

CHARITY COMMISSION

THE CANDLELIGHTERS TRUST

Charity Registration No. 1045077
Company Registration No. 3020552

TRUSTEES' REPORT
AND
FINANCIAL STATEMENTS

For the year ended 28 February 2022



THE CANDLELIGHTERS TRUST

Annual report and financial statements for the year ended 28 February 2022

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THE CANDLELIGHTERS TRUST
Legal and administrative information

Patron

Lady Emma Ingilby

Clinical (including Medical) Trustees

Dr M Elliott

Dr E M Richards

C De Biase

J Goodden

Dr S Wilkins (appointed 29/9/2021)

Lay Trustees

K Hardcastle (Chair)

S Redman

S Patterson

P Thompson (resigned 30/9/2021)

D Mayman

G Felgate

Finance and Audit Committee

Dr E M Richards

D Mayman

Y Eaton (non-trustee)

Research Committee

M Elliott

C De Biase

J Goodden

K Hardcastle

Nominations and Remuneration Committee

S Patterson

K Hardcastle

Dr E M Richards

C De Biase

THE CANDLELIGHTERS TRUST

Legal and administrative information (continued)

Key management personnel/Senior Management Team:

E Wragg	Chief Executive
L C Fletcher	Deputy Chief Executive and Company Secretary
N Kisby	Head of Family Support
L Pomeroy	Head of Finance and Corporate Services
T Robertshaw	Head of Fundraising
C Gill	Head of Engagement (appointed March 2021)

Head office:

8 Woodhouse Square
Leeds, LS3 1AD

Independent auditors:

Thomas Coombs Limited
Chartered Accountants and Registered Auditors
3365 The Pentagon
Century Way
Thorpe Park
Leeds
LS15 8ZB

Bankers:

Yorkshire Bank
(Trading name of Clydesdale Bank plc)
94-96 Briggate
Leeds, LS1 6NP

Solicitors:

Wrigleys
19 Cookridge Street
Leeds, LS2 3AG

Investment Managers:

Brewin Dolphin Limited
10 Wellington Place
Leeds, LS1 4AN

THE CANDLELIGHTERS TRUST

Report of the Trustees for the year ended 28 February 2022

The Trustees present their report and audited accounts for the year ended 28 February 2022. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice ("SORP") applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT

Objectives

1. The alleviation of the suffering, and the promotion of the relief, care, well-being, and rehabilitation, of children and young people afflicted with any form of malignant disease or a non-malignant but life threatening haematological disorder or central nervous system disorder, in particular (but not exclusively) those who are or who have been under the care of, or otherwise supported by, hospitals in Yorkshire;
2. The preservation and protection of the good physical and mental health and well-being of individuals formerly under the care of, or otherwise supported by, hospitals in Yorkshire, particularly those individuals experiencing serious medical problems associated with their original disease or disorder or its treatment;
3. The protection and preservation of good physical and mental health and wellbeing amongst families and carers of, or other people providing support to, individuals falling under objects 1 or 2 and the provision of practical and other support in their role of caring for such individuals; and
4. The provision of support for such activities as may be legally charitable in the work of hospitals in Yorkshire including the provision of financial assistance for the acquisition and maintenance of equipment for use within hospitals in Yorkshire or in connection with the work of hospitals in Yorkshire and the provision of support, in whatever ways the Trustees think fit, for research, education and training within or connected with hospitals in Yorkshire and the dissemination of the results of such research.

In accordance with their duties pursuant to Section 4 of the Charities Act 2011, the Trustees have considered the Charity's objects and activities in light of the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

Activities and Performance

Candlelighters' first priority is always the welfare of the families whose children are being treated at the Children's and Adolescent Oncology and Haematology department. Whilst the outlook for children with cancer and serious blood disorders continues to improve, the distress caused to families should not be underestimated. In response to requests from families for emotional support, Candlelighters provide funding for support groups and social activities for patients, siblings, parents and grandparents away from the hospital environment.

Financial difficulties can add to the trauma of diagnosis and treatment. At a time when income is often reduced, families face additional expenses such as the cost of food when living at the hospital for long periods of time, travel and increased burden on the family budget. Candlelighters provide three monthly allowances for families upon diagnosis. There is potential access to a Family Assistance Grant to help families in times of financial need any time during treatment. Funding is also provided to provide distraction activities for patients during the long hours spent on the ward and in the day unit. The Charity also provides additional equipment on the wards and day unit in order to support families during their time spent.

COVID-19 has continued to impact the level of services which we have been able to deliver during the financial year. Accordingly, Candlelighters has adapted support services in order to support families in the best way possible during this difficult time. This includes the continuation of some digital online support services as well as practical solutions to support families on the ward such as laundry and shopping for essential items.

Candlelighters @ The Square

Candlelighters @ The Square supports any member of a family affected by childhood cancer. The centre is a five minute walk from the Children's Hospital and can provide daily support for a family whilst on the ward, visiting clinic appointments and for additional support at the family's convenience.

THE CANDLELIGHTERS TRUST

Report of the Trustees for the year ended 28 February 2022 (continued)

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT (continued)

The variety of support has evolved from family feedback over the past seven years.

The centre is open daily from 10.00am to 4.00pm and later on a Thursday evening. The type of services offered include:

- Well-being therapies including a variety of massages, reflexology, and energy balancing
- Talking therapy one to one, group support and mindfulness sessions for both children and adults
- A quiet space for relaxation and refreshments
- Grandparents tea parties
- Sibling support groups
- Support groups for parents
- Patient support groups
- Family events
- Hairdressing as well as being offered on the ward.

The team of support workers @ The Square provide flexible professional support. They support families directly on the wards, in the day unit and at the family support centre. The team keep families updated throughout the year via a variety of methods. Each year in Yorkshire we see on average 125 plus families diagnosed with a cancer all who will be able to access this level of support.

Unfortunately, COVID-19 meant that The Square was unable to operate in its usual way during a period; however, Candlelighters adapted its services during this time to ensure that families had access to a wide variety of online support sessions. When restrictions allowed, The Square was able to gradually bring back support groups and other face to face services.

Candlelighters in Your Community

Candlelighters in Your Community was originally developed from the Candlelighters Bus. The bus enabled us to talk with families in the community to establish how we might be able to provide more locally based support. From delivering support on the bus we have identified key areas within Yorkshire where we are able to meet families in community based settings to provide a friendly face to face service and offer any support they require. We now have a team of four Community Support Workers who work across different locations of Yorkshire where they have a caseload of families and run specific events and community days in order to bring support closer to families' homes. Delivering support in this way has allowed us to reach a different demographic of families in comparison to The Square. We aim to continue developing this form of support; researching how we can offer more support to families locally.

Candlelighters Cottage (Brandon Cottage)

Our Cottage officially opened in November 2018 to families. We know how important it is for families to be together and our Cottage provides a comfortable and homely place for them to stay to enable them to be near to the wards when their child is an inpatient at Leeds Children's Hospital. The Cottage provides an additional four ensuite bedrooms to help alleviate the pressure on Eckersley House. Although we had to half the number of families that were able to use the Candlelighters Cottage for the most part of 2021, due to COVID-19 restrictions, the demand for use during this period was lower due to restrictions remaining at the hospital around visiting. We are now delighted to be able to allow the full number of families at the Cottage again.

Holiday breaks

Candlelighters provides funding for two holidays for families during treatment to spend time at various holiday resort locations in the UK. The Charity can now provide a holiday throughout the whole year for varying length of times.

Each year approximately 200 families are able to take a break away from the routine of treatment and hospital visits secure in the knowledge that if necessary, they are within easy travelling distance of the hospital. We provide financial support to families to be able to pay for travel or other expenses for their holiday. Candlelighters offer these holidays to patients and families during treatment when life can be unpredictable, and we aim to take the stress away for a short time. The holidays are also offered to those families whose child may have died during the year and would welcome a break to get away.

Unfortunately, for a large part of the financial year our holidays had to be put on hold due to the COVID-19 environment, however, we were very pleased to be able to start booking holidays again towards the end of 2021.

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT (continued)

Eckersley House

Eckersley House adjacent to Clarendon Wing, provides accommodation for families from outside the Leeds area whose child is being treated at the Hospital. The house is run by the Sick Children's Trust. In recognition of the heavy use made of the house by paediatric oncology parents, Candlelighters make a substantial contribution each year towards the running costs of the house.

Teenage Cancer Unit Ward L33

Funding is provided for social activities for the Teenage Support Group. Families of teenage patients up to 19 years old are also able to access support grants and use the Candlelighters Holiday provision.

Equipment

The Charity routinely provides funding for the replacement of play, technical equipment and any key white goods for the wards, outpatient's clinic, paediatric radiotherapy department and bone marrow unit.

Paediatric Radiographer

Funding is provided to support the role of specialised paediatric radiographer based at the radiotherapy unit at St James. This role is the only one in Leeds and supports every family who has a child undergoing intensive treatment, often visiting the hospital daily for many weeks. The relationship between families and this role is crucial to enable the child to undergo daily treatments without the need for a general anaesthetic.

Playleaders Ward L31, L33 and Bone Marrow Transplant Unit

Candlelighters fund 2.5 WTE play leaders to provide support for the Play Team on Ward L31, the Bone Marrow Unit and Radiotherapy. The team continues to provide a high quality play service and has put in place a number of initiatives over the last few years. The play team now works across all clinical areas, and with other members of the multidisciplinary team to use play to support children as they undergo a range of treatments and interventions. The Band 5 Play Specialists in the team ensure consistency in play and preparation across the wards and the clinic, and the team provides preparation and, when required, daily support to children in radiotherapy. They support children and families at times when they are elsewhere in the hospital, for example before and following surgery, or in intensive care. The additional resource in the team (when available) gives increased flexibility to cover whichever part of the service has children with greatest need, and respond to short notice requirements, such as preparation for urgent scans. Following feedback from children and their parents and the increased numbers of children requiring Bone Marrow Transplantation, we have identified a key play leader to develop and have a specialist interest in supporting children and their families undergoing this treatment.

Regional Outreach Play Leaders

Candlelighters is in its seventh year of funding the outreach play leader. The role supports families by providing therapeutic play within the child's own home including support to siblings. Addressing anxieties where the child feels safe and putting action plans together. The play leader liaises with the hospital play team to ensure preparation work at home is continued in hospital and action plans followed to provide continuity of care and increase the child and family's confidence in hospital, providing a less frightening experience for the child and family. The role has continued to develop over the years and now provides a huge support to children and their families who are receiving palliative care and to those who have sadly been bereaved.

Such is the success of the role, we have provided funding for a second outreach play leader who is now in place working alongside the current role which will increase the support we are able to provide across Yorkshire.

Speech and Language Therapist ("SLT")

Candlelighters fund 0.1 FTE of the Speech and Language Therapist role to allow the therapist more time with the children. The post ensures that children receive the right SLT interventions at the right time in order to maximise/retain communication, eating and drinking function and therefore an enhanced quality of life. The staff member works in partnership with families and carers ensuring they receive the right information and support throughout their journey. Every effort is made to facilitate communication between families and SLT including a direct phone line and use of SKYPE or Facetime as appropriate.

THE CANDLELIGHTERS TRUST

Report of the Trustees for the year ended 28 February 2022 (continued)

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT (continued)

Dinner Lady

Many patients undergoing treatment for cancer and leukaemia experience problems with eating during treatment. The problem is worse when the child has to spend long periods in hospital as hospital food is served at set times and by the time it arrives at ward level is unlikely to tempt a child with a failing appetite. Candlelighters fund one full time Dinner Lady who provides nutritious snacks on demand for the patients throughout the day and early evening.

Social Support Team

Candlelighters have historically supported the Oncology Social Work Team by funding 61.5 hours per week towards three social workers. In the early part of 2021, funding from another party ceased therefore Candlelighters stepped in to provide emergency funding alongside Leeds City Council in addition to the normal level of support. This funded a further 55.5 hours supporting three social workers and a team manager, all of whom are now supported by a Candlelighters Family Support Administrator. The team play an important role within the multi-disciplinary paediatric oncology team. The impact that the diagnosis of childhood cancer has on family life cannot be overstated. The social support team works closely with the families to provide both emotional and practical help during their child's treatment.

Current Research Grants

The main activity during the year in relation to research grants was as follows:

- During the financial year, Candlelighters awarded a further £371,551 to continue its commitment to fund the Yorkshire Specialist Register of Cancer in Children and Young People. The Register is a research database which is used to support research into the effectiveness of cancer treatments and any complications which emerge several years after therapy has been completed. An external peer review of the research in the year reinforced its value and the funding allows the Register to continue for a number of years including dedicated statistical analysis on the Register data.
- Candlelighters continued funding the Candlelighters Fellowship programme. The programme was created to utilise the research expertise and facilities of the University of Leeds and Leeds Teaching Hospitals NHS Trust to support the research training of academic paediatric oncologists and haematologists, and in order to ensure doctors with relevant expertise are based in Yorkshire to look after children affected by cancer. Candlelighters has supported nine Fellows to date including the recruitment of an additional two new Fellows which started in Autumn 2020.
- Candlelighters continued funding to contribute towards making it possible for the University of Leeds and the Leeds NHS Trust to create a joint academic-clinical position in neurosurgery and for this post to have dedicated research time. This is the first position of its kind at Leeds.
- Candlelighters continued funding a pilot study to whether a new blood test could shorten the duration of treatment meaning less time in hospital and requiring antibiotics.

FINANCIAL REVIEW

The financial statements are presented in the standard format required by the Charity SORP and cover the activities of the Charity and its dormant subsidiary Candlelighters Trading Limited. The Statement of Financial Activities ("SOFA") shows the gross income from all sources and the split of activity between restricted and unrestricted funds.

Income from the branches is shown gross and the fundraising costs are allocated to the fund for which the money was raised.

Income

During the financial year, COVID-19 continued to have a significant impact on the Charity's income. Furthermore there was reduced availability of COVID related emergency funding and we did not experience the exceptional legacy of the previous year. Accordingly, total income of £1,457,364 in the year was £747,993 (34%) lower than previous year as well as being significantly behind pre-COVID 19 income.

FINANCIAL REVIEW (continued)

• Income (continued)

Offsetting the reduced year on year income from Trusts and Foundations (£222,197 reduction), and legacies (£770,648 reduction) was the higher income from our fantastic Community and Corporate supporter base. A slight easing of restrictions compared to the previous year meant more Community fundraising activity was possible and Community income (including Major Donor) of £737,929 was £226,310 higher than financial year 2020/21. Corporate income of £489,626 was £191,608 higher than the previous year reflecting our continued loyal Corporate supporters plus a new Corporate donating £170,000 income.

COVID-19 and, more recently, the Ukraine situation, now compounded by the cost of living crisis, means the fundraising environment is very challenging and we are forecasting subdued income compared to pre-COVID-19 levels for some time.

The Charity would like to thank all our supporters for their immense effort during difficult times to raise money on the Charity's behalf.

• Expenditure

Expenditure for the year increased by £496,713 from £1,603,948 to £2,100,661.

The cost of raising funds of £427,181 was £80,423 lower than prior year. Fundraising staff costs were £133,221 (35%) lower reflecting the restructure in the previous year in response to the challenging COVID-19 environment. Partially offsetting this was an increase in general fundraising costs as certain fundraising activities had become more possible again during the year such as challenge events.

Charitable activities expenditure increased by £577,136 from £1,096,344 to £1,673,480. In the prior year, all but essential spend was cut and restrictions meant a natural limit on the Charity's expenditure. Therefore, a major factor in the higher costs is a gradual easing of COVID-19 restrictions meaning it became increasingly possible to support families affected by childhood cancer in the way we wanted to and would normally do. For example, we were able to start to send families on holidays again (£46,288 increase to prior year), providing greater wellbeing treatments and therapies in person (£29,679 increase to prior year) as well as support groups and activities more generally. We were also able to increasingly have staff based at the hospital and open up The Square again so front line staff costs increased by £51,695. As part of rebuilding the staff of the Charity we incurred £36,972 recruitment fees compared to nil in the previous year.

The biggest driver in the increase in Charitable activities costs was net grant expenditure which was £527,205 higher. COVID-19 has had and continues to have a significant impact on the Charity; however, after weathering the initial storm, our reserves and exceptional income in the prior year allowed the Board to have the confidence to progress and commit to major strategic projects which were paused due to COVID-19. This included a £371,551 multiyear award to continue our support of the Yorkshire Specialist Register of Cancer in Children and Young People.

Going forward our cost base is expected to be more in line with pre-pandemic levels and beyond as we want to continue to expand our support to families, keep progressing strategic objectives and inflationary pressures take effect. However, the challenging fundraising environment means our forecast income is not expected to match the higher and growing expenditure, therefore the Charity is expected to experience significant deficits and use up reserves in the short to medium term.

The Charity strives to keep administrative costs to a minimum to ensure efficient use of resources.

• Investment policy and performance

The Charity's investments are held in a mixture of equities, bonds, pooled funds and bank deposit balances. Brewin Dolphin are the Charity's appointed Investment Managers with an investment mandate of "Income and Capital Growth Return, low to moderate investment risk.", and from an ethical perspective there will be no direct investment in tobacco.

Given the importance of the market value of investments on the reserves of the Charity, the Trustees continue to closely monitor the performance of the portfolio.

The Charity has two investment funds.

FINANCIAL REVIEW (continued)

• Investment policy and performance (continued)

Firstly the Working Capital Portfolio which has a low-risk investment profile with a short to medium term investment horizon as cash flow forecasts show that the Charity may need to access these funds in this timeframe in order to pursue the Charity's objectives. As at 28 February 2022 the Working Capital Portfolio had a market value of £565,013. The portfolio produced an annual estimated gross income of £13,263, which is equivalent to a gross yield of 2.3%.

Over the period 1 March 2021 to 28 February 2022 the Working Capital Portfolio made a total return of +5.57% This compares to a total return in the market benchmark (MSCI WMA Conservative Index) of +4.41%.

As at 28 February 2022, the General Trust Portfolio, which has a medium-risk investment profile with a long-term investment horizon, was valued at £3,397,347. The portfolio produced an annual estimated gross income of £86,320, which is equivalent to a gross yield of 2.5%. Over the period 1 March 2021 to 28 February 2022 the General Trust Portfolio made a total return of +2.51%. This compares to a total return in the market benchmark (MSCI WMA Income Index) of +7.15%. Over this period the FTSE ALL Share Index recorded a total return of +16.03% and the FT Government Securities Index made a total return of -3.02%.

During the year, the markets continued to recover from the COVID-19 driven decline, however, towards the very end of the year any gains accumulated in the year to date largely reversed due to the Ukraine situation. Accordingly, the overall net realised/unrealised investment gain in the year was £11,028.

The remaining current assets of the Charity of £582,197 as at 28 February 2022 were held mainly as bank deposit balances in order to provide sufficient liquidity for the short term settlement of liabilities including grant liabilities.

• Reserves policy

In order to ensure continuity of charitable expenditure and to fulfil the aims and objectives of the Charity, a level of reserves must be maintained, especially due to ongoing commitments from which it is not possible to withdraw at short notice as well as being able to withstand potential drops in the market value of investment funds. This is particularly the case in the current environment as the continued impact of COVID-19 and, more recently, the Ukraine situation and the cost of living crisis is making the fundraising environment very challenging with the latter also putting pressure on the cost base of the Charity. This strain on income and costs at a time we want to maintain and expand our support to families affected by childhood cancer means we are forecasting annual deficits for the next few years.

In February 2022 the Trustees formally agreed to set a new reserves policy based on the level of free reserves. The policy is that free reserves should be no lower than £1.0 million with a target level of between £1.5 million and £2.0 million. This excludes the fixed asset reserve, designated reserves and restricted reserves. Previously the policy included designated reserves but the progression of strategic projects means the level of designated reserves can change quite significantly in any given period.

The target level is deemed appropriate given the challenging environment and continued forecast deficits for the next few years. If the environment improves and stabilises, the target level may be reduced in the future.

If free reserves are exceeding the target level we will look to further designate reserves to long term strategic projects including research but also the planned new Children's hospital. The new Children's hospital will have a major impact on the Charity and will require significant reserves to help support the development and the new location may mean Candlelighters needs to secure different or additional premises to ensure we are in the right place to support patients and families. Our investment will align to the new Children's hospital timetable, however, these reserves may be required well before the scheduled opening and given the potential reserves required, we need to start building the designated reserves now.

Free reserves at the end of the financial year are £1,577,306 so towards the lower end of the target range. The free reserve is budgeted to reduce this financial year but the budgeted deficit will also use up designated and restricted reserves.

• Restricted and Unrestricted Funds

Monies donated to the Research Fund are restricted solely for the purpose of funding research. Other restricted funds are detailed in note 23 of the financial statements.

FUTURE PLANS

Candlelighters, like many other charities, continued to be impacted by COVID-19 during this year both in terms of income generation and its service delivery. In addition to this Candlelighters also saw the impact of the cost of living crisis and the war in Ukraine beginning to emerge and further affect income generation.

As Candlelighters looks ahead its key areas of focus over the coming year are:

- To further diversify income streams to protect and grow income
- To be more effective in everything it does, largely through the development of digital solutions, enhancing the family journey and supporter journey
- To develop its plans to provide more individualised support to families
- To launch the new research programme focusing on reducing the side effects of treatment and improving quality of life
- To engage with families and key stakeholders to ensure our services are up to date and fit for purpose. Their feedback and involvement will help to plan and shape the future of family support delivery for the next 5 years

The Charity remains committed to the key aims within its 2020/2025 strategy, its key aims are to:

- Maintain high quality family support services
- Expand current family support services across Yorkshire, taking support closer to home for families
- Provide equitable support for families affected by childhood cancer across Yorkshire regardless of their principal treatment centre in Yorkshire
- Invest further in research; to include the funding of a new leading research programme in Supportive Care resulting in improved quality of life for children affected by childhood cancer
- Be more digital in everything we do
- Support the development of the new Children's Hospital for oncology families and be the Centre of Excellence nationally with regards to our model of support for families affected by childhood cancer
- Protect, maintain and increase income in the next 5 years to enable the implementation of our strategic plan

Candlelighters is extremely excited about the year ahead where it will see a return of some of the biggest face to face family events and mass participation events in fundraising since pre Covid-19. These are huge milestones and ones which the Charity is really looking forward to being able to deliver and be involved in.

This year we will also see the return of a Family Support Sub Committee of the Board to drive forward the development of key initiatives such as the 'Candlelighters in Your Community' model, which the Charity will be enhancing to support families on a more individualised basis.

Candlelighters hopes that this year will also see the appointment of the researcher who will be developing a 5-year research programme focusing on improving the quality of life of children with cancer in particular looking at if and how we can reduce the severity of the side effects from treatment.

As the Charity looks ahead with renewed optimism, it must also be conscious and mindful of the challenges which lie ahead; both in terms of the uncertainty in income generation and also in terms of the challenges its colleagues face within the NHS who are still very much managing the impact of 'Covid-19'.

Candlelighters remains committed and determined to provide the best possible support to families affected by childhood cancer and will continue to respond and adapt accordingly to the challenges that may lie ahead in the coming year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The legal status of The Candlelighters Trust is that of a Company Limited by Guarantee incorporated in 1995. As such its governing instrument is its Memorandum and Articles of Association, as amended over the years to allow for current governance arrangements.

It is registered as a charity with the Charity Commission. Parents whose children are treated at the Children's and Adolescent Oncology and Haematology department can become members of the company. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

- **Trustees**

Details of the Trustees, who are also directors of the company for the purposes of company law, who have served during the year are listed on page 1.

None of the Trustees had any personal beneficial interests requiring disclosure, either in the Charity or in its wholly owned subsidiary company, Candlelighters Trading Limited, other than disclosed in note 21 of the financial statements.

- **Appointment of Trustees**

As set out in the Articles of Association the Board of Trustees must be made up of between nine and fifteen individual Trustees, all of whom shall become Members by virtue of their appointment as Trustees. No less than one third, but no more than half of the Trustees will be clinical (including medical) Trustees.

The Articles of Association require that one third of the Trustees retire by rotation at each Annual General Meeting after which they may put themselves forward for reappointment.

- **Training of Trustees**

Most Trustees are already familiar with the practical work of the Charity through their association with the Children's and Adolescent Oncology and Haematology department. New Trustees receive a briefing on their legal obligations under charity and company law; the content of the Memorandum and Articles of Association; the Board of Trustees and the decision-making process; the history; business plan and recent financial performance of the Charity. In addition, Trustees are encouraged to attend appropriate internal and external training events to facilitate the undertaking of their role.

- **Management**

The Trustees meet at least four times a year to review and decide the broad strategy and areas of activity of the Charity including grant making, administration, reserves and risk management. In addition, once a year, there is a Hearts and Minds day where the Trustees review in depth the future direction and strategy of the Charity.

The day-to-day administration of grants and the processing and handling of applications prior to consideration by the relevant committee is delegated to the Senior Management Team.

- **Key Management Personnel and Remuneration Policy**

The board of Trustees together with the Senior Management Team (as listed on page 2) are considered to be the key management personnel of the Charity.

All Trustees give their time freely and no Trustee remuneration or expenses were paid during the year.

The Chief Executive salary is determined by benchmarking across the Third Sector on an annual basis.

- **Voluntary help and employees**

The Trustees wish to record their thanks for the hard work of the Charity's employees and the support of the much-valued assistance of volunteers.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

• Risk management

The Trustees regularly review the risk management strategy in accordance with the requirements of the SORP on Accounting and Reporting by Charities. The Charity has a risk management strategy which comprises a formal review of the risks the Charity may face at least twice a year, and the systems and procedures to minimise any potential impact on the Charity should those risks materialise. Internal control risks are minimised by policies and procedures covering a wide range of risks including the authorisation of all grants and financial transactions.

The key risks to the Charity fall into the categories below. A description of the risk categories and how these risks are mitigated are as follows:

- *Governance risk:* This is the risk that poor governance means the Board fails to deliver an effective strategy in line with the Charity's objectives. This may be due to the Board not having the right skills or commitment, or there is a conflict of interest or dominant influence. This risk is mitigated due to a rigorous Board selection, and ongoing appraisal and skills review programme. There is a conflicts of interest protocol where all potential conflicts are declared and recorded, and appropriate action taken if any perceived conflicts exist. The Charity has a five year strategic plan which is reviewed annually, and an annual business plan with quarterly performance reviewed by the Board.
- *Operational risk:* This category of risk reflects potential issues arising from the day to day operational activities of the Charity. This includes any risks arising from the support the Charity provides to the families affected by childhood cancer, as well as risks to Charity staff and its assets, data and infrastructure. Policies and procedures are in place in order to reduce operational risk. All new staff and volunteers or relevant third parties go through an extensive induction training process including a review of the Charity's policies and procedures. Existing staff receive refresher training and have to review policies and procedures on a periodic basis. All teams meet weekly to discuss any new or ongoing operational risks including specifically safeguarding risks, and any significant risks are escalated to the weekly Senior Management Team meeting. Any significant incidents are recorded on an "Incident Report Form" which requires consideration of any lessons learnt and necessary actions with sign off from the Senior Management Team. Risks also from part of a monthly appraisal process.
- *Financial risk:* The financial performance and position of the Charity is monitored regularly including monthly management information and is reviewed at each Trustee meeting. Liquidity risk is managed by regular monitoring of the cash held at bank and alternative funds available. An annual budget is prepared by the Senior Management Team and approved by the Board and if during the year the performance is expected to be significantly different from that budgeted, a reforecast exercise will be undertaken. Financial policies and procedures, and controls are in place for core financial activities. A key element in the management of financial risk is the setting of a reserves policy and its periodic review by Trustees.
- *Legal and compliance risk:* Guidelines are issued to all staff and volunteers in order to comply with charity and local authority regulations and to minimise risks to health and safety. The Charity seeks external legal advice when required.
- *External risk:* The Charity can be significantly impacted by external factors including political, economic, social, technological and environmental. The Senior Management Team and Board will regularly review external factors and are informed from communications and briefings from a number of sources including industry bodies, supporters and beneficiaries. These factors are taken into account in the annual business plan and five year strategic plan, as well as the reserves policy. Policies and procedures are also in place to deal with external factors that would impact more immediately such as business continuity and disaster recovery planning.

• Grant making policy

Research Grants

The Charity funds research into adolescent and childhood cancer and leukaemia. All grants are reviewed by the Board with Board approval required for any grant in excess of £20,000 or £2,000 if not already included in the budget. Any research grants in excess of £50,000 have to be reviewed by external scientific experts before being submitted for approval by the Board of Trustees and periodically thereafter. In 2021 Candlelighters entered into a partnership agreement with an AMRC registered charity, Children's Cancer Leukaemia Group (CCLG), to allow for independent expert support with the initial review and ongoing monitoring of research grants including those below £50,000.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Other Grants

The Charity also provides non-research grants in order to provide support to families affected by childhood cancer such as funding roles at the hospital or providing medical equipment. All grants over £20,000 (or £2,000 if not already included in the budget) have to be approved by the Board and all grants are reviewed by the Board.

- **Conflict of interest policy**

The Charity has adopted a conflict of interest policy applicable to all Trustees, Members of the Sub-Committees and staff. This policy aims to protect both the organisation and the individuals involved from any appearance of impropriety. All Trustees, Members of the Sub-Committees and Staff are asked to declare their interests and any gifts or hospitality received in connection with their role in the Charity. In accordance with the Trust's policy, Trustees and Sub-Committee Members are required to withdraw from decisions where a conflict of interest arises.

- **Ethical Fundraising policy**

At Candlelighters we aim to ensure that our supporters and the wider public are treated fairly and with respect. We continually monitor and review our practices to ensure we are adhering to the latest in fundraising regulations and practices.

Fundraising Standards

Candlelighters voluntarily subscribes to the Fundraising Regulator and its Code of Fundraising Practice. All staff are aware of and adhere to Charity Commission guidelines and The Code of Fundraising Practice which sets out statutory obligations and best practice standards.

Third Party Fundraising

We work with people and organisations raising funds on behalf of Candlelighters in order to ensure best practice and the Fundraising Regulator's Code of Conduct is followed. Where applicable, signed contracts and agreements will be put in place.

Complaints

At Candlelighters we aim to maintain high standards in all areas of our work and complaints are an important way for us to identify and resolve issues quickly and learn how to improve our services and procedures long term, ensuring we are able to maintain high standards in all areas of our work. In the year to 28 February 2022, Candlelighters received two complaints relating to fundraising which have now been resolved. In the instance where a complaint is received, Candlelighters has an internal complaints policy which guides staff on how to deal with complaints in an effective manner.

Data

Candlelighters is committed to the responsible use of personal data. We are transparent about what we do with personal data and strive to ensure that our supporters feel confident in how we are using it. Candlelighters is registered with the Information Commissioner's Office ("ICO") and we have a data protection policy in order to ensure we comply with the ICO guidelines.

Protecting vulnerable people

Candlelighters is very conscientious about self-regulation of its fundraising activities and protecting vulnerable people. All staff are aware of and adhere to Charity Commission guidelines and The Code of Fundraising Practice from the Fundraising Regulator which sets out statutory obligations and best practice standards. Guidance is also given to those who fundraise on the Charity's behalf. Candlelighters approach to fundraising is to avoid unreasonable intrusion into an individual's privacy, persistent approaches or undue pressure to donate to the Charity.

THE CANDLELIGHTERS TRUST

Report of the Trustees for the year ended 28 February 2022 (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Auditors

The auditors Thomas Coombs Limited will be proposed for re-appointment at the forthcoming Annual General Meeting.

Small Company Exemptions

The Trustees have taken advantage of the small company exemptions within the Companies Act 2006 in connection with the preparation of the Trustees Report.

Approved by the Board of Trustees on 28th September 2022 and signed on its behalf by:



L Fletcher, Company Secretary

THE CANDLELIGHTERS TRUST
Statement of Trustees' responsibilities

The Trustees (who are also directors of The Candlelighters Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



K Hardcastle
Chair - Trustee



Dr E M Richards
Trustee

Date: 28th September 2022

THE CANDLELIGHTERS TRUST

Independent auditors' report to the members of THE CANDLELIGHTERS TRUST

Opinion

We have audited the financial statements of The Candlelighters Trust (the parent charitable company) and its subsidiaries (the group) for the year ended 28 February 2022 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet and the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 28 February 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and.
- The directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable 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 auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

THE CANDLELIGHTERS TRUST

Independent auditors' report to the members of THE CANDLELIGHTERS TRUST (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the Charity through discussions with management, and from our commercial knowledge and experience of the sector.
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts of the operations of the Charity, including the Charities Act 2011.
- We assessed the extent of compliance with laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Identified and tested journal entries and identified any significant transactions that were unusual or outside the normal course of business.
- Investigated the rationale behind significant or unusual transactions.
- Challenged assumptions and judgements made by management in determining significant accounting estimates.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed audit procedures which included, but were not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Discussions with management of known or suspected instances of non-compliance with laws and regulations.
- Reading the minutes of meetings of those charged with governance.
- Reviewing correspondence with HMRC, relevant regulators including the Charities Commission and the Charity's legal advisors.

At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

THE CANDLELIGHTERS TRUST

Independent auditors' report to the members of THE CANDLELIGHTERS TRUST (continued)

C. Darwin

Christopher Darwin FCA (Senior Statutory Auditor)

for and on behalf of Thomas Coombs Limited

Statutory Auditor & Chartered Accountants

3365 Century Way,

Thorpe Park,

Leeds,

West Yorkshire

LS15 8ZB

Date: 28th September 2022

THE CANDLELIGHTERS TRUST (Company number 3020552)
Consolidated statement of financial activities for the year ended 28 February 2022
(incorporating statutory income & expenditure account)

	Note	Unrestricted Funds £	Restricted Fund £	2022 Total Funds £	2021 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies:					
Donations and grants	3	1,186,674	149,063	1,335,737	1,291,149
Branch fundraising events		5,876	1,620	7,496	27,766
Legacies	4	3,568	-	3,568	774,216
Trading activities – sale of goods		11,244	-	11,244	4,043
Investment income	5	99,319	-	99,319	108,183
Total Income and Endowments		1,306,681	150,683	1,457,364	2,205,357
Expenditure on					
Raising funds	6	413,176	14,005	427,181	507,604
Charitable activities	7	1,133,151	540,329	1,673,480	1,096,344
Total Expenditure	9	1,546,327	554,334	2,100,661	1,603,948
NET INCOME/ (EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS		(239,646)	(403,651)	(643,297)	601,409
Transfers to restricted research	23	14,109	(14,109)	-	-
NET INCOME/ (EXPENDITURE) FOR THE YEAR AFTER TRANSFERS		(225,537)	(417,760)	(643,297)	601,409
Net Gains and Losses					
Gains / (losses) on investments					
Realised		50,860	-	50,860	(43,512)
Unrealised		(39,832)	-	(39,832)	246,204
NET MOVEMENT IN FUNDS		(214,509)	(417,760)	(632,269)	804,101
Reconciliation of funds					
Balances brought forward at 1 March 2021		3,439,311	745,603	4,184,914	3,380,813
BALANCES CARRIED FORWARD AT 28 February 2022	23	3,224,802	327,843	3,552,645	4,184,914

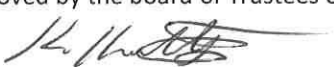
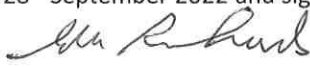
The statement of financial activities includes all gains and losses recognised in the year.
All amounts related to continuing activities within the United Kingdom.

The notes on pages 23 to 41 form part of these financial statements.

THE CANDLELIGHTERS TRUST (Company number 3020552)
Balance sheet at 28 February 2022

		Group		Charity	
	Note	2022 £	2021 £	2022 £	2021 £
Fixed assets					
Tangible fixed assets	12	555,530	597,379	555,530	597,379
Investments	13	3,397,347	3,426,263	3,424,154	3,453,070
		<u>3,952,877</u>	<u>4,023,642</u>	<u>3,979,684</u>	<u>4,050,449</u>
Current assets					
Stock		15,633	15,027	15,633	15,027
Debtors	14	50,616	69,817	50,616	69,817
Investments	15	565,013	560,020	565,013	560,020
Branch funds		35,705	32,146	35,705	32,146
Cash at bank and in hand		480,243	763,790	480,243	763,790
		<u>1,147,210</u>	<u>1,440,800</u>	<u>1,147,210</u>	<u>1,440,800</u>
Liabilities: amounts falling due within one year					
Grant awards	16	(746,469)	(626,446)	(746,469)	(626,446)
Other	16	(77,620)	(52,208)	(104,427)	(79,015)
		<u>323,121</u>	<u>762,146</u>	<u>296,314</u>	<u>735,339</u>
Net current assets					
		<u>323,121</u>	<u>762,146</u>	<u>296,314</u>	<u>735,339</u>
Total assets less current liabilities		<u>4,275,998</u>	<u>4,785,788</u>	<u>4,275,998</u>	<u>4,785,788</u>
Liabilities: amounts falling due after more than one year					
Grant awards	17	(723,353)	(600,874)	(723,353)	(600,874)
		<u>£3,552,645</u>	<u>£4,184,914</u>	<u>£3,552,645</u>	<u>£4,184,914</u>
Net assets	19				
		<u>£3,552,645</u>	<u>£4,184,914</u>	<u>£3,552,645</u>	<u>£4,184,914</u>
Funds of the Charity					
Unrestricted - free charitable reserve	23	1,577,306	1,940,391	1,577,306	1,940,391
Unrestricted - fixed assets reserve	23	555,530	597,379	555,530	597,379
Unrestricted- designated: supportive care	23	746,166	376,541	746,166	376,541
Unrestricted- designated: digital	23	145,800	150,000	145,800	150,000
Unrestricted- designated: Sheffield	23	-	65,000	-	65,000
Unrestricted- designated: Cottage	23	-	10,000	-	10,000
Unrestricted- designated: New Children's Hospital	23	100,000	-	100,000	-
Unrestricted- designated: research pot	23	100,000	300,000	100,000	300,000
Restricted	23	327,843	745,603	327,843	745,603
		<u>£3,552,645</u>	<u>£4,184,914</u>	<u>£3,552,645</u>	<u>£4,184,914</u>
Total funds	23	<u>£3,552,645</u>	<u>£4,184,914</u>	<u>£3,552,645</u>	<u>£4,184,914</u>

Approved by the board of Trustees on 28th September 2022 and signed on its behalf by:

 
K Hardcastle (Chair - Trustee) **Dr E M Richards (Trustee)**

The notes on pages 23 to 41 form part of these financial statements.

THE CANDLELIGHTERS TRUST
Consolidated Cash Flow Statement
For the year ended 28 February 2022

	Note	2022 £	2021 £
Cash flows from operating activities:			
Cash generated from/ (used in) operations	a	<u>(297,632)</u>	<u>736,698</u>
Net cash generated from/ (used in) operating activities		<u>(297,632)</u>	<u>736,698</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(7,207)	(4,146)
Purchase of investments		(683,831)	(1,203,875)
Sale of investments		708,682	856,235
Net cash (used in)/ generated from investing activities		<u>17,644</u>	<u>(351,786)</u>
Change in cash and cash equivalents in the reporting period		<u>(279,988)</u>	<u>384,912</u>
Cash and cash equivalents at the beginning of the reporting period		<u>795,936</u>	<u>411,024</u>
Cash and cash equivalents at the end of the reporting period	b	<u>£515,948</u>	<u>£795,936</u>

The notes on pages 23 to 41 form part of these financial statements.

THE CANDLELIGHTERS TRUST
Consolidated Cash Flow Statement Notes
For the year ended 28 February 2022

a. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net movement in funds for the reporting period (as per the statement of financial activities)	(632,269)	804,101
Adjustments for:		
Depreciation charges	43,003	58,761
Loss on disposal of tangible fixed assets	6,053	-
Fixed asset impairment	-	194,388
Net unrealised (gains)/losses on investments	39,832	(246,204)
Net realised (gains)/losses on investments	(50,860)	43,512
(Increase)/ decrease in cash held within investments	10,100	92,869
(Increase)/decrease in stock	(606)	2,630
(Increase)/decrease in debtors	19,201	135,487
Increase/(decrease) in creditors	267,914	(348,846)
Net cash generated from/ (used in) operating activities	£(297,632)	£736,698

b. COMPOSITION OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Branch funds	35,705	32,146
Cash at bank and in hand	480,243	763,790
Cash and cash equivalents	£515,948	£795,936

The notes on pages 23 to 41 form part of these financial statements.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022

1 General information

The Candlelighters Trust is a company limited by guarantee, incorporated in England & Wales. The registered office is 8 Woodhouse Square, Leeds, LS3 1AD. The members of the company are the trustees detailed on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2 Accounting Policies

Basis of Preparation

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

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

Basis of Consolidation

The consolidated accounts incorporate the accounts of the Charity and its wholly-owned subsidiary undertaking. The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and SORP 2015 and has not presented its own Income and Expenditure account in these financial statements. A separate Statement of Financial Activities for the Charity is not considered necessary because the activities of the Charity and the wholly owned subsidiary undertaking are easily distinguished within the consolidated Statement of Financial Activities. The accounts include the activities of both the head office and those of its various branches.

Going Concern

The financial statements have been prepared on a going concern basis. The trustees (who are directors of The Candlelighters Trust for the purposes of company law and trustees of The Candlelighters Trust for the purposes of charity law) have reviewed the Charity's financial position, taking into account the satisfactory level of reserves and cash, current year forecasts and its systems of financial and risk management. As a result of their review, the trustees believe that the Charity is well placed to manage operational and financial risks successfully.

Fund Accounting

Monies earmarked by donors or by the terms of an appeal for particular projects are accounted for separately, in Restricted Funds. The notes to the accounts show the movements and balances on any such Restricted Funds. Unrestricted funds may be spent on any legitimate charitable aim as laid down in the Charity's memorandum of association.

Unrestricted funds are held in the general reserve except to the extent that the Trustees consider it appropriate to make transfers to designated funds to meet the expected cost of planned awards for the future. As costs on such awards are incurred, they are charged against the designated fund to the extent that the fund proves sufficient. Any balance of such expenditure is charged against the general fund. If the project costs less than the amount in the designated fund, any surplus is transferred back to the general fund.

The group's accounting systems allocate all income, expenditure, assets, liabilities and reserves between these funds. The statement of financial activities shows separately the income, expenditure and any transfers relating to restricted funds, designated funds and general reserves. Assets and liabilities attributed to each fund are disclosed in the notes to the financial statements.

Income

Donations and fundraising event income are included in the Statement of Financial Activities when:

- the Charity is told it is to receive the gift or donation;
- the Trustees are reasonably certain of the amount to be received;
- the Trustees are reasonably certain they will receive the money; and
- any conditions for receipt are met.

2 Accounting Policies (continued)

Income (continued)

Legacies are recognised when it is probable that they will be received. Receipt is normally probable when:

- there has been grant of a probate;
- the executors have established that there are sufficient assets in the estate after settling any liabilities to pay the legacy; and
- any conditions attached to the legacy are either within the control of the Charity or have been met.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accruals model.

Volunteers and Donated Services and Facilities

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' annual report.

Where services are provided to the Charity as a donation that would normally be purchased from a supplier, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity.

Expenditure

Liabilities are recognised as resources are expended or as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the Charity.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Cost Allocation

The Statement of Recommended Practice requires that costs are allocated where appropriate to charitable expenditure and to costs of generating funds. The Charity's central overheads, including staff costs, have been allocated to charitable activity and costs of generating funds on the basis of the allocated time spent by staff on those functions with the aim of ensuring that those costs remaining with governance costs relate to the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Costs of Raising Funds

The costs of raising funds consist of commercial trading costs, investment management fees, branch fundraising events and those other costs incurred in attracting voluntary income.

Charitable Activities

Costs of charitable activities include grants made and an apportionment of overhead and support costs.

Governance Costs

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Pension Contributions

The Charity pays defined contributions into the pension schemes of several employees. These amounts are charged to the Statement of Financial Activities as they become payable and in accordance with their functional classification.

2 Accounting Policies (continued)**Operating Leases**

Rental charges are charged on a straight-line basis over the term of the lease.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets capable of operating as intended, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Equipment	20% reducing balance
Fixtures and fittings	10% reducing balance, 20% reducing balance
Pavilion	20% on cost
The Square	10% on cost
Brandon Cottage	2% on cost

No depreciation is charged on tangible fixed assets until they are capable of operating as intended.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at year end. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Fixed and Current Asset Investments

Quoted investments are stated at mid-market value. All losses and gains are taken direct 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 year end and opening market value (or purchase date if later).

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in profit or loss.

Liabilities and Provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation, Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

Financial Instruments

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

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022 (continued)

2 Accounting Policies (continued)

Stock

Stock is valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to disposal.

Judgements in Applying Accounting Policies and Estimation Uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these key judgements and estimates have been made include the depreciation of fixed assets, the estimate of grant liabilities, the provisions for costs included within accruals and the allocation of donations and costs.

3 Donations and grants

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Community	621,911	66,018	687,929	511,619
Major Donor	50,000	-	50,000	-
Corporate	488,781	845	489,626	298,018
Trusts and Foundations	23,250	82,200	105,450	327,647
Government Grants	2,732	-	2,732	153,865
	<u>£1,186,674</u>	<u>£149,063</u>	<u>£1,335,737</u>	<u>£1,291,149</u>
<i>Total 2021</i>	<u>£955,638</u>	<u>£335,511</u>	<u>£1,291,149</u>	

Of the £2,732 Government grants, £1,232 (2021: £143,865) related to the Job Retention Scheme received for members of staff on furlough.

4 Legacies

	Unrestricted Funds - Core £	Unrestricted Funds – Exceptional legacy £	Restricted Funds £	2022 Total £	2021 Total £
Legacies	3,568	-	-	3,568	774,216
	<u>£3,568</u>	<u>-</u>	<u>-</u>	<u>£3,568</u>	<u>£774,216</u>
<i>Total 2021</i>	<u>£124,216</u>	<u>650,000</u>	<u>-</u>	<u>£774,216</u>	

The exceptional income received in 2021 related to an extraordinary large single legacy for which there were no specific restrictions attached to the donation.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022 (continued)

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Income from listed investments	99,319	-	99,319	108,128
Bank and other interest	-	-	-	55
	<u>£99,319</u>	<u>-</u>	<u>£99,319</u>	<u>£108,183</u>
<i>Total 2021</i>	<u>£108,181</u>	<u>£2</u>	<u>£108,183</u>	

6 Costs of Raising Funds

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Postage	2,459	-	2,459	1,592
Newsletter	18,809	-	18,809	5,237
Fundraising expenses	58,049	-	58,049	25,750
Opening stock	15,027	-	15,027	17,657
Cost of merchandise sold	5,517	-	5,517	729
Closing stock	(15,633)	-	(15,633)	(15,027)
IT costs	9,559	650	10,209	8,908
Banking and platform charges	15,797	-	15,797	11,785
Website costs	12,000	-	12,000	12,000
Branch fundraising costs	-	44	44	8,270
Investment management costs	26,493	-	26,493	22,223
Staff training	4,998	-	4,998	289
Waverley premises costs	19,926	4,456	24,382	25,940
Support costs				
Apportioned staff costs	240,175	8,855	249,030	324,360
Staff costs covered by government grants	-	-	-	57,891
	<u>£413,176</u>	<u>£14,005</u>	<u>£427,181</u>	<u>£507,604</u>
<i>Total 2021</i>	<u>£455,168</u>	<u>£52,436</u>	<u>£507,604</u>	

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022 (continued)

7 Charitable Activities

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
<i>Research grants</i>				
Total grants awarded (see note 24)	-	371,551	371,551	-
Grants no longer required	-	-	-	-
<i>Other grants</i>				
Total grants awarded (see note 24)	259,821	-	259,821	117,870
Grants no longer required	(10,787)	-	(10,787)	(24,490)
<i>Other charitable activities</i>				
Family financial support	93,260	14,000	107,260	94,661
Support groups and parent information	10,362	29,036	39,398	13,476
Holidays for families	45,079	-	45,079	(1,209)
Recruitment costs	36,972	-	36,972	-
Hospital Equipment and support	7,065	2,308	9,373	7,112
Brandon cottage costs	9,709	-	9,709	8,002
Brandon cottage impairment	-	-	-	194,388
Depreciation of Brandon cottage and fittings	11,780	-	11,780	26,864
Global Make Some Noise- Twin Vision	-	-	-	2,625
Animation				
<i>@The Square</i>				
- Running costs	44,399	5,544	49,943	22,998
- Depreciation of The Square	22,530	-	22,530	22,530
- Wellbeing treatments and support	75,775	10,090	85,865	56,186
- Front line staff costs	205,513	82,995	288,508	201,017
- Staff costs covered by government grants	1,034	-	1,034	36,830
<i>Support costs</i>				
Depreciation	8,693	-	8,693	9,367
Loss on disposal of fixed assets	6,053	-	6,053	-
Candlelighters car	-	-	-	126
IT costs	9,558	650	10,208	8,908
Other support costs	16,752	-	16,752	10,074
Auditors' remuneration – payroll services	1,588	-	1,588	1,809
Other staff costs- charity management and central support of charitable activities	255,995	22,537	278,532	216,350
Staff costs covered by government grants	198	-	198	49,144
Governance costs (note 8)	21,802	1,618	23,420	21,706
	<u>£1,133,151</u>	<u>£540,329</u>	<u>£1,673,480</u>	<u>£1,096,344</u>
<i>Total 2021</i>	<u>£894,066</u>	<u>£202,278</u>	<u>£1,096,344</u>	

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022 (continued)

8 Governance Costs

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Auditors' remuneration	7,811	654	8,465	8,100
Legal and professional	7,061	-	7,061	6,333
Apportioned staff costs	6,036	964	7,000	6,860
Meetings	894	-	894	413
	<u>£21,802</u>	<u>£1,618</u>	<u>£23,420</u>	<u>£21,706</u>
<i>Total 2021</i>	<u>£16,813</u>	<u>£4,893</u>	<u>£21,706</u>	

9 Total Resources Expended

	Staff Costs £	Depreciation £	Other Costs £	2022 Total £	2021 Total £
Costs of raising funds	249,030	-	178,151	427,181	507,604
Charitable activities (excluding governance)	568,272	43,003	1,038,785	1,650,060	1,074,638
Governance costs	7,000	-	16,420	23,420	21,706
	<u>£824,302</u>	<u>£43,003</u>	<u>£1,233,356</u>	<u>£2,100,661</u>	<u>£1,603,948</u>
<i>Total 2021</i>	<u>£892,452</u>	<u>£58,761</u>	<u>£652,735</u>	<u>£1,603,948</u>	

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022 (continued)

10 Total Resources Expended (continued)

Staff Costs	2022	2021
	£	£
Wages and salaries	735,482	788,361
Social security costs	60,153	67,618
Pension costs	28,667	36,473
	£824,302	£892,452

The total employment costs to the Charity of the key management personnel during the year was £297,546 (2021: £249,076).

The average number of key management personnel during the year was 6 (2021: 5).

Reimbursed expenses, which are all subject to the Charity's processes of internal controls, do not form part of remuneration and are not included above.

The Trustees received no remuneration and were not reimbursed for any expenses during the year (or previous year).

All Trustees give their time freely and no Trustee remuneration was paid in the year. During the year monetary donations made by Trustees to the Charity totalled £677 (2021: £60).

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
	Number	Number
In the band £60,001 - £70,000	1	1

Pension contributions of £nil (2021: £nil) were paid by the Charity for the above employee.

The average number of paid employees (including part-time) was:

	2022	2021
	Number	Number
Administration, management, fundraising and charitable expenditure support	28	31

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022 (continued)

11 Comparatives for the Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	2021 Total £
INCOME AND ENDOWMENTS FROM			
Donations and legacies:			
Donations and grants	955,638	335,511	1,291,149
Branch fundraising events	20,436	7,330	27,766
Legacies	774,216	-	774,216
Trading activities – sale of goods	4,043	-	4,043
Investment income	108,181	2	108,183
Total Income and Endowments	1,862,514	342,843	2,205,357
Expenditure on			
Raising funds	455,168	52,436	507,604
Charitable activities	894,066	202,278	1,096,344
Total Expenditure	1,349,234	254,714	1,603,948
NET INCOME/ (EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS	513,280	88,129	601,409
Transfers to restricted research	13,453	(13,453)	-
NET INCOME/ (EXPENDITURE) FOR THE YEAR AFTER TRANSFERS	526,733	74,676	601,409
Net Gains and Losses			
Gains / (losses) on fixed asset investments			
Realised	(43,512)	-	(43,512)
Unrealised	246,204	-	246,204
NET MOVEMENT IN FUNDS	729,425	74,676	804,101
Reconciliation of funds			
Balances brought forward at 1 March 2020	2,709,886	670,927	3,380,813
BALANCES CARRIED FORWARD AT 28 February 2021	£3,439,311	£745,603	£4,184,914

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022 (continued)

12 Tangible Fixed Assets

Group and Charity:

	Freehold Property	Leasehold Improvements		Fittings & fixtures	Equipment	
	Brandon Cottage £	@The Square £	Pavilion £	Brandon Cottage £	£	Total £
Cost						
As at 1 March 2021	635,279	225,303	326,539	114,890	70,736	1,372,747
Additions	-	-	-	-	7,207	7,207
Disposals	-	-	-	-	(26,912)	(26,912)
As at 28 February 2022	635,279	225,303	326,539	114,890	51,031	1,353,042
Accumulated depreciation and impairments						
As at 1 March 2021	222,779	157,734	326,539	35,725	32,591	775,368
Charge for the year	-	22,530	-	11,780	8,693	43,003
Eliminated on disposal	-	-	-	-	(20,859)	(20,859)
As at 28 February 2022	222,779	180,264	326,539	47,505	20,425	797,512
Net book value						
At 28 February 2022	£412,500	£45,039	£ -	£67,385	£30,606	£555,530
<i>At 28 February 2021</i>	<i>£412,500</i>	<i>£67,569</i>	<i>£ -</i>	<i>£79,165</i>	<i>£38,145</i>	<i>£597,379</i>

The Trustees considered costs incurred in the building of the Pavilion are improvements on leasehold land owned by the Leeds General Infirmary.

The Square costs represent capital improvements and internal fittings and furniture within a short leasehold property. The property hosts the family support centre of the Charity.

The freehold property represents the asset of Brandon Cottage.

During 2021, the Charity gained more details about the planned new children's hospital including information on timescales, location and the possible accommodation for families. From these details, the most likely expectation is that accommodation will be available to families closer to the new location of the hospital than Brandon Cottage. As such, whilst we intend to keep the Cottage as long as it remains valuable to the families and the Charity which is expected to be for a number of years, the potential period of the value in use is likely to be shorter. Accordingly, having reviewed the expected value in use versus up to date market values obtained, the Cottage carrying value was reduced to the market value in 2021. This resulted in an impairment in the financial statements of £194,388. The carrying value continues to be reviewed in light of any developments and updated information regarding the new children's hospital.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022 (continued)

13 Fixed Asset Investments

	Group £	Charity £
Quoted investments		
Market value at 1 March 2021	3,384,288	3,384,288
Additions	601,339	601,339
Disposals	(565,768)	(565,768)
Net unrealised gains	(40,514)	(40,514)
	<hr/>	<hr/>
	3,379,345	3,379,345
 Cash at bank awaiting re-investment	 18,002	 18,002
 Subsidiary undertaking: cost	 -	 26,807
	<hr/>	<hr/>
 Market value at 28 February 2022	 £3,397,347	 £3,424,154
	<hr/>	<hr/>
 Historical cost as at 28 February 2022	 £2,970,796	 £2,997,603
	<hr/>	<hr/>

At 28 February 2022, no individual investment represented more than 5% of the total investment portfolio. At 28 February 2021, investments in Baillie Gifford American W1 Distribution fund represented 6.9% of the total investment portfolio with Artemis Fund Managers representing 5.7%. No other individual investment represented more than 5% of the investment portfolio.

A separate investment portfolio with a lower risk categorisation is held for liquidity and working capital purposes and disclosed as a current asset in note 15.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments arises from uncertain investment markets resulting in variable income and capital returns from the portfolio of assets.

Currency translation risks remain for those companies and bonds that are exposed to overseas earnings and assets.

Liquidity risk is anticipated to be low as all assets are traded on recognised exchanges with good liquidity and high trading volumes. The Charity's portfolio has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages investment risk by appointing professional investment managers and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges.

13 Fixed Asset Investments (continued)

The Charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term total return. Whilst some level of volatility can reasonably be expected, historic studies of quoted financial instruments have shown that volatility in any particular five year period will normally be corrected.

Subsidiary undertaking

The £26,807 investment represents a 100% holding in the issued share capital of Candlelighters Trading Limited, a company registered in England and Wales. The subsidiary was dormant with net assets of £26,807.

14 Debtors

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Amounts falling due within one year:				
Accrued legacy income	5,000	<i>50,000</i>	5,000	<i>50,000</i>
Prepayments and other accrued income	45,616	<i>19,817</i>	45,616	<i>19,817</i>
	<hr/>	<hr/>	<hr/>	<hr/>
	£50,616	<i>£69,817</i>	£50,616	<i>£69,817</i>
	<hr/>	<hr/>	<hr/>	<hr/>

15 Current Asset Investments

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Listed investments	565,013	<i>560,020</i>	565,013	<i>560,020</i>
	<hr/>	<hr/>	<hr/>	<hr/>
	£565,013	<i>£560,020</i>	£565,013	<i>£560,020</i>
	<hr/>	<hr/>	<hr/>	<hr/>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022 (continued)

16 Liabilities: Amounts Falling Due Within One Year

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Creditors in the ordinary course of activities	31,058	16,912	31,058	16,912
Amount owed to subsidiary	-	-	26,807	26,807
Accruals	14,344	15,460	14,344	15,460
Social security	19,124	15,389	19,124	15,389
Other creditors	13,094	4,447	13,094	4,447
	<u>77,620</u>	<u>52,208</u>	<u>104,427</u>	<u>79,015</u>
Grant awards	746,469	626,446	746,469	626,446
	<u>£824,089</u>	<u>£678,654</u>	<u>£850,896</u>	<u>£705,461</u>

17 Liabilities: Amounts Falling Due After More Than One Year

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Grant awards	£723,353	£600,874	£723,353	£600,874

18 Reconciliation of Grants Awarded

Group and Charity

	2022 £	2021 £
Opening liability obligation	1,227,320	1,551,534
Grants awarded in the year (note 24)	631,372	117,870
Provisions no longer required	(10,787)	(24,490)
Paid during the year	(378,083)	(417,594)
Closing liability obligation	<u>£1,469,822</u>	<u>£1,227,320</u>

THE CANDLELIGHTERS TRUST**Notes to the financial statements for the year ended 28 February 2022 (continued)****19 Analysis of Group Assets between Funds**

	Restricted Funds £	General Funds £	Total Funds £
Tangible fixed assets	-	555,530	555,530
Fixed asset investments	-	3,397,347	3,397,347
Other current assets	327,843	819,367	1,147,210
Liabilities	-	(1,547,442)	(1,547,442)
	<hr/>	<hr/>	<hr/>
Net assets at 28 February 2022	£327,843	£3,224,802	£3,552,645
	<hr/>	<hr/>	<hr/>

20 Taxation

The Candlelighters Trust is a registered charity and therefore is not liable to income tax and corporation tax on income and gains derived from its charitable activities as it falls within the various exemptions available to registered charities.

The subsidiary does not have charitable status and is fully subject to taxation. At present the trading subsidiary is dormant and has not traded within the financial year.

21 Trustees Interests and Related Party Disclosures

Trustees are required to declare an interest in contracts with which they are connected. Several Trustees use their expertise in areas affecting The Candlelighters Trust but no Trustee had any significant personal financial interest in contracts with the Charity during the year.

Medical Trustees and members of the Medical Review Panels are not precluded from applying for grant funding for projects. Interests in projects are required to be disclosed and the relevant Trustees and panel members take no part in the decision process. Their projects are assessed using the same criteria as that which applies to all potential grantees.

22 Capital

The Candlelighters Trust is a charitable company, limited by guarantee and has no share capital. The members have agreed to contribute £1 each to the Charity's assets in the event of it winding up, if its assets should prove insufficient to cover its liabilities.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022 (continued)

23 Movements in Funds

Movements in Funds- current year

	At 1 March 2021	Incoming Resources	Resources Expended	Restriction Full filled	Other Transfers	Other Gains & Losses	At 28 February 2022
<u>Unrestricted funds</u>							
Free Charitable Reserve	1,940,391	1,306,681	(1,491,409)	14,109	(203,494)	11,028	1,577,306
Fixed assets reserve (note 12)	597,379	-	(49,056)	-	7,207	-	555,530
Designated Funds- Digital	150,000	-	(4,200)	-	-	-	145,800
Designated Funds-Supportive Care	376,541	-	-	-	369,625	-	746,166
Designated Funds-Sheffield	65,000	-	-	-	(65,000)	-	-
Designated Funds-Cottage	10,000	-	(1,662)	-	(8,338)	-	-
Designated Funds-Research Pot	300,000	-	-	-	(200,000)	-	100,000
Designated Funds- New Children's Hospital	-	-	-	-	100,000	-	100,000
<u>Restricted Funds</u>							
Research Fund	623,459	1,970	(371,595)	-	-	-	253,834
Children in Need- Twin Vision	11,693	-	-	-	-	-	11,693
Movement for Good	42,873	-	(35,418)	-	-	-	7,455
Harry and Mary	-	26,000	(19,192)	-	-	-	6,808
Clay Days 2021	-	60,000	(37,347)	-	-	-	22,653
NHS Charities together	-	13,200	(13,200)	-	-	-	-
The Julia and Hans Rausing Trust	35,721	-	(35,721)	-	-	-	-
Leeds City Council	10,000	-	(10,000)	-	-	-	-
Bettys	10,000	-	(8,288)	-	-	-	1,712
Other	11,857	49,513	(23,573)	(14,109)	-	-	23,688
Total	£4,184,914	£1,457,364	£(2,100,661)	£ -	£ -	£11,028	£3,552,645

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022 (continued)

23 Movements in Funds (continued)

Movements in Funds- prior year

	At 1 March 2020	Incoming Resources	Resources Expended	Restriction Full filled	Other Transfers	Other Gains & Losses	At 28 February 2021
<u>Unrestricted funds</u>							
Free Charitable Reserve	1,090,671	1,862,514	(1,092,725)	12,289	(135,050)	202,692	1,940,391
Fixed assets reserve	846,382	-	(253,149)	1,164	2,982	-	597,379
Designated Funds- Digital	-	-	-	-	150,000	-	150,000
Designated Funds-Supportive Care	377,833	-	-	-	(1,292)	-	376,541
Designated Funds-Sheffield	65,000	-	-	-	-	-	65,000
Designated Funds-Cottage	30,000	-	(3,360)	-	(16,640)	-	10,000
Designated Funds-Research Pot	300,000	-	-	-	-	-	300,000
<u>Restricted Funds</u>							
Research Fund	622,167	7,534	(6,242)	-	-	-	623,459
Children in Need- Wishes and Memories	-	3,612	(3,591)	-	-	-	21
Children in Need- Twin Vision	4,318	10,000	(2,625)	-	-	-	11,693
Movement for Good	44,442	-	(1,569)	-	-	-	42,873
Global Make Some Noise	-	14,000	(11,705)	-	-	-	2,295
The Kentown Wizard Foundation	-	16,000	(16,000)	-	-	-	-
The Julia and Hans Rausing Trust	-	159,480	(123,759)	-	-	-	35,721
The Susie P Foundation	-	11,400	(11,400)	-	-	-	-
National Lottery Community Fund	-	37,840	(37,043)	-	-	-	797
Other	-	82,977	(40,780)	(13,453)	-	-	28,744
Total	£3,380,813	£2,205,357	£(1,603,948)	£ -	£ -	£202,692	£4,184,914

23 Movements in Funds (continued)

Restricted Funds

Monies donated to the Research Fund are restricted solely for the purpose of funding research.

The Children in Need – Twin Vision fund is donations from Children in Need restricted solely for the purpose of an animation project supported by Twin Vision.

The Movement for Good fund reflects amounts donated from the organisation Ecclesiastical under their Movement for Good programme which are restricted to funding the Charity's work in the community including Community Support Workers and certain support groups.

The Harry and Mary fund reflects funding received from the Harry and Mary Foundation. £10,000 is restricted towards Christmas grants provided to families and £16,000 restricted towards Candlelighters in Your Community.

The Clay days 2021 fund reflects amounts raised at the annual Yorkshire Charity Clay Days event in 2021 restricted to the salary of three Family Support Workers for a year.

The NHS Charities Together fund reflects funding from the NHS Charities Together grants programme restricted towards community support workers which was received from Leeds Hospitals Charity.

The Julia and Hans Rausing Trust amount relates to funding received in the year to support core costs during COVID-19.

The Bettys fund reflects a donation from Bettys restricted towards providing wishes and memories for patients and families.

General Funds

The general Free Charitable Reserve can also fund research.

The fixed assets reserve represents funds tied up in tangible fixed assets and so are funds which are excluded from "free" general reserves. The fixed assets can be seen in note 12 and the majority of the asset value and associated reserve relates to the Candlelighters Cottage.

Designated Funds

The Supportive Care designated fund reflects the Board's strategy to support the development of a new research programme in supportive care which will focus on reducing the side effects of treatment and improving quality of life. The amount designated is the estimated reserves that will be required taking into account reserves restricted to research.

There is no longer a designated level of reserve to further enhance our support to Sheffield as whilst supporting Sheffield remains a clear strategic objective, the timing and amount of financial commitment is difficult to estimate at this stage.

The Cottage designated fund reflects an estimation for any significant known upcoming capital expenditure required at the Cottage.

The Research Pot designated fund is the amount of reserves designated for other research beyond other restricted and designated amounts. The Board has reduced the amount of designated reserve to the Research Pot during the year due to recent research commitments made and the level of designated reserve for research specifically into Supportive Care. Furthermore, the future new Children's Hospital creates a strategic priority which needs reserves allocating to.

THE CANDLELIGHTERS TRUST

Notes to the financial statements for the year ended 28 February 2022 (continued)

23 Movements in Funds (continued)

Designated Funds (continued)

The Digital designated fund reflects funds designated to making the Charity more digital. This is deemed a critical strategy in order for the Charity to keep pace with the times and keep relevant.

During the financial year the Board designated £100,000 of funds in order to start building the reserves set aside to go towards the support and spend associated with the new Leeds Children's Hospital. This level of designated reserves relating to the new Children's Hospital is expected to increase as more funds become available in line with the Board's strategic objectives.

24 Grants Awarded	2022 £	2021 £
<u>Research grants</u>		
Yorkshire register	371,551	-
	<hr/>	<hr/>
	£371,551	£-
	<hr/>	<hr/>
<u>General grants</u>		
Outreach play specialists -3 year period	66,292	-
Eckersley House	15,000	15,000
Social Workers - 6 month extension	154,610	78,236
Paediatric Radiographer – 1 year period	23,919	23,628
Other	-	1,006
	<hr/>	<hr/>
	£259,821	£117,870
	<hr/>	<hr/>
Total	£631,372	£117,870
	<hr/>	<hr/>

25 Controlling Party

The Trustees of The Candlelighters Trust are considered to be the controlling party of the company.

26 Operating Lease Commitments

At 28 February 2022, the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	<i>2021</i>
	Total	<i>Total</i>
	£	<i>£</i>
Within 1 year	29,630	<i>10,007</i>
Between 1 and 5 years	40,216	<i>88,510</i>

27 Contingent assets and liabilities

At the year end the Charity had been notified of 1 residual legacy (2021: None) which could not be measured reliably. This has not been included in the financial statements.

At the year end, the Charity had contingent liabilities totalling £248,000 (2021: £Nil) relating to conditional grants. These grants are payable following successful progress reviews and the Charity reserves the right to terminate the funding agreement at their discretion based on this review.