRANSACTIONS

Certain expenses of Task Trading are paid by Edinburgh Children's Hospital Charity and were reimbursed during the period. The amounts due from Task Trading at 31 December 2017 represented the profit for the period of £18,483 (£17,760 in 2016) and £169 (£960 in 2016) in respect of net income by Edinburgh Children's Hospital Charity on behalf of Task Trading.

Edinburgh Children's Hospital Charity

Notes to the financial statements for the year ended 31 December 2017

18. SUBSIDIARY COMPANIES

The following companies, incorporated in Scotland, are 100% subsidiaries of Edinburgh Children's Hospital Charity:

Name	Net Assets	Turnover	Expenditure	Profit / (Loss)	Nature of business
The Sick Kids Friends (Little France) Ltd (SC390634)	£-	£-	£-	£-	Dormant
Task Trading Ltd (SC123976)	£-	£117,737	£117,737	£-	Retail Trading

19. ULTIMATE CONTROLLING ENTITY

Edinburgh Children's Hospital Charity is controlled by its voluntary Board of Trustees. There is no parent company.

REFERENCE & ADMINISTRATIVE DETAILS

Name and Address

Edinburgh Children's Hospital Charity
1 Wester Shawfair
Danderhall
Dalkeith
EH22 1FD

Telephone: 0131 668 4949

Scottish charity number: SC 020862
Company registration number: SC 385020

www.echcharity.org

Royal Patron

HRH Princess Beatrice of York

Chair

Lindsay Gardiner

Chief Executive

Roslyn Neely

Auditors

Henderson Loggie
34 Melville Street
Edinburgh
EH3 7HA

Bankers

Bank of Scotland
Head Office
The Mound
Edinburgh EH1 1YZ

Lawyers

Lindsays

Caledonian Exchange
19A Canning Street
Edinburgh EH3 8HE

PR Advisers

Holyrood Partnership
29 Breadalbane Street
Edinburgh EH6 5JW

Trustees

The Trustees who held office during the period and up to the date of signing Accounts were:

Professor Keith Anderson
Tracey Ashworth-Davies (appointed February 2017)
Robin Blacklock
Elizabeth Bremner (resigned January 2018)
John R Brodie MBE
Dr Michael Dow (Vice-Chair)
Lindsay Gardiner (Chair)
Dr Paul Leonard
Gordon A MacKinlay OBE
Isabel McCallum (resigned December 2017)
Lady Stewart (resigned June 2017)
Professor Angela Thomas OBE (appointed February 2018)
Michael Tumilty
Suzanne Wilson

Audit Committee

Professor Keith Anderson
Dr Michael Dow
Grant Macrae (non-Trustee member)

Grants Committee

Dr Paul Leonard (Chair)
Isabel McCallum (until December 2017)
Lady Stewart (until June 2017)
Michael Tumilty
Suzanne Wilson
Professor Angela Thomas OBE (from February 2018)

Governance Committee

Dr Michael Dow (Vice Chair)
Lindsay Gardiner (Chair)
Roslyn Neely (CEO)